



## **Procedures for Sponsorship of Applications to the Foreign-Trade Zones Board Through FTZ # 277**

Submitting an Application to the Foreign-Trade Zones (FTZ or Zone) Board involves a Four-Step process.

- First, all of the letters from the taxing entities required to “sign-off” on the Zone request must be received by the applicant and submitted to the Grantee.
- Second, a Sponsorship Request Letter request must be submitted to the Grantee.
- Third, the request must be reviewed for Grantee sponsorship to make sure that the applicant’s Site and operations meets the Federal and Grantee policy requirements.
- Fourth, the Application must be prepared submitted, and preparations for Activation must begin.

### **Step 1: The Sponsorship Request Letter**

Requests to submit any kind of Application to the FTZ Board, including requests for Subzone Sponsorship, Production Authority/Notification (Manufacturing or Activity Permit) Magnet Site and Usage-Driven Site (Minor Boundary Modification or MBM), must be made to the Grantee in a simple, letter format, including the following information:

1. Name of applicant, address, phone number, facsimile number, and name and title of person responsible and authorized for the Application preparation.
2. Type of designation sought, i.e., Subzone, Usage-Driven Site, Magnet Site, Production Notification for manufacturing, expansion of any of the above types, or scope request from the FTZ Board.
3. Letters to and from city staff where you intend this Site to be located demonstrating their understanding of your project.
4. Brief description of proposed Site (acreage, square footage, number of buildings). Include an electronic and hard copy layout/diagram of Site.
5. For any Site request including Production Notification (for a Manufacturing Permit), whether connected with or separate from a Site approval request; provide a short description of the company including:
  - A. product lines that are being applied for,
  - B. the types of imported items to be used,
  - C. prior experience with FTZ by staff, if any.
6. For Magnet Site requests, please include the following specific information:
  - A. A description of the initial activity at or planned for the Site,
  - B. A building Site plan, showing current and/or future buildings planned for the park.
  - C. A description of what makes this Site unique, including international transportation, users, use-types, location, etc.
7. Completed Cost-Benefits Analysis or an explanation of definitive benefits the company or Site will yield by receiving Zone status. (Not necessary for Magnet Sites)



8. The letter should include a statement by the applicant that all fees for Application shall be paid promptly, and that the applicant fully intends on activating and/or executing a Grantee/Operator or Developer Agreement, whichever is applicable.

## **Step 2: The Review**

All requests to submit Applications will go through a review and approval process which uses the following criteria:

1. Operation “qualifies” to become a Zone Site or Subzone under federally-established criteria. Operation has also met the “tax entity information” criteria as established by each of the included cities within the Service Area of FTZ #277.
2. Applicant demonstrates ability and commitment to comply with applicable regulations and activate and operate a Zone Site/Subzone.
3. Operation demonstrates a clear Foreign-Trade Zone need; and for Production Notification/Manufacturing Permits, the activity meets the minimum public interest criteria, such as sufficient investment, jobs, import substitutions, exports, etc.
4. Operations involving trade-sensitive merchandise must show how FTZ benefits outweigh other trade considerations on a national and local scale. Any operations with trade sensitive merchandise or a negative comment (as ascertained by the FTZ Board after the first 40 days of the comment period) will be required to submit an additional list of questions answered for a Full Review by the FTZ Board. Some operations may not be viable (due to Commerce Department Policy) and may not qualify for sponsorship.
5. Other criteria as may be set by the Grantee.

The review process will take approximately 30 days and the Sponsorship Request will be approved by the President (for minor changes) or the full Board (for major additions/modifications) of GMFTZ, the Grantee of FTZ # 277 or a letter will be sent explaining otherwise. The review process shall be conducted as follows:

1. Applicant submits letter request (Step 1 above) for sponsorship to FTZ Grantee’s President.
2. President reviews and informs the Board of his recommendation within 30 days. Applicant is contacted with results, and if positive, the Grantee will issue an appropriate Letter and an invoice for the Application fee will be sent to the applicants. Applicant must pay the fee prior to the Grantee reviewing the Application (Step 3 below).



### **Step 3: Application Submission**

Submission of an Application to the FTZ Board and Activation preparation is a complex process and close attention must be paid to the relevant regulations.

1. The Application must be prepared consistent with FTZ Board regulations, which have recently changed and are effective May 1, 2012. This Grantee strongly suggests that all Applications should be professionally prepared according to the guidelines established by the FTZ Board. The Grantee recommends that applicants have experienced staff to complete the Application or seek professional expertise in preparation. This will save time and expense. The Grantee can provide a list of qualified firms to any applicant upon request.
2. Grantee will assist in obtaining government support at federal, state, and local levels.
3. Grantee shall review the Application and, if complete, submits Application to Foreign-Trade Zones Board in Washington, D.C. on behalf of the applicant. If an additional technical and/or legal review is required, the Grantee will inform the applicant of said cost. If Application is not complete, Grantee will return the Application to the applicant for revision to meet FTZ Board guidelines or strengthen justification arguments.
4. Grantee provides resolution and Application Letter in support of Application.
5. FTZ Board will review the Application for 30 days and issue a request for additional information that will be the responsibility of the applicant to provide the Grantee for review, and then revising the Application to meet the FTZ Board's request for additional information.
6. Approval and designation by FTZ Board.
7. Company prepares for Activation. (See procedures for Activation of Zone Sites)