

# **Port of Los Angeles FTZ Workshop 2022**

Presented

By

Mr. Trey W. Boring

President

IMS Worldwide, Inc.

# Agenda for the Day

- Current Global Trade Trends
- FTZ Program Developments
- Annual Reporting
- FTZ Designation Process

# Current Global Trade Trends

- Changes with new Administration
  - China
    - No immediate change to 301
  - EU
    - Changes to the 232
    - New Tariff
- Forced Labor
  - What is your risk?

# Current Global Trade Trends

- The Logistics of Today
  - Impacts to delays
    - Pandemic
    - Equipment Shortages
  - Services

# Current Global Trade Trends

- Single Source
  - Chips
  - Key Parts
  - Subcomponents
- E-Commerce (321)
  - Impact for FTZ Operations
  - Impact for CBP
  - Current Trends and Discussions

# FTZ Program Developments

- Continued Issue of Punitive Tariffs
  - Changes to the Programs
- Demand for FTZ Space
- Increase in Zone Activity
  - Number of Zone Sites
  - Expanded Product mix
  - Zone Managed Services

# FTZ Program Developments

- Operational Developments
  - Production/Manufacturing
    - Smaller Production operations
    - Export Only Production
  - Continued increase in Exports from a Zone
    - What is an export?
    - Where can we ship?
    - What can we not pay?

# FTZ Program Developments

- Where can I find out about all these changes?
  - NAFTAZ
    - Events
    - Education
    - Webinars
    - Advocacy



# The Annual Report

- Do you have your Log In?
  - New Zone Operators need to notify the Grantee if they do not have theirs
- Do you understand the process?
  - The online system has experienced some glitches
  - Do you have all the information you need?
- Anything you think you need from the Grantee?

# The Annual Report

## Part I – Summary of Activity – Zone Project

- Narrative Summary of Zone Activity
  - Growth in Shipments, Activities and Operations
  - Improvements in Zone Services and Facilities
- Promotion and Marketing Efforts
- Summary of GP Zone Activity

# The Annual Report

## Part II – Use of Zone by Business Firms

- Number of Businesses Served (Activated)
- Manufacturing and Processing in the GP Zone
  - Ensure that the business was authorized by the FTZ Board
  - Note any restriction and compliance measures

# The Annual Report

## Part III – Movement of Merchandise

- Number of Items Handled and number of Countries of Origin – this year versus last year
- Merchandise in the Zone at the beginning and end of the Fiscal Year, domestic and foreign
  - Ending last year should equal the beginning of this year
  - Domestic merchandise includes domestic-origin and foreign duty-paid

## Part III – Movement of Merchandise (cont'd)

- Movement— merchandise received, and merchandise forwarded:
  - Includes indirect exports as “Forwarded – To Foreign Countries”
  - Beginning Inventory + Total Received – Total Forwarded = Ending Inventory
- Explain discrepancies, e.g. scrap, destruction of merchandise, physical inventory correction

# The Annual Report

## Part IV – Subzone Activity

- Separate guidelines for Oil Refinery Reports
- Report for each Subzone given to the Grantee for inclusion in the Grantee's Annual Report
- Employment and Movement of Merchandise – much the same as the GP Zone numbers
- The data in the Annual Report format must be provided as non-proprietary, both to FTZ Board and the Grantee, if a public agency

# The Annual Report

## Additional Information Requested by Grantee

- Operators
  - A copy of the current year's Certification letter to CBP
  - Updated contact information
  - Any updates to the Procedures Manual
  - Activated square footage
  - A NEW ACTIVATED AREA MAP

# The Annual Report

## Additional Information Requested by Grantee

- Developers
  - A recent site plan
  - Update on new construction
  - Update on occupancy
  - Marketing efforts for the year
  - Marketing plans for next year



# FTZ Designation Process

- Application for FTZ Designation
  - Type of Applications
    - Site
    - Production/Manufacturing
  - The Request
    - Sponsorship
    - Explanation of Application Requested

# FTZ Designation Process

- Application for FTZ Designation
  - The Review
    - Qualifications of the Site/Process
    - Location of the Site
    - Sensitivity of Commodities
  - The Submission
    - FTZ Board Guidelines
    - Concurrence

# FTZ Designation Process

- Activation of the Zone Site
  - Grantee Sponsorship
    - Site information
    - Operations proposed
    - Commitment of Operator
  - Grantee Approval
    - Meets Guidelines
    - Operator Agreement

# Questions and Answers

**Mr. Trey Boring**  
**President**  
**IMS Worldwide Inc.**