Port of Los Angeles
FTZ Workshop 2020

Trey W. Boring
Sr. Vice President
IMS Worldwide, Inc.
Agenda for the Day

• FTZ Program Developments
  • Status of the FTZ Program
  • FTZ Impact of USMCA
  • 301 Exclusions Expiring
• FTZ Regulations
• FTZ Designation Process
• Annual Reporting
FTZ Program Developments

• Status of the FTZ Program
  • Demand for FTZ Space
  • Activity - Growing and Shrinking
  • New Zone Activity
    • Zone Sites
    • Types of Product
    • Zone Activation Timelines
FTZ Program Developments

• FTZ Impact of USMCA
  • USMCA implementation legislation
    • Rules of Origin
    • Duty Treatment for Manufacturing
    • Making the agreement better than NAFTA

• 301 Exclusions Expiring
  • What do I do with merchandise on the water?
  • What do I do with existing inventory?
  • What do I ultimately need to pay?
Part 146 Reg. Re-Write

- NAFTZ
  - Still an Ongoing Process with CBP
  - COVID has Significantly Impacted the Process
  - Keep Informed
  - NAFTZ Membership is Driving the Discussion
Part 146 Reg. Re-Write

- Original Work
  - Began in 2014 with NAFTZ
  - Initial Update to Part 146 to Modernize
    - Last Updated in 1986
  - The Change in the Administration will Likely Impact Timing Further
  - Recommendations from NAFTZ still Stalled in the Process

- CBP OFO
  - In the Same Boat as the Trade
  - Wants this Process to Succeed
  - Waiting on the Impacts to Clear
Part 146 Reg. Re-Write

• What CBP and the NAFTZ is working to update and change:
  • Adding the ACE components of Zone Operations
  • Adding FTZ Manual only program elements to the Regulations
  • Clear Guidance in the Regulations
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
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?

• Is there anything that you think you need from the Grantee?
The Annual Report

• Do you know what the FTZ Board wants to see?
  • Review the training from the FTZ Board.
  • New Zone Operators especially need to ensure they know what to expect

• Annual Flow through of Merchandise with Value-add
  • The FTZ Board wants you to provide them with a number!
    • They will push your report back

• Your Deadline is February 28th
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
Questions and Answers

Trey Boring
Sr. Vice President
IMS Worldwide, Inc.