## Main FTZ benefits available to U.S. manufacturers:

<u>Duty Exemption</u>: No duties on re-exports from FTZ.

<u>Duty Deferral</u>: Duties and federal excise tax deferred on imports while goods are in FTZ.

<u>Logistical Benefits</u>: Firms in FTZs may be able to use streamlined customs procedures (weekly entry, direct delivery).

Inverted Tariffs: Pay lower finished-product duty rate (vs. higher individual component duty rates) on products manufactured in FTZ, entered into U.S. market.

Inverted tariff benefits can be essential when key components are only produced overseas.

Approval for inverted tariff benefits is subject to FTZ Board review of overall public interest.

# A New Commitment for All Manufacturing Cases:

Priority case processing -- six to eight months from FTZ Board docketing.

Partnership: good applications allow quicker FTZ Board action.

On our web site (www.trade.gov/ftz):

## **FTZ Manufacturing Center**

### **Fill-in Savings Estimator:**

Designed to help SMMs estimate level of their potential FTZ duty savings.

Automatically calculates duty-savings estimate using info. that company fills in.

#### Fill-in Application Forms for:

Mfg. w/in existing FTZ (incl. T/IM)

Subzone with mfg. Authority

Expansion of mfg. authority

#### **Sample Completed Applications**

# Temporary/Interim (T/IM) Manufacturing Authority

Eligibility now based on similarity to FTZ Board approvals during past five years.

Application can now include 30 components, 10 finished products.

For any FTZ site (zone or subzone) approved before T/IM application submitted.

Granted for up to two years; non-renewable.

Case processed in 90 days or less.

Can apply for permanent authority during T/IM period (including submitting application at same time as T/IM, using a single form!).

Database of previously approved components and finished products on FTZ Board's web site: www.trade.gov/ftz

## **New for 2006!**

# More flexibility and faster approvals!

## FTZ Manufacturing 101:

What is a Foreign Trade Zone?

FTZs are sites licensed by the U.S. FTZ Board. There are FTZs in all 50 states.

Foreign goods brought into FTZs without payment of U.S. duties.

Day-to-day oversight by U.S. Customs and Border Protection.

How can manufacturing in a FTZ help U.S. companies?

Can offset customs advantages available to overseas producers.

What are the different options for manufacturing in a FTZ?

Use existing "general-purpose" FTZ sites.

Apply for FTZ "subzone" at your manufacturing plant (if use of existing FTZ site is not practical).

All applications go through local "grantee" organization.

#### Role of the Local "Grantee"

Local grantee holds the license ("grant of authority") from the FTZ Board for its zone project, including all general-purpose sites and subzones.

Grantee is the official applicant when authority is requested from the FTZ Board.

Effectively serves as the local agent of the FTZ Board in reaching out to the business community and in fulfilling the FTZ Act's public interest objectives.

#### For more information:

www.trade.gov/ftz

For specific questions, counseling, and clarification on materials on our web site, do not hesitate to contact us via:

E-mail - see Staff Directory on web site

**Telephone** - (202) 482-2862



# Tools to Help American Manufacturers Compete

