



SUMMIT COUNTY
PORT AUTHORITY

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May 24, 2011

Mr. Andrew McGilvray
Executive Secretary
Foreign-Trade Zones Board
Herbert Clark Hoover Building
14th Street and Constitution Ave., NW
Washington, DC 20230

Re: Foreign-Trade Zones Board Proposed Rule
75 Federal Register 82340-82362, December 30, 2010
Docket # ITA-2010-0012, RIN 0625-AA81

Dear Mr. McGilvray:

The Summit County Port Authority submits the following comments regarding the FTZB Proposed Rule published December 30, 2010.

We appreciate your full consideration of these comments and thank you for extending the comment period to May 26, 2011.

Best regards,

Christopher Burnham
President

cc: Ron DeBarr, NEOTEC

The Summit County Port Authority (SCPA), Administrator to our Grantee Northeast Ohio Trade and Economic Consortium (NEOTEC) appreciates the unique public-private partnership behind the FTZ program. The FTZ program, since its inception, has as its purpose to "expedite and encourage foreign commerce." S. Rep. 73-905 at 1 (1934). This has never been more vital to the economic progress of the United States than it is today and in the future. The FTZ program is the most flexible trade-related program in the U.S. government's tool box and enabling its potential can add substantially to the national wealth, create and maintain employment and encourage investment here rather than abroad.

The FTZ program must encourage commercial activity in the United States that could, for Customs reasons, otherwise be done in other countries. The regulations are clear: "Zones have as their public policy objective the creation and maintenance of employment through the encouragement of operations in the United States which, for Customs reasons, might otherwise have been carried on abroad." 56 Fed. Reg. 50790 (October 8, 1991).

FTZ's can and must promote U.S. exports. The U.S. government has endorsed this position as part of the National Export Initiative (NEI). Export promotion requires global competitiveness; Zones provide the opportunity for American manufacturers and distributors to improve global competitiveness and thereby increase exports. Americans need to be employed in our export manufacturing industries.

To promote global competitiveness and exports, foreign trade zone procedures must be transparent and straightforward. The FTZ Board's regulations make significant strides in this area. Additional improvements may be: (1) Advance review should be expedited as much as possible. (2) Uncertainties should be minimized for applicants and FTZ users. (3) Advance approvals are necessary in most cases, because zone procedures require significant investments in equipment, workers and inventory systems; these approvals should take the minimum amount of time possible, given the pace of change in the global economy.

Administration of zones by public and private agencies requires these entities to be clearly informed of their obligations and penalties. The proposed expansion of penalty authority creates disincentives to offering FTZ services by state and local economic development entities which is counter to the need to expand this program and enhance our competitiveness as a nation.

The proposed rulemaking sets the tone for the FTZ program for years to come to reflect the public-private nature of the program; it is critically important the regulations strike the proper balance and interests of all the various groups.

We respectfully request the Board engage the NAFTAZ in further discussion on this last subject. The Summit County Port Authority fully supports the comments of the NAFTAZ and proposed revisions as submitted to the Board on May 4, 2011.

Thank you for your consideration,

Christopher Burnham, President, Summit County Port Authority