

Foreign Trade Zone #90



**Foreign Trade Zone #90
Onondaga, Cayuga, Madison, and
Oswego Counties**

Grantee – Len Rauch

Foreign Trade Zone #90

Grantee Organization:

- Onondaga County Office of Economic Development
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Grantee:

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Foreign Trade Zone (FTZ) #90

Foreign Trade Zone #90 (FTZ#90) encompasses the counties of :

- Onondaga
- Cayuga
- Madison
- Oswego

Is an FTZ Right for Your Business?

1. What are you importing?
2. Is it high value? (cost/year or units/year)
3. How long does the item remain in inventory?
4. Is the item a component of finished product?
5. Is the imported item immediately exported?
6. Does your business record multiple customs entries per week?

What is a Foreign Trade Zone?

A Foreign Trade Zone (FTZ) is a secure site within the United States, under U.S. Customs and Border Protection (CBP) supervision. These secure sites are in or near a U.S. Customs port of entry, where foreign and domestic merchandise is generally considered to be international commerce. FTZ sites are considered to be “outside” of the U.S. Customs territory for purposes of payment of duties and tariffs.

Purpose of a Foreign Trade Zone

The purpose of an FTZ is to expedite and encourage foreign commerce. Companies that operate in foreign trade zones can defer, reduce, or eliminate Customs duties.

What can you do in an FTZ?

- Production
- Repackage
- Transfer to another Zone
- Exhibit
- Destroy
- Storage
- Display
- Distribute
- Examine
- Calibrate
- Export
- Assemble
- Transfer Title
- Mix with Domestic Goods
- Repair
- Re-label

What Benefits Do FTZs Offer?

These various FTZ mechanisms may be combined and layered for optimal savings depending on the particular business practices and needs.

Duty Elimination: Customs duties are not paid on merchandise re-exported from the FTZ.

Duty Deferral: Imports may be admitted to the FTZ and held indefinitely in inventory without paying Customs duties. Duty is paid only when imports are shipped into U.S. Customs territory.

Inverted Customs Duty Savings: FTZ users may elect to pay the duty rate on either component material or finished product merchandise produced from imported and domestic component material - whichever is lower.

Expedited Shipments: Delays in Customs clearance and duty drawback procedures are eliminated. Delivery times after U.S. arrival are reduced due to the special Direct Delivery procedure.

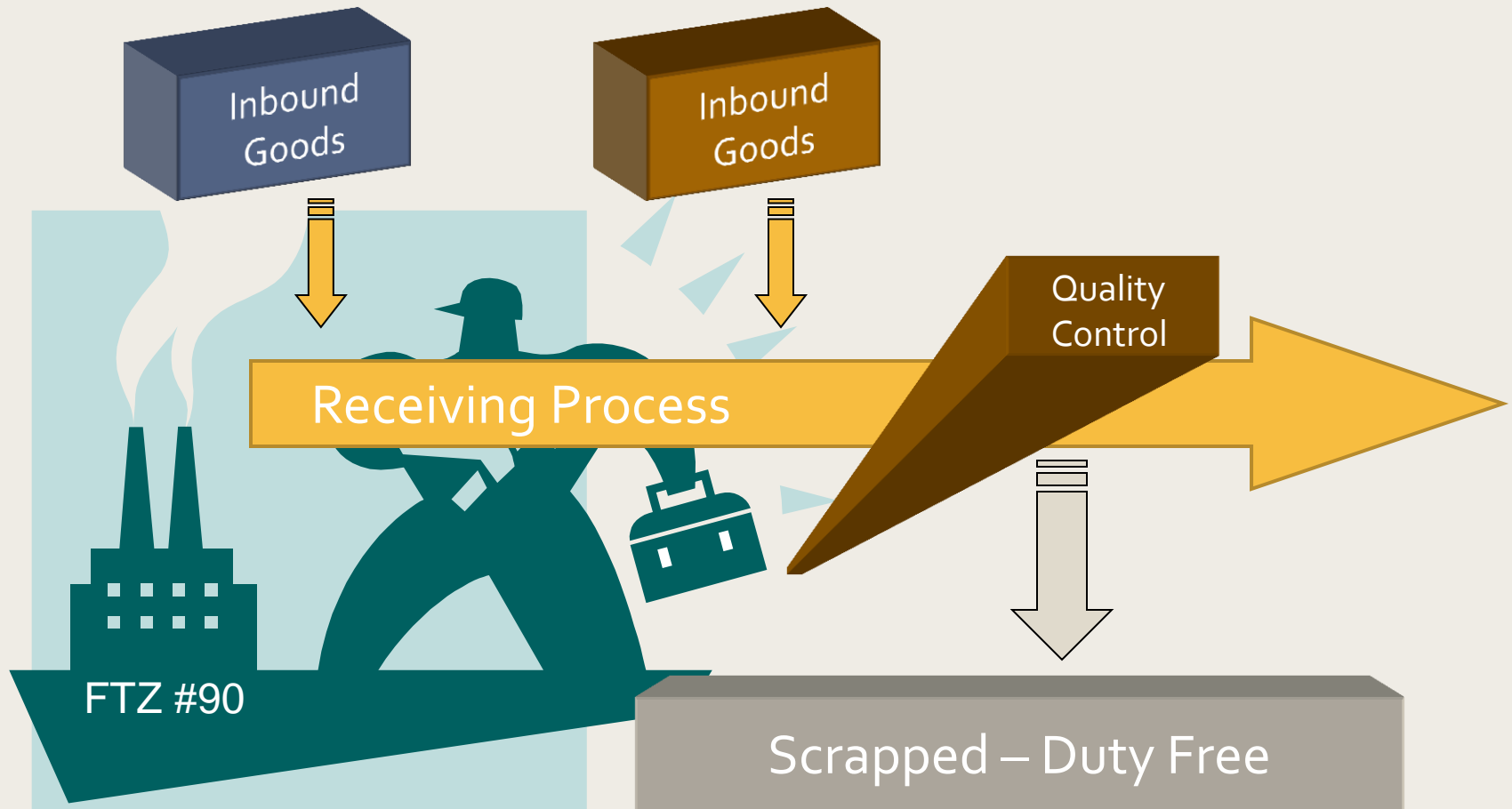
Quality Control: The FTZ may be used for quality control inspections to ensure that only products that meet specifications are imported. Substandard goods can be destroyed or returned before duty is paid.

Exhibition: Merchandise and machinery may be held for exhibition or displayed in the FTZ without duty payments. Retail trade is prohibited.

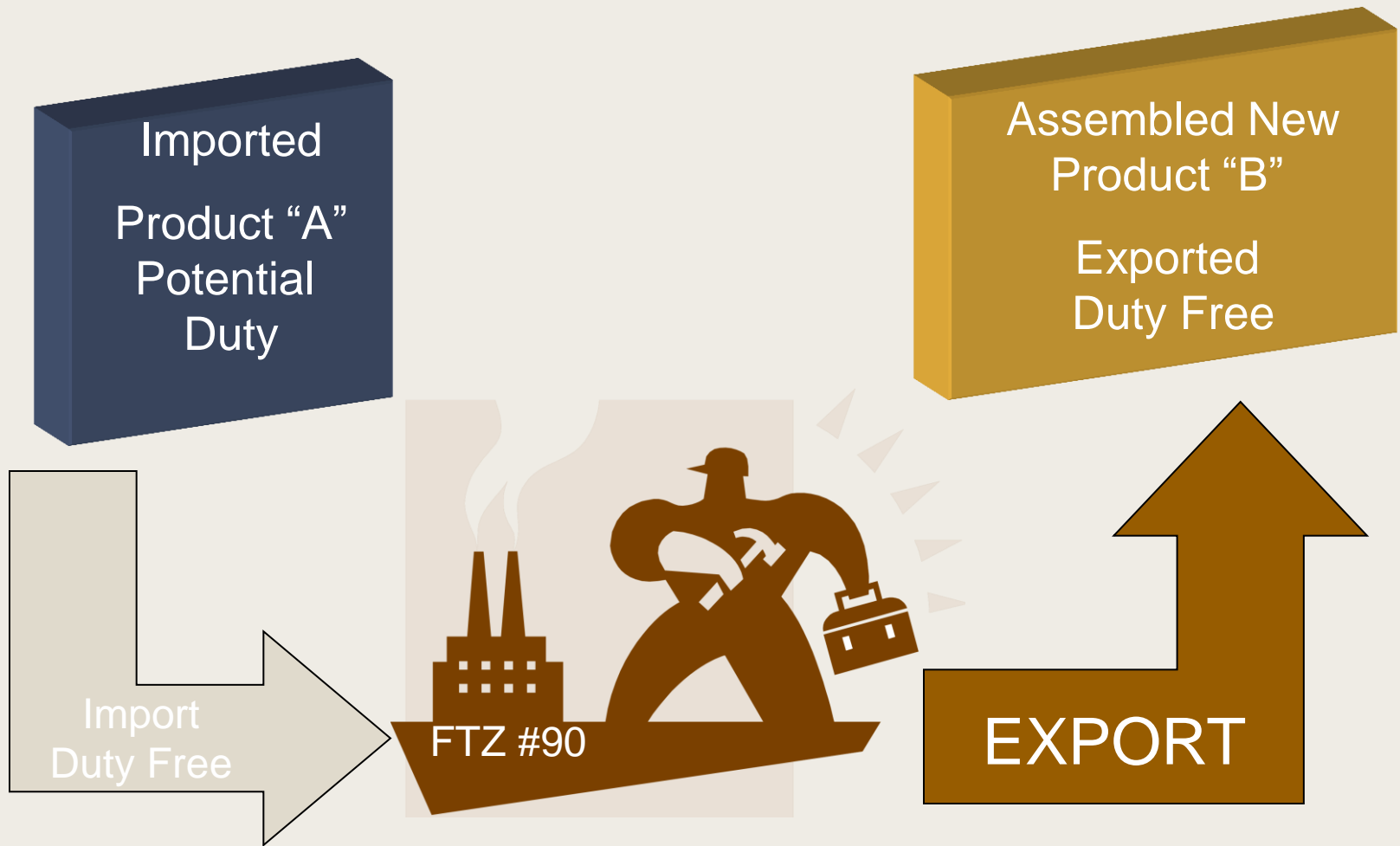
Weekly Entry: All shipments from the FTZ in a business week may be placed on one Customs entry, significantly reducing paperwork and expense.

Zone to Zone Transfer: Merchandise may be transferred under bond from one FTZ to another. Duties are not owed until the merchandise is finally admitted into U.S. Customs territory.

Duty Elimination



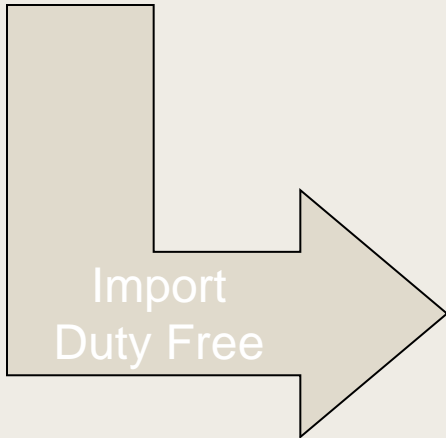
Duty Elimination



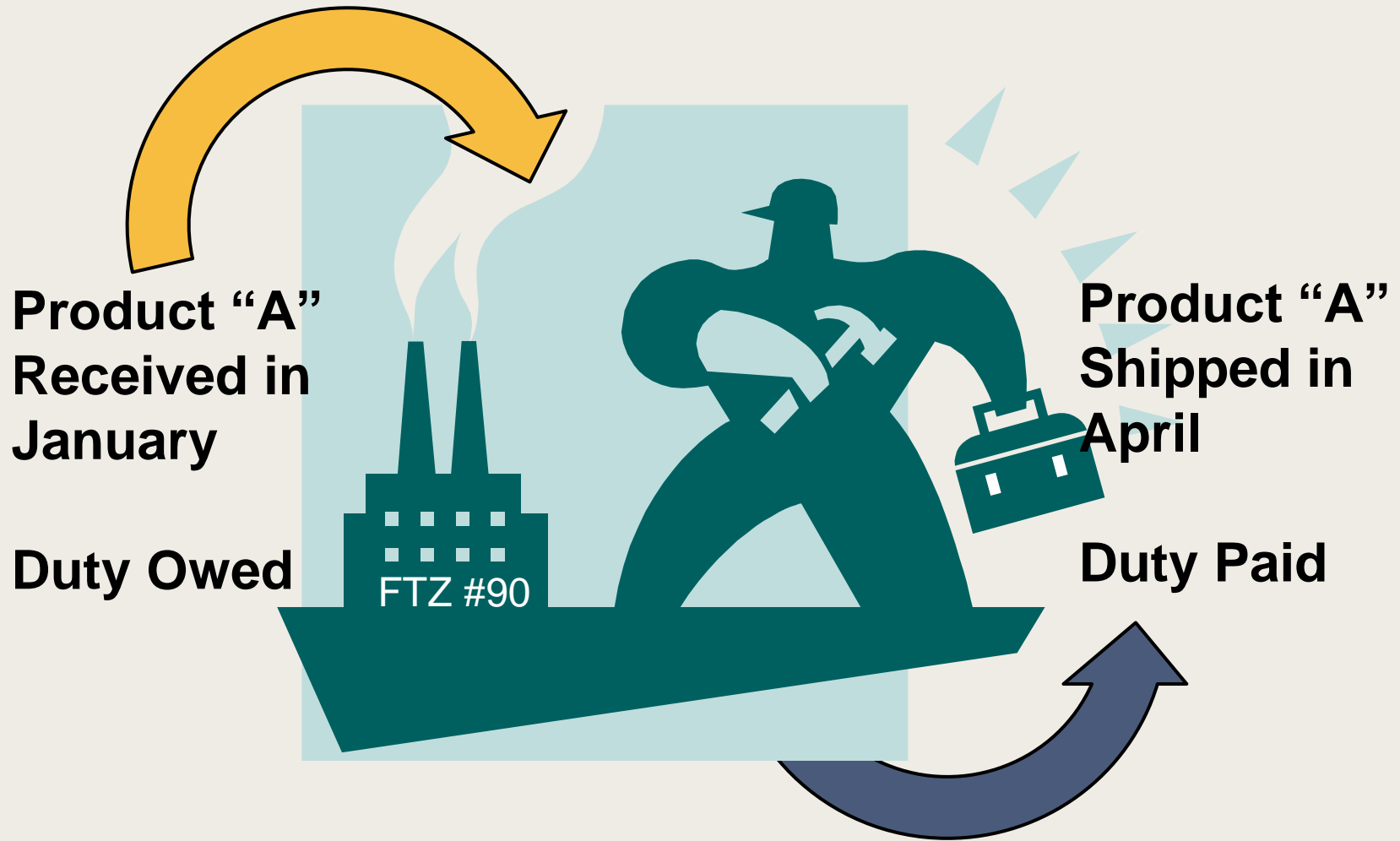
Duty Elimination

Imported
Product "A"
Potential
Duty

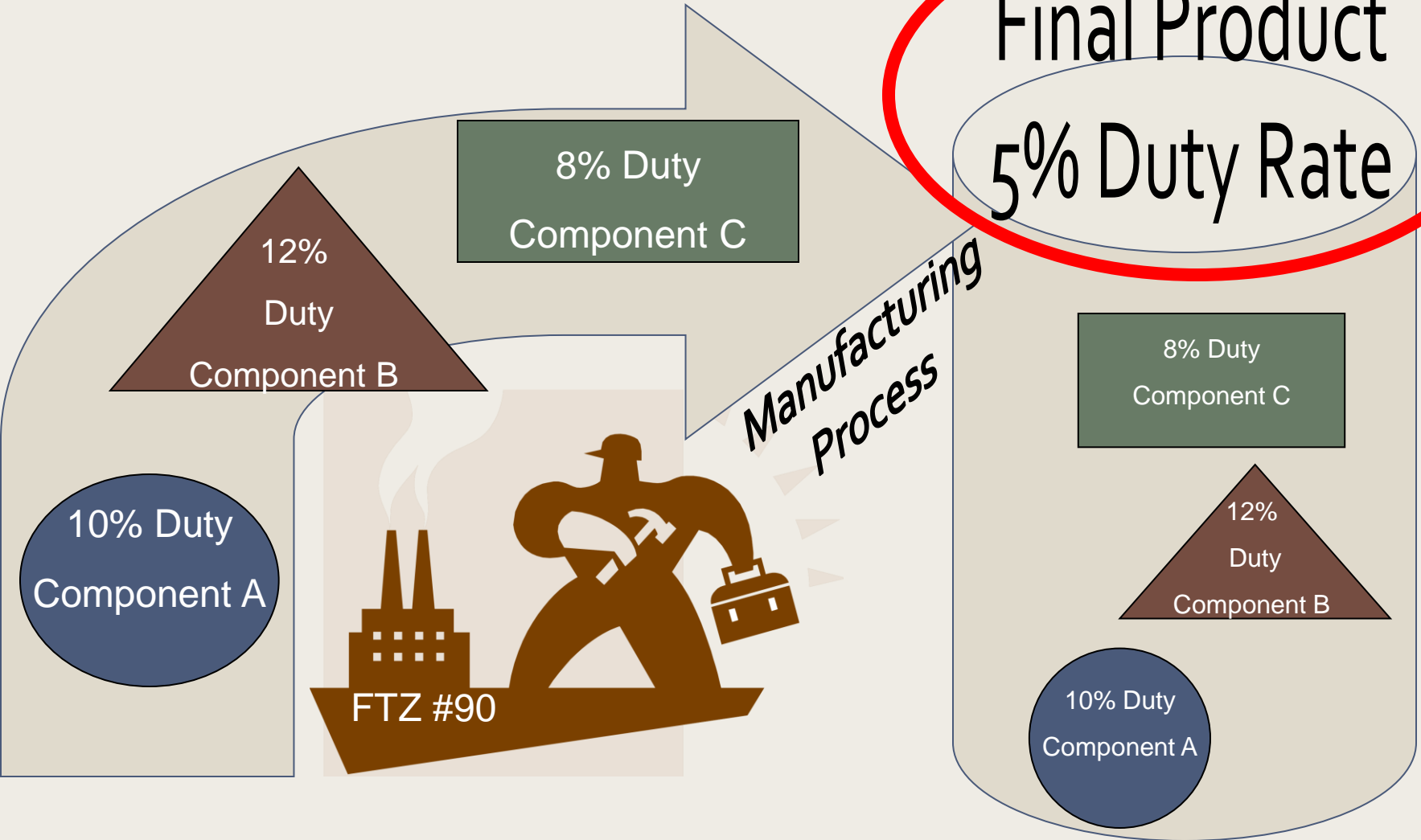
Another FTZ



Deferred Duty



Inverted Duty Rate



Final Product

5% Duty Rate

8% Duty
Component C

12%
Duty
Component B

10% Duty
Component A



8% Duty
Component C

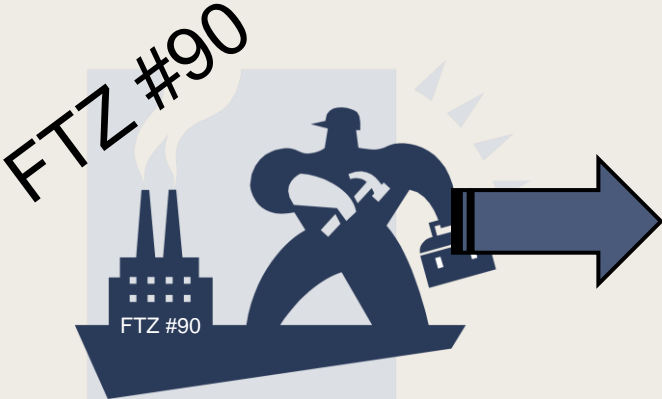
12%
Duty
Component B

10% Duty
Component A

Manufacturing
Process

Merchandise Process Fees

Companies outside an FTZ pay a .35% merchandise fee **PER** shipment. The minimum fee is \$26.22 with the maximum being \$508.70. In an FTZ the company may combine all shipments for a week into **ONE** filing resulting in a \$508.70/week maximum fee.



Other Potential Benefits

Lower Administrative Costs

Lower Security and Insurance Costs

No Time Constraints on Storage

Shorter Transit Time – Direct Delivery

Improved Inventory Control

Informed Customs Officers

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