

# FTZ Developments

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A publication of Rockefeller Group Foreign Trade Zone Services

## Sharing FTZ-related News and Updates

### INTERNATIONAL TRADE COMMISSION INVESTIGATION OF FTZS

At the direction of the U.S. Trade Representative (“USTR”), the U.S. International Trade Commission (“ITC”) has issued a Notice of Investigation (No. 332-588) titled: “Foreign Trade Zones (FTZs): Effects of FTZ Policies and Practices on U.S. Firms Operating in U.S. FTZs and Under Similar Programs in Canada and Mexico”. The purpose is to investigate and prepare a report that provides an overview of economic activity in FTZs operating in the United States, Canada, and Mexico since 2016, an overview of current FTZ policies and practices in the United States, Canada, and Mexico, and an analysis of the effects of current FTZ policies and practices in the United States, Canada, and Mexico on the cost-competitiveness of products of firms operating in these FTZs. The ITC is holding a virtual public hearing on May 17, 2022. Find more information [here](#) and [here](#).

### EXPANDED ZONE ID FOR FTZ ADMISSIONS

As of March 19, 2022, a 9-character “Zone ID” is required to be reported on all FTZ admissions. CBP will no longer accept FTZ admissions without a 9-character Zone ID. See [CSMS # 51127478](#).

### SECTION 301 TARIFF EXCLUSIONS REINSTATED

On March 23, 2022, the United States Trade Representative (“USTR”) announced the reinstatement of 352 China Section 301 product exclusions. The product exclusions are retroactively effective from October 12, 2021 through December 31, 2022, and cover 352 of 549 of China Section 301 product exclusions that previously expired. The 352 reinstated product exclusions include goods covered by all four (4) China Section 301 Lists. A list of the products with reinstated exclusions can be found [here](#).

### FORCED LABOR UPDATE

With ongoing enforcement efforts to prevent the importation of goods made with forced labor, the White House published a [“National Action Plan to Combat Human Trafficking” December 2021](#). The plan confirms that the U.S. Government has found evidence of forced labor in multiple overseas industries that produce goods that either are or are likely to be imported into the U.S., while also acknowledging that complex and intricate supply chains often impede traceability and make verification that goods are free from forced labor challenging. The plan includes direction to the Departments of Commerce, State, Labor, Homeland Security, Treasury, Defense, and Health and Human Services to develop initiatives to provide information to private sector partners about forced labor in supply chains and highlight existing available federal resources. CBP will be required to publish accessible explanations of its forced labor trade enforcement and new/modified Withhold Release Orders (“WROs”) on its website, as well as provide links to other agency sources in support of private sector performing due diligence in removing products made with forced labor from their supply chains.

The Department of Homeland Security sought comments from the public on how to ensure that merchandise mined, produced, or manufactured, either wholly or in part with forced labor from the People’s Republic of China (especially the Xinjiang Uyghur Autonomous region) is prevented from importation into the United States. Comments were accepted until March 10, 2022. Public hearings will be conducted.

CBP’s Uyghur Forced Labor Prevention Act (“UFLPA”) webpage confirms that in advance of June 21, 2022, CBP will be issuing letters to importers (i.e., “Notice of Known Importer”) that have been identified by CBP as having previously imported merchandise that may be subject to the UFLPA. The purpose of the letters is to encourage those importers to address any forced labor issues in their supply chains in a timely manner.

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# Rockefeller Group FTZ ACADEMY

## CBP GUIDANCE FOR REPORTING COMPONENTS OF WATCHES OR CLOCKS SUBJECT TO SECTION 301

In CSMS #50019756, CBP clarifies country of origin reporting requirements for watches and clocks when components of the watches/clocks are not subject to a substantial transformation prior to importation into the United States. The guidance specifically addresses when such components of watches/clocks are Chinese origin and therefore subject to Section 301 duties. See [CSMS #50019756](#).

## GLOBAL BUSINESS IDENTIFIER

The Global Business Identifier (“GBI”) initiative aims to develop a single identifier solution that will: 1) improve the U.S. government’s ability to pinpoint high-risk shipments and facilitate legitimate trade; 2) create a “common language” between government and industry; and 3) improve data quality and efficiency for identification, enforcement, and risk assessment. A test scheduled in ACE in April 2022 will evaluate three global entity identifier numbers and may use one or more to ultimately replace the manufacturing identification code (“MID”), streamline customs data collection, and improve visibility into the supply chain. See [CBP’s fact sheet here](#).

## WITHDRAWAL OF PROPOSED CENSUS BUREAU EEI CHANGE

On September 17, 2020, the Census Bureau published an Advance Notice of Proposed Rule Making (“ANPRM”) requesting comments on the overall impact of the removal of the Electronic Export Information (“EEI”) filing requirements for shipments between the United States, Puerto Rico and the U.S. Virgin Islands. Subsequently, due to feedback received from the ANPRM comment process and discussions between the Census Bureau and several stakeholders, the Census Bureau decided to withdraw the proposed rule and continue the current EEI filing requirement for Puerto Rico and the U.S. Virgin Islands.

## FDA VIDEO ON “IMPORTING FDA-REGULATED PRODUCTS”

Interested in understanding more about FDA’s import admissibility process? Check on this [new video](#) produced by FDA that outlines FDA’s import process starting from declaration to FDA through the admissibility determination.

## PGA FLAG ENFORCEMENT

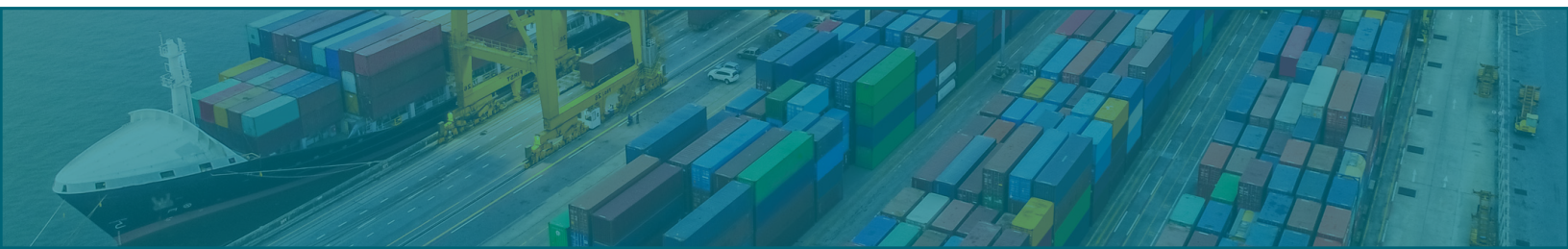
In January 2022, the [PGA Flag Enforcement](#) table was updated for USDA Agriculture Marketing Service to change Type 06 FTZ entry flagging from the YES for 06 weekly estimates/SE/cargo release to NO for 06 weekly estimates/SE/cargo release, and from NO for 06 weekly entry summary/AE to YES for 06 weekly entry summary/AE.

## FDA ENTRY REJECTIONS

On January 22, 2022, FDA deployed to production validations that enforce the [PGA Flag Enforcement](#) table. If FDA receives an entry with the FDA message set on an entry type not subject to FDA import requirements, FDA will reject the entry data with subreason code 195 (Entry Type Not Allowed for PGA). See [CSMS #50666399](#).

## NEW PROPOSED CENSUS BUREAU AES FILING REQUIREMENTS

In December 2021, the Census Bureau issued a Notice of Proposed Rulemaking (“NPRM”) proposing to amend the Foreign Trade Regulations (“FTR”) to reflect new export reporting requirements related to country of origin. Specifically, Census proposed to add a conditional data element for country of origin when Foreign Origin is selected in the Foreign/Domestic Origin Indicator field in the Automated Export System (“AES”). In addition to the proposed new export reporting requirement, the proposed rule would make other changes to the FTR to improve clarity and to correct errors.



## NORTHERN BORDER DIVERTED CARGO

In February 2022, CBP instructed ports of entry to “consider maximum flexibility to ensure that legitimate cargo is processed” at Northern Border ports. Via [CSMS #50982547](#), CBP instructed the ports of entry to communicate with trade partners alternate cargo clearance locations and with customs brokers to actively remedy issues caused by cargo diversions. CBP also instructed the ports to accept diversions in ACE Truck Manifest and ACE Cargo Release (where PGA requirements do not apply) or through manual release if necessary.



## ACE PORTAL MODERNIZATION

On January 22, 2022, CBP deployed the first phase of the “ACE Portal Modernization”. The first phase includes a new log-in screen, a new home page, and upgraded user account information display and edit features. See CSMS Message [#50933483](#). After phase one, CBP will transition additional functionality into the modernized ACE Portal such that all legacy ACE portal features will be transitioned by early 2023. June 28, the second phase of the legacy ACE portal modernization, is scheduled to transition additional capabilities to the modernized portal, including creation and edit functionality for all accounts and supporting data, blanket declarations, and access to other ACE applications (including AES, ACE reports, and truck manifest) via the references tab. The third phase, scheduled for September, will transition document upload/management, user access management, statement functionality, and arriving/exporting in-bonds to the modernized portal.

## NEW REPORTS & DATA UNIVERSES IN ACE REPORTS

On March 17, 2022, CBP announced the transition to upgraded versions of certain data universes in ACE Reports. The updated data universes have the suffix “New” in the naming convention. See more information at [CSMS #51138598](#).

## SANCTIONS & SUSPENDING NORMAL TRADE RELATIONS WITH RUSSIA & BELARUS ACT

Beginning April 9, 2022, Column 2 duty rates in the Harmonized Tariff Schedule of the United States (“HTSUS”) apply to all Russian and Belarusian-origin products entered into the United States. Separately, the United States has also imposed “unprecedented and expansive” sanctions on Russia. More information about sanctions can be found [here](#).

## ACE UPDATES

## ACE TRUCK MANIFEST VALIDATION FOR QP-FILED IN-BONDS

In January, a new edit was implemented for Truck e-Manifest. Bills of lading (BOLs) moving in-bond via QP authorization must be manifested as Simple/Regular BOL type on the truck e-Manifest and ACE will automatically match the BOL transmitted on the QP to the BOL transmitted on the Truck e-Manifest. See [CSMS #50887325](#).

## e214 MID VALIDATION

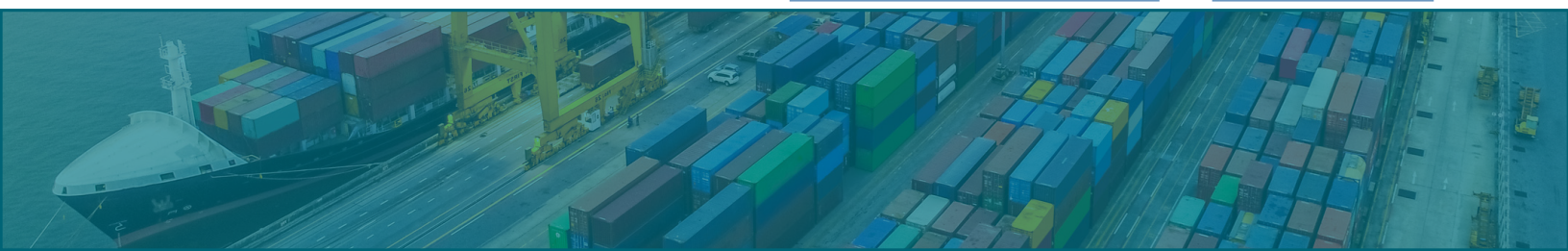
CBP issued a notification via [CSMS #51376733](#) that enhanced Manufacturer ID (“MID”) validation was deployed to production in ACE on April 4, 2022. As a reminder, all MID's must be on file in ACE prior to submission on an FTZ admission/e214 (FT Record).

## ISF REPORTS

On April 14, 2022, CBP deployed three (3) standard reports in ACE Reports: ISF Late Report, ISF Progress Report and ISF History Report. These reports are available under the “ISF” tab in ACE Reports. The reports mimic the current reports available in the separate ISF Portal, which eventually will be retired in favor of access through the modernized ACE Portal. See [CSMS #51573620](#).

## NEW ACE FORMS

On April 23, 2022, CBP will deploy a new ACE Forms tool in the ACE Portal that will modernize CBP Forms 28 (Request for Information), 29 (Notice of Action), and 4647 (Notice to Mark/Redeliver) as well as the “Docs Required” response and management functionality in ACE for the trade. See [Trade User Information Notices](#) and [CSMS #51707590](#).



# Inland Empire/Traditional Markets Continue to Drive RGI Industrial; New Markets Announced

Rockefeller Group continues to show that it is a leader in industrial development in the Inland Empire, a top industrial market. In April the company closed the books on one of the region's most successful ventures in the Inland Empire – sister projects Harvill Logistics Center and Val Verde Logistics Center.

In Fall of 2020, Rockefeller Group acquired approximately 30 acres of property in Riverside County, Calif. for the development of 623,109 square feet of Class A industrial distribution space. Two parcels, one about 13 acres and the other about 17 acres, would see distribution centers rise in just under 12 months. A continued decline in vacancy and strong gross and net absorption rates in the Inland Empire region were causing strong tenant demand ranging from



100,000 square feet up to two million square feet. The plan to complete the buildings in under a year timed-out perfectly to market demand when few buildings of similar size were anticipated to be on the market and when tenant demand was high. The first sign that the projects would be successful was when Harvill Logistics Center was sold to a joint venture partnership between CH Realty Partners LLC and Blumenfeld Development Group for \$57.5 million. Just a few weeks later, a major pool equipment supplier decided to expand its operations and leased the entire Val Verde Logistics Center prior to completion. In April 2022, Val Verde was sold to one of the world's leading investment management firms for \$92 million.



“Due to its location, occupancy of a quality tenant and short supply of available industrial product in the market, Val Verde, like Harvill was particularly attractive to investors,” said James V. Camp, Senior Managing Director for Rockefeller Group's West Region.

The Inland Empire remains a priority for Rockefeller Group as it looks to secure more development opportunities in the region.

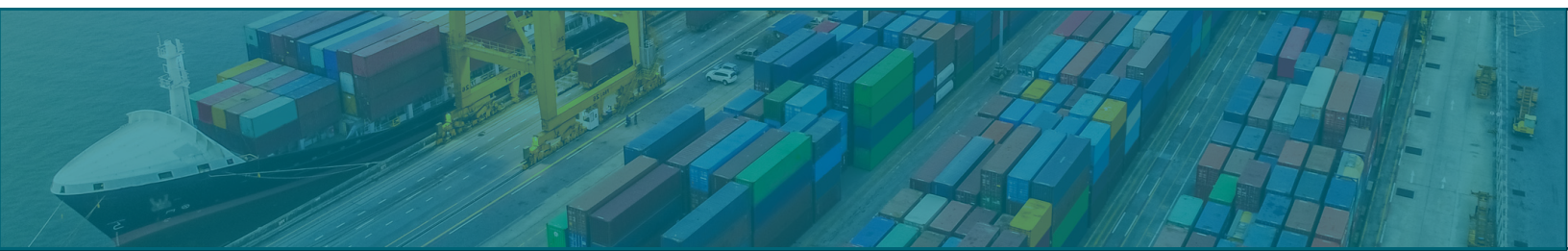
## ROCKEFELLER GROUP EXPANDS TO NEW MARKETS

With the success of the Inland Empire and other markets such as Atlanta; the Lehigh Valley, San Diego and Northern New Jersey, where the company recently sold a 400,000-square-foot industrial asset to a fund sponsored by CBRE Investment Management, Rockefeller Group has looked to expand to other markets with a growing



industrial development need – specifically Central New Jersey, Greenville/Spartanburg and Las Vegas.

In November, the company began construction on a 345,600-square-foot distribution center in Eastampton Township, N.J. Rockefeller Group Logistics Center Eastampton will be located on a 27.64-acre parcel on



## Inland Empire/Traditional Markets Continue to Drive RGI Industrial; New Markets Announced cont...

Route 206, approximately eight miles from Exit 7 of the New Jersey Turnpike. The project will be delivered in Fall 2022.

“We are excited for the opportunity to expand our industrial development to Central New Jersey with our newest project along the New Jersey Turnpike,” said Zachary Csik, Director, Real Estate Development for Rockefeller Group’s NJ/PA Region. “The Exit 8A submarket has seen record growth and absorption over the past five years and we are confident that tenants will look to exit 7, the Burlington County submarket, and points south for Class-A distribution space.”

As with New Jersey, South Carolina is seeing growth in markets outside traditional markets like Charlotte and Charleston. The Greenville/Spartanburg Metro area has quickly become an important e-commerce location along I-85 and Rockefeller Group announced its first project there in January.



“Rockefeller Group continues to look to expand our industrial portfolio to new markets and this property in the Greenville/Spartanburg market was an excellent opportunity for us to get in to one of the Southeast’s most sought-after areas,” said Steven McGee, Director, Southeast Development for Rockefeller Group. “Once completed, this project’s central location within the heart of Upstate South Carolina will allow potential tenants unmatched access to manufacturing as well as the ability to connect to more than 100 million consumers in a day’s drive.”



Rockefeller Group will develop Duncan Logistics Center on 98 acres in Duncan, SC. The logistics center will include three industrial warehouses totaling 827,000 square feet. Construction on the first two buildings totaling 573,000 square feet will be completed in Q4 2022.

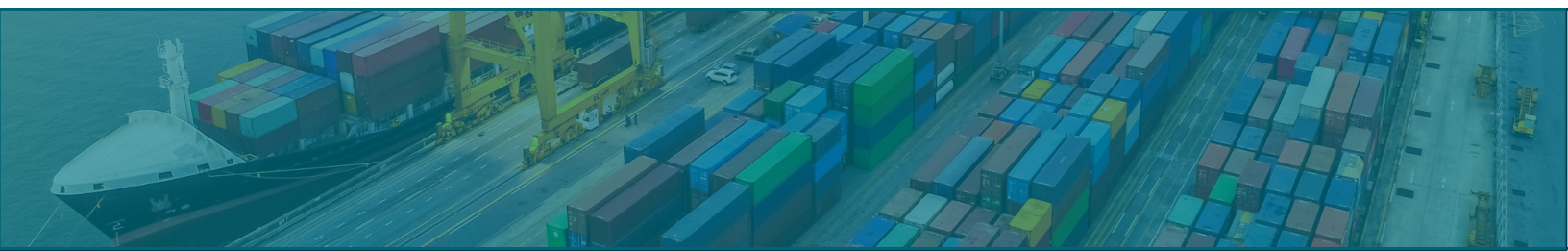
Most recently Rockefeller Group announced its newest market - Las Vegas.

“Las Vegas has grown into one of the top secondary industrial markets in the Western United States during the past five years. Rockefeller Group is excited to develop its first project in the region with Nellis Logistics Center, expanding our presence to Southern Nevada,” said Marc Berg, Vice President and Regional Director for Rockefeller Group’s West Region.

The company purchased a 6-acre parcel in the North Las Vegas industrial submarket and will develop Nellis Logistics Center, a 134,100-square-foot speculative distribution facility on the property. Construction will begin in December. The site is strategically located within a one-day drive to ten major U.S. cities and Mexico and is in close proximity to Interstate 15 and U.S. Highways 95 and 93.

“The current supply for industrial buildings is extremely tight in the Las Vegas area markets, which has the second lowest vacancy rate in the Western United States, so we are confident that there will be strong interest in our project,” said James Wall, Senior Associate for Rockefeller Group.

From California to New Jersey and all markets in between, Rockefeller Group is continuing to expand its industrial portfolio to the regions that are seeing the most growth for our clients.



# Rockefeller Group

## FTZ ACADEMY

The responsibilities of managing day-to-day FTZ operations can be challenging whether your company is an importer acting as its own FTZ Operator or you're a third party logistics provider (3PL) serving as an activated FTZ Operator for importers/users.

Under its valid Type 4 FTZ Operator's bond, the FTZ Operator is responsible to U.S. Customs & Border Protection (CBP) for ensuring that the FTZ is administered in compliance with the CBP FTZ Regulations (19 CFR Part 146) and that personnel performing FTZ administration duties are trained and knowledgeable. There is no "one size fits all" solution or approach to meeting the regulatory obligations of an FTZ Operator. Day-to-day FTZ administration responsibilities can be performed by internal or outsourced personnel—or a combination of both—depending on a host of factors.

In general, we believe training and utilizing primarily internal resources for FTZ administration is the optimum choice.

Rockefeller Group Foreign Trade Zone Services offers a full suite of web-based FTZ administration training modules:

- Module 1: Import/Export/FTZ 101
- Module 2: FTZ Inventory Control & Recordkeeping Systems
- Module 3: FTZ Receipts/Admission
- Module 4: Handling Merchandise in an FTZ & Exceptions
- Module 5: FTZ Withdrawals for U.S. Consumption
- Module 6: FTZ Withdrawals for Export
- Module 7: Zone-to-Zone Transfers
- Module 8: Periodic FTZ Reporting
- Module 9: CBP FTZ Compliance Reviews, Internal Auditing & Compliant Recordkeeping
- Module 10: FTZ Considerations for 3PL Operators
- Module 11: In-bond Regulations & Operational Considerations
- Module 12: Common FTZ ICRS Issues

- Module 13: Hands-on Preparation for CBP FTZ Compliance Review/Spot Check
- Module 14: Client's Choice (customized)

To learn more, click 'FTZ Academy' at [www.rgftz.com](http://www.rgftz.com) or contact us at [rgftzs@rockefellergroup.com](mailto:rgftzs@rockefellergroup.com). Also, watch our [30-second video](#) where we highlight our decades of experience with FTZ development, implementation and administrator training opportunities.

## RECENT CBP MESSAGES

Please review the following recent pipeline and CSMS messages from CBP to determine how they may impact your import, export and/or FTZ operations:

[CSMS #49719889 - Cancellation request not allowed to take advantage of lower duty rates](#)

[CSMS #49759925 - EDI Implementation Guide Updates posted for ACE Import Ocean Manifest House Bill Release capability](#)

[CSMS #49761156 - Reminder\\_ Foreign Supplier Verification Programs for Food Importers \(FSVP\) Data Requirements](#)

[CSMS #49876589 - FDA Recommends Use of ITACS](#)

[CSMS #49963220 - FDA ACE Support\\_ Phone Service to be Discontinued January 2022](#)

[CSMS #50452937 - Periodic Monthly Statement \(PMS\) Dates for 2022](#)

[CSMS #50453909 - Correction Federal Holidays for Calendar Year 2022](#)

[CSMS #51045207 - Updated ACE Development and Deployment Schedule Posted to CBP\\_gov\\_ACE](#)

[CSMS #51674047 - ACE Truck Manifest Modernization – Next Deployment Set for April 24](#)

[CSMS #51726538 - ISF Portal Retirement](#)



U.S. Customs and  
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## FTZ Developments

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We welcome your ideas for topics. Questions or information can be sent to [RGFTZS@rockefellergroup.com](mailto:RGFTZS@rockefellergroup.com).

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