

DEPARTMENT OF COMMERCE  
Foreign-Trade Zones Board

**Proposal for Minor Adjustments to Optional Alternative Site Framework**

The Foreign-Trade Zones (FTZ) Board is inviting public comment on a staff proposal to make minor adjustments to the Board's practice regarding the alternative site framework (ASF) adopted by the Board in December 2008 (74 FR 1170, 01/12/09; correction 74 FR 3987, 01/22/09) as an option for grantees to designate and manage their general-purpose FTZ sites. The proposed adjustments focus on eliminating the current requirement for "activation limits" on a site-specific basis and on allowing more flexibility regarding letters from jurisdictions within a grantee's proposed "service area."

The first modification now proposed for the ASF is to eliminate the current requirement that each site of a participating zone be assigned a specific limit on the amount of space that can be activated with U.S. Customs and Border protection at that site. The original intent of site-specific activation limits was to help ensure compliance with the overall 2,000-acre activation limit for each general-purpose zone project. However, feedback from grantees indicates that the site-specific activation limits are cumbersome in practice. This is particularly true because a grantee could face the burden of requesting changes to site-specific activation limits based on unforeseen circumstances in the future.

In the period since the adoption of the ASF proposal, the FTZ Board staff has been developing a system (the Online FTZ Information System – OFIS) to make available via the

internet a range of information about every FTZ site. OFIS will include user accounts for grantees so that a grantee will be able to update the information regarding the amount of space activated at its sites as new activations (or deactivations) occur. Given that the OFIS functionality to display FTZ site information on the internet should be available for general use within a few months, the Board staff is now proposing that the tracking of activated acreage via OFIS be adopted as a substitute for the site-specific activation limits. For any zone already approved under the ASF or with a pending application, the site-specific activation limits contained in the grantee's application to reorganize under the ASF would simply no longer apply (with only the standard 2,000-acre activation limit for each general-purpose zone continuing to govern overall activation within the zone).

The second modification proposed by the FTZ Board staff is to allow more flexibility regarding application requirements for letters from jurisdictions (ordinarily counties) within the proposed service area. The Board staff recognizes the challenge that certain grantees have faced in obtaining "support" letters from jurisdictions, particularly given the standard language for such letters initially developed by the staff as part of the implementation of the ASF. As a result, the Board staff proposes to allow the submission in ASF reorganization applications of letters from the jurisdictions which simply 1) acknowledge that the appropriate official(s) of the jurisdiction is aware of the proposal to include the jurisdiction in the service area of the zone in question and 2) present any views of the official(s) of the jurisdiction on the proposal. This proposed modification also recognizes that the regulatory standard (15 CFR 400.23(a)) applicable to the review of such applications includes a range of criteria, one of which is the "views of State and local public officials."

Public comment on these proposed adjustments to the FTZ Board's practice regarding the ASF is invited from interested parties. We ask that parties submit their comments electronically to [ftz@trade.gov](mailto:ftz@trade.gov) or fax a copy of their comments, addressed to the Board's Executive Secretary, to (202) 482-0002. We also ask that parties submit the original of their comments to the Board's Executive Secretary at the following address: U.S. Department of Commerce, Room 2111, 1401 Constitution Ave. NW., Washington, DC 20230. The closing period for the receipt of public comments is ***[Insert 30 days from the date of publication]***. Any questions about this request for comments may be directed to the FTZ Board staff at (202) 482-2862.

Dated: July 30, 2010

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Andrew McGilvray  
Executive Secretary

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