

**THE PORT
OF LOS ANGELES** 

America's Port

FOREIGN-TRADE ZONE - 202

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FTZ – Key Players



- ❖ **FTZ Board**
 - Establishes rules and regulations to operate zones
- ❖ **U.S. Customs and Border Protection (CBP)**
 - Responsible for activation, enforcement, physical security, and access requirements of FTZ sites
- ❖ **Grantee – Port of Los Angeles**
 - Executes and monitors agreements with operators and property owners
 - Promotes FTZ Program
 - Manages zones as a public utility

FTZ – Sites/Zones and Agreements

❖ Sites/Zones:

- **Magnet Site:** Intended to serve or attract multiple operators or users
 - Industrial Park, a port and airport region
- **Usage-Driven Site:** Tied to a single operator with one or more users
 - Individual company's facility
- **Subzones:** Special-purpose zones, approved for a specific use

❖ Agreements (Five Years with Three, Five-Year Extensions):

- **Developer:** Land owners to develop and promote the FTZ Program
- **Operating:** Site operators to run the day-to-day operations at FTZ warehouse/facility under CBP rules and regulations

FTZ No. 202 Service Area



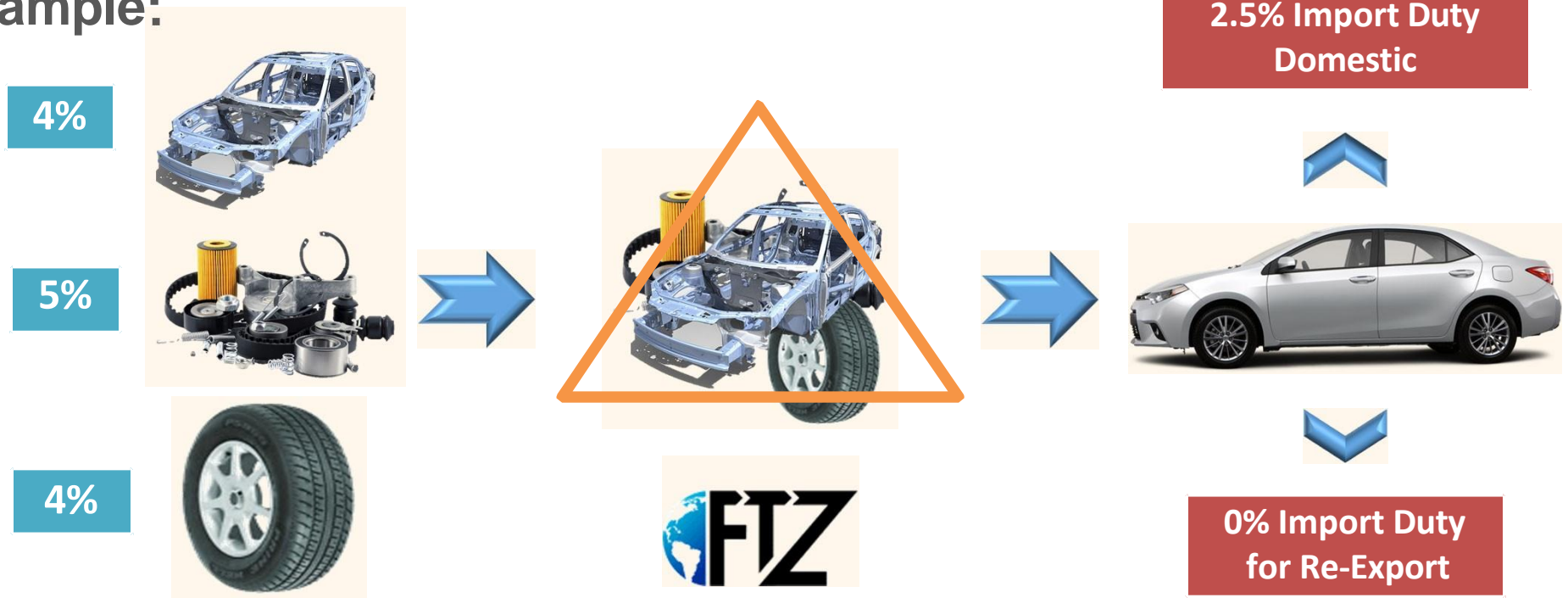
FTZ – Benefits and Activities



- ❖ **Merchandise Processing Entry Fees savings**
- ❖ **Duty Deferral: Deferred duty payment**
- ❖ **Duty Elimination: Re-exported or destroyed**
- ❖ **Duty Reduction (Inverted Tariff Relief):**
 - **If finished product has a lower duty rate than parts imported, the finished products may be entered at lower duty rate.**

FTZ – Duty Reduction (Inverted Tariff Relief)

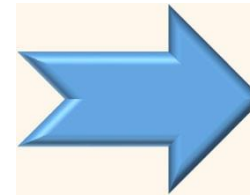
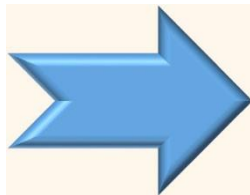
Example:



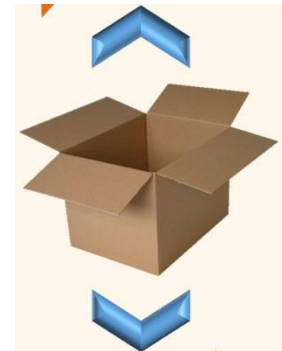
The duty rate is calculated on the value of the assembled product

FTZ – Duty Deferral

Duties are paid when goods are withdrawn from the zone



**Domestic
Duties
Due**



**Re-Export
Duty Free**

Port of Los Angeles - FTZ No. 202 – Highlights

(2022 Draft Annual Report)

❖ Established:	July 14, 1994
❖ Total Acres:	5,151.62 acres (LA, Orange, San Bernardino, and part of Riverside Counties)
❖ Magnet Sites:	5 (6 Active Operators)
❖ Usage-Driven Sites:	24 (23 Activated Sites)
❖ Subzone Sites:	2
❖ Active Sites:	28
❖ Active Operators:	31
❖ Total Employment:	2,475
❖ Customs Duties collected:	\$295 million
❖ Value of Merchandise Moved:	\$30.7 billion



FTZ No. 202 – Revenues and Expenses



❖ Fees per Port of Los Angeles FTZ Tariff No. 2

■ Application Fees

- \$2,500: Minor Boundary Modification Usage-Drive Sites and Expansion Application to establish a new Magnet Site
- \$5,000: Manufacturing/Production Authority and Scope Determination Request
- \$15,000: Subzone Application

■ Activation Fee: \$5,000

■ Annual Fees

- \$7,750: Operators within Magnet and Usage-Driven Sites
- \$10,000: Subzones and Single Usage-Driven Site Operators

❖ FY 2022 Revenue: \$289,336 collected in FTZ Fees

❖ FY 2022 Expenses: \$30,594 (FTZ consulting services)

THANK YOU

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