

# Foreign-Trade Zones



# Introduction

When high-performance outerwear manufacturer Helly Hansen set out to revamp its North American distribution system, the Norway-based company thought it made sense to consolidate operations in its existing warehouse located in British Columbia, Canada. This was thought to be a logical decision since the company had recently been acquired by a [Canadian company](#) and because it had a larger market share in Canada than in the United States.

However, the manufacturer soon realized a tremendous opportunity that was hiding in plain sight: one of its existing warehouses in Auburn, Washington, was located in proximity to the Seattle Foreign-Trade Zone (FTZ #5), which offered the potential for significant cost savings and supply-chain efficiencies.

After a careful cost-benefit analysis, Helly Hansen management submitted an application to the controlling Foreign-Trade Zones Board (FTZ Board), and following approval and a meticulous planning process, the company activated its FTZ “subzone” and began to reap the savings. Millions of dollars in savings. The company has benefitted from unique opportunities to defer duty payments, pay reduced duty amounts, and, in some instances, avoid paying any duties at all. In addition, it has

dramatically reduced customs brokerage fees and also helped drive down transportation costs by 40–60 percent.

The manufacturer’s experience was so successful that it found itself in need of a larger warehouse, which it found in Foreign-Trade Zone #86 — the Port of Tacoma. The company subsequently moved its consolidated operations to the larger facility in 2016.



**Helly Hansen benefited from its affiliation with Foreign-Trade Zone #5, located at the Port of Seattle, before moving to a larger facility at Foreign-Trade Zone #86 — Port of Tacoma.**

Source: Port of Seattle

With its decision to utilize the Foreign-Trade Zone program, Helly Hansen joined a growing number of businesses that have recognized the benefits of this important — but not well understood — incentive program.

Administered by the Foreign-Trade Zones Board, which is part of the U.S. Department of Commerce, foreign-trade zones are areas within the United States that are considered to be outside of U.S. customs territory. Certain types of merchandise can be imported into an FTZ without going through formal customs entry procedures or paying import duties. Customs duties and excise taxes are due only at the time materials leave the FTZ and enter U.S. commerce. If the merchandise never enters U.S. commerce, then no duties or taxes are paid on those items.

With such lucrative benefits, it’s not surprising that FTZs have become integral to the U.S. economy. The [National Association of Foreign-Trade Zones \(NAFTZ\)](#), in its 2018 Annual Report, notes that goods exported directly from U.S. FTZs exceeded \$75 billion, an amount equivalent to 5.2 percent of total merchandise exports. Further, NAFTZ found that in 2017, the value of shipments into zones totaled \$670 billion, of which \$410 billion (61 percent) was

for production operations and \$259 billion (39 percent) for warehouse/distribution operations.

“The U.S. FTZ program continues to demonstrate its value to the U.S. economy,” NAFTAZ President Erik Autor said in the Annual Report. “Companies in many key American industries, including oil refining, automotive, electronic, pharmaceuticals, and machinery/equipment, gain significant global competitive advantage by locating their production and distribution operations in U.S.-based FTZs, thereby boosting American exports, manufacturing, investment, jobs, and standard living.”



FTZs can be used for a variety of purposes, including storage, manufacturing, assembly, and preparation.

Source: Foreign-Trade Zone #79 — Tampa

As beneficial as FTZs can be, they are not for everyone. For one thing, there are cost and time commitments associated with the application process, including FTZ Board and U.S. Customs and Border Protection requirements. Other considerations include procuring physical assets, development of operational materials, and staff training. This is in addition to ongoing compliance and reporting requirements.

Businesses, especially high-volume importers and exporters, that do successfully implement foreign-trade zones stand to reap significant cost savings and operational efficiencies. The process starts with an understanding of the FTZ program, including its origins, benefits, and mechanics. The following discussion will shed light on these and other significant aspects, which are important considerations in determining the feasibility of the Foreign-Trade Zone program for a particular business.

# What Is a Foreign-Trade Zone?

According to [U.S. Customs and Border Protection](#) (CBP), foreign-trade zones (FTZs) are secure areas that are generally considered to be outside U.S. customs territory for duty assessments and other customs entry procedures. Specifically, zones are physical areas into which foreign and domestic merchandise may be moved for lawful operations, including storage, exhibition, assembly, manufacture, or processing. FTZs are licensed by the Foreign-Trade Zones Board and operated under the supervision of CBP.

Foreign-trade zones offer a range of financial benefits to companies by allowing them to reduce, eliminate, or defer duty payments on goods manufactured or stored in FTZs before they enter U.S. commerce or are exported. Located in or near CBP ports of entry, foreign-trade zones are the United States' version of what are known internationally as free-trade zones.

As noted by the [FTZ Board](#): "Zones have as their public policy objective the creation and maintenance of employment through the encouragement of operations in the United States, which, for customs reasons, might otherwise have been carried on abroad."

## More than 250 foreign-trade zones exist throughout the U.S., along with nearly 500 company-specific subzones.

Foreign-trade zones were authorized by the U.S. Congress under the Foreign-Trade Zones Act of 1934 as a way to expedite and encourage international commerce. Although U.S. businesses failed initially to embrace FTZs, the concept has taken hold, especially over the last 30 years. According to the [Foreign-Trade Zone Corporation](#), in 1970 there were eight U.S. FTZ projects, whereas today the [Foreign-Trade Zones Board](#) lists more than 250 authorized FTZs, with at least one in each state and in Puerto Rico. In addition, there are almost 500 "subzones," which are individual businesses or manufacturing facilities.

Although FTZs have broad appeal across many sectors, [CBP cites](#) the petroleum refining industry as the largest zone user, along with the automotive, electronic, pharmaceutical, and machinery/equipment industries. The 2018 NAFTAZ Annual Report notes that during 2017, roughly 3,200 businesses were actively using FTZs.



**BMW is among automakers that take advantage of cost savings offered through FTZs.**

Source: *Greenville Business Magazine*

A 2019 update by the FTZ Board provides a partial listing of [U.S. companies currently benefitting from FTZ participation](#). That list includes:

- ▶ **Automobile Manufacturers:** BMW, Ford, General Motors, Mercedes-Benz, Tesla, Honda, Hyundai, Nissan, Toyota, Volkswagen, and Volvo.
- ▶ **Oil/Petroleum:** ExxonMobil, British Petroleum, Chevron, Citgo, Marathon Oil, Phillips 66, Shell Oil, Sunoco, and Valero.
- ▶ **Pharmaceutical Manufacturers:** Abbott Laboratories, AstraZeneca, Baxter International, Bristol-Myers Squibb, Eli Lilly & Co., GlaxoSmithKline, and Merck & Co.
- ▶ **Consumer Products:** Bell Sports, Black & Decker, Callaway Golf, Citizen Watch, Conair, Mr. Coffee, Oneida, SentrySafe, Tiffany & Co., and Walmart.
- ▶ **Industrial/Machinery Equipment:** Becker Hydraulics, Deere & Company, Kubota, Liberty Pumps, and Makita.
- ▶ **Semiconductors:** Intel, Samsung, Microchip Technology Inc., and SUMCO Southwest Corporation.

- ▶ **Electronics/Telecommunications Manufacturers:** Avaya, Cornell Dubilier, Isola USA, IBM, and Lucent.

## Types of Foreign-Trade Zones

A business considering the merits of the FTZ program will need to be familiar with the different types and subcategories of foreign-trade zones. [CBP](#) designates two main categories of FTZs:

**General Purpose Zones:** Usually located in an industrial park or port complex with facilities available for use by the general public.

**Subzones:** Sites sponsored by a general-purpose zone that are normally for a single-purpose and cannot be moved or accommodated in a general-purpose zone. An individual company's qualified warehouse is a common example of an FTZ subzone.

**Alternative Site Framework:** The FTZ Board attempted to add flexibility to zone management when, in [2008](#), it approved the "alternative site framework" (ASF) option. According to the [Foreign-Trade Zone Corporation](#), the ASF option provides previously approved FTZ grantees with

a streamlined process for expanding operations within their established service area. A zone grantee that wishes to accommodate either an existing site user or a new user can utilize ASF's "minor boundary modification" process, which provides accelerated review by the FTZ Board, with approval likely within 30 days.

Helly Hansen took advantage of the ASF option in having its Auburn, Washington, warehouse designated as an FTZ subzone. The outerwear manufacturer's FTZ application process began by gaining approval from the Port of Seattle, which is the grantee for Foreign-Trade Zone #5. Once that approval was obtained, the Port of Seattle then submitted a "request for minor boundary modification" on behalf of Helly Hansen. Using this process, the time to approve zone status was reduced from 8-12 months to 30 days.

Businesses interested in the ASF option may encounter terms that include the following, as defined by the [International Trade Administration](#):

- ▶ **Service Area:** Refers to the geographic area where a grantee seeks to propose sites for specific users. May consist of a single warehouse, industrial park, or an air or seaport complex whose facilities are available for use by the public. Service

areas are generally used for warehousing, but manufacturing authority may be obtained by a single company via a separate application to the FTZ Board. A service area site must meet FTZ adjacency requirements (located within 60 miles, or 90 minutes driving time, of a CBP port of entry).

- ▶ **Magnet Site:** A site selected based on its ability to attract multiple potential FTZ operators/users.



Example of Magnet Site (outlined in red)



**Usage-Driven Site (Subzone):** Designation tied to a named company and limited to the space needed for that company's use. If the named company vacates its usage-driven site, the FTZ designation automatically terminates. (Similar to definition for subzones located in non-ASF FTZs.)

## Foreign-Trade Zone Structure and Compliance

Foreign-trade zone authority and oversight are designated to the Foreign-Trade Zones Board and U.S. Customs and Border Protection, with each having unique and separate responsibilities. Essentially, the FTZ Board authorizes zones, while CBP provides oversight and direct supervision.



## U.S. Customs and Border Protection

Once a zone location has been established by the FTZ Board, companies are required to "activate" the zone with CBP prior to beginning FTZ operations. According to CBP, [oversight responsibilities](#) include:

- ▶ Responsibility for the transfer of merchandise into and out of the zone, and for matters involving the collection of revenue.
- ▶ Legal interpretations of applicable statutes and regulations.

The CBP port director, in whose port a zone is located, serves as the local representative of the FTZ Board and is responsible for day-to-day zone activities. The port director controls the admission of merchandise into the zone, the handling and disposition of merchandise in the zone, removal of merchandise from the zone, and compliance with all applicable laws.

# Foreign-Trade Zone Benefits

Businesses that take advantage of FTZs can avail themselves of a multitude of benefits that can help drive down — in some cases eliminate — duty payments, and improve supply chain operations. With regard to the previously cited Helly Hansen example, analysis by [The Trade Partnership](#) cited \$200,000 in annual savings along with logistics efficiencies the company is able to achieve through use of an FTZ. Those savings opportunities include:



Outerwear manufacturer Helly Hansen has been able to achieve \$200,000 in annual savings through FTZ-related efficiencies.

- ▶ Approximately 55 percent of products imported into the company's Port of Tacoma (FTZ #86) warehouse are subsequently exported to Canada. Helly Hansen pays no import duties on those products.

- ▶ The company does pay import duties on products destined for the U.S. market but not until the products leave the FTZ. Thus, the company is able to defer duty payments while products are stored in its FTZ-located warehouse (estimated 2018 savings: \$65,000).
- ▶ Once products are ready to leave the FTZ and enter U.S. commerce, the company is able to bundle the goods into a single shipment and clear customs as a single entry. This allows the company to avoid having the required merchandise processing fee applied to each entry (estimated 2018 savings: \$128,500).
- ▶ The company is also exempt from duty payments on FTZ-located goods that become damaged and need to be destroyed (estimated 2018 savings: \$6,000).

The National Association of Foreign-Trade Zones provides an overview of common FTZ benefits and opportunities that [include](#):

- ▶ **Duty Deferral Benefits.** Instead of paying U.S. duty when a shipment arrives in the U.S., duty payment is deferred until the

goods are actually transferred from the zone into the U.S. market, providing valuable cash-flow benefits. Goods may be stored indefinitely in an FTZ.

- ▶ **Duty Reduction (Inverted Tariff).**

Businesses utilizing a particular FTZ can petition the Board to use a certain "zone status" on merchandise admitted to the zone. This zone status determines the duty rate that will be applied to foreign merchandise should it eventually enter the U.S. market from the FTZ. Through this process, a business can elect to pay either the duty rate applied to foreign components placed in the zone or the duty rate applicable to the finished product transferred from the zone — whichever is lower.

The General Accounting Office, in a 2017 assessment of FTZ zones, presented a [case study](#) illustrating this benefit:

*The duty rate to import foreign-sourced microcrystalline cellulose is 5.2 percent. However, a company can use it to manufacture a final product such as dietary supplement capsules in a foreign-trade zone and import the capsules into U.S. commerce with a duty rate of 0.00 percent.*

*If 50 percent of each capsule is foreign-sourced microcrystalline cellulose, and if Company A imports \$1.5 million worth of capsules each week, it can save \$39,000 per week in duty payments, about \$2 million per year.*

- ▶ **Elimination of Duties.** Since no duty is paid on merchandise exported from an FTZ, duty is effectively eliminated on foreign merchandise admitted to a zone that is eventually exported from an FTZ. Duties are also eliminated on merchandise that is scrapped, wasted, destroyed, or consumed in a zone.
- ▶ **Elimination of Duty Drawback.** In some instances, businesses are able to recoup import duties and fees paid on products that are subsequently exported. That reimbursement is called a duty drawback. However, the process for applying for drawback can be complicated and time-consuming. Businesses that utilize FTZs may be able to avoid having to apply for drawback by avoiding payment of duties in the first place. That way, funds that would have been tied-up in “customs limbo” can remain in a business’ cash flow.
- ▶ **Reduced Customs Fees.** A [Merchandise Processing Fee \(MPF\)](#) is assessed by CBP

on every shipment valued at \$2,500 or more entering an FTZ. The MPF is an *ad valorem* fee assessed at a rate of 0.3464 percent of the value of the merchandise being imported. MPF “rules” provide that fees range from a minimum of \$25 to a maximum of \$485.

However, FTZ users are now able to file a single entry for all goods shipped from a zone in a consecutive seven-day period. This is a significant change from previous rules that required each shipment to have its own entry. Since the maximum MPF is \$485 per entry, a business can significantly reduce its fee obligations.

- ▶ **State and Local Taxes.** Personal property imported from outside the United States and held in an FTZ, as well as products made in the U.S. and held in a zone for exportation, benefit from a federal preemption from state and local *ad valorem* personal property taxes. In some cases, businesses may also benefit from state-specific tax reductions.
- ▶ **Labor and Overhead Costs.** Zone users are authorized to exclude costs associated with processing or fabrication, general expenses, and profit. Therefore, duties are not owed

on labor, overhead, and profit attributed to merchandise produced in an FTZ.

- ▶ **Cash-Flow Savings.** 2019 analysis by [The Trade Partnership](#) cited the potential for a company to realize significant cash flow efficiency through use of a FTZ. “Customs duties are paid only when and if the goods exit the zone for entry into the U.S. customs territory for consumption,” the report noted. “While the goods are in storage (there is no time limit for how long imported merchandise can remain in the FTZ), companies can, for example, inspect them and only later enter those that pass inspection. This benefit is of particular value to retailers, to companies with higher capital costs, and to those who import goods subject to quotas.”
- ▶ **Streamlined Logistics.** FTZ users can take advantage of direct delivery whereby imported goods move directly from the port of unloading to the distribution center, thereby eliminating certain customs-related delays. For companies moving products from the West Coast to East Coast, direct delivery can save days.



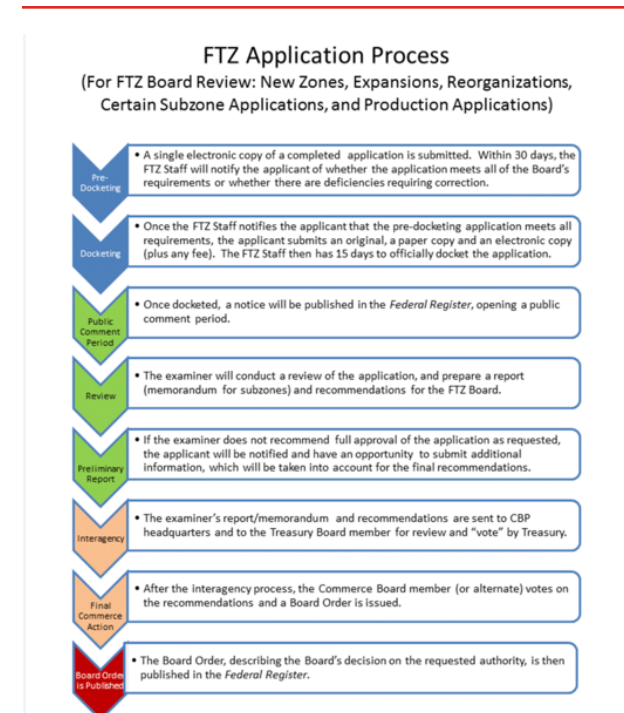
# Becoming a Foreign-Trade Zone

According to the [FTZ Board](#), a foreign-trade zone is created when “a local organization, such as a city, county or port authority, applies to the FTZ Board for a grant to establish and operate a zone to serve a specifically defined geographic area.” Upon approval of the zone by the FTZ Board, the organization becomes known as the FTZ “grantee.” Grantees are then able to submit applications to the FTZ Board to establish subzones for use by companies in that area. In addition, a company can apply to designate [only a part](#) of its facility as an FTZ.

In some instances, an entity may opt to file as an “alternative site framework” (ASF), which allows zones to use quicker and less complex procedures to obtain designation for eligible facilities.

The FTZ Board provides a basic four-step overview of the application process:

1. **Pre-Docketing.** The process begins with submission of a complete application to the FTZ Board.
2. **Docketing.** When an application is docketed by FTZ staff, a notice is published in the Federal Register for public comment on the proposal. The public comment period usually lasts 60 days for an FTZ application or 40 days for a subzone application.
3. **Review.** The application is reviewed by FTZ staff.
4. **Interagency Clearance.** Once FTZ staff completes its review and proffers a recommendation, the application is sent to CBP and the Department of Treasury. If both agencies concur with the FTZ staff recommendation to proceed, the application is returned to the Department of Commerce for final review and, potentially, issuance of a Board order. The Board order is subsequently published in the Federal Register.



Businesses must follow the application process established by the Foreign-Trade Zones Board.

## Implementation and Activation Phases

A business must also comply with “implementation phase” requirements, which can be initiated concurrent with the application phase. This includes coordination with CBP to ensure that proper security controls and site prerequisites are in place that may include:

- ▶ Development of Process Manual
- ▶ Staff training
- ▶ Security controls, including employee background checks
- ▶ Certificate of Insurance
- ▶ Customs Bond
- ▶ Operations agreement document with the grantee that outlines each party’s roles and responsibilities
- ▶ Establishment of an FTZ inventory technology system

Once the application is approved and all requirements have been addressed, the FTZ applicant will conduct a final walkthrough with CBP personnel to confirm full compliance with all requirements. CBP will then issue an “activation letter.” At this point, the company is authorized to begin using its foreign-trade zone.

# How Does a Foreign-Trade Zone Operate?

According to the Foreign-Trade Zones Board, foreign and domestic merchandise may, subject to FTZ Board and CBP regulations, “be moved into zones for operations not otherwise prohibited by law involving storage, exhibition, assembly, manufacturing, and processing.” All FTZ sites are subject to the laws and regulations of the United States as well as those of the states and communities in which they are located.

International law expert [Sandler, Travis & Rosenberg](#) explains that the director of the CBP port in which an FTZ is located controls the admission of goods into the zone, the handling and disposition of goods in the zone, and the removal of goods from the zone. Zones are supervised by FTZ coordinators, which may include CBP officers, import specialists, entry specialists, or agricultural specialists, among other professionals.

Goods entering an FTZ are not subject to usual entry procedures. Further, payments of duties are not required on foreign goods unless and until they enter the U.S. customs territory for domestic consumption, at which point the importer generally has the choice of paying duties at the rate of either the original foreign materials or the finished product.

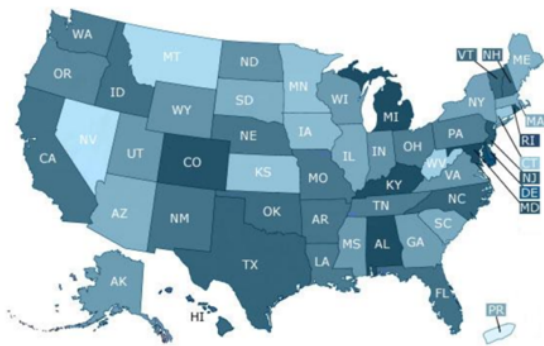
Domestic goods moved into the zone for export may be considered exported upon admission to the zone for purposes of excise tax rebates and drawback.

## Allowable Activities within an FTZ

According to the [International Trade Administration](#), when a company receives authority from the FTZ Board, it must closely adhere to the precise scope of activities included in the application and must only allow entry to the listed finished products and foreign-status components.

Production in a zone may include traditional manufacturing activities as well as kitting or assembly applications. However, if activity within a zone results in a change in a product’s tariff classification code, or a “substantial transformation,” specific approval will be required from the FTZ Board.

# Where Are Foreign-Trade Zones Located?



Foreign-trade zones are located in all 50 states plus Puerto Rico.

Source: International Trade Administration

The United States currently maintains “about” 250 foreign-trade zones located across the country. All “general-purpose zones” must be located within 60 miles — or no more than a 90-minute drive — from the outer limits of a customs port of entry. In addition, an estimated 500 subzones are currently operational. Subzones can be located outside of the mile/ driving range limits set for general purpose zones as long as CBP can adequately oversee its activities.

Following is the list of current U.S. foreign-trade zones (not including subzones), as published by the [U.S. International Trade Administration](https://www.trade.gov):

State	Zone	CBP Port of Entry
Alabama	FTZ #82 — Mobile	Mobile
	FTZ #83 — Huntsville	Huntsville
	FTZ #98 — Birmingham	Birmingham
	FTZ #222 — Montgomery	Birmingham
	FTZ #233 — Dothan	Panama City
Alaska	FTZ #108 — Valdez	Valdez
	FTZ #160 — Anchorage	Anchorage
	FTZ #195 — Fairbanks	Fairbanks
	FTZ #232 — Kodiak	Kodiak

State	Zone	CBP Port of Entry
Arizona	FTZ #60 — Nogales	Nogales
	FTZ #75 — Phoenix	Phoenix
	FTZ #139 — Sierra Vista	Naco
	FTZ #174 — Pima County	Tucson
	FTZ #219 — Yuma	San Luis
	FTZ #221 — Mesa	Phoenix
	FTZ #277 — Western Maricopa County	Phoenix

State	Zone	CBP Port of Entry
Arkansas	FTZ #14 — Little Rock	Little Rock
	FTZ #273 — West Memphis	Memphis
California	FTZ #3 — San Francisco	San Francisco
	FTZ #18 — San Jose	San Jose
	FTZ #50 — Long Beach	Los Angeles/ Long Beach
	FTZ #56 — Oakland	San Francisco
	FTZ #143 — West Sacramento	San Francisco
	FTZ #153 — San Diego	San Diego
	FTZ #191 — Palmdale	Los Angeles/ Long Beach
	FTZ #202 — Los Angeles	Los Angeles/ Long Beach
	FTZ #205 — Port Hueneme	Port Hueneme

State	Zone	CBP Port of Entry
California	FTZ #226 — Merced, Madera & Fresno Counties	Fresno
	FTZ #231 — Stockton	San Francisco
	FTZ #236 — Palm Springs	Palm Springs
	FTZ #243 — Victorville	Victorville
	FTZ #244 — Riverside County	Los Angeles/ Long Beach
	FTZ #248 — Eureka	Eureka
	FTZ #257 — Imperial County	Calexico
	FTZ #276 — Kern County	Meadows Field Airport
Colorado	FTZ #112 — Colorado Springs	Denver
	FTZ #123 — Denver	Denver

State	Zone	CBP Port of Entry
Connecticut	FTZ #71 — Windsor Locks	Hartford
	FTZ #76 — Bridgeport	Bridgeport
	FTZ #162 — New Haven	New Haven
	FTZ #208 — New London	New London
Delaware	FTZ #99 — Wilmington	Wilmington
Florida	FTZ #25 — Broward County	Port Everglades
	FTZ #32 — Miami	Miami
	FTZ #42 — Orlando	Orlando
	FTZ #64 — Jacksonville	Jacksonville
	FTZ #65 — Panama City	Panama City

State	Zone	CBP Port of Entry
Florida	FTZ #79 — Tampa	Tampa
	FTZ #135 — Palm Beach County	West Palm Beach
	FTZ #136 — Brevard County	Port Canaveral
	FTZ #166 — Homestead	Miami
	FTZ #169 — Manatee County	Port Manatee
	FTZ #180 — Miami (Wynwood)	Miami
	FTZ #193 — Pinellas County	St. Petersburg
	FTZ #198 — Volusia and Flagler Counties	Daytona Beach
	FTZ #213 — Fort Myers	Fort Myers
	FTZ #215 — Sebring	Port Manatee
FTZ #217 — Ocala	Ocala	

State	Zone	CBP Port of Entry
Florida	FTZ #79 — Tampa	Tampa
	FTZ #135 — Palm Beach County	West Palm Beach
	FTZ #136 — Brevard County	Port Canaveral
	FTZ #166 — Homestead	Miami
Georgia	FTZ #26 — Atlanta	Atlanta
	FTZ #104 — Savannah	Savannah
	FTZ #144 — Brunswick	Brunswick
Hawaii	FTZ #9 — Honolulu	Honolulu
Idaho	FTZ #242 — Boundary County	Eastport
Illinois	FTZ #22 — Chicago	Chicago
	FTZ #31 — Granite City	St. Louis

State	Zone	CBP Port of Entry
Illinois	FTZ #114 — Peoria	Peoria
	FTZ #133 — Quad Cities, Iowa/Illinois	Quad Cities
	FTZ #146 — Lawrence County	Evansville
	FTZ #176 — Rockford	Rockford
	FTZ #245 — Decatur	Peoria
	FTZ #271 — Jo-Daviess & Carroll Counties	Davenport, IA/ Moline & Rock Island, IL
	Indiana	FTZ #72 — Indianapolis
	FTZ #125 — South Bend	Chicago
	FTZ #152 — Burns Harbor	Chicago
	FTZ #170 — Clark County	Louisville

State	Zone	CBP Port of Entry
Indiana	FTZ #177 — Evansville	Evansville
	FTZ #182 — Fort Wayne	Fort Wayne
Iowa	FTZ #107 — Polk County	Des Moines
	FTZ #133 — Quad Cities, Iowa, Illinois	Quad Cities
	FTZ #175 — Cedar Rapids	Des Moines
Kansas	FTZ #17 — Kansas City	Kansas City
	FTZ #161 — Sedgwick County	Wichita
Kentucky	FTZ #29 — Louisville	Louisville
	FTZ #47 — Boone County	Cincinnati
Louisiana	FTZ #2 — New Orleans	New Orleans
	FTZ #87 — Lake Charles	Lake Charles

State	Zone	CBP Port of Entry
Louisiana	FTZ #124 — Gramercy	Gramercy
	FTZ #145 — Shreveport	Shreveport
	FTZ #154 — Baton Rouge	Baton Rouge
Maine	FTZ #58 — Bangor	Bangor
	FTZ #179 — Madawaska	Madawaska
	FTZ #186 — Waterville	Belfast
	FTZ #263 — Auburn	Portland
Maryland	FTZ #63 — Prince George's County	Washington, D.C.
	FTZ #73 — BWI Airport	Baltimore
	FTZ #74 — Baltimore	Baltimore
	FTZ #255 — Washington County	Baltimore

State	Zone	CBP Port of Entry
Massachusetts	FTZ #27 — Boston	Boston
	FTZ #28 — New Bedford	New Bedford
	FTZ #201 — Holyoke	Springfield
Michigan	FTZ #16 — Sault Ste. Marie	Sault Ste. Marie
	FTZ #43 — Battle Creek	Battle Creek
	FTZ #70 — Detroit	Detroit
	FTZ #140 — Flint	Saginaw/Bay City/Flint
	FTZ #189 — Kent/Ottawa/ Muskegon Counties	Grand Rapids
	FTZ #210 — St. Clair County	Port Huron
	FTZ #275 — Lansing	Lansing

State	Zone	CBP Port of Entry
Minnesota	FTZ #51 — Duluth	Duluth
	FTZ #119 — Minneapolis-St. Paul	Minneapolis
Mississippi	FTZ #92 — Harrison County	Gulfport
	FTZ #158 — Vicksburg/Jackson	Jackson
	FTZ #262 — Southaven	Memphis
Missouri	FTZ #15 — Kansas City	Kansas City
	FTZ #102 — St. Louis	St. Louis
	FTZ #225 — Springfield	Springfield
Montana	FTZ #88 — Great Falls	Great Falls
	FTZ #187 — Toole County	Sweetgrass
	FTZ #274 — Butte-Silver Bow	Butte-Silver Bow

State	Zone	CBP Port of Entry
Nebraska	FTZ #19 — Omaha	Omaha
	FTZ #59 — Lincoln	Omaha
Nevada	FTZ #89 — Clark County	Las Vegas
	FTZ #126 — Sparks	Reno
New Hampshire	FTZ #81 — Portsmouth	Portsmouth
New Jersey	FTZ #44 — Morris County	New York/Newark
	FTZ #49 — Newark/Elizabeth	New York/Newark
	FTZ #142 — Salem/Millville	Philadelphia
	FTZ #200 — Mercer County	Philadelphia
	FTZ #235 — Lakewood	Philadelphia
New Mexico	FTZ #110 — Albuquerque	Albuquerque

State	Zone	CBP Port of Entry
New Mexico	FTZ #197 — Doña Ana County	Santa Teresa
New York	FTZ #1 — New York City	New York/Newark
	FTZ #23 — Buffalo	Buffalo
	FTZ #34 — Niagara County	Buffalo
	FTZ #37 — Orange County	New York/Newark
	FTZ #52 — Suffolk County	New York/Newark
	FTZ #54 — Clinton County	Champlain
	FTZ #90 — Onondaga	Syracuse
	FTZ #109 — Watertown	Alexandria Bay
	FTZ #111 — JFK Intl. Airport	New York/Newark



State	Zone	CBP Port of Entry
New York	FTZ #118 — Ogdensburg	Ogdensburg
	FTZ #121 — Albany	Albany
	FTZ #141 — Monroe County	Rochester
	FTZ #172 — Oneida County	Utica
North Carolina	FTZ #57 — Mecklenburg County	Charlotte
	FTZ #66 — Wilmington	Wilmington
	FTZ #67 — Morehead City	Morehead City/ Beaufort
	FTZ #93 — Raleigh/ Durham	Raleigh- Durham
	FTZ #214 — Lenoir County	Morehead City/ Beaufort
	FTZ #230 — Piedmont Triad Area	Winston-Salem

State	Zone	CBP Port of Entry
North Dakota	FTZ #103 — Grand Forks	Pembina
	FTZ #267 — Fargo	Fargo
Ohio	FTZ #8 — Toledo	Toledo- Sandusky
	FTZ #40 — Cleveland	Cleveland
	FTZ #46 — Cincinnati	Cincinnati
	FTZ #100 — Dayton	Dayton
	FTZ #101 — Clinton County	Dayton
	FTZ #138 — Franklin County	Columbus
	FTZ #151 — Findlay	Toledo- Sandusky
FTZ #181 — Akron/Canton	Cleveland	

State	Zone	CBP Port of Entry
Ohio	FTZ #264 — Washington County	Charleston
	FTZ #270 — Lawrence County	Charleston
Oklahoma	FTZ #53 — Rogers County	Tulsa
	FTZ #106 — Oklahoma City	Oklahoma City
	FTZ #164 — Muskogee	Tulsa
	FTZ #227 — Durant	Dallas/ Forth Worth
Oregon	FTZ #45 — Portland	Portland
	FTZ #132 — Coos County	Coos Bay
	FTZ #184 — Klamath Falls	Klamath Falls
	FTZ #206 — Medford- Jackson City	Rogue Valley International Airport

State	Zone	CBP Port of Entry
Pennsylvania	FTZ #24 — Pittston	Wilkes-Barre/Scranton
	FTZ #33 — Pittsburgh	Pittsburgh
	FTZ #35 — Philadelphia	Philadelphia
	FTZ #147 — Reading	Philadelphia
	FTZ #247 — Erie	Erie
	FTZ #254 — Jefferson County	Pittsburgh
	FTZ #272 — Counties of Lehigh and Northampton	Lehigh Valley
Puerto Rico	FTZ #7 — Mayagüez	Mayaguez
	FTZ #61 — San Juan	San Juan
	FTZ #163 — Ponce	Ponce

State	Zone	CBP Port of Entry
Rhode Island	FTZ #105 — Providence & North Kingstown	Providence
South Carolina	FTZ #21 — Dorchester County	Charleston
	FTZ #38 — Spartanburg County	Greenville/Spartanburg
	FTZ #127 — West Columbia	Columbia
South Dakota	FTZ #220 — Sioux Falls	Sioux Falls
Tennessee	FTZ #77 — Memphis	Memphis
	FTZ #78 — Nashville	Nashville
	FTZ #134 — Chattanooga	Chattanooga
	FTZ #148 — Knoxville	Knoxville

State	Zone	CBP Port of Entry
Tennessee	FTZ #204 — Tri-Cities	Tri-Cities Regional Airport
	FTZ #223 — Memphis	Memphis
Texas	FTZ #12 — McAllen	Hidalgo/Pharr
	FTZ #36 — Galveston	Houston
	FTZ #39 — Dallas/Fort Worth	Dallas/Fort Worth
	FTZ #62 — Brownsville	Brownsville/Los Indios
	FTZ #68 — El Paso	El Paso
	FTZ #80 — San Antonio	San Antonio
	FTZ #84 — Harris County	Houston
	FTZ #94 — Laredo	Laredo

State	Zone	CBP Port of Entry
Texas	FTZ #95 — Starr County	Rio Grande City
	FTZ #96 — Eagle Pass	Eagle Pass
	FTZ #113 — Ellis County	Dallas/Fort Worth
	FTZ #115 — Beaumont	Port Arthur
	FTZ #116 — Port Arthur	Port Arthur
	FTZ #117 — Orange	Port Arthur
	FTZ #122 — Corpus Christi	Corpus Christi
	FTZ #149 — Freeport	Freeport
	FTZ #150 — El Paso	El Paso
	FTZ #155 — Calhoun/Victoria Counties	Port Lavac-Point Comfort

State	Zone	CBP Port of Entry
Texas	FTZ #156 — Weslaco	Progreso
	FTZ #165 — Midland	Midland
	FTZ #168 — Dallas/Fort Worth	Dallas/Fort Worth
	FTZ #171 — Liberty County	Houston
	FTZ #183 — Austin	Austin
	FTZ #196 — Fort Worth	Dallas/Fort Worth
	FTZ #199 — Texas City	Houston
	FTZ #234 — Gregg County	Shreveport—Bossier City
	FTZ #246 — Waco	Dallas/Fort Worth
	FTZ #252 — Amarillo	Amarillo

State	Zone	CBP Port of Entry
Texas	FTZ #260 — Lubbock	Lubbock
	FTZ #265 — Conroe (Montgomery County)	Houston
	FTZ #269 — Athens	Dallas/Fort Worth
Utah	FTZ #30 — Salt Lake City	Salt Lake City
Vermont	FTZ #55 — Burlington	Burlington International Airport
	FTZ #268 — Brattleboro	Springfield
Virginia	FTZ #20 — Suffolk	Norfolk — Newport News
	FTZ #137 — Washington Dulles International Airport	Washington-Dulles

State	Zone	CBP Port of Entry
Virginia	FTZ #185 — Culpeper County	Front Royal
	FTZ #207 — Richmond	Richmond-Petersburg
	FTZ #238 — Dublin	New River Valley Airport
Washington	FTZ #5 — Seattle	Puget Sound
	FTZ #85 — Everett	Puget Sound
	FTZ #86 — Tacoma	Puget Sound
	FTZ #120 — Cowlitz County	Longview
	FTZ #128 — Whatcom County	Puget Sound
	FTZ #129 — Bellingham	Puget Sound
	FTZ #130 — Blaine	Blaine

State	Zone	CBP Port of Entry
Washington	FTZ #131 — Sumas	Sumas
	FTZ #173 — Grays Harbor	Aberdeen
	FTZ #203 — Moses Lake	Port of Moses Lake
	FTZ #212 — Tacoma	Puget Sound
Washington	FTZ #216 — Olympia	Puget Sound
	FTZ #224 — Spokane	Spokane
	Wisconsin	FTZ #41 — Milwaukee
FTZ #167 — Brown County		Green Bay
FTZ #266 — Dane County		Milwaukee
Wyoming	FTZ #157 — Casper	Casper

# Conclusion

In compiling a 2019 analysis of the impact FTZs have on the companies using them, researchers from [The Trade Partnership](#) spoke directly with hundreds of companies to learn firsthand about the benefits — or obstacles — of using an FTZ. Among the findings:

- ▶ BMW found that its FTZ operations directly and indirectly add \$6.3 billion annually to the state of South Carolina and led to the employment of more than 36,000 people in the state. Nationwide, BMW says it has added almost \$16 billion in value and helped create 120,000 jobs.
- ▶ ExxonMobil claims one out of every eight jobs in the Baton Rouge, Louisiana, area can be traced back to the company.
- ▶ Yamaha Motors noted that roughly 30 percent of the parts and components used to make its products in the FTZ come from Georgia-based suppliers, with another 20 percent coming from other U.S. suppliers.
- ▶ Helly Hansen says that because of the benefits afforded by the FTZ, it was able to keep jobs in the United States, despite strong pressure to move them to an international venue.

- ▶ Prodeco Technologies, a Florida-based electric bike manufacturer, uses its FTZ duty savings to keep its finished bike prices competitive with foreign-assembled eBikes that can be imported in the United States duty-free.

Clearly, FTZs can be a win-win in helping U.S. businesses compete in today's increasingly global marketplace. U.S. businesses benefit from significant duty savings and logistical efficiency, while the American economy benefits from a boost in manufacturing, job creation, and increased revenue sources. But the decision to pursue an FTZ strategy is not without risk and will incur significant investments in time and resources. This means conducting a thorough cost-benefit analysis to ensure it's the right decision. But given the potential benefits, it could be time well spent.

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