



GREATER KANSAS CITY
FOREIGN TRADE ZONE



WORLD TRADE CENTER®
KANSAS CITY



FTZ 101

April 23, 2019



WORLD TRADE CENTER®
KANSAS CITY



Who We Are



Our Mission:

To facilitate international trade in the Greater Kansas City region by connecting, educating, and providing services to the regional business community necessary to compete in the global marketplace.



What We Do

Signature Programs & Services:

- Market & Industry Briefings
- Workshops/Export Trainings
- Customized Market Analysis
- GCI/Export Concierge
- Certificates of Origin
- EXIM Bank REPP
- World Bank PSLO

Leveraging the Network:

- Global Business Liaison
- WTCA Agriculture MAC
- WTCA Trade Services MAC





Today's Agenda

- FTZ Overview, GKCFTZ Background & Roles of Related Parties
- FTZ Terminology Introduction
- FTZs with Production Operations
- FTZs with Warehousing & Textile
- Activation Process, Safety & Security
- Cost Benefit Analysis
- Questions & Answers



Presenters

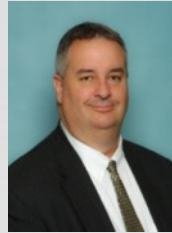
FTZ Background



AL FIGULY

President, CEO
GKCFTZ

FTZ Terminology



GREG TRUBY

FTZ Specialist | N. American Distribution Center
Kubota Tractor Corp.

Production-Manufacturing



SCOTT JAMES

Manager, Production Planning & Materials
Kawasaki

Warehouse - Textiles



JERRY JONES

Import Manager
Outdoor Custom Sportswear

Activation & Security



GUILLERMO LAMADRID

Transportation & Trade Compliance Sr. Mgr.
Spectrum Brands

Cost Benefit Analysis



ELAINE BOCH

Foreign-Trade Zone Specialist
MarksNelson LLC



Foreign-Trade Zones Overview

Background

- U.S Foreign-Trade Zone Act of 1934, as amended (19 U.S.C. 81a-81u)
- Regulated by the U.S. Foreign-Trade Zones Board (“Board”), a Division of the U.S. Department of Commerce

The intent of the FTZ program is to:

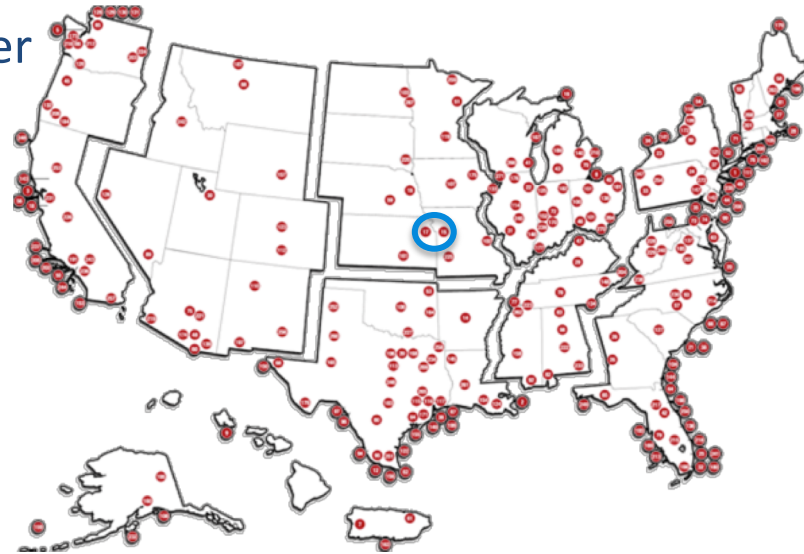
- Stimulate economic growth in the U.S.
- Promote American competitiveness by reducing, deferring or eliminating duties on goods sourced overseas then brought into Zones for value-added work by U.S. employees, and thereafter entered into U.S. commerce or exported
- Incentivize firms to maintain and expand operations in the U.S. and entice foreign companies to establish U.S. operations



Foreign-Trade Zones Overview (cont.)

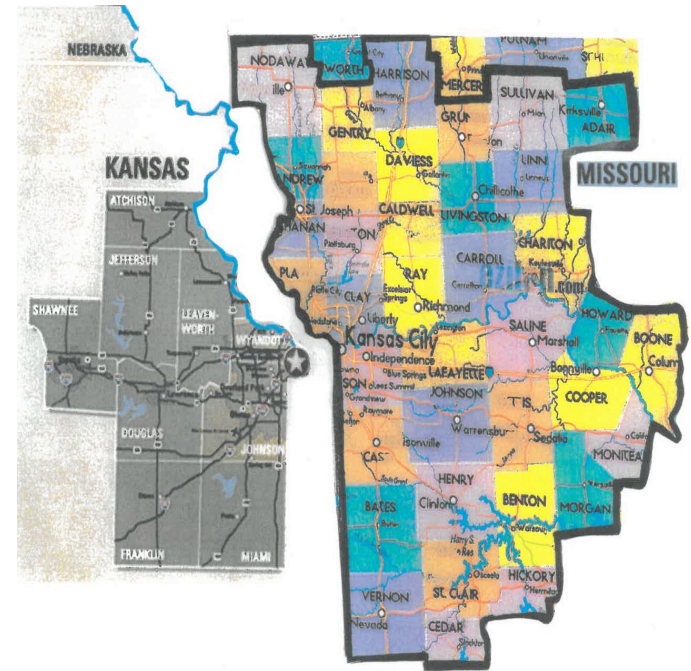
Goods and merchandise admitted to FTZ can be assembled, exhibited, cleaned, manipulated, manufactured, mixed, processed, relabeled, repackaged, repaired, salvaged, sampled, stored, tested, displayed and destroyed.

- Approx. 300 Designated Foreign-Trade Zones in the U.S. & Puerto Rico
- 191 “Active” Zones with 329 active production operations
- +/- 3200 Firms using FTZ’s employing over 450,000 FT people
- Value of Shipments into Zones in 2017: \$669 Billion
 - \$259B in Warehousing
 - \$410B in Production
 - 63% Domestic Status merchandise
 - 37% Foreign Status
- 2017 Exports from FTZ’s totaled \$87B



The Greater Kansas City Foreign Trade Zone

- Regional “Grantee” of the national FTZ program since 1974 & first non-profit organization to be designated a grantee
 - Zone 15:** 22 contiguous counties in western half of Missouri
 - Zone 17:** 9 counties in Kansas City, KS
 - ASF-Designation and Zone Activation
 - Production operation: avg 120 days after application; General Warehouse: avg. 30 days after application
 - Expedited local activation through USCBP -Port of Kansas City
- Over 2,800 total full-time employees in GKCFTZ **active** sites in 2017
- 23 designated GKCFTZ sites, 12 currently Active
- GKCFTZ Zones produce greatest economic value of all Zones in KS and MO ranking both states in top 25 States for Zone Activity for past several years.



GKCFTZ Market Reach



155.6 million consumers in 2 days driving time



Companies Operating in the GKCFTZ

Production	Warehouse	Textiles
 Bayer CropScience  	     	  





GREATER KANSAS CITY
FOREIGN TRADE ZONE



WORLD TRADE CENTER®
KANSAS CITY



Foreign Trade Zone Terminology

GREG TRUBY

FTZ Specialist | N. American Distribution Center
Kubota Tractor Corp.

Kubota — Global Overview

Total Annual Sales: \$15.9 B

38,000+ Employees

Revenue by Segment

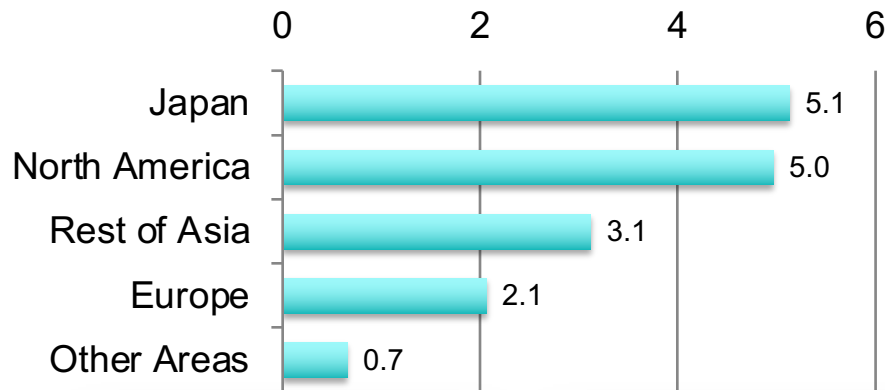
\$ 13.1 B

\$ 2.6 B

■ Farm & Industrial Mach. ■ Water & Environment ■ Other

Revenue by Region

Billions (\$)



Kubota – NADC: Edgerton Kansas

- FTZ 17D, activated July of 2017
- Main Warehouse for Imported Whole Goods



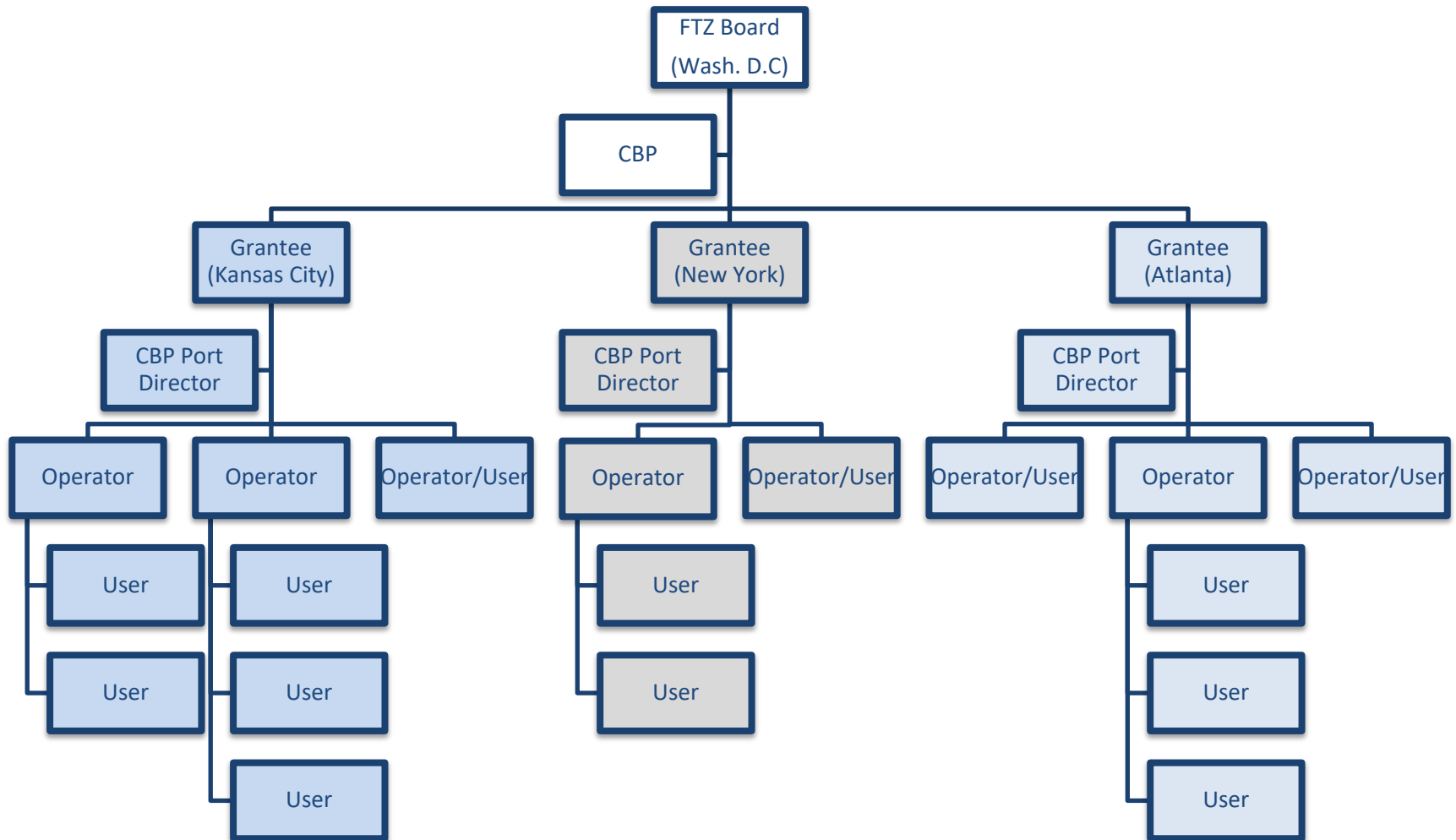
- Main Warehouse for Imported Service Parts



- 3 shifts, 170+ FT employees
- Initially activated 765K ft²
- Currently 888K ft²
- Building new facility. By mid 2019 will activate 2.76M ft²

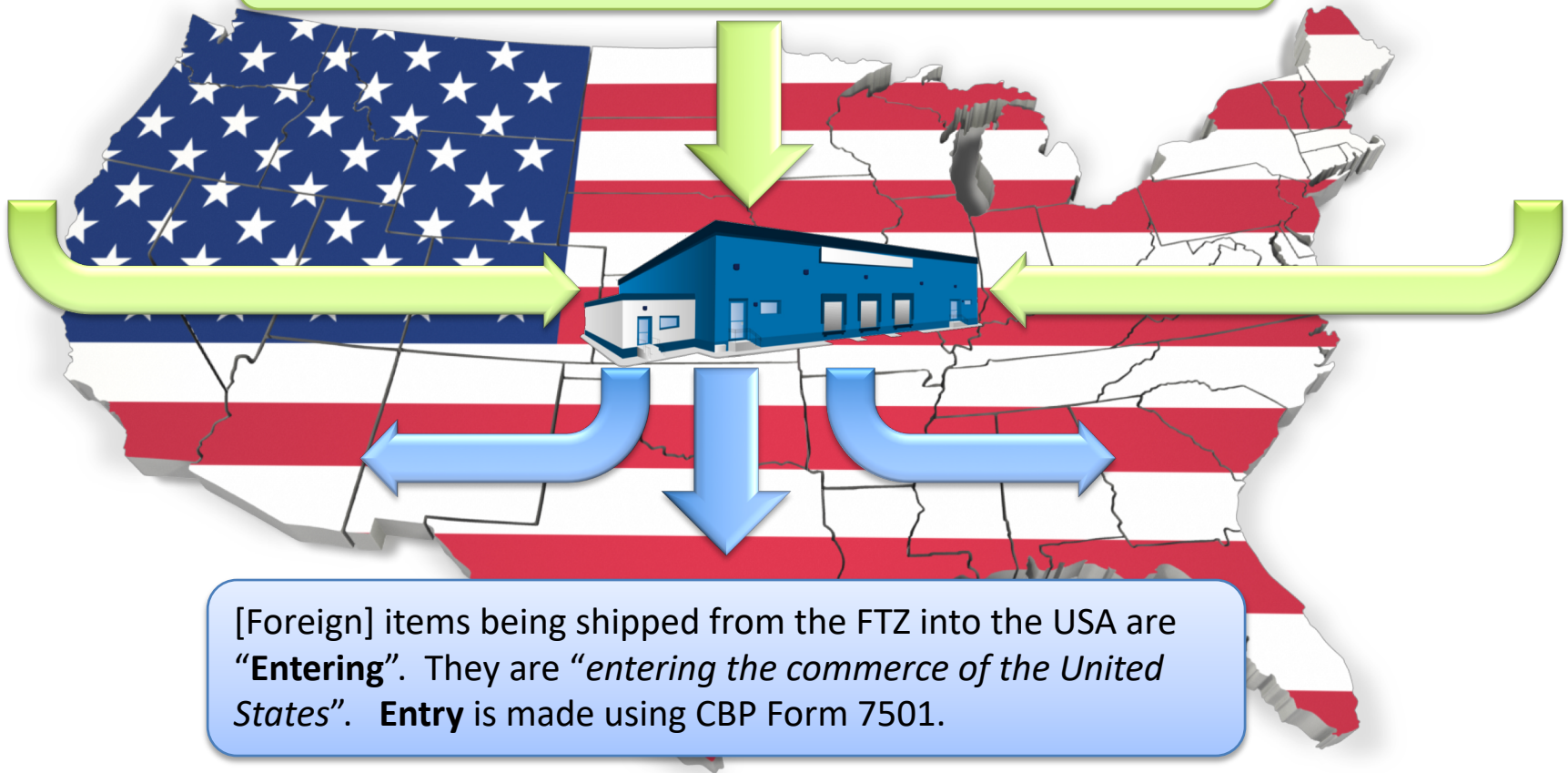


Who's Who



Admission versus Entry

[Foreign] items going **into** a FTZ are **NOT** “entering” the Zone. They are “**being admitted**” into the Zone using CBP Form 214





Direct Delivery

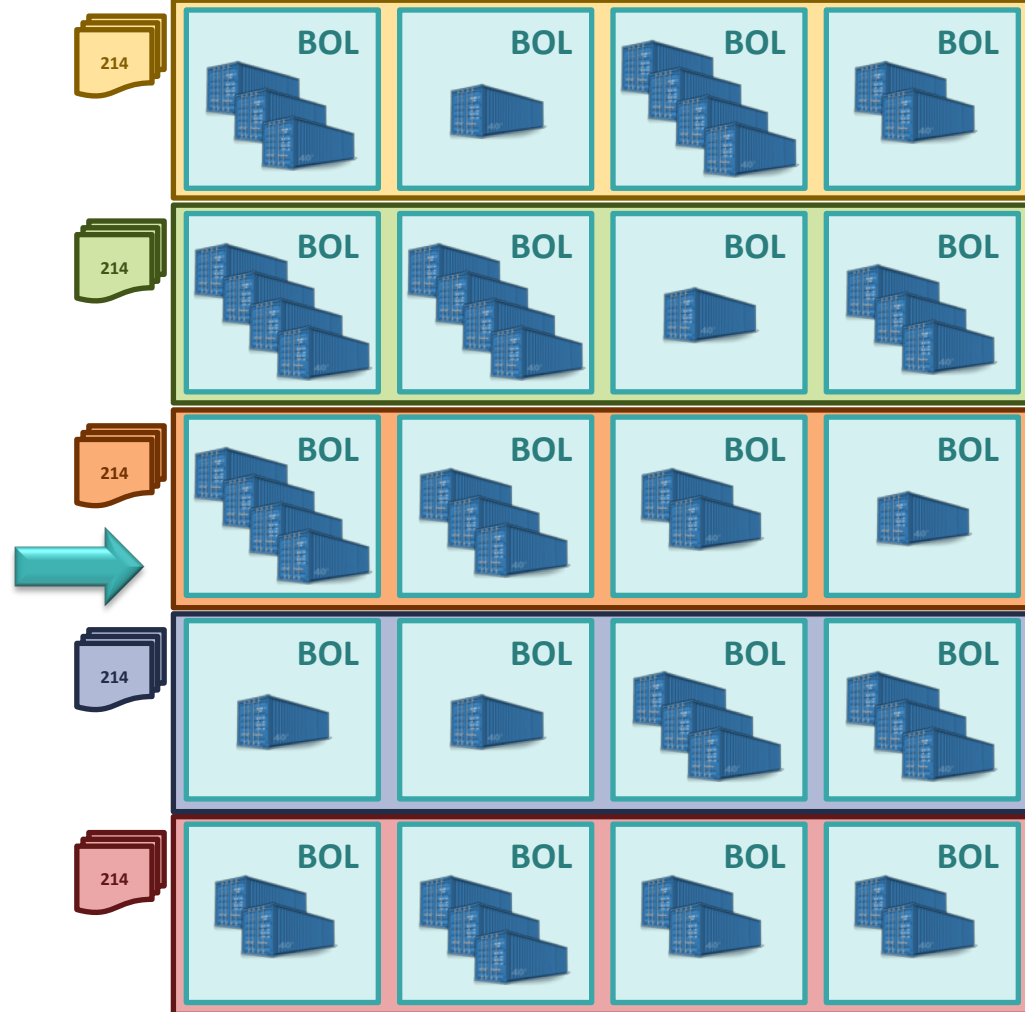
- Direct delivery allows for immediate movement of goods off the pier upon vessel arrival. Directly delivery is authorized via an electronic permit-to-transfer (ePTT). This reduces clearance delays, including lengthy customs exams and usually reduces your transit time by at least a couple of days.
- Very helpful for shipments with a great number and variety of items, especially items not previously imported.
- Some of Kubota's service parts shipments have over 2,000 different items travelling on the same Bill of Lading. Getting all of the information to the broker so they could classify goods and make entry would occasionally delay the shipment at the port.
- **CAUTION:** You only have 15 days to admit the goods! You cannot just let the containers sit in your yard and unload them when you get around to it! If you're backed up in your warehouse's receiving processes, you'll want to just make entry until the backlog clears and you can admit the goods in the fifteen day window.



What is Weekly Entry?



Normal Import Process → 20 BOL = 20 Entries



Weekly Entry Process → 20 BOL = 5 daily 214's
Ship all week → 1 Entry at end of week

3461 Estimate



7501 Entry

ACE / ABI / CATAIR



Your systems: ERP (e.g. SAP) and FTZ (e.g. Integration Point)



ABI = *Automated Broker Interface*. Commercial Environment. It is the data bridge between ACE and outside systems.



ACE = *Automated Commercial Environment*. It is the system where all of CBP's import and export data resides and what they use to oversee enforcement.

CATAIR = *CBP and Trade Automated Interface Requirements*. It is the document which lists all of the specifications for exchanging data via the ABI with the ACE.

7501 Data Sets



214 Data Sets



3461 Data Sets



Example: A 7501 file has the following records. The header records have the following fields; and the detail records have the following fields. The date fields will be in the following format, the UOM field will be... etc.



Key CBP Forms



CBP 216: Annually – obtains CBP’s approval for what you’re planning on doing in the zone for the coming zone year. Port Director keeps a copy; signs and returns a copy. Also used for requesting approval for special actions (e.g. destruction or temporary removal of goods).



CBP 3461: Weekly before the Zone Week – estimates of foreign status merchandise you might ship into U.S. customs territory during next zone week.



CBP 214: Daily – it lists what was admitted into the zone.



CBP 7501: Weekly after the Zone Week – your customs entry, foreign merchandise that you actually shipped into the U.S. customs territory.



CBP 7512: As needed – used for in-bond movement of goods so you don’t have to pay duty.



CBP 349: Quarterly – Used to remit Harbor Maintenance Fees



CBP 3078: As needed – CBP background check for key personnel.





Zone Status — NPF / PF / ZR / D

When bringing goods into your FTZ, you'll designate one of four zone statuses.

- Non-Privileged Foreign (NPF) — You didn't pay duty. You'll pay duty based on the rates in effect at the time you make entry. This is the most commonly used status.
- Privileged Foreign (PF) — You didn't pay duty. But you're locking in the duty rate to be whatever it is at the time you designate the status as PF. You don't pay duty until you make entry. But if the rates change or you alter the condition to change the rates, your duty rate was locked in. Trade remedies **force** you to use PF in order to lock in the punitive rates.
- Zone Restricted (ZR) — Rarely used. You didn't pay duty and you never will. You promise you'll never, ever, ever let these goods enter the commerce of the United States. You'll export them or scrap them.
- Domestic (D) — No duties are due. You either bought it from a U.S. manufacturer; or, if it was made overseas, whoever imported it originally made entry and paid duties on the goods at the time of entry.





Inventory Control Methods

There are two systems of inventory management you can use in your FTZ .

- Unique Identifier Numbers (UIN) — Goods that are fungible can be mingled regardless of zone status. My 2¾" brass cotter pins are P/N 1-234-567-8. I can buy from Atlanta, Georgia one month and Tbilisi, Georgia the next and put both the D-status pins from Atlanta and the NPF-status pins from Tbilisi into bin # A-01-01-001. The zone status of any one actual physical cotter pin # 1-234-567-8 doesn't matter. It all goes in and out based on FIFO records that track zone status by receipt.
- Zone Lot Number (ZLN) — Goods that are fungible are NOT mingled. Inventory and zone status is tracked by Lot records. Typically lot inventory management is already being used by the business. For example: pharmaceutical manufacturers or foodstuff manufacturers track inventories by lot due to the need to be able to recall specific production runs in the case of a quality issue.



I keep seeing “ASF” – what does it mean?

TSF stands for “Traditional Site Framework” basically it’s the old, time-consuming, difficult way of adding new FTZ subzones to a grantee’s area

ASF stands for “Alternative Site Framework” and is the new, much quicker, much more user-friendly (well, *operator*-friendly) way of adding new FTZ subzones to a grantee’s area.

TSF



ASF





“Production” and related terms

Official Definition [per 15 CFR § 400.2(o)]: *“activity involving the substantial transformation of a foreign article resulting in a new and different article having a different name, character, and use, or activity involving a change in the condition of the article which results in a change in the customs classification of the article or in its eligibility for entry for consumption.”*

Is kitting “production”? Yes.

Is packaging “production”? No.

“Production Notification” is the term for your first application for production authority. Takes 120+ days. If you hit a snag, and the FTZ board denies production authority then you submit a **“Production Application”** which is much more formal and takes about twelve months to get through. If you need to start doing production before the 120 days of a **Notification** has run its course, you may apply for **Interim Authority** which will permit production while the **Notification** is under review.





GREATER KANSAS CITY
FOREIGN TRADE ZONE



WORLD TRADE CENTER®
KANSAS CITY



Production Operations

SCOTT JAMES

Manager, Production Planning & Materials
Kawasaki



Kawasaki – Maryville Plant



FD SERIES

4-STROKE SMALL ENGINES FOR ZERO-TURN, RIDING LAWN MOWERS, UTILITY VEHICLES

FD series engines bring serious power to small spaces.



FR SERIES

4-CYCLE SMALLER ENGINE FOR ZERO TURN MOWERS AND LAWN TRACTORS

The FR Series engines are professional-grade power made personal.



FS SERIES

4-STROKE AIR-COOLED V-TWIN GASOLINE ENGINE FOR RIDING LAWN MOWERS

The FS Series engines provide a rock solid foundation for your tough turf work.



FX SERIES

PROFESSIONAL LAWN CARE 4-STROKE AIR-COOLED V-TWIN GASOLINE ENGINE

FX Series engines for high-demand machines provide strength on tap.



FX DFI SERIES

The reliability of Digital Fuel Injection meets the powerhouse FX Engine Series

Production Includes:

- Aluminum Die Casting
- Steel Machining
- Cast Iron Machining
- Aluminum Machining
- Assembly of Small Internal Combustion Engines for OEMs



- Granted subzone status Nov. 27, 1989
- Currently 850,045 sq. ft. activated
- 13 expansions between 1992 – 2015
- 835 Full Time & 300 contract Employees





Inverted Duty

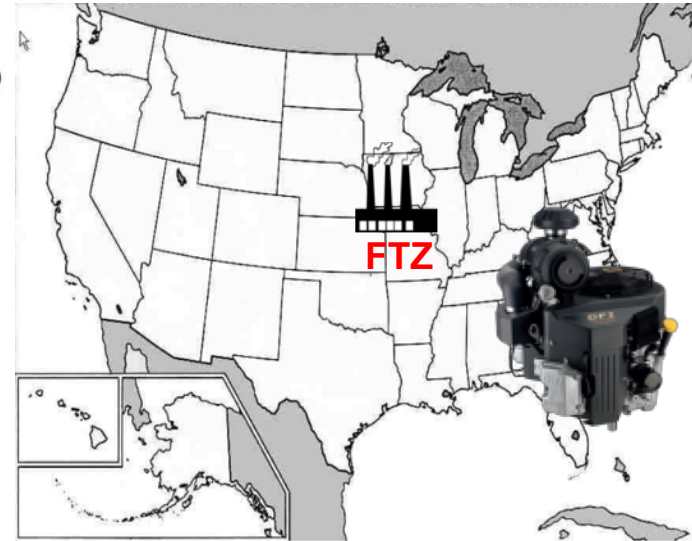
- Inverted Duty: What duty rate do we pay?
 - We import parts of engines, but what we ship to U.S. commerce is complete engines
 - Parts and engines have different duty rates
- As an FTZ, we get to choose the duty rate of the imported part or of the finished good!



Inverted Duty

Example

- We import rocker arms that have a **2.5%** duty rate
- The rocker arms go in an engine which has a **0.0%** duty rate, and the engine ships into U.S. commerce
- We choose to pay duty owed on the engine at the lower engine duty rate of **0.0%**
- \$0.32 per rocker arm x 2.5%
(((\$0.32*4)*2.5%))= **\$0.03 per engine savings**





FTZ SAVINGS

- Export Savings: If exported, the product never enters “US Commerce” for duty purposes
 - No duty is paid on exports!
- Scrap, waste, or obsolete part savings: If an imported part is scrapped and destroyed at FTZ, it never officially enters U.S. Commerce
 - No duty is paid on scrap, waste, and obsolete parts!





GREATER KANSAS CITY
FOREIGN TRADE ZONE



WORLD TRADE CENTER®
KANSAS CITY



Warehouse -Textiles

JERRY JONES

Import Manager

Outdoor Custom Sportswear

Outdoor Custom Sportswear

Outdoor Custom Sportswear and Columbia Sportswear have partnered to bring you Columbia product for the Golf, Destination, and Pro/NCAA licensed market.

Columbia is a leader in innovation and technology with apparel that keeps you WARM, DRY, COOL and PROTECTED. OCS is here to provide you with that same Columbia product that is Tested Tough for your golf pro shops and specialty stores, Resort gift shops, and your Team's bookstore or fan shop.

BRANDED APPAREL LICENSES





Corporate Responsibility

At Outdoor Custom Sportswear we believe that what you do and how you act represent your true core values. This is why at OCS we are focused on the continual improvement of the working environment not only for our direct employees but with our business partners as well.

We look for partners that have the same values as OCS and care about and strive to achieve a higher level of social and environmental business practices. We believe if OCS and our partners are socially and environmentally aware then we will all be equipped for changes and prosper together. OCS is committed to placing a high level of emphasis on worker's safety, fair wages, environmental and social responsibility

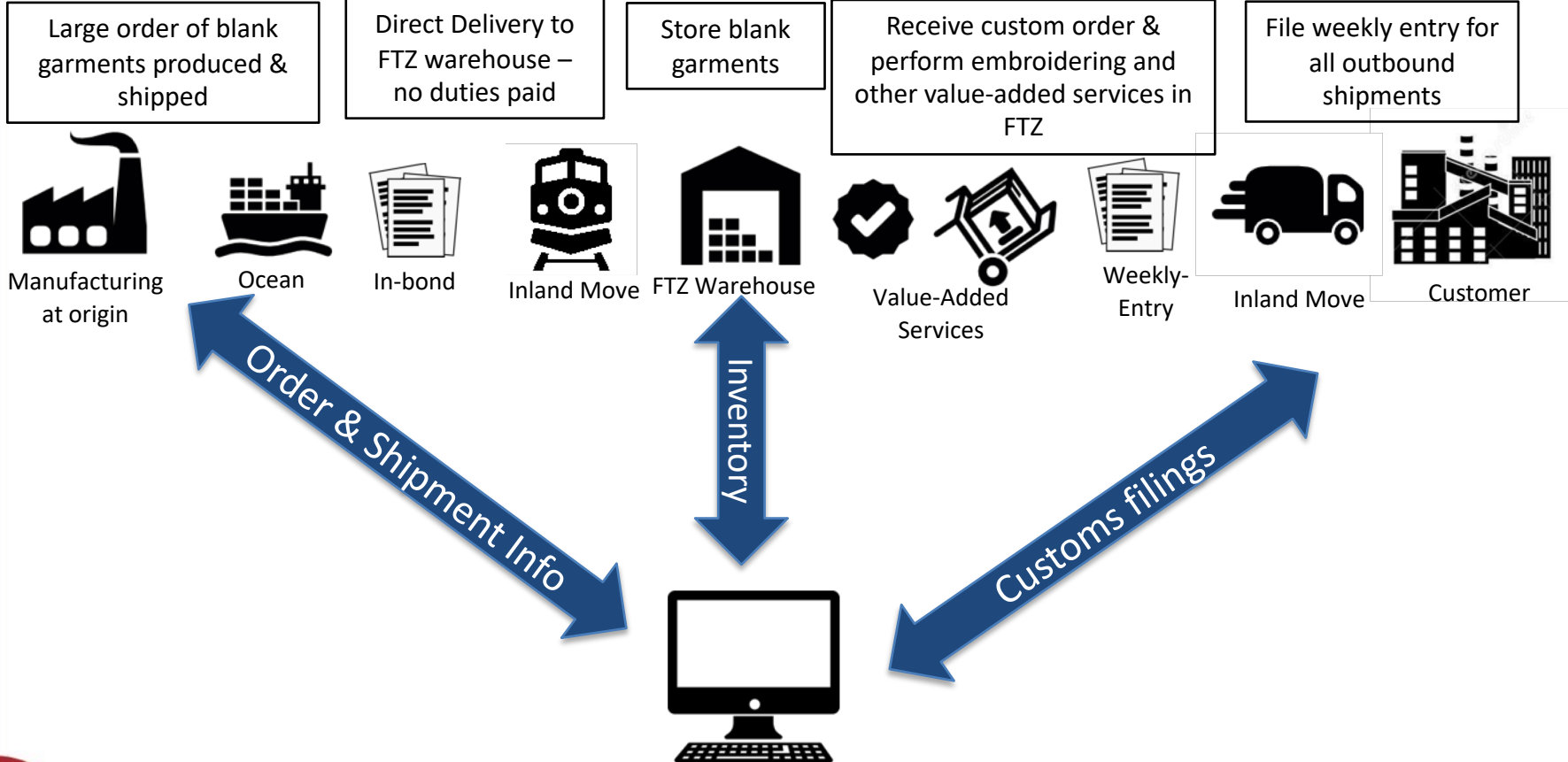




Benefits for Textile Operations

- Duty Exemption
- Duty Deferral
- Inventory on Hand
- Scrap Program
- Streamlined Logistics-Direct Delivery to FTZ
- Reduction in Fees







GREATER KANSAS CITY
FOREIGN TRADE ZONE



WORLD TRADE CENTER®
KANSAS CITY



FTZ Activation, Safety and Security

GUILLERMO LAMADRID

Transportation & Trade Compliance Sr. Mgr.

Spectrum Brands

Spectrum Brands

APPLIANCES & PERSONAL CARE

REMINGTON

BLACK+DECKER

Russell Hobbs

HARDWARE & HOME IMPROVEMENT

Kwikset

Pfister

National
Hardware

PET

NATURE'S
MIRACLE

Tetra

DINGO

HOME & GARDEN

Spectracide

HOT
SHOT

Cutter

\$3.15 Billion Net Sales



HHI Locations





Activation Requirements

CBP Regulations Require

- Written application
- Blueprint of area to be activated
- Zone Inventory Control & Recordkeeping System (ICRS) procedures manual
- Operations manual
- Background investigation of key employees
- Security review with CBP (including FTZ signage)
- FTZ Operator's Bond
- Written concurrence from the Grantee

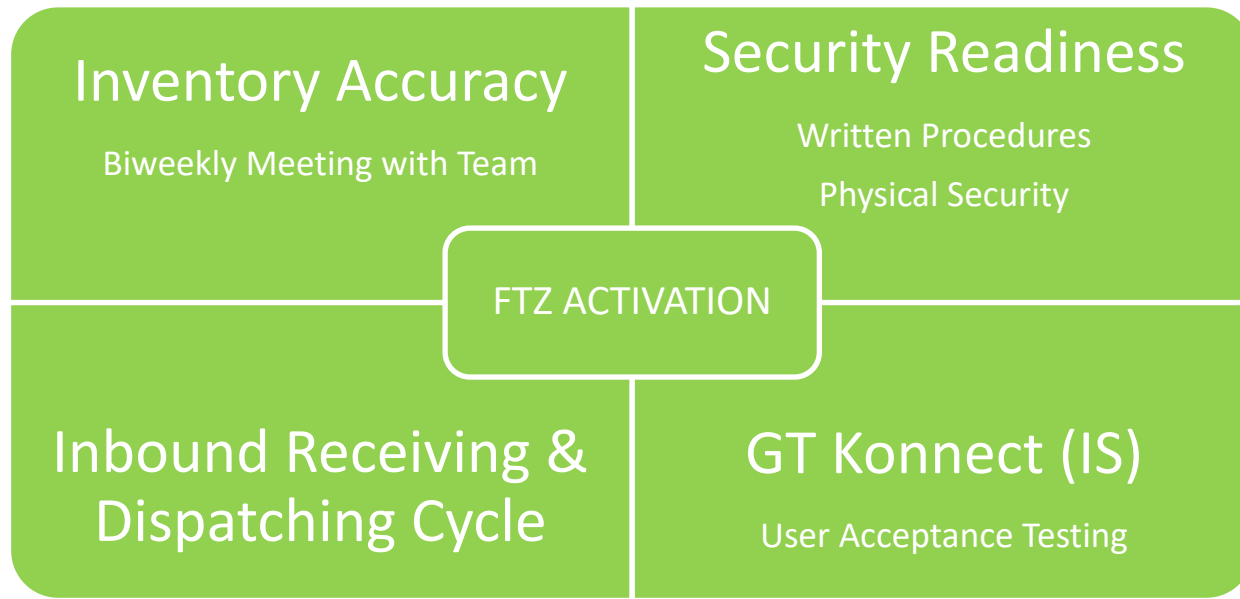
Approval typically takes 30 - 90 days



Activation Process

Interdisciplinary
Activities

- Professional Assistance
- Inventory Control
- Security
- Logistics
- Software - IT





Professional Assistance

- Application process with Grantee
- On your own or partnering up Lawyer/Consultant
- From Contracts to Bonds
- Governmental Relationships – FTZ Board & Customs

Inventory Control

- Physical Inventories? Cycle Counting?
- Inbound/Outbound Shipping Accuracy





Security

- Fencing, Guards, Screening, CCTV, Alarm
- Security Culture, theft
- C-TPAT
- Port Director may conduct a security check

Logistics

- Overseas, North America
- Bonded Carriers
- ISF Transition





Software - IT

- ERP integration, internal development, new software, EDI
- User Acceptance Tests
- Master Data
- Data Integrity
- Self filing





GREATER KANSAS CITY
FOREIGN TRADE ZONE



FTZ Value Proposition & Additional Benefits

ELAINE BOCH

Foreign-Trade Zone Specialist
MarksNelson LLC

Meet MarksNelson

Year Established: 1968



Number of Employees: 181

Industry Specialties:

- ❑ Foreign-Trade Zones
- ❑ State & Local Tax Incentives
- ❑ Property Tax Appeal
- ❑ Location Strategy Analysis

MarksNelson is dedicated to helping our clients, the firm, our professionals and the community to ***Move Forward.***

8th

Largest firm
in Kansas City

16th

Largest firm
in the Midwest

161st

Largest firm
in the country

#1

Largest locally owned firm in Kansas City

20

Partners

154

Full-time
professionals

17th

Fastest-growing
firm in the country



FTZ Value Propositions

- FTZ Value Proposition 1 is **Direct Delivery** = Expedites the receipt of merchandise in company facilities, reducing inventory cycle time.
- FTZ Value Proposition 2 is **Weekly Entry** = This results in less paperwork and a single merchandise processing fee.
- FTZ Value Proposition 3 is **Inverted Tariff** = Inverted tariff benefit exists when the duty rate for the finished good is lower than the duty rate of the imported component parts.



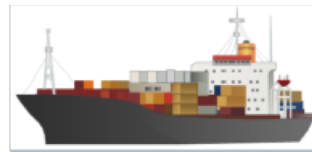


FTZ Value Proposition 1

- **Reduced Inventory Cycle Time and Streamlined Logistics.** Delays relating to U.S. Customs clearances are minimized. Special direct delivery procedures expedite the receipt of merchandise in company facilities, reducing inventory cycle time and lowering storage fees.
 - Direct delivery allows goods to be moved in-bond from the Port of Unlading to the FTZ with the zone admission (e-214) filed with Customs the next working day. This process can cut 1 to 2 days off delivery times into a zone.



Import Process Prior to FTZ



Cargo Arrives
at Port



Multiple
Customs
Entries are
filed



Each entry must
be released by
CBP – Duties &
Fees paid on
EACH Entry
| Delays Possible |



Movement to
Warehouse



Cargo
Received



Shipment to
Customers



Import Process After to FTZ



Cargo Arrives
at Port



In-bond is filed
(broker files,
or self-file)



Movement to
FTZ



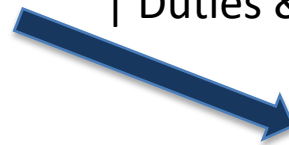
Cargo
Received



Single Zone
Admission filed



Weekly Entry and
Shipment to Customers
| Duties & Fees Paid |





FTZ Value Proposition 2

- **Weekly Entry / MPF Savings.** Shipments out of the FTZ into U.S. Commerce can be reported to CBP weekly as a summary entry with Customs. This results in less paperwork and a single merchandise processing fee, versus a fee for each individual entry.
 - As of October 1, 2018, the maximum MPF is \$508.70 per Customs Entry





Benefit to FTZ User

Assumptions

<i>Annual Value of Goods</i>	<i>\$150,000,000</i>
<i>Average Duty Rate</i>	<i>4.50%</i>
<i>Total Containers per Year</i>	<i>6000</i>
<i>Containers per Entry</i>	<i>6</i>
<i>Customs Entries per Year</i>	<i>1000</i>
<i>Average Total Value per Entry</i>	<i>\$150,000</i>





Benefit to FTZ User

	Non-FTZ	FTZ
Duty on \$150 million 4.5% Duty	\$6,750,000	\$6,750,000
MPF 1000 non-FTZ 52 FTZ	\$508,700	\$26,452
214 Filing Fee (Self File)	\$0	\$0
Broker Filing Fee 1000 @ \$75 vs 52 @ \$150	\$75,000	\$7,800
FTZ Administrator Fees	\$0	\$50,000
Total Costs	\$7,333,700	\$6,843,252
FTZ User Yearly Savings on MPF and Possibly Broker Fees		\$490,448





FTZ Value Proposition 3

- **Inverted Tariff Relief.** Duties can be eliminated entirely if the imported dutiable goods are manufactured within the FTZ into a duty free finished product. This allows for manufactures to import component parts that may carry a higher duty rate than the finished good, the user will then manufacture within the FTZ and include all foreign component parts on the Customs Entry at the finished good HTS level and duty rate.





Benefit to FTZ User

Assumptions

<i>Annual Value of Goods</i>	<i>\$75,000,000</i>
<i>Average Duty Rate - Components</i>	<i>4.50%</i>
<i>Duty Rate – Finished Good</i>	<i>1.50%</i>





Benefit to FTZ User

	Non-FTZ	FTZ
Duty on components \$75 million 4.5% Duty	\$3,375,000	
Duty on Finished Good \$75 million 1.5% Duty		\$1,125,000
Total Costs	\$3,375,000	\$1,125,000
FTZ User Yearly Savings on Inverted Tariff		\$2,250,000





Additional FTZ Benefits

- **Duty Deferral.** A FTZ user can defer the payment of duties and fees by admitting and storing merchandise within a FTZ. This applies to Trump Tariffs and Anti-dumping (AD) and Countervailing duties (CVD) as well.
- **No time restrictions.** Unlike CBP Bonded Warehouses, merchandise may remain in a zone indefinitely, whether or not subject to Customs Entry.





Additional FTZ Benefits

- **Duty Elimination or Duty Minimization on Exports.**
 - Duties can be eliminated entirely on manufactured goods ultimately exported to non-NAFTA countries.
 - Duties can be lowered on manufactured goods exported to NAFTA countries.
 - Duties can be eliminated entirely on goods that are imported and exported same condition.
- **Duty Elimination Duty Minimization on Waste and Scrap.** No Customs duty is charged on most waste, scrap, manufacturing loss, or line loss, from production in a FTZ.





Additional FTZ Benefits

- **Duty Elimination on Rejected, Defective, or Obsolete Merchandise.** Merchandise found to be defective or faulty, may be returned to the country of origin for repair or simply destroyed. Merchandise that is found to be obsolete may also be exported or destroyed. If goods are exported or destroyed, no Customs Duties will be owed.





Additional FTZ Benefits

- **Quota Avoidance.** In most instances, imports subject to quota may be retained within a FTZ once a quota has been reached allowing zone users access to potentially discounted inputs and the ability to enter merchandise as soon as a new quota year starts.
- **Non-Conforming Items.** A FTZ can be utilized to inspect, repair, repack, or re-work non-confirming merchandise before withdrawing from the FTZ and filing a Customs Entry.





Additional FTZ Benefits

- **Production Equipment.** Production equipment to be used in FTZ manufacturing can be brought into a FTZ, assembled, and tested prior to filing Customs Entry. Duty on imported production equipment is not paid until the equipment is to be used for manufacturing activity.
- **Stringent security measures.** CBP security requirements for a FTZ provide protection against theft.





Additional FTZ Benefits

- **Transfer between FTZs.** Merchandise can be transferred between FTZs without Customs Entries being filed and duties being assessed.
- **Ad Valorem Tax Relief.** The Foreign-Trade Zones Act exempts merchandise stored in FTZs, or merchandise held in a zone for export, from state or local ad valorem tangible personal property taxes.
***** *Not applicable in all states.***
- **Real Property Taxes.** Collections can be affected due to a provision of state law allowing for reclassification of FTZ designated property under certain conditions.
***** *Not applicable in all states.***





Is a FTZ Right For You?

- Do you manufacture, assemble, or kit with imports?
- Do you regularly pay more than \$508.70 per week in merchandise processing fees?
- Do you have to wait long periods of time for your imports to be cleared by U.S. Customs at the port?
- Do you scrap, reject, destroy, waste, or return some of your imports?
- Do you frequently have obsolete merchandise?
- Are your goods subject to Quota?
- Do you export previously imported materials?
- Do you sell your imported products to companies that reside in Foreign-Trade Zones?
- Is your volume and/or value of goods high on your imports?



FTZ Setup & Ongoing Costs

Implementation Fees	Range	
Board Application Fee	\$1,600	\$6,500
Consultant	\$50,000	\$250,000
Internal IT Support and FTZ Administrator Training	\$10,000	\$100,000
Security Upgrades	\$1,000	\$20,000
Grantee Fee	\$5,000	\$50,000

Annual Fees	Range	
FTZ Software	\$10,000	\$60,000
FTZ Staffing Costs	\$50,000	\$150,000
FTZ Operator Bond	\$2,000	\$15,000
Grantee Fee	\$5,000	\$50,000

All values are estimates and can vary based on operation size, complexity, and location

- **FTZ Implemented Correctly:** Larger issues can arise down the road if a company chooses to not utilize a consultant that specializes in FTZ. Correct implementation is key!
- **Grantee Fee Schedule:** Grantee Annual Fees can range from \$5,000 to \$50,000 a year. There may be one-time fees for FTZ Board Application and CBP Activation as well.
- **Additional Staff:** Plan on one, possibly two full-time staff depending on complexity and volume of operation.
- **IT Support:** Internal IT will be necessary during implementation, support will be required on-going.
- **Software:** Third party FTZ Software can range from \$10,000 to \$60,000 a year for licensing plus implementation costs.
- **Operator Bond:** The FTZ Operator Bond is based on average value of duty – this can range from \$2,000 to \$15,000 per year.



FTZ Setup & Ongoing Costs

IMPLEMENTATION COSTS	ANNUAL COSTS
Board Application Fee	FTZ Software License, Maintenance, and Support
Grantee Board Application and Activation Fee (if applicable)	FTZ Administrator Staffing Costs (and Internal IT Support)
FTZ Software Implementation	Bonded Carrier Premium
Internal IT Support and FTZ Administrator Training	Annual FTZ Operator Bond Premiums
Security Upgrades	Annual Grantee Fee
Consultants Fee	Ongoing Consulting Fees



Questions?





Alfred J. Figuly, President, CEO
Greater Kansas City Foreign Trade Zone, Inc.

Phone: 816-474-2227

Mobile: 816-305-1378

Email: alfiguly@gkcftz.com

www.gkcftz.com





Disclaimer

Please note that this Power Point presentation is an educational tool that is general in nature. It is not intended to be an exhaustive review of U.S. laws and regulations and is not intended to provide legal advice.

Materials in this presentation should not be considered a substitute for actual statutory or regulatory language. Always refer to the current edition of a referenced statute, code and/or regulatory language. Always refer to the current edition of a referenced statute, code and/or regulation for precise language. The Greater Kansas City Foreign-Trade Zone does not endorse the individual views of any presenter.

