



Indianapolis
Airport
Authority

Connecting Indiana to the World

What is a Foreign Trade Zone?

Federal program that assists companies in reducing **time & money** associated with importing raw materials, parts, or finished goods into the U.S.



Program **Users** are located in a Port of Entry for U.S. Customs and Border Protection.

A secured building, warehouse, pipeline, etc., planned to utilize the program's benefits.



Subject to local community endorsement and federal trade policy review. The **entire** state of Indiana is approved to accommodate FTZ status, under ASF.



INzone: Here to help you gain access to the federal FTZ program



- INzone is a wholly owned 501 (c)6 non-profit by the Indianapolis Airport Authority (IAA).
- In 1981 the FTZ board, under the Department of Commerce, issued a "Grant of Authority" to IAA, making them central Indiana's **grantee** for the FTZ program.
- INzone is the FTZ **administrator** for central Indiana which markets the federal program's benefits and administrates the program locally.
- INzone serves 41 of the 92 counties in Indiana (44.6%).



FTZ Milestones

Foreign Trade Zone Act is enacted by Congress

Indianapolis Airport Authority (IAA) is issued a grant of authority from the FTZ board under the Department of Commerce

1929-1933

1934

1950

1981

2021

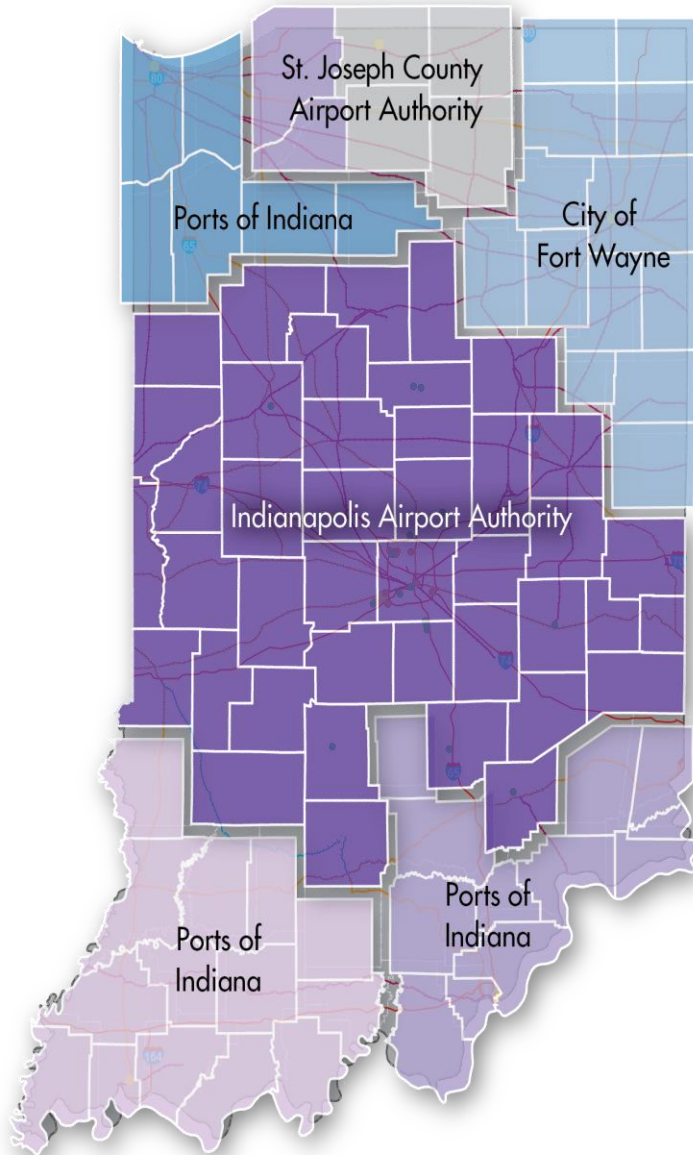
The Great Depression

FTZ Act is amended to allow manufacturing in zones

Indiana:
#7 in FTZ imports
#8 in FTZ exports
53% automotive & 38% pharmaceutical

Nationally:
480,000 Americans are directly employed at an active FTZ site.
\$835 B was imported into FTZs in 2021, compared to \$625 B in 2020 (\$123 B was exported)





Indiana Grantees & their POC's:

FTZ # 72: Indianapolis Airport Authority Kent Ebbing, INzone, General Manager, 317.487.7201 (41 counties)

FTZ #125: St. Joseph County Airport Authority Karen Chandler, South Bend/Elkhart Regional Partnership, 574.344.4686 ext. 4810 (6 counties)*

FTZ #152: Ports of Indiana (Burns Harbor), James Hall, Ports of Indiana, General Counsel, 317.232.9201 (8 counties)*

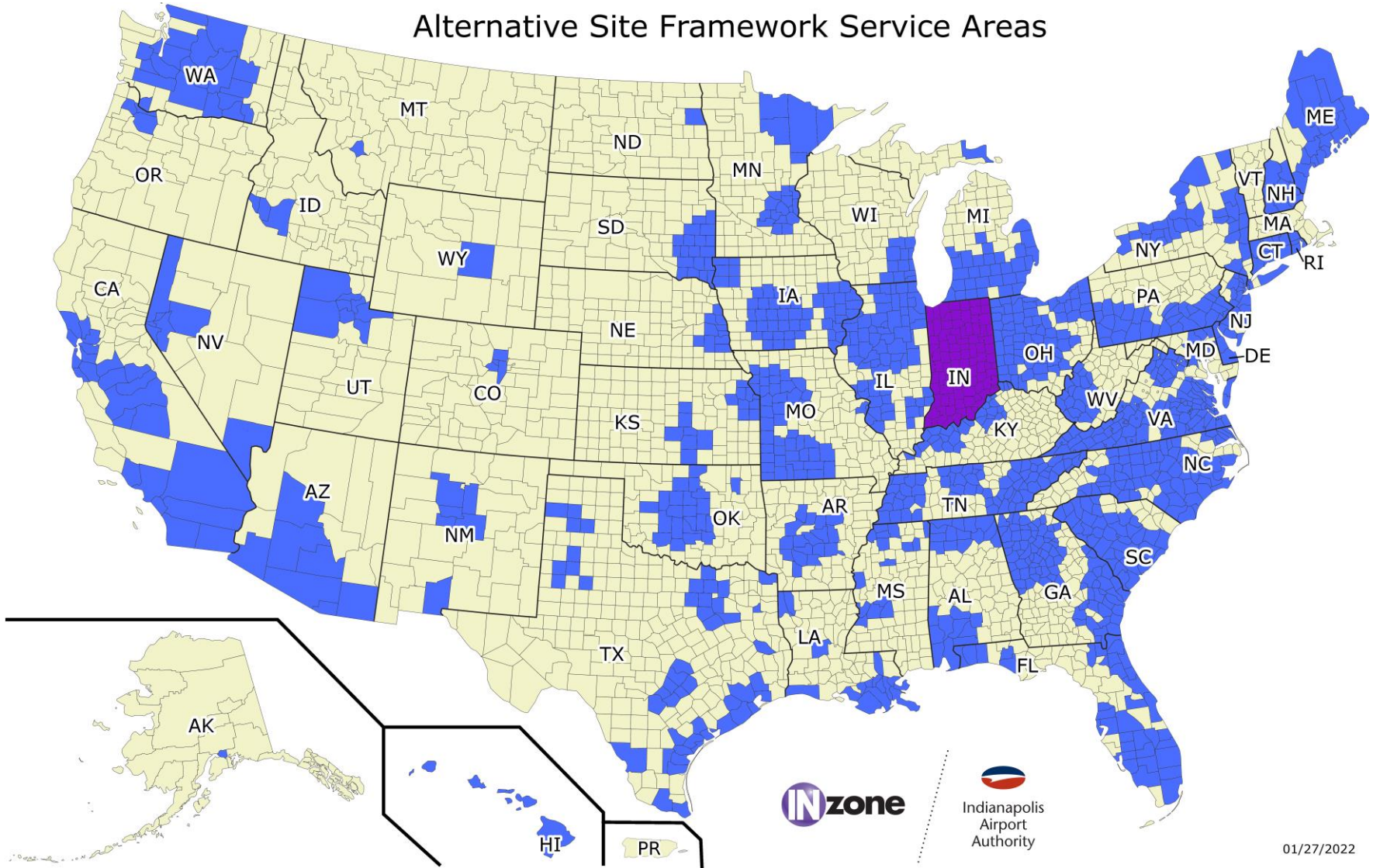
FTZ #170: Ports of Indiana (Clark County), James Hall, Ports of Indiana, General Counsel, 317.232.9201 (12 counties)

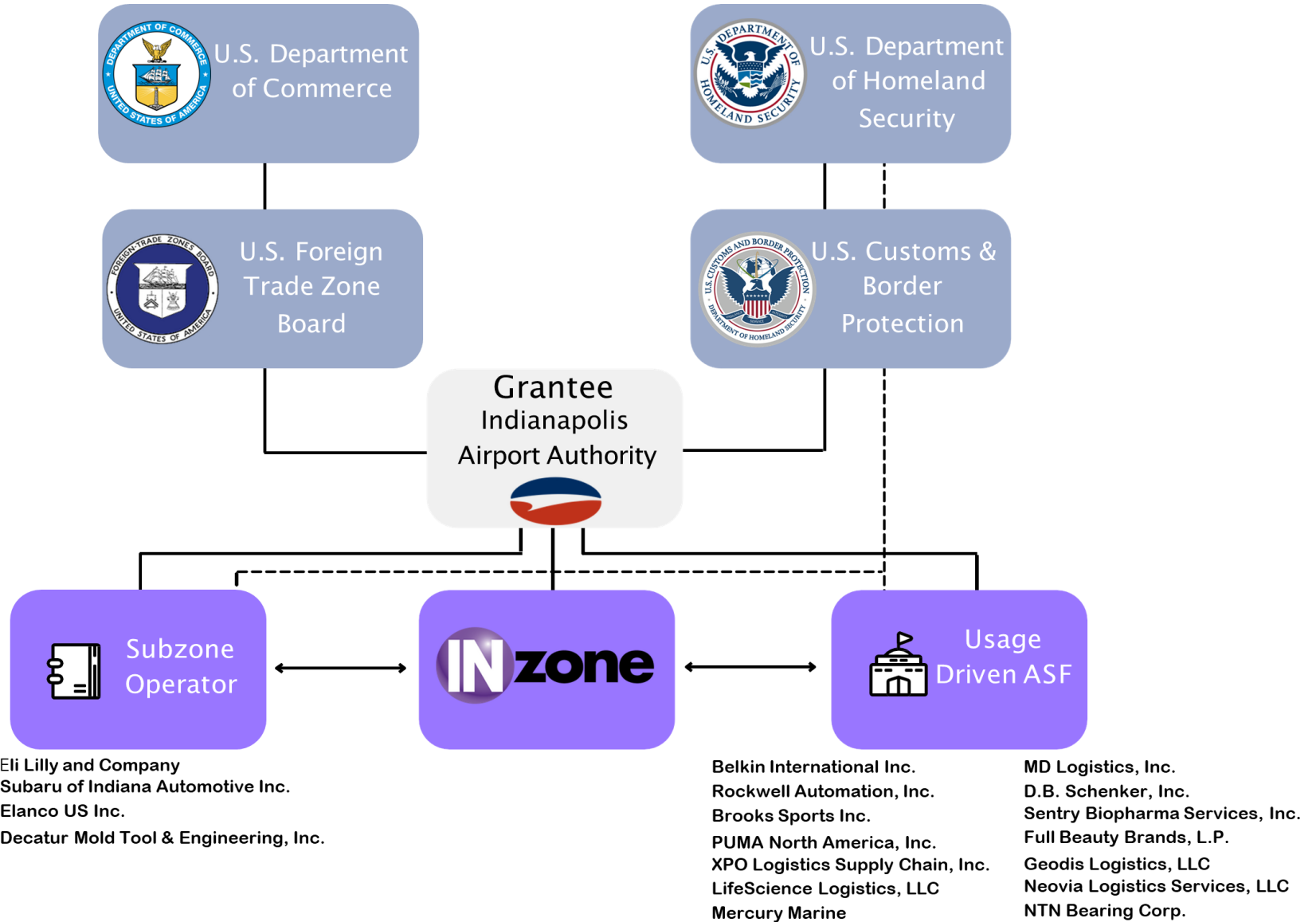
FTZ #177: Ports of Indiana (Evansville), James Hall, Ports of Indiana, General Counsel, 317.232.9201 (14 counties)

FTZ #182: City of Ft. Wayne (13 counties) 260.427.8311 or FTZ@ City of FortWayne.org

* 2 counties are served by two grantees. Ports of Indiana serves a total of 34 counties.

Alternative Site Framework Service Areas

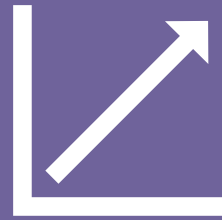




How can the FTZ program help Indiana's business economy?



Retention



Expansion



Attraction

How do I save money?

Duty Deferral

Imports may be admitted and held in a Foreign Trade Zone (FTZ) without paying U.S. customs duties. This deferral can give companies a large cash flow advantage

Duty Elimination

No need to pay duties on imported goods that are exported to another Foreign Trade Zone (FTZ) site or outside of the U.S.

MPF Reduction

Maximum Merchandise processing fee (MPF) is only paid once per week for shipments – regardless of how many shipments are processed during the week

Duty Reduction

Taxes are not paid on individual parts – only when product is whole. This is very popular with sub-assembly and manufacturing operations



How do I save money & time?

Direct Delivery

Allows foreign merchandise to be transported in-bond directly to the Zone user's facility without customs clearance at the first port of unloading with local CBP approval

Weekly Entry

Allows Zone users to operate their business 24/7 and file one customs entry per week, rather than per shipment. This can substantially reduce brokerage costs



Direct Delivery vs. Weekly Entry

Allows imported materials/goods to be delivered directly to a plant/warehouse without taxes being paid (“in bond”) and a release by CBP



CBP inspection hold less likely, due to known “chain of custody” & prior vetting



Direct shipment to your facility 24/365 without a release being issued



Lower shipping costs... delivery acceptance outside of premium delivery hours & no need to insure tax portion of the shipment



Can speed up delivery 1-2 days. Contract fulfilment obligations, supply chain reduction, JIT enhancement/efficiency, & strengthen business relationships



x



= **\$25,740/year**

\$55 / documents 468 shipments



x **52 = \$2,860**
weeks

\$55 / documents

No FTZ: \$25,740 / year
With FTZ: \$2,860 / year

Savings: \$22,880 / year



Merchandise Processing Fee (MPF)

In an FTZ environment... a customer is charged 0.3464% of the entered value declared on the commercial invoice, with a minimum of \$27.75 and a maximum of \$538.40 per entry.



Example: Your company imports 9 containers/week or 468 containers/year at the maximum MPF fees being paid...



\$538.40 / container
X 468 containers
\$251,971.20 / year

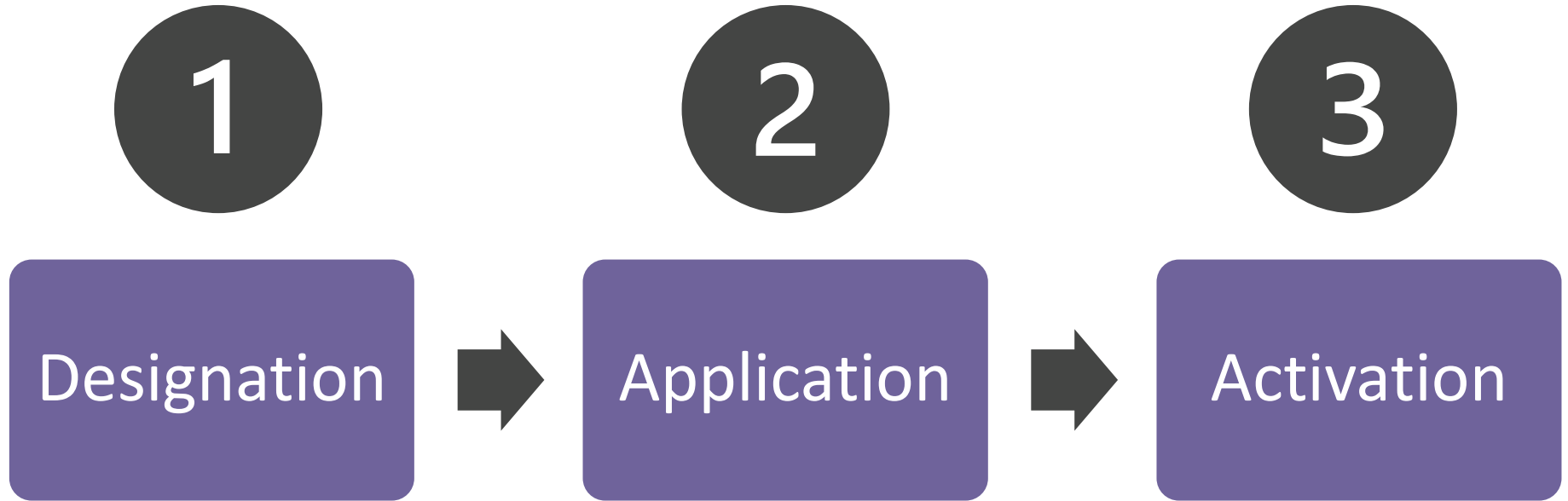


\$538.40 / container
X 52 weeks
\$27,996.80 / year

Savings: \$223,974.40 / year



FTZ Process



Feasibility Study

Importers can realize substantial time and financial savings via the Foreign Trade Zone (FTZ), a federal program designed to support American business and job growth. How much will you save? We recommend contacting a qualified FTZ consultant for a cost-benefit analysis.

The cost-benefit analysis will help American-based businesses make an informed decision about participation in the FTZ program. This report, outlining the bottom-line savings + intangibles = your net benefit.



INzone, Central Indiana's FTZ Grantee Administrator, pays for your confidential analysis, **up to:**

Distribution:
\$2,500

Manufacturing:
\$5,000

You may choose any consultant you like, but there is a list of consultants with whom our current and past customers have worked, available on our website.

Today's Takeaway

INzone is an entity wholly owned by the Indianapolis Airport Authority

If importing product, INzone can help companies in central Indiana save money and time

If you come in contact with a potential customer, please introduce them to INzone



Contact Information

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