

## Foreign Trade Zone

### Overview

Foreign Trade Zones were established to encourage and expedite United States participation in international trade. FTZs are considered to be outside of U.S. Customs Territory for purposes of custom duty payment. Goods entering FTZs are not subject to customs tariffs until the goods leave the zone and are formally entered into U.S. Customs Territory. Merchandise shipped to foreign countries from the FTZ is exempt from duty payments.

### Benefits

A variety of activities can be conducted in the FTZ, including assembly, packaging, destroying, storing, cleaning, distribution and other functions.

There is no time limit on goods stored within an FTZ, allowing firms to minimize costs while goods are waiting to be shipped.

Duty Deferral – Payment of duties and tariffs are deferred while product is stored in the FTZ.

Duty Reduction – Duties and tariffs are reduced on product that is assembled or manufactured into finished product.

Duty Elimination – Duties are eliminated for product that is imported then exported out of the country.

Direct Delivery – Companies can apply for authority to receive product, break seals and clear customs within the FTZ facility, thereby bypassing the congestion at sea ports.

Weekly Entry – Merchandise processing fees are reduced by combining shipments on one entry filed weekly.

No Import Quotas – Inventories stored in the FTZ are not subject to import quotas.

### Eligibility

FTZ#181 Sites area located in Trumbull and Mahoning counties.

Trumbull County:

Lordstown Industrial Park (Lordstown)

Warren Commerce Park (Warren)

River Road Industrial Park (Bazetta)

Youngstown-Warren Regional Airport (Vienna)

Mahoning County:

Centerpointe Business Park (Austintown)

Allied Industrial Park (Youngstown)

### Rate/Terms

Any foreign or domestic merchandise not prohibited by law, may be admitted to a FTZ. Conditionally admissible merchandise is merchandise subject to permits and licenses, or that must be reconditioned to bring it into compliance with U.S. law. The FTZ Board may exclude merchandise from a zone that is detrimental to public interest, health or safety.

Merchandise subject to quota restrictions may be admitted to a FTZ until a quota on its entry is removed or may be manufactured or manipulated in a zone until it is a product not subject to quota.

Merchandise does not achieve zone status until a permit is given by the port director for its admission (except in the case of domestic status merchandise for which no permit is required) and the zone operator signs for receipt of the merchandise into the zone.

### Contact

Youngstown/Warren Regional Chamber at 330.392.6140

*This summary is prepared as a reference, and should not be construed as the actual law. For more information, contact the Youngstown/Warren Regional Chamber.*