



SOUTHEASTERN NORTH CAROLINA

FOREIGN TRADE ZONE #214





Foreign-Trade Zones

A Foreign-Trade Zone, or FTZ, is like a “duty-free” zone for businesses. FTZs are designated sites licensed by the Foreign-Trade Zones (FTZ) Board that encompass a geographical area at or near a U.S. Port of Entry where commercial merchandise is treated by U.S. Customs as if it were “outside the commerce of the United States.”

Benefits of Operating in a Foreign-Trade Zone

The FTZ program allows U.S.-based companies to **defer, reduce or even eliminate customs duties** on products admitted to the zone, providing important benefits to businesses and industries. Some of the benefits include:

- **Customs duties and federal excise tax deferred** on imports;
- Foreign goods and domestic goods held for export are **exempt from local inventory taxes**;
- **Streamlined customs procedures** (e.g. “weekly entry” or “direct delivery”) that lower total entry fees;
- **Duty/tax deferral, reduction or elimination**;
- Where zone production results in a finished product that has a lower duty rate than the rates on foreign inputs/parts, resulting in an inverted tariff, the lower duty rate for the finished product would apply as it leaves the zone;
- **Transfers between zones with no duties**;
- **Reduced paperwork**; and
- Destruction of damaged or substandard goods without paying duties on finished, manufactured product containing those components.

North Carolina’s FTZ #214

Foreign-Trade Zone #214 is located in southeastern North Carolina and offers individuals and businesses in a 22-county area the opportunity to import foreign goods into a duty-free zone. The N.C. Department of Transportation (NCDOT) oversees FTZ #214.

Advantages of North Carolina’s FTZ #214

- Contains three ports of entry
- Tax exemption of inventory held in active zone
- Encompasses a 22-county region
- Offers two magnet sites
- Midpoint between Maine and Florida
- Air cargo facility at Kinston Regional Jetport can accommodate world’s largest aircraft with its 11,500' runway
- Provides two major interstate highways with international trucking facilities
- Encompasses rail and aviation facilities, as well as two sea ports
- Skilled workforce, with customized training programs available to companies through North Carolina’s Community College System





Alternative Site Framework

NCDOT has been approved for Alternative Site Framework (ASF) designation, which allows a business to seek approval of a trade zone site in as little as 30–60 days. A drastic reduction in time compared to the 18-month typical timeline in the traditional framework.

Facility Types

To start importing foreign goods into FTZ #214, a business can either:
apply to be a Usage-Driven site at its own facility or activate using an existing Magnet site.

Usage-Driven Site

“Usage-Driven” sites are managed by individual companies that commit to operating within the inventory and reporting requirements of U.S. Customs, after approval by the Foreign-Trade Zones Board.

“Usage-driven” sites are able to be approved in approximately 30 days under ASF and companies located within the 22-county area are eligible to apply.

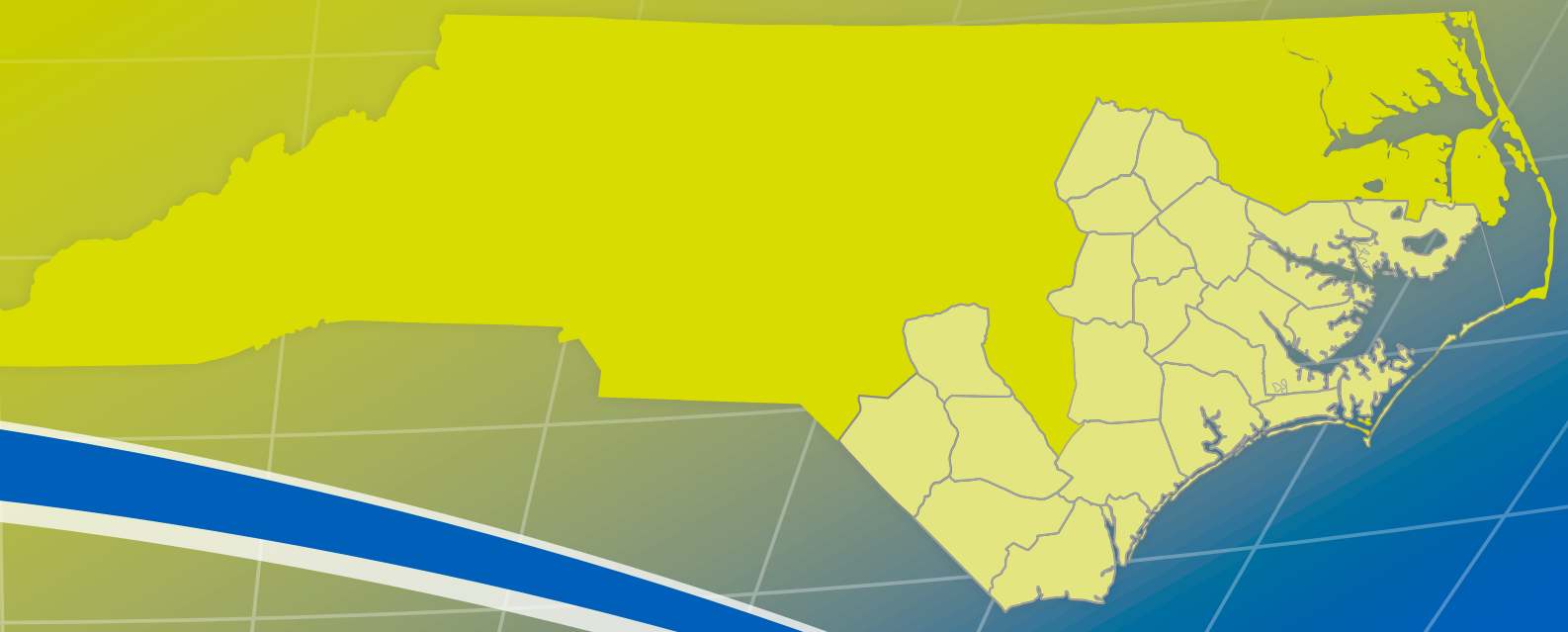
Magnet Site

Magnet sites are essentially the same as the current general-purpose zone industrial park sites. A magnet site can be used by many importers.

FTZ #214 has two approved magnet sites.

Port at Wilmington, NC, ncports.com

Port at Morehead City, NC, ncports.com



Foreign-Trade Zone Application Process

Important information about the application procedure is available on the FTZ Board website at <http://ia.ita.doc.gov/Ftzpage/applications.html>.

The Foreign-Trade Zone application process is divided into three steps:

One

Application is submitted to the FTZ Board through the grantee (N.C. Department of Transportation).

There are three different types of applications:

- Subzone/Usage-Driven Site under the Alternative Site Framework Application
- Production Notification
- Production Application

The specific time frames applicable to various application types can be found at <https://enforcement.trade.gov/ftzpage/timing.html>. The time frames are from the date the FTZ Board officially docketed the application.

Two

Once the application has been approved by the FTZ Board, the operator must activate the site with Customs and Border Protection (CBP). There are three areas that CBP will review:

- Procedures manual, describing the inventory control and record keeping systems.
- Facility check and background checks on company officers.
- Employees who have access to records, and the written concurrence of the grantee in cases where the operator requests activation.

Three

FTZ regulations require the user and operator to then execute an agreement with the grantee.

Need more information about how an FTZ can help you?

Businesses interested in becoming a site within FTZ #214 should contact:

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Visit us on the web at <https://connect.ncdot.gov/business/ForeignTradeZone>

