

# FOREIGN-TRADE ZONE #214

## Foreign-Trade Zone Application Process

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

### Step One:

Application is submitted to the FTZ Board through the grantee.

There are six different types of applications:

- General-Purpose Zone
- Boundary Modification
- Subzone
- Manufacturing Authority within a General-Purpose Zone
- Manufacturing Authority Expansion
- Temporary Manufacturing Authority

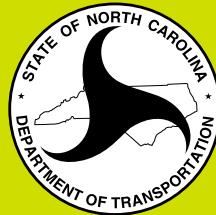
FTZ regulations require the developer and operator to then execute an agreement with the Grantee, which in this case is NCDOT.

More information about the application procedure is available on the FTZ Board website at [ia.ita.doc.gov/ftzpage/applications.html](http://ia.ita.doc.gov/ftzpage/applications.html).

### Contact

Businesses interested in becoming a site within FTZ #214, or simply in learning more about FTZ opportunities, should contact FTZ #214 Administrator V. Lori Fuller at 919.707.2815 or [vlfuller1@ncdot.gov](mailto:vlfuller1@ncdot.gov).

Visit <https://connectncdot.gov> and click "FTZ".





## 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 24-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 proposed 24-county region
- Offers five 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 applied for Alternative Site Framework (ASF) designation, which will allow FTZ #214 to seek approval of trade in as little as 30–60 days, as compared to the one year to 18 months approval cycle under the Traditional Site Framework.

### Facility Types

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

#### Magnet Site

Magnet sites are essentially the same as the current general-purpose zone industrial park sites with a warehouse operator that has already been approved within FTZ #214. A Magnet site can be used by many importers.

Three general-purpose sites have been approved, with other sites awaiting approval as Magnet sites under ASF.

*N.C. Global TransPark, [ncgtp.com](http://ncgtp.com)*

*N.C. State Port at Morehead City, [ncports.com/port-of-morehead-city](http://ncports.com/port-of-morehead-city)*

*N.C. State Port at Wilmington, [ncports.com/port-of-wilmington](http://ncports.com/port-of-wilmington)*

*Wilmington International Airport, [flyilm.com](http://flyilm.com) (pending)*

*Craven County Industrial Park, [cravenbusiness.com](http://cravenbusiness.com) (pending)*

#### 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 60 days under ASF.



*N.C. Global TransPark*

*N.C. State Port at Morehead City*

*N.C. State Port at Wilmington*