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FTZ Board Procedures to Establish or Modify Sites



This document provides an overview of FTZ Board procedures to establish or modify sites:

- **Part 1 – New site/subzone within an approved ASF service area**
- **Part 2 – New subzone (TSF grantee or outside of the ASF framework/service area)**
- **Part 3 – Expanding a site/subzone under the ASF**
- **Part 4 – Expanding a non-ASF subzone**
- **Part 5 – Converting a non-ASF subzone to the ASF**
- **Part 6 – Resources**



Definitions/Acronyms

- **ASF = Alternative Site Framework**
 - A grantee may apply to the FTZ Board to “reorganize” its zone under the ASF
 - The ASF allows for quick and simple site/subzone designation within the zone’s approved “service area”
- **TSF = Traditional Site Framework**
 - Includes zones that have not reorganized under the ASF
 - Also includes subzones that are outside of a zone’s approved ASF service area or older subzones that were not converted to the ASF



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Part 1 – New site/subzone within an approved ASF service area



New site/subzone within an approved ASF service area

- ASF “Usage-Driven Sites” or “Subzones” are designated for a company ready to pursue conducting FTZ activity
 - No substantive difference between “usage-driven site” and “subzone”
 - Only difference is that subzones can have multiple sites
- ASF subzones and usage-driven sites can be designated via a quick and simple minor boundary modification (MBM)
- All locations proposed must be within the zone’s approved ASF service area
 - Check OFIS for the ASF service area for each zone



New site/subzone within an approved ASF service area

- Submitted by the grantee on behalf of a company
- Information needed:
 - Site address/acreage
 - Company/brief summary of activity
 - Right to use site
 - Map
 - Concurrence from CBP
 - Letters regarding local tax impact (if applicable)
- If proposing a subzone with multiple sites, identify each site and include the information requested for each site under each question



New site/subzone within an approved ASF service area

- The application for a new usage-driven site or subzone under the ASF is called an ASF “minor boundary modification” (MBM)
- No application fee to the FTZ Board
- No public comment period
- Application format is available as a Word document on the FTZ Board’s website
 - On the “How to Apply” page there is a link for “ASF Minor Boundary Modification”
- Timeline: decision on completed application (incl. CBP concurrence) within 30 days



New site/subzone within an approved ASF service area

- Each usage-driven/subzone site will be subject to ASF sunset limits:
 - Every 3 years sunset test will apply to each site
 - Site designation will continue if the subzone site was used for FTZ activity by the company named in the application during the sunset period
- Each usage-driven/subzone site will be subject to the zone's activation limit



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Part 2 – New subzone (TSF zone or outside of the ASF framework)



New subzone (TSF zone or outside of the ASF framework)

- “Subzone Application”
- This format should be used by Grantees:
 - under the TSF requesting FTZ designation for a company
 - under the ASF requesting FTZ designation for a company if one or more of the company’s proposed sites is outside of the approved ASF service area
 - under the ASF requesting FTZ designation for a company if the sites are too large to be included within the zone’s activation’s limit
- Application format is available as a Word document :
 - On the “How to Apply” page of the FTZ Board’s website there is a link for “Subzones (non-ASF)”



New subzone (TSF zone or outside of the ASF framework)

- Submitted by the grantee on behalf of a company
- Information needed:
 - Site address/acreage
 - Company/brief summary of activity
 - Right to use site
 - Map
 - Legal Authority
 - Letters regarding local tax impact (if applicable)
 - Application fee:
 - \$4,000 - Not involving production activity or involving production activity with fewer than three products
 - \$6,500 - Production activity with three or more products



New subzone (TSF zone or outside of the ASF framework)

- **Timeline: Decision within 3 or 5 months (assumes CBP concurrence is timely received)**
 - **Within 3 months if included within the zone's activation limit**
 - **Within 5 months if not included within the zone's activation limit**
- **Activation limit for each zone can be found in OFIS on the zone's information page**



New subzone (TSF zone or outside of the ASF framework)

- Subzone application process
 - When the application is complete, the FTZ staff will “docket” the request
 - A *Federal Register* notice will be published opening a public comment period
 - The grantee also must post notice of the application in a local newspaper:
 - In time to allow at least 15 days before the close of the comment period for the application
 - Must include a summary of the proposal along with instructions on how to find more detailed information
 - A copy of the local notice should be provided to the FTZ staff to include in the case record



New subzone (TSF zone or outside of the ASF framework)

- Subzone application process (con't)
 - Under the 3-month process:
 - The Executive Secretary will make a decision on the application and the applicant will be notified
 - Under the 5-month process
 - The FTZ staff will make a recommendation on the application to the FTZ Board members
 - The FTZ Board members will make a decision on the application
 - When a decision has been made, the applicant will be notified



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Part 3 – Expanding a site/subzone under the ASF



Expanding a site/subzone under the ASF

- Use the same ASF MBM that is used to designate a new subzone/usage-driven site
- The grantee's letter should specify the existing usage-driven site/subzone that is being expanded
- The same process can also be used to remove acreage from the subzone/usage-driven site
- Application format is available as a Word document on the FTZ Board's website
 - On the "How to Apply" page there is a link for "ASF Minor Boundary Modification"



Expanding a site/subzone under the ASF

- Still submitted by the grantee on behalf of a company
- Same information included in a new ASF usage-driven/subzone request
- Information needed:
 - New/modified site address/acreage
 - Company/brief summary of activity
 - Right to use the new/expanded site
 - Map – if expanding an existing site, include a map showing the full expanded site (old and new areas) outlined in red
 - Concurrence from CBP
 - Letters regarding local tax impact (if applicable)



Expanding a site/subzone under the ASF

- No application fee to the FTZ Board
- No public comment period
- **Timeline: decision on completed application (incl. CBP concurrence) within 30 days**



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Part 4 – Expanding a non-ASF subzone



Expanding a non-ASF subzone

- Use the “Subzone Application” format
- No application fee to expand an existing subzone
- Application format is available as a Word document on the FTZ Board’s website
 - On the “How to Apply” page there is a link for “Subzones (non-ASF)”



Expanding a non-ASF subzone

- Same process as a new subzone application
 - Includes public comment period and local public notice
- Timeline: Decision within 3 or 5 months (assumes CBP concurrence is timely received)
 - Within 3 months if included within the zone's activation limit
 - Within 5 months if not included within the zone's activation limit
- Note: if the 3-month process is selected, the entire subzone (old and new sites) will become subject to the zone's activation limit
- Activation limit for each zone can be found in OFIS on the zone's information page



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Part 5 – Converting a non-ASF subzone to the ASF



Converting a non-ASF subzone to the ASF

- Scenario: Grantee reorganized the zone under the ASF, existing subzones were not included in the reorganization
 - Existing subzone is located within the ASF service area
 - Subzone now seeks to add a site/acreage, wants quickest possible process
- 30-day process
- No application fee
- All existing and proposed sites must be within the zone's approved ASF service area
 - Check OFIS for the ASF service area
- Use the ASF MBM format



Converting a non-ASF subzone to the ASF

- Submitted by the grantee on behalf of a company
 - Grantee's letter should state that the grantee is requesting that the subzone be converted to the ASF framework
- Information needed:
 - New/modified site address/acreage
 - Company/brief summary of activity
 - Right to use the new/expanded site
 - Map – if expanding an existing site, include a map showing the full expanded site (old and new areas) outlined in red
 - Concurrence from CBP
 - Letters regarding local tax impact (if applicable)



Converting a non-ASF subzone to the ASF

- After converting to the ASF:
 - All sites of the subzone will be subject to ASF sunset limits
 - Every 3 years sunset test will apply to each site
 - Site designation will continue if the subzone site was used for FTZ activity during the sunset period
 - The entire subzone (old and new sites) will be subject to the zone's activation limit



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Part 6 – Resources



Resources

- **Online FTZ Information System (OFIS) – Information on each FTZ, including ASF service areas, activation limits, sites and subzones:**

<https://ofis.trade.gov/>

- **FTZ “How to Apply” page – Current application formats and specific information on each application type:**

<https://www.trade.gov/how-to-apply>

- **Your FTZ Staff Regional Representative:**

<https://www.trade.gov/contact-ftz-staff>



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