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REGULATORY UPDATE

CHAIRMAN'S LETTER



Dear NAFTAZ Members,

A few weeks ago we kicked off in Nashville one of our most successful spring seminars in years. We had participation from various federal agencies specifically APHIS, Census, FDA, FTZ Board and CBP, who bring value to the networking and information dissemination at this spring seminar. The event (30th annual seminar) topped off all

others because of its important topics on ACE and PGAs, an excellent program put together by volunteers and a dedicated staff that included a reception on Sunday, the main networking event on Monday evening and the Nissan plant tour for those who were fortunate to make the cut. During our Monday lunch session, we appreciated remarks from Mayor Megan Berry, and Randy Boyd, Commissioner of the Tennessee Department of Economic & Community Development.

The Board of Directors met in Nashville on Tuesday evening in which several positive outcomes were shared:

- I presented a cooperation agreement MOU between the Latin American Zones Association and NAFTAZ that was approved unanimously by the board,
- I updated the board on the Nominations Committee who are busy drafting a streamlined application so that interested members who wish to be considered for a board position will find it easier to apply,
- I updated the board on the Search for a new President, and feel confident that we can have a new executive on board by August.

There was much discussion on various updates from PGA's, and the next action steps that the ACE/PGA Working Group is doing to inform the members. I give much credit to our Treasurer, Rebecca Williams for her determination to craft this WG. And surprisingly we heard for the first time about CBPs new Security Guidelines for FTZs. Our Vice-Chair Trey Boring enlightened us by volunteering to spearhead a new Security Guidelines Working Group that will keep the board apprised on this issue. The Board of Directors also approved as new members and committee members the following to the NAFTAZ:

New Membership in NAFTAZ: Jennifer VanGundy, OHL; Candace Zackry, Perkins Shibuara Engines LLC; Rachel Pisani, Pisani Recruiting; and Dan Ford, Mitsubishi Electric Automotive.

Operator/User Committee: Megan Cadwell, GE Transportation; Abigail Frank, Mohawk Global Trade Advisors; Dustin Hobbs, LFLLEX; Kristen Lear, Honeywell; Jason Ricketts, Nissan North America, Inc.; and Santos Rodriguez, AbbVie.

Welcome to all new members and to new Committee members.

I want to congratulate Hawaii FTZ No. 9 that will be celebrating its 50th anniversary on June 29, 2016. The NAFTAZ is grateful to Homer Maxey who was a pillar in the development of Hawaii's FTZ program and for serving as NAFTAZ's first President (a.k.a., Chairman). The Hawaii zone is a role model program for many grantees. I will not be able to join the Hawaii zone on that special day, but those who know or had the pleasure of meeting Homer or David Sikink, please congratulate them for this milestone achievement.

As we move quickly into the summer months, and we prepare to enjoy some R & R, we must also continue to charge ahead with legislative and regulatory challenges. It's too early to say if we have been successful in making positive changes on the ACE /PGA roll out; and with the presidential elections underway, it's too soon to determine what legislative bills will get through this year. I can only say that it's up to the members to get informed and participate in NAFTAZ committees (Customs, ACE/PGA, Operator, Regulatory, and Automation), taskforce or working group who have engaged various federal agencies to try and make some changes.

I wish all of you this summer a joyful and blessed time.

Yours truly,

Jose Quinonez, Chairman, NAFTAZ

NAFTZNEWS (CONTINUED)

AZFA to Host Annual Free Zones Conference in Costa Rica September 28-29

The Asociación de Zonas Francas de las Américas (AZFA) has opened registration for its Annual Conference. The conference will be held at the InterContinental Hotel Real. The conference consists of a two-day program where participants will be able to learn about trends and innovations in the industry in the important market of Latin America.

[Learn more](#) about the event and [register](#).



Sponsor Our Website

Support our Organization by sponsoring the NAFTAZ website. A one-year sponsorship will display your company logo and link to your own website on our homepage. With an average of 2,437 hits per month, the website offers excellent exposure for your business. The cost for running a banner ad is \$2,750 with benefits actualized once we receive payment. We

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now have an [online form](#) to make the process easier. Contact [Jarmila Zapata](#) with any further questions about this opportunity.

Submit a Job Posting on our Website

There is no cost for individuals belonging to NAFTAZ member organizations to submit an FTZ job opening. Submit your listing to [Jarmila Zapata](#).

Help NAFTAZ Enhance Our FTZ Careers Section

Your help is critical for us in adding more value to the FTZ Careers section. An important step in this initiative involves creating a professional development section. Consequently, we are offering our members two unique writing opportunities. Tell us how you got to where you are in your FTZ career. We're curious how you got into the FTZ industry, and also the details of your path. We will share these FTZ career stories in upcoming Zones Reports and on our new website. We strive to illustrate the diversity of career options within the FTZ industry. Our second writing opportunity is for people in the hiring manager role. For this opportunity, we are open to your suggestions on article topics. Please contact [Jarmila Zapata](#) if you are interested in either writing opportunity.

FTZ COMMUNITYNEWS

Hawaii Foreign-Trade Zone 9 to Celebrate its 50th Anniversary



The 50th Anniversary Celebration will take place at the Homer A. Maxey International Trade Resource Center (HAM ITRC), 521 Ala Moana Blvd., on June 29, 2016 with registration starting at 9:45 a.m. and a program expected to last until 11:30 a.m. The program will include brief comments by the Governor, David Ige and other remarks offered by the Department of Business Economic Development and Tourism (DBEDT) Director, Luis Salaveria. Homer A. Maxey, FTZ9's first Administrator and the first President of the NAFTAZ, will be present that day and will present the plaques to our two oldest Zone tenants and users, Blackstone Hawaii, LLC and Tanaka Distributors, Inc. Both started with FTZ9 while we were in our original location at Pier 39. We are currently awaiting confirmation of attendance and participation from members of the Congressional delegation, the Economic Development Administration, and the Export-Import Bank of the United States.

COMMUNITYNEWS (CONTINUED)

David J. Sikkink, the Zone Administrator will recount some of the many achievements in the last 50 years, describe some of the plans for the future, and recognize two Zone tenants who have been a part of the program since it started at Pier 39.

The Foreign-Trade Zone is inviting all attendees to contribute an item of personal or professional significance to be placed in a time capsule which will be opened in ten years. We will also be asking certain invited guests, to assist us in the completion of a “History Wall” of photos which will serve as a commemoration of the recent renovation of the Trade Zone and of our anniversary.

Light refreshments will be served following the program and all attendees will be invited to visit the Foreign-Trade Zone Product Expo which will be held in the HAM ITRC 2nd floor conference room adjacent to the event site. Approximately 17 companies that conduct business in Trade Zone will be displaying their products and describing the services they provide. The Expo is an opportunity to learn about these diverse companies and their own interesting history.

Hawaii’s Foreign-Trade Zone Program

The Hawaii Foreign-Trade Zone (FTZ) began operations on June 15, 1966. The designation of Foreign-Trade Zone No. 9 is significant because FTZ are instituted sequentially meaning the Hawaii Foreign-Trade Zone was the ninth FTZ ever established in the United States and therefore identifies us as one of the oldest Zones in the country. The Foreign-Trade Zone Program, first established in 1934 as a means of assisting American firms to compete more equitably in international trade, has grown to over 260 Foreign-Trade Zones and 625 subzones

nationwide with at least one Zone project in every state and in Puerto Rico.



The Hawaii Foreign-Trade Zone is a statewide program which is headquartered at Pier 2 in Honolulu. It occupies an area of 7 acres containing a 200,000 square foot warehouse and over 70 offices ranging in size from 192 square feet to 4,995 square feet. There are 13 zone sites located across the islands in Hawaii. Nine are located on Oahu, two on Maui and two on the island of Hawaii.

The Hawaii FTZ assists businesses in reducing production, transaction, and logistics-related costs by lowering effective duty rates, allowing special entry procedures, and encouraging production closer to market. Reducing costs through FTZ use can lead to more competitive operations, thereby helping to maintain activity, capital investment opportunities and job retention. By helping local employers remain competitive, the Zone can contribute to maintaining or boosting employment opportunities.

The Hawaii Foreign-Trade Zone No. 9 has consistently been an industry innovator. It was the first

Foreign-Trade Zone in the nation to establish an oil refinery as an FTZ and successfully implement Foreign-Trade Zone processes and procedures in the refinery’s operations, thus lowering the cost of the distilled fuels for electricity generation, autos, ships, and airplanes in Hawaii.

Foreign-Trade Zone No. 9 is also distinguished as being the first FTZ in the nation and the first organization in Hawaii to receive the prestigious President’s “E” Award for excellence in export service.

The Hawaii Foreign-Trade Zone is a wholly self-sustaining program, entirely supported through its special-fund with proceeds from office rents, warehouse storage, and equipment rental supporting the personnel and operating costs of the Zone. It takes no funds from the state’s general fund.

Pharr (Texas) to Explore a Foreign-Trade Zone

The Monitor
By Mitchell Ferman

May 31, 2016

PHARR — The City of Pharr will begin researching how a foreign-trade zone would benefit the city.

[Read](#) the full article



First and current FTZ Administrators from left to right: Homer A. Maxey and David J. Sikkink