

Application for Production Authority – Instruction Sheet

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No zone, subzone, zone expansion/reorganization/modification, or production authority may be approved unless a completed application has been received (19 U.S.C. 81a-81u; 15 CFR Part 400). The Foreign-Trade Zones Board has no authority to finance zone projects. Its approval is in the form of a grant of authority (license) for operating a facility under foreign-trade zone procedures. The basic requirements for foreign-trade zone applications are found in the regulations of the Foreign-Trade Zones Board (15 CFR Part 400), including Sections 400.21 through 400.25. Application formats are available on the FTZ Board web site: <http://www.trade.gov/ftz>.

Corporations submitting applications must be qualified to apply under the laws of the state in which the zone is to be located. Applicants may submit drafts of their applications to the FTZ Staff, which can provide comments and technical assistance in interpreting the Board's regulations.

Applicants should note that conduct of their proposed activity under FTZ procedures would result in an additional, ongoing information-collection burden associated with the Annual Report from Foreign-Trade Zones (OMB Control No. 0625-0109).

Pre-Docketing Submission. Applicants shall submit the complete application for pre-docketing review. The complete application must include all required answers and documents, including the application letter and resolution. The application must be submitted via e-mail (ftz@trade.gov). The FTZ Board's staff will review the pre-docketing submission within 30 days and will notify the applicant either to submit the final application or to correct deficiencies.

Final Submission. Please submit the application in electronic form to ftz@trade.gov (Adobe PDF format preferred). If you cannot submit the application in PDF format, you may submit it in MS Word format. Note that, in either case, the application must include color maps and scans of the signed versions of all letters.

Foreign-Trade Zones Board
U.S. Department of Commerce
1401 Constitution Avenue, N.W., Room 21013
Washington, D.C. 20230
(202) 482-2862

Application for FTZ Production Authority

Your application for FTZ production authority only needs to include any products and/or foreign-status components *not* previously authorized by the FTZ Board for your production operation. Grantees or operators may submit production applications to the Board's Executive Secretary. If an operator submits the application, it must also provide a copy to the grantee.

Responses to Questions. Please include the question number and the text of the question prior to your response to each question. The FTZ Regulations place the burden of proof on the applicant, so please respond to each item completely based on the information available to you. Note that for industry/market information, you may rely on your expert knowledge of the industry in addition to traditional, published resources. If you have questions, contact the FTZ Board staff at (202) 482-2862.

Pre-Docketing Submission. Applicants shall submit a single complete copy of an application for pre-docketing review. The complete copy must include all required answers and documents, including the application letter. The application can be submitted via e-mail (ftz@trade.gov). The FTZ Board's staff will review the pre-docketing submission within 30 days and will notify the applicant either to submit the final application or to correct deficiencies.

Format of Final Version of Application. Hard copies of the final version of your application can be stapled or - if the application is too thick to be stapled - submitted in a three-ring binder (not spiral-bound). Use of a three-ring binder greatly facilitates replacement of pages, when necessary.

Final Submission. Please submit the original and one paper copy of the application plus an electronic copy (Adobe PDF format preferred). If you cannot submit a PDF-format copy, you may submit a MS Word-format copy. Note that, in either case, the electronic copy must include scans of the signed versions of all letters.

Application Letter

1. The application letter is a cover letter from the grantee or operator that should summarize the application and transmit the application to the FTZ Board. The letter should include the zone site(s) to be used, proposed FTZ production activity, and why approval of that activity would be beneficial for the United States overall. The letter should be dated within 6 months prior to the submission of the application and signed by an employee or official of the grantee or operator.

Company and FTZ Site(s)

2. State:

a) the FTZ user (company for whose benefit the activity would be conducted); and,

b) the zone/subzone locations (including site numbers) at which the activity would be conducted.

Company, Sourcing, Market, and Industry Information

3. Describe the specific production activity which you are seeking to conduct under FTZ procedures.

4. Briefly describe your company's background and current situation (including annual sales value or other indicator(s) of company's size and scope of operations).

5. Explain in detail why approval of your proposed FTZ production authority would be beneficial overall to the United States.

6. Describe problems, challenges or strengths facing your company and the U.S. industry. (For example, have production, employment, and operating profits been falling or rising? Have there been changes in the cost of raw materials? Also address any other relevant factors.)

7. List total employment company-wide.

8. List total employment at your proposed FTZ production plant.

9. How has your company's and plant's employment changed in the last 5 years?

10. Will FTZ-related savings likely lead to increased, stable, or decreased employment at your plant? Explain.

11. Does your company have other plants (in the U.S. or overseas) that conduct the same activity or similar activity? If yes to either, please list the other plants' locations and explain.

12. For the products you want to produce under FTZ procedures, list the percentages (or percent ranges) by value of:

U.S. materials = _____%;
 foreign materials = _____%; and
 value added at your facility (labor, profit, overhead, etc.) = _____%.

(U.S. materials + foreign materials + value added = 100%)

13. Are the components that you purchase from abroad also available from U.S. suppliers (if yes, why are you unable to obtain those components domestically)? Explain.

14. Will FTZ-related savings affect your company's purchasing patterns? Explain.

15. What is the current annual production capacity at your plant? Are there any planned capacity changes? (Indicate the units of measure used.)
16. What is your company's current share of the U.S. market for the type of products you want to make under FTZ procedures?
17. List your major competitors in the U.S. market and their approximate U.S. market shares.
18. Are your competitors producing in the U.S. or abroad? Explain and give specific examples.
19. Does your plant compete with the foreign plants of company affiliates? Explain.
20. What is imports' share of the U.S. market for the type of products you want to make under FTZ procedures?
21. Has imports' share of the U.S. market changed in the past 5-10 years? How? Why?
22. How would approval of your proposed FTZ production affect your domestic competitors?
23. Are the purchasing patterns of competing domestic producers similar to your company's?
24. If you are granted authority to conduct production under FTZ procedures, would the other U.S. producers be likely to seek access to FTZ procedures? Explain.
25. What are the competitive factors in your industry? Rank them in order from the most to the least influential. Explain. Any other factors unique to your industry?
26. Do you know your approximate share of the world-wide market for the products you want to make under FTZ procedures? If yes, list it.
27. List your major competitors in the world market and their approximate world market shares.
28. What percent of your production of the products you want to make under FTZ procedures is sold to export markets?
29. Have your company's exports been increasing or decreasing? To which markets? Does your company have plans to enter any new export markets? If so, which?
30. Estimate overall U.S. exports as a percentage of domestic production.
31. Are U.S.-made products able to compete successfully with foreign-made products in export markets? What are the primary competitive factors?

32. Has worldwide demand for your products been increasing or decreasing? Explain.
33. Please estimate U.S. producers' share of the worldwide market for your product(s). Is this share increasing or decreasing?
34. In recent years where has investment in the industry taken place (U.S. versus offshore)? Provide examples.
35. Please list the main internet address(es) for information about your company and product(s).
36. Are you aware of any studies or reports that have been done recently regarding your industry or industry sector? If yes, please list the titles and authors/publishers below – you do not need to submit the studies/reports with the application. Note: The FTZ Staff may later ask for your assistance in obtaining a copy of these publications as part of the Staff's case-related research.
37. Provide information as to whether alternative procedures have been considered as a means of obtaining the benefits sought.

FTZ-Related Savings

38. What are the total estimated annual FTZ-related savings associated with the proposed activity you are describing in this application? As a percent of finished product value?
39. Provide the percentage breakdown for your total estimated FTZ savings into the following categories: Logistical/Paperwork; Inverted Tariff; Exports; Duty Deferral; and Scrap/Waste.

Products and Components

40. Are any of the listed foreign-status component/inputs subject to a trade-related measure or proceeding (such as an AD/CVD order or proceeding, suspension of liquidation under AD/CVD procedures, or Section 201/204/337/421 investigations)? If yes, explain.
41. Using the tables that follow (inserting additional rows, as needed), list the finished products and foreign-status components/inputs that you propose for production under FTZ procedures. Your list of finished products and foreign-status components/inputs should encompass both actual/planned activity and potential activity for which you request authority. Any approval of your application by the FTZ Board would only extend to the specific finished products and foreign-status components/inputs listed in your application (that is, your "scope of authority"). For each finished product and foreign-status component/input, provide a physical description (not HTSUS description), 6-digit HTSUS number, and current U.S. duty rate.

Finished Products:

Physical Description (not HTSUS description)	HTSUS No.	Duty Rate

Foreign-Status Components:

Physical Description (not HTSUS description)	HTSUS No.	Duty Rate