



LAREDO INTERNATIONAL AIRPORT

FOREIGN TRADE ZONE #94

GRANTEE: SETUP AND FEE STRUCTURE

JUNE 6, 2013



APPROVAL OF FTZ #94

November 22, 1983

Approved by Foreign Trade Zone Board

City of Laredo – Grantee

In application, Airport is the designated Grantee

Original Sites 3 with 1,070 acres



ORIGINAL ZONE SITES

- Site 1 Laredo International Airport (500 acres)
- Site 2 Proposed Tex-Mex Switching Yard (19.28 acres)
- Site 3 Killam Industrial Park (500 acres)
- Site 4 Laredo NorthWest Colombia-Solidarity Bridge (1,500 acres)
- Site 5 La Barranca Ranch (50 acres)
- Site 6 Unitec Industrial Park (682 acres)
- Site 7 Embarcadero Industrial Park (831 acres)
- Site 8 Uni-Trade Forwarding @ RMR Industrial Park(2 acres)
- Site 9 Kuehne+Nagel @ RMR Industrial Park (1.158 acres)
- Site 10 PG Distribution (1 acre)
- Site 11 Sony Electronics (3.463 acres)



ALTERNATE SITE FRAMEWORK

- ASF adopted by FTZ Board in January 2009
- City of Laredo application submitted on January 20, 2012
- Benefits all logistics, manufacturing, brokers, and 3PL providers in Webb County
- No changes for current FTZ Operators
- Approved August 29, 2012
- Alternate Site Framework no longer applies
- Laredo FTZ includes all of Webb County, TX



ASF APPROVAL LETTER

U.S. DEPARTMENT OF COMMERCE
Foreign-Trade Zones Board
Order No. 1852

Reorganization of Foreign-Trade Zone 94
under Alternative Site Framework
Laredo, Texas

Pursuant to its authority under the Foreign-Trade Zones Act of June 18, 1934, as amended (19 U.S.C. 81a-81u), the Foreign-Trade Zones Board (the Board) adopts the following Order:

WHEREAS, the Board adopted the alternative site framework (ASF) (74 FR 1170-1173, 01/12/2009; correction 74 FR 3987, 01/22/2009; 75 FR 71069-71070, 11/22/2010) as an option for the establishment or reorganization of zones;

WHEREAS, the City of Laredo, grantee of Foreign-Trade Zone 94, submitted an application to the Board (FTZ Docket 22-2012, filed 03/23/2012) for authority to reorganize under the ASF with a service area of Webb County, Texas, within and adjacent to the Laredo Customs and Border Protection port of entry, FTZ 94's existing Sites 1 through 7 would be categorized as magnet sites, and FTZ 94's existing Sites 8 through 11 would be categorized as usage-driven sites;

WHEREAS, notice inviting public comment was given in the *Federal Register* (77 FR 19001, 03/29/2012) and the application has been processed pursuant to the FTZ Act and the Board's regulations; and,

WHEREAS, the Board adopts the findings and recommendations of the examiner's report, and finds that the requirements of the FTZ Act and the Board's regulations are satisfied, and that the proposal is in the public interest;


NOW, THEREFORE, the Board hereby orders:

The application to reorganize FTZ 94 under the alternative site framework is approved, subject to the FTZ Act and the Board's regulations, including Section 400.13, to the Board's

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standard 2,000-acre activation limit for the zone, to a five-year ASF sunset provision for magnet sites that would terminate authority for Sites 2 through 7 if not activated by August 31, 2017, and to a three-year sunset provision for usage-driven sites that would terminate authority for Sites 8 through 11 if no foreign-status merchandise is admitted for a *bona fide* customs purpose by August 31, 2015.

Signed at Washington, DC, this 27th day of August 2012.


Paul Piquado
Assistant Secretary of Commerce
for Import Administration
Alternate Chairman
Foreign-Trade Zones Board

ATTEST: 
Andrew McGilvray
Executive Secretary



TRADE THROUGH FTZ #94

Value of Merchandise Processed:

FY 2009	\$66,557,540
FY 2010	\$73,179,592
FY 2011	\$700,262,246
FY 2012	\$8,752,356,441



CURRENT OPERATORS

AC IMPORTS & EXPORTS

BA FORWARDING CO.

BRUNI SUPPLY CHAIN SOLUTIONS

CONNECTIONS GLOB. LOG

CROMEX FORWARDING INC.

ED GROUP & TFS CUSTOMS BROKER

H. K. GLOBAL TRADING LTD

JETT SALES/AMERICAN AIR FREIGHT

KUEHNE + NAGEL, INC.

LAREDO DUTY FREE

MULTIMODAL LOGISTICS, INC

NIPPON EXPRESS

PG DISTRIBUTION, LLC

RADCO INTERNATIONAL, LLC

RAVISA DISTRIBUTION CENTER, LC

SEEGROVE

SONY ELECTRONICS, INC

SPECIALIZED CUSTOMS SERVICES

TEXAS FORWARDING SVC. U.S. BROKERS

TRADE UNLIMITED, INC.

UNITRADE FORWARDING

YUSEN LOGISTICS (AMERICAS) INC.



WANT TO BE AN OPERATOR?

Letter to Grantee (City of Laredo) with your formal request to become an FTZ operator. Letter must include:

- ✓ Physical Address
- ✓ Size (sq. ft.) wishing to activate (warehouse and/or patio)
- ✓ Site Survey or Layout designating (outlined in red) area you wish to activate
- ✓ Letter on company letterhead

Contact CBP (Inspector Sanchez) and begin working on compliance for area, employees, etc.



NEXT STEPS

ORIGINAL 7 SITES

- Invoice will be prepared by Grantee. Operator Agreement and Activation must be paid prior to execution of Agreement

Activation Fee (One-Time): \$0.04/square foot of activated space
minimum of \$2,000.00
maximum of \$10,000.00

Annual Fee (Yearly- October 1): \$0.05/square foot of activated space
minimum of \$2,000.00
maximum of \$10,000.00

Initial Invoice (less than 40,000 sq. ft.): \$2,000 + (months/12 x \$2,000)
Yearly Invoice (less than 40,000 sq. ft.): \$2,000



INVOICE IS PAID...

Within Original 7 Sites

Upon payment of invoice and signed Agreement is drafted between City of Laredo (Grantee) and Operator.

Outside Original 7 Sites

The Operator MBM Questionnaire must be filled out and Grantee will work with Company to ensure compliance before Grantee submits packet to FTZ Board.

Includes:

Letter from CBP Port Director (Grantee)

Letter from Webb County (Grantee)

Letter from City of Laredo (Grantee)

Letter from School District (Grantee)

Property Survey (FTZ Area in Red) (Operator)

Completed Questionnaire (Operator)



MBM QUESTIONNAIRE

Alternative Site Framework

REQUEST FOR MINOR BOUNDARY MODIFICATION

NOTE: This format is only for a Minor Boundary Modification (MBM) to propose a "Usage-Driven" site under the FTZ Board's optional Alternative Site Framework (ASF). There is a separate format for MBMs under the traditional site framework.

INSTRUCTIONS

General: This format consists of a small number of questions to answer and, for ease of use, is provided as a MS Word document. The actual submitted request may take the form of a letter from the grantee requesting approval and answering each question listed below. Alternatively, the request may include a separate document answering the questions below as long as it includes a cover letter from the grantee identifying the specific MBM for which it is requesting approval. Leave each question in place (including its number) and provide your response directly below each question.

Submitted Request Must Be Complete: Submitted MBM requests must be complete – with the sole allowable exception of the concurrence letter from the CBP Port Director, if necessary. Incomplete submitted requests or documents submitted separately will be returned to the sender. The FTZ Staff cannot assemble complete requests from individual elements submitted separately.

Sites versus Parcels: A "site" is comprised of one or more parcels of land that share an identity (for example, parcels within a single industrial park or port/airport complex). If parcels do not share an identity, then they should be treated as separate sites.

Zoning: Sites with inappropriate zoning – such as agricultural, retail, or residential – are not eligible for FTZ status and should not be proposed in any MBM request.

Number of Copies: Please submit one original and one electronic copy of the complete request (Adobe PDF format preferred). If you cannot submit a PDF-format copy, you may submit a MS Word-format copy. The electronic copy must have all pages in black and white (including scans of the signed versions of all letters) except for maps, which must be in color. If you have any questions, please contact Elizabeth Whiteman at Elizabeth.whiteman@trade.gov or (202) 482-0473.

QUESTIONS

1. List the site's address, including the jurisdiction in which the site falls (town, city, county), and explain how the site is within the grantee's Service Area.

2. State the site's proposed acreage _____ (which will also be the site's activation limit).

3. Indicate the company for which the site will be designated and the company's planned activities.

4. Indicate the type of site (for example, warehouse building within an industrial district), the site's current zoning, and existing and planned buildings (including their construction status, as applicable).

5. Who owns the site? (If site is not owned by the grantee or the company planning to use the site – as named in response to Question 3 above – then provide a "Site Ownership" attachment with documentation demonstrating the right to use the site. Such evidence could be a signed letter from the proposed operator on its letterhead attesting to its right to use the property or a letter of concurrence from the owner of the new site.)

6. Confirm that FTZ designation or the use of FTZ procedures is not a requirement or a precondition for future activity or construction at the site.

ATTACHMENTS

Attach the documents listed below (items 7 through 9, plus 10 if applicable) directly behind the text of your request.

7. A clear copy of the appropriate legal description for the proposed site's land. Also, state if the legal description covers a larger area than the proposed site. **THIS IS NO LONGER NEEDED PER THE FTZ BOARD'S REVISED REGULATIONS (2012).**

8. A clear and detailed site plan (survey/schematic) showing existing and planned structures. The site boundaries must be outlined clearly in red. Note that if streets or similar landmarks are not legible on the site plan, you will also need to provide a detailed street map with the proposed site's boundaries in red. Any map should be no larger than letter-sized (8 1/2" x 11") and clearly labeled, with legends provided for any markings.

9. A concurrence letter from the Port Director of Customs and Border Protection (CBP). Grantees should directly request concurrence from CBP under this administrative procedure so that the CBP letter can be attached to the request.

10. If your state (such as TX, KY, AZ) has one or more taxes for which collections will be affected by the proposed FTZ designation of the new site:

- attach an explanation of the specific local taxes that will be affected

AND

- attach correspondence from the affected parties (such as a local school board) indicating their concurrence (or non-objection) regarding the proposed FTZ designation.



OPERATOR APPROVAL PROCESS

Within Original 7 Sites

Operator Agreement will be signed by all parties. Original will be provided to Operator.

Outside Original 7 Sites

FTZ Board in Washington will approve MBM request (less than 30 days). Copy of approval letter will be provided to Operator. FTZ Agreement between Grantee (City of Laredo) and Operator is drafted. Once all parties have signed, an original will be provided to Operator.



ACTIVATION

Operator Request for Activation

Once Operator has received the Operator Agreement, the Operator requests from the Grantee to activate designated area.

- ✓ Physical Address
- ✓ Size (sq. ft.) wishing to activate (warehouse and/or patio)
- ✓ Site Survey or Layout designating (outlined in red) area you wish to activate
- ✓ Letter on company letterhead

If Operator is within compliance with Grantee, Grantee submits request to CBP requesting activation.

If area requests additional payments (\$0.04/activation and \$0.05/annual), invoice will be prepared and payment must be made before activation request is sent to CBP.



CBP COMPLIANCE

CBP Compliance

Requirements include, but not limited to:

Employee Background Checks

Site Visits

Controlled Access

CBP FTZ Procedures and Processes

Cameras

Please Contact Arnulfo Sanchez, CBP Inspector (956) 794-9482.



REPORTS AND FEES

Quarterly Activity Fees

Activity Fee: \$5.00 per transaction

U.S. Customs forms: CF 214, CF 216, CF 7501, CF 3461, CF 368, release under section 321, CF 7512, CF 6043. (See Section 4.1)

******Due quarterly on or before the 30th***

Annual Report

Operator is required to submit a confidential Annual Report to the FTZ Board via web-based OFIS system. Grantee compiles all reports and submits Annual Report to FTZ Board in Washington, DC.



IN SHORT...

- Request FTZ Operator status and submit layout to Grantee (City of Laredo)
- Invoices prepared and Operator must make full payment to process Operator Agreement **SIMULTANEOUS**
- Operator is in dialog with CBP regarding CBP regulations/compliance **SIMULTANEOUS**
- Operator requests Activation from Grantee once in compliance with CBP and Grantee
- CBP Activates area and authorizes FTZ operations
- Grantee is responsible for the following:
 - 1) Annual Fee (minimum \$2,000)
 - 2) Quarterly Activity Fees (\$5.00 per transaction)
 - 3) Annual Report (web based, OFIS)



HOW LONG DOES IT TAKE?

Standard Operator in Original 7 Sites: 7-14 days

Operator requiring MBM Application: 30-45 days

Time also depends on:

How long Operator takes to comply with CBP regulations?

How promptly Operator makes payments on invoice

How long operator takes to fill out Questionnaire (MBM)

How long it takes taxing entities to return letters (MBM)



ADVANTAGES

- Domestic and Foreign Merchandise
- Defer Duties until Merchandise leaves FTZ
- File and Handle Submissions Electronically
- Modify packaging with FTZ that is otherwise difficult in a Bonded facility!
- Everything that a Bonded space offers...and more!



SUMMARY

Grantee will always support private sector and make the FTZ Operator Agreement and Activation as fast and smooth as possible.

Help us promote the FTZ program. Bonded will continue to be strong, but the FTZ program allows you to do everything the same as a bonded operation, with more flexibility and benefits!

Laredo is the 7th Largest FTZ in the US based on the value of Exports.



THANK YOU!

Questions?

Timothy Franciscus-Timm

Marketing Manager

Laredo International Airport- FTZ #94

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Laredo, TX 78041

(956) 795-2000

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