Metroplex International Trade Development Corporation
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May 25th, 2011

Mr. Andrew McGiluray
Executive Secretary
Foreign Trade Zones Board
Herbert Clark Hoover Building
14th Street & Constitution Avenue, NW
Washington, DC 20230

RE: Foreign Trade Zone Proposed Rule
Rule: 75 Federal Register
82340-82362, December 20, 2010
Docket # ITA-2010-0012
RIN 0625-AA81

Dear Mr. McGiluray,

Please accept our comments to the proposed Foreign Trade Zone regulations. A significant amount of time was spent on review of the proposed changes as well as the various comments.

We support many of the comments that the NAFTZ has made with regards to the proposed regulations. We have general concerns that in an effort to provide clarity to the program, the proposed regulations create a greater burden to the Zone participants. It would be our hope that the regulatory burden be lightened, not increased.

We have a few comments to supplement what has already been done by others and the NAFTZ.

The proposed rules regarding production should be simplified to allow greater access by companies to take advantage of the Zone program. The proposed language by the NAFTZ takes steps to accomplish this but could go further.

The proposed regulations over Grantees and Zone administration seem very burdensome. The proposed regulations cites to the public utility as the basis for these changes. The current Zone program is vastly different than originally contemplated. The FTZ Act envisioned Zone sites at public harbors with limited facility options. The concept of a public utility at that time made sense.

Today multiple Zones at a single Port of Entry exist. These Zone projects give Zone Users options as to Zone services. These Zone Grantees are controlled by the public market place for their Zone project. The proposed language takes away from Grantees the authority and opportunity to develop Zone plans that finance the Zone Operation. A Zone program should be paid for by the Zone Users. The Zone Grantee should have the authority to develop a Zone financing plan to accomplish that plan. The Zone Grantee should be allowed to develop such rules as necessary with Zone Users to implement such a plan. The FTZ Board should not try to take authority away from the Grantee. The Board should be there to prevent abuse, but also recognize the role of the Grantee. The proposed regulations make an assumption that Zone Users must be allowed to operate themselves, however this assumption is not balanced with the interest of the Grantee. The Grantee needs to have rules and procedures with its Zone Users that protect the Grantee and the other Zone Users operating under that Grant. The Grantee must be afforded the opportunity to oversee the Zone Grant and other Zone Users. We concur with the comment made by Jan Frantz of BC CAL KAL that a Grantee has the authority to accept or reject a proposed project.

On balance the Zone regulatory scheme would be better served with less regulation. We appreciate the opportunity to comment and look forward to helping improve the proposed regulations.

Sincerely,

Dennis Konopatzke
Legal Counsel