



August 23, 2012

Terrence P. Parent  
Metroplex International Trade Development Corporation  
P.O. Box 613307  
Dallas, Texas 75261

Dear Mr. Parent:

I am writing in response to your letter dated June 26, 2012, which you submitted in your role as Vice Chairman of Metroplex International Trade Development Corporation, grantee of FTZ 168. In your letter you describe the creation of Foreign Trade Zone Services Company, LLC (FTZSC), which you describe as a “for-profit entity owned and controlled by the Grantee.” Your letter also indicates that FTZSC “is responsible for processing all zone inquiries, offer[s] advisory services, and will prepare FTZ Board applications,” and that FTZSC will also “provide oversight and control of zone operations on behalf of the grantee.”

I note that the FTZ Board’s revised regulations (15 CFR Part 400) issued earlier this year address in §400.43(d)(2)(i) a “person”<sup>1</sup> that engages in “offering/providing a zone-related product/service to or representing” a “zone participant”<sup>2</sup> in a given FTZ. Section 400.43(d)(2)(ii) addresses any “person that stands to gain from a person’s offer/provision of a zone-related product/service to or representation of a zone participant in the zone.” Section 400.43(d)(2)(iii) addresses any “person related, as defined in [§ 400.43(e)], to the person identified in” §§400.43(d)(2)(i) and (ii). Any “person” described in the §§400.43(d)(2)(i), (ii) or (iii) is barred from undertaking “key functions” identified in §400.43(d)(1).

Based on your description (cited above) of the intended functions and operations of FTZSC, it appears that FTZSC would be engaged in offering/providing a zone-related product/service to or representing zone participants of FTZ 168. As such, FTZSC – and any employee or officer or other “related” person, as well any person who would stand to gain from FTZSC’s offering/providing a zone-related product/service – would be barred from undertaking the key functions delineated in §400.43(d)(1):

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<sup>1</sup> *I.e.*, “any individual, corporation or entity” – see 15 CFR 400.2(l).

<sup>2</sup> *I.e.*, “a current or prospective zone operator, zone user or property owner” – see 15 CFR 400.2(x).

(i) Taking action on behalf of [the] grantee, or making recommendations to [the] grantee, regarding the disposition of proposals or requests by zone participants pertaining to FTZ authority or activity (including activation by CBP);

(ii) Approving, or being a party to, a zone participant's agreement with the grantee (or person acting on behalf of the grantee) pertaining to FTZ authority or activity (including activation by CBP); or,

(iii) Overseeing zone participants' operations on behalf of [the] grantee.

Your letter indicated that FTZSC would “provide oversight and control of zone operations on behalf of the grantee.” However, in light of FTZSC’s anticipated function of offering/providing zone-related products/services, §400.43(d) would clearly bar FTZSC from “[o]verseeing zone participants' operations on behalf of [the] grantee.”

Similarly, FTZSC would be barred from “[t]aking action on behalf of [the] grantee, or making recommendations to [the] grantee, regarding the disposition of proposals or requests by zone participants pertaining to FTZ authority or activity (including activation by CBP)” and from “[a]pproving, or being a party to, a zone participant's agreement with the grantee (or person acting on behalf of the grantee) pertaining to FTZ authority or activity (including activation by CBP).” I should reiterate that the bars on the activities cited in the preceding sentences would extend to any employee or officer of FTZSC or other “related” person, as well any person who would stand to gain from FTZSC’s offering/providing a zone-related product/service. Therefore, for example, an employee or officer of FTZSC – or someone who would stand to gain from FTZSC’s offering/providing a zone-related product/service – could not undertake the function of approving operators’ agreements for FTZ 168.

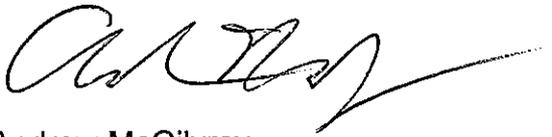
I should note that §400.43(f) of the regulations will<sup>3</sup> allow “a grantee or other person subject to” §400.43(d) to request that the FTZ Board issue a case-specific waiver of §400.43(d)’s prohibition on the person’s undertaking any key function delineated in §400.43(d)(1). In determining whether to authorize a waiver, the Board would consider the specific circumstances presented. Finally, I should also note that any violation of §400.43 of the regulations could subject the violator (individual, corporation or entity) to a fine of up to \$ 1,000 per day for every day of continued violation (see §400.62(c)).

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<sup>3</sup> Section 400.43(f) is not yet in effect. It is among the limited number of sections of the FTZ Board’s 2012 regulations which contain information-collections requirements that are still being reviewed by the Office of Management and Budget (OMB). Once OMB has completed its review process, the Board will publish a document in the Federal Register announcing the effective date for the affected sections, including 400.43(f).

If you have any questions regarding the contents of this letter, please contact me at (202) 482-2862, or Matthew Walden of the Office of the Chief Counsel for Import Administration at (202) 482-2963.

Sincerely,

A handwritten signature in black ink, appearing to read 'Andrew McGilvray', with a long horizontal flourish extending to the right.

Andrew McGilvray  
Executive Secretary

**METROPLEX INTERNATIONAL TRADE DEVELOPMENT CORPORATION**  
**FOREIGN TRADE ZONE 168**



26 June 2012

Mr. Andrew McGilvray  
Executive Secretary  
Foreign Trade Zones Board  
Herbert Clark Hoover Building  
14<sup>th</sup> Street and Constitution Avenue, NW  
Washington, DC 20230

**RECEIVED**

**JUN 27 2012**

**FOREIGN-TRADE ZONES BOARD**  
**EXECUTIVE SECRETARY**

Re: FTZ 168 Reorganization of Grantee

Dear Mr. McGilvray:

In earlier discussions we have indicated our plan to restructure the Grantee organization in order to provide a greater level of support for our users and new business prospects. I am writing to inform you that the Board of Directors has approved that reorganization.

We have created the Foreign Trade Zone Services Company, LLC, a for-profit entity owned and controlled by the Grantee and dedicated to providing advice and support to new and potential users in place of the Foreign Trade Zone Operating Company (FTZOC). The new entity is responsible for processing all zone inquiries, offer advisory services and will prepare FTZ Board applications. The Company will provide oversight and control of zone operations on behalf of the Grantee. Zone users will retain the option to self-operate and the Company will continue to work with users

The Services Company was established in recognition that our success is dependent upon providing value-added services for our current and prospective zone users. We will take a market-based approach with our services and will become proactive in marketing zone benefits. For instance, we are developing a new web page that will be both informative and promotional, providing important benefits to our customers.

The Grantee recognizes the need to more closely engaged with our customers, to encourage and support them while providing oversight of zone operations. We firmly believe that the Foreign Trade Zone Services Company will fulfill those needs.

Sincerely,

Terrence P. Parent  
Vice Chairman  
Foreign Trade Zone 168