

Alternative Site Framework

**APPLICATION FOR SUBZONE OR USAGE-DRIVEN  
DESIGNATION (“MINOR BOUNDARY MODIFICATION”)**

**QUESTIONS**

1. Please mark the appropriate space below to indicate whether you are requesting “Subzone” or “Usage-Driven” designation for the proposed site(s):

Subzone       Usage-Driven

2. List the address of the site(s), including the jurisdiction in which the site(s) falls (town, city, county).

The site is located at 417 Union Pacific Blvd. Laredo TX. 78045 (Webb County)

3. Explain how the proposed site(s) is within the grantee’s approved ASF service area.

The site is located in Laredo Texas, which is within the City of Laredo Foreign Trade Zone Service Area defined as the boundaries of Webb County.

4. State the proposed acreage of the site(s).

The proposed subzone site consists of 10.24 acres

5. Indicate the company for which the site(s) will be designated.

The subzone site will be operated by UPS Supply Chain Solutions, Inc.

6. Provide a summary of the company’s planned activities.

Operations to be completed in the zone include warehousing, distribution, and short, mid, and long-term storage for the deferral of duty payment. Activities include import compliance validations and value added services such as labeling/re-packing, quality verification, minor assembly and disassembly, etc., and scrap and export activities for duty avoidance.

7. Indicate the current zoning and the existing and planned buildings (including square footage) for the site(s). (Note: Sites (or areas within a site) with inappropriate zoning – such as agricultural, retail, or residential – are not eligible for FTZ status and should not be proposed in any MBM request.)

The current zoning of the subzone site is Industrial. The existing portion of the building totals 105,000 square feet which will be included within the proposed subzone.

- 8. Confirm that FTZ designation or the use of FTZ procedures is not a requirement or a precondition for future activity or construction at the site(s).

The FTZ designation or the use of FTZ procedures is not a requirement or a precondition for future activity or construction at the subzone site.

- 9. List the owner(s). (If a site(s) is not owned by the grantee or the company planning to use the site(s) – as named in response to Question 5 above – then provide a "Right to Use" attachment with documentation demonstrating the right to use the site(s). Such evidence could be a signed letter from the proposed operator on its letterhead attesting to its right to use the property or a letter of concurrence from the owner of the proposed site(s).)

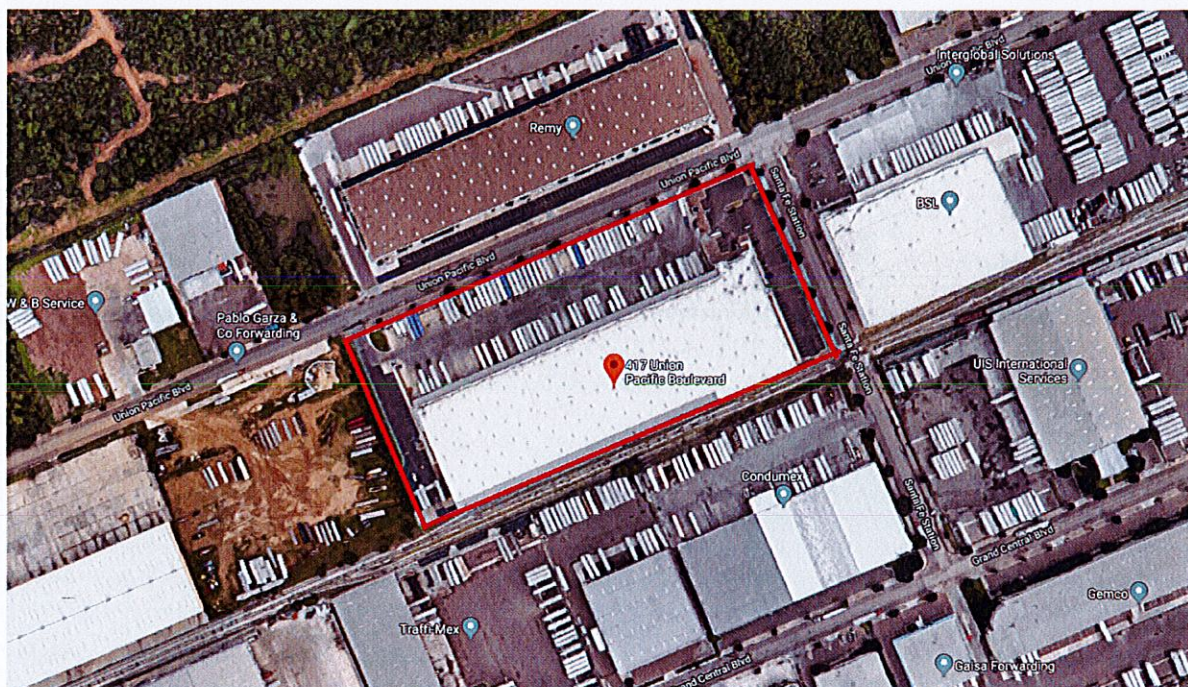
The property is leased by UPS Supply Chain Solutions, Inc. from Laredo Portfolio LLC. Letter indicating Right to Use is attached.

### ATTACHMENTS

Attach the documents listed below (Items 10 and 11, plus Item 12 if applicable) directly behind the text of your request.

- 10. A clear and detailed site map showing existing and planned structures. The site boundaries must be outlined clearly **in red**. Note that if streets or similar landmarks are not legible on the site map, you will also need to provide a detailed street map with the proposed site's boundaries **in red**. Any map should be no larger than letter-sized (8 1/2" x 11") and clearly labeled, with legends provided for any markings.

UPS Supply Chain Solutions, Inc  
417 Union Pacific Blvd. Laredo TX. 78045



11. Comments from U.S. Customs and Border Protection (CBP): The grantee generally should provide comments from CBP with the submitted request. Alternatively, the grantee may provide a copy of the request to CBP at the time the request is submitted to the FTZ Board, in which case the grantee should also communicate with CBP regarding the 20-day timeframe in the FTZ Board's regulations for CBP to provide comments to the FTZ Board.

### Exhibit 2

12. If your state (such as TX, KY, AZ) has one or more taxes for which collections will be affected by the proposed FTZ designation of the new site(s), please attach all of the following:

- A. An explanation of the specific local taxes that will be affected;
- B. A stand-alone letter that:
  - Lists all of the affected parties;
  - Includes a statement below the list certifying that this is a complete list of all parties that would be affected by this particular request; and,
  - Is signed by an official of the grantee organization.
- C. Correspondence from all of the affected parties (such as a local school board) indicating their concurrence (or non-objection) regarding the proposed FTZ designation.
  - City of Laredo – Exhibit 1
  - Webb County (collector of Laredo College and Road Bridge) taxing district – Exhibit 3
  - United Independent District – Exhibit 4
  - Correspondence of affected parties – Exhibit 5

## UPS Trade Management Services, Inc.



May 9, 2019

Ms. Elsy Borgstedte  
City of Laredo  
5210 Bob Bullock Loop  
Laredo, TX 78041

Re: UPS Supply Chain Solutions, Inc. (UPS)  
417 Union Pacific Blvd  
Proposed Foreign-Trade Zone Boundary Modification

Dear Ms. Borgstedte:

UPS Supply Chain Solutions, Inc., (UPS) is seeking a Usage-Drive Site (Minor Boundary Modification) designation of our Laredo Texas distribution facility. The single facility comprised of 10.24 acres is located at 417 Union Pacific Boulevard, Laredo, TX, in Webb County.

UPS's intent is to utilize our activated Laredo, TX Foreign Trade Zone to further our FTZ offering and strategy. Operations to be completed in the zone include warehousing, distribution, and short, mid, and long-term storage for the deferral of duty payment.

Activities include but are not limited to, import compliance validations and value added services such as labeling/re-packing, quality verification, minor assembly and disassembly, etc., and scrap and export activities for duty avoidance.

UPS Trade Management Services (a subsidiary of UPS) will own the application process. UPS will be the Operator of the Zone.

UPS looks forward to partnering with The City of Laredo.

Sincerely,

A handwritten signature in black ink, appearing to read "Eva Tomlinson".

Eva Tomlinson,  
Director, UPS FTZ Strategy & Solutions



UPS Supply Chain Solutions, Inc.  
55 Glenlake Parkway, NE  
Atlanta GA 30328

Via UPS Next Day Air®

April 29, 2019

Mr. Andrew McGilvray  
Executive Secretary  
Foreign-Trade Zones Board  
U.S. Department of Commerce  
1401 Constitution Avenue, NW  
Room 21013  
Washington, D.C. 20230

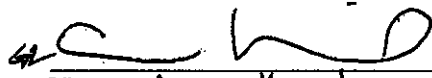
Re: UPS Supply Chain Solutions, Inc.  
Foreign-Trade Zone No. 094  
Proposed Foreign-Trade Zone Boundary Modification

Dear Mr. McGilvray:

This letter is to acknowledge that we are the operator and we have the right to use the facilities located at 417 Union Pacific Blvd. Laredo TX. 78045 as a subzone site. We concur in including our operation as a subzone site in the City of Laredo Boundary Modification Application.

If you have any questions, please do not hesitate to contact me.

Sincerely,  
UPS Supply Chain Solutions, Inc.,  
a Delaware corporation

  
Name: Aaron Kovich  
Title: Asst. Treasurer

