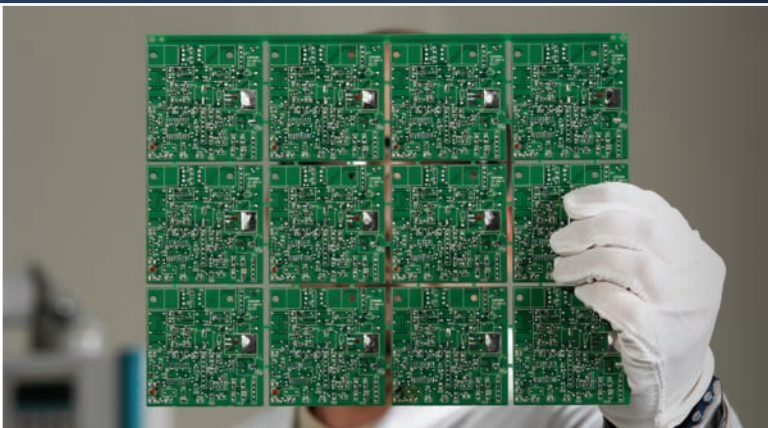




Foreign-Trade Zone #138

Helping Central Ohio Companies Compete Globally



Foreign-Trade Zone #138

Helping Central Ohio Companies
Compete Globally



A U.S. Foreign-Trade Zone (FTZ or zone) is a site within the USA that is legally considered outside of Customs territory for the purpose of duties, so goods may be brought into the site duty-free and without formal customs entry.

FTZs are made possible by the U.S. Foreign-Trade Zones Act of 1934. All 50 states plus Puerto Rico have established FTZs. The U.S. FTZ Board is the agency responsible for the establishment and administration of zones through the board's regulations. The FTZ Board does not handle day-to-day administration of any zones, but provides grants to establish, operate and maintain zones.

The Columbus Regional Airport Authority is the Grantee of FTZ #138. It is comprised of six Magnet Sites – pre-designated land – with the main site encompassing industrial parks surrounding Rickenbacker International Airport. In addition, FTZ #138 is able to provide FTZ designation to any site located within our 25-county service area in Central Ohio.



Alternative Site Framework (ASF)

CRAA's application to reorganize our zone under the Alternative Site Framework (ASF) has been approved by the FTZ Board. The ASF enables CRAA to help Central Ohio companies compete globally by providing a streamlined application process that allows companies within our service area to secure FTZ designation within approximately 30 days.



FTZ #138

Benefits & Overview

FTZs are a tool that companies use to increase their global competitiveness. They play an important role in providing a level playing field when investment and production decisions are made. They have been proven to be a successful trade program by consistently creating and retaining jobs and capital investment in the United States. FTZs provide users with the opportunity to lower costs and boost profits. How much a company gains by having operations in a FTZ varies.

**There are the three duty savings benefits:
Reduce, Eliminate and Defer:**

Reduce

In many cases, duties are higher for parts than for finished products. Therefore in a FTZ, a company can import parts duty-free, assemble a product, and then only be required to pay the duty on the final product. This is also known as inverted tariff.

Eliminate

Customs duties are never paid on goods that are brought into a FTZ and then re-exported or scrapped. No formal entry with Customs is filed and the goods never enter the U.S. stream of commerce.

Defer

Since FTZs are considered outside the Customs territory of the U.S., goods are not considered imported until they leave the zone facility and enter the U.S. stream of commerce. Therefore, Customs duty is deferred as long as the goods are in the zone facility. Instead of companies having substantial monies tied up in Customs duties on their inventory, they have use of that money for other purposes.

Other benefits that can be realized by using a FTZ are:

Weekly Entry

The Trade and Development Act of 2000 contains a provision permitting FTZ "Weekly Entry" procedures which can help zone users save time and money. Under Weekly Entry procedures, the zone user files only one Customs entry per week, rather than filing one Customs entry per shipment. Customs no longer has to process an entry for each and every shipment being brought into the zone, and the zone user only pays one merchandise processing fee (MPF) per week.

Logistical Flexibility

Goods may be transferred from U.S. ports of arrival directly to a FTZ or between FTZs duty-free. Products made overseas for overseas markets may be brought into a FTZ for storage or consolidation with other products, allowing distribution of complete shipments to customers. This not only provides flexibility but can improve supply chain velocity.

Supply Chain Security

FTZs can help a company achieve "best practices" when it comes to supply chain security.

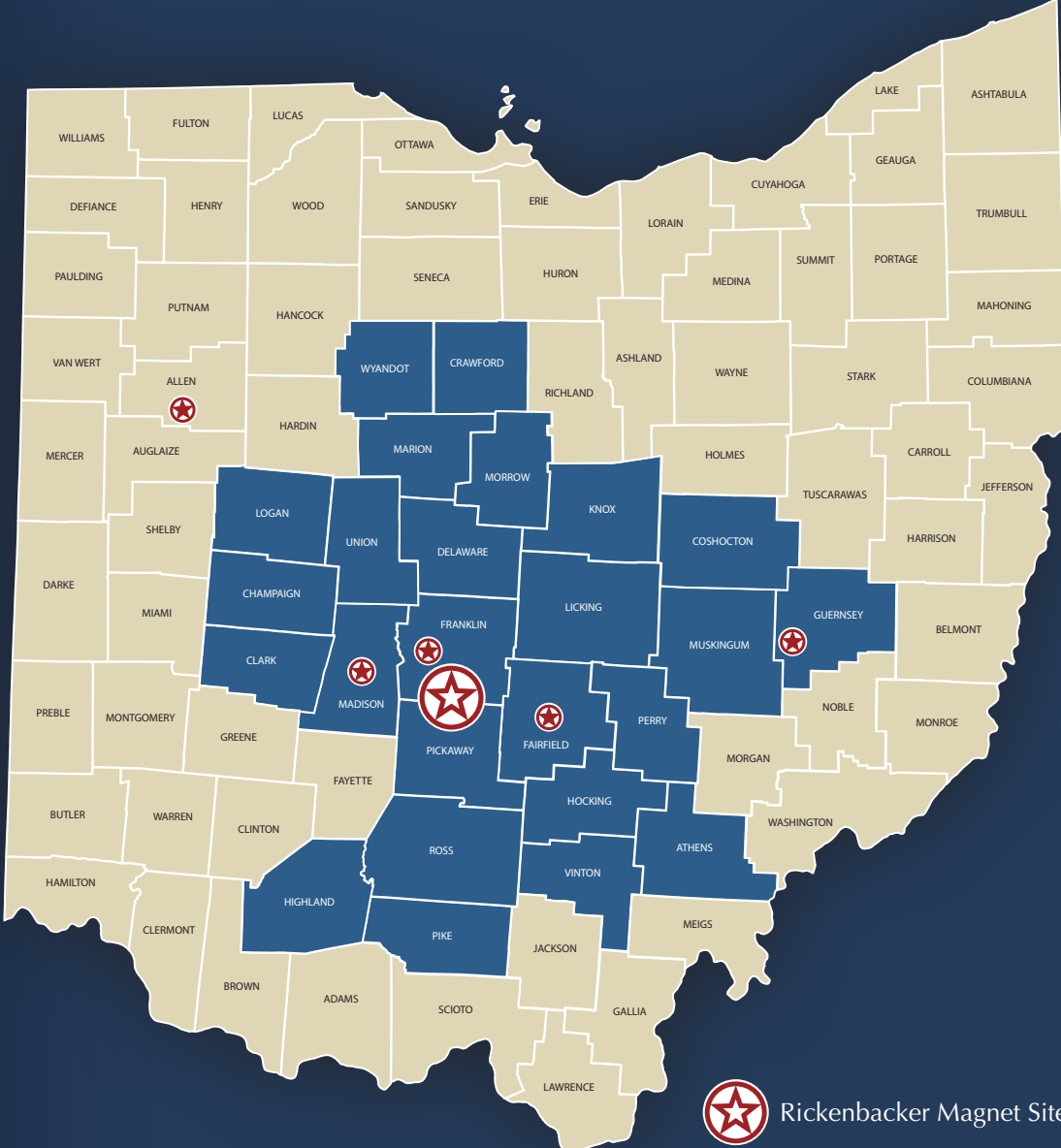
Lower Taxes

Goods in a FTZ can avoid or defer federal excise taxes.





FTZ #138

The following counties are included in FTZ #138's Service Area.



- Athens County*
- Champaign County
- Clark County
- Coshocton County
- Crawford County
- Delaware County
- Fairfield County
- Franklin County
- Guernsey County*
- Highland County*
- Hocking County
- Knox County
- Licking County
- Logan County
- Madison County
- Marion County
- Morrow County
- Muskingum County
- Perry County
- Pickaway County
- Pike County
- Ross County
- Union County
- Vinton County
- Wyandot County

 Rickenbacker Magnet Site
 FTZ #138 Magnet Sites

**Athens, Guernsey & Highland Counties are partially located in FTZ #138.*

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Contact Us

If you are interested in more information, please visit our website at www.FTZ138.com or contact:

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