



May 25, 2011

Mr. Andrew McGilvray
Executive Secretary
United States Department of Commerce
Foreign-Trade Zones Board
1401 Constitution Ave, NW
Room 2111
Washington, DC 20230

Re: Foreign-Trade Zone No. 2 Comments to The Foreign-Trade Zones Board
Rule Proposal

Dear Mr. McGilvray:

We have reviewed the FTZ Board's Proposed Rule and the proposed revision by the NAFTAZ. In summary, we strongly support the NAFTAZ's proposed revision as a document which adds value to the Proposed Rule in many areas of FTZ Administration.

Most particularly is the section regarding the Alternate Site Framework (ASF) within which this FTZ now operates. FTZ #2's business model with regard to the General Purpose Zone Site portion of our project has morphed over the past ten+ years into somewhat of a hybrid Zone. Our business is predominantly oriented to the business of the London Metals Exchange. This internationally influenced flow of commodities-traded primary metals is dynamic and unpredictable in its demands on adjustments (MBM's) to the inventory of storage facilities, and additions of new FTZ operator-designated companies in this Port and FTZ. The ebbs and flows of \$billions of imported product requires a flexibility of this FTZ model which prior to the ASF was not possible and threatened the loss of thousands of tons of product imported into New Orleans. This potential loss of tonnage equates to lost ship calls and thus a loss of hundreds, if not thousands, of associated regional jobs required for the total logistics chain for this cargo. The ASF provides ample efficiency and flexibility for us to meet the current and anticipated LME business demands. We consider the ASF one of the most valuable improvements to FTZ administration we have ever been afforded, and we view the NAFTAZ revision of this section as constructive and necessary.

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With regard to penalties, while it is difficult to document where penalties either as currently existing or as written in the Board's Proposed Rule may have influenced the business decisions of potential FTZ users in the past, we endorse the improvements of the NAFTAZ revised section on penalties as being more "business friendly" without compromising either proper administration or compliance in any fashion.

Your continued efforts to improve and streamline the processes of the FTZ Board in support of your Grantees and thus the business of import/export commerce to/from the U.S., in particular, the Port of New Orleans is greatly appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Reese", with a long horizontal flourish extending to the right.

Jim Reese
Director, Foreign-Trade Zone #2

JMR:jr
cc: Ms. Camille Evans

Word: McGilvrayRuleComments5.25.11