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
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
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
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
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
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
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
For more information:  www.trade.gov/ftz

ftz@trade.gov or (202) 482-2862