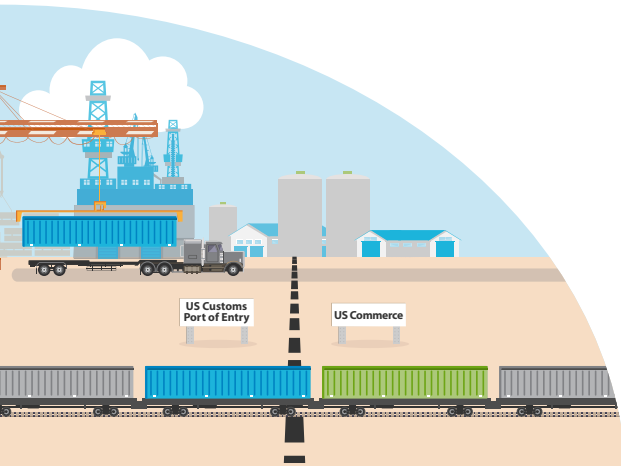




# FOREIGN TRADE ZONE 31



# FOREIGN TRADE ZONE 31

## YOUR PARTNER IN GLOBAL COMPETITIVENESS

### IMPORT SMARTER

From small manufacturers to multinational corporations, Foreign Trade Zones (FTZs) give businesses who import product a competitive edge in the global marketplace. Companies in an FTZ can defer, reduce, and/or eliminate Customs duties, improving their cash flow and reducing their production costs to increase their overall profit.

Enacted by Congress in 1934, Foreign Trade Zones are federally designated areas within the United States that are considered “outside the U.S. territory.” Created to encourage foreign commerce, FTZs help the U.S. economy by allowing companies to source component products from around the world at competitive prices, while keeping important value-added activities, such as manufacturing, within the United States.

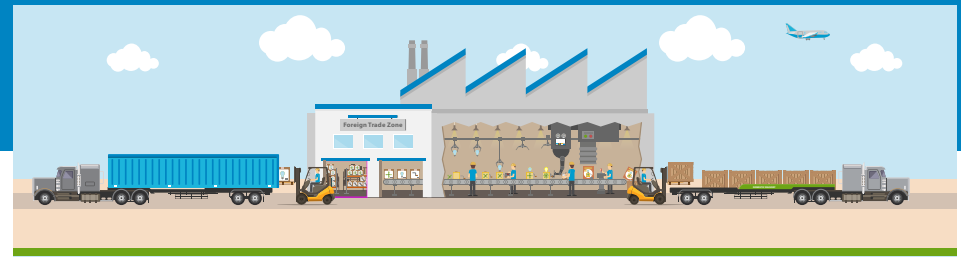
According to its 2018 Annual Report to Congress, the FTZ Board notes that more than 191 active FTZ programs exist across the United States, employing approximately 450,000 people at 3,200 businesses, and importing over \$669 billion in shipments.

Although some of the largest users in FTZs are in manufacturing, an increasing number of distribution centers are discovering the benefits of FTZs as well. Manufacturers like BMW, Phillips 66, and Dow Chemical as well as distribution centers for brands like IKEA, Floor and Décor, and Columbia Sportswear are all taking advantage of the benefits of operating within an FTZ.

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***“A company can have the best and most sophisticated product in the world, but if it doesn’t have a smart supply chain, it will likely not be able to compete, especially in terms of cost and speed. Foreign Trade Zone 31 is one of the many tools America’s Central Port promotes to help give businesses a global competitive edge in the Southwestern Illinois region.”***

***- Dennis Wilmsmeyer  
Executive Director, America’s Central Port***



### DEFER, REDUCE, AND/OR ELIMINATE DUTIES

Businesses importing product to store, assemble, manufacture, mix, use, test, or display can realize significant savings by taking advantage of any one or more of the benefits of operating within Foreign Trade Zone 31.

#### Duty Deferral

- When importing product into the U.S., a duty may be assessed on the product. FTZs allow businesses to defer this duty until the product is removed from the Zone and enters the U.S. commerce.

#### Duty Reduction

- When importing parts for manufacturing or assembly in an FTZ, duties may be reduced, or inverted, to the rate of the final product, reducing the cost on the imported part.

#### Duty Elimination

- When goods are admitted to an FTZ and are exported to another country, the duty on the imported product is eliminated entirely.

### WEEKLY ENTRY

Instead of incurring a Merchandise Processing Fee (MPF) for every shipment that enters the U.S., FTZs allow businesses to combine multiple shipments per week into one formal entry.



*\*MPF rates subject to change*



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# FOREIGN TRADE ZONE 31

## SERVICE AREA

Foreign Trade Zone 31 (FTZ 31) encompasses a 12-county Service Area in Southwest Illinois. This service area includes Bond, Calhoun, Clinton, Greene, Jersey, Macoupin, Madison, Monroe, Montgomery, Randolph, St. Clair, and Washington Counties.

America's Central Port, Grantee of FTZ 31, facilitates zone administration as a public benefit to manufacturers and distribution centers. Companies located within the service area can be designated as an FTZ site within 30 days after filing the application.

Within the Service Area, there are three Magnet Site locations. Magnet Sites are pre-designated sites located at existing industrial and distribution facilities whose transportation infrastructure, building space and available land are well established, giving businesses built-in flexibility for their operations.

### MAGNET SITES (PRE-DESIGNATED FTZ SITES)



#### America's Central Port

The Port is a multi-modal transportation hub with access to six Class-I railroads, two harbors on the Mississippi River system, and easy access to four major interstate highways. Warehouse, office space, and multiple development-ready sites are available for lease. This site also offers a public warehouse with FTZ-activated space for storing imported merchandise.



#### Gateway Commerce Center

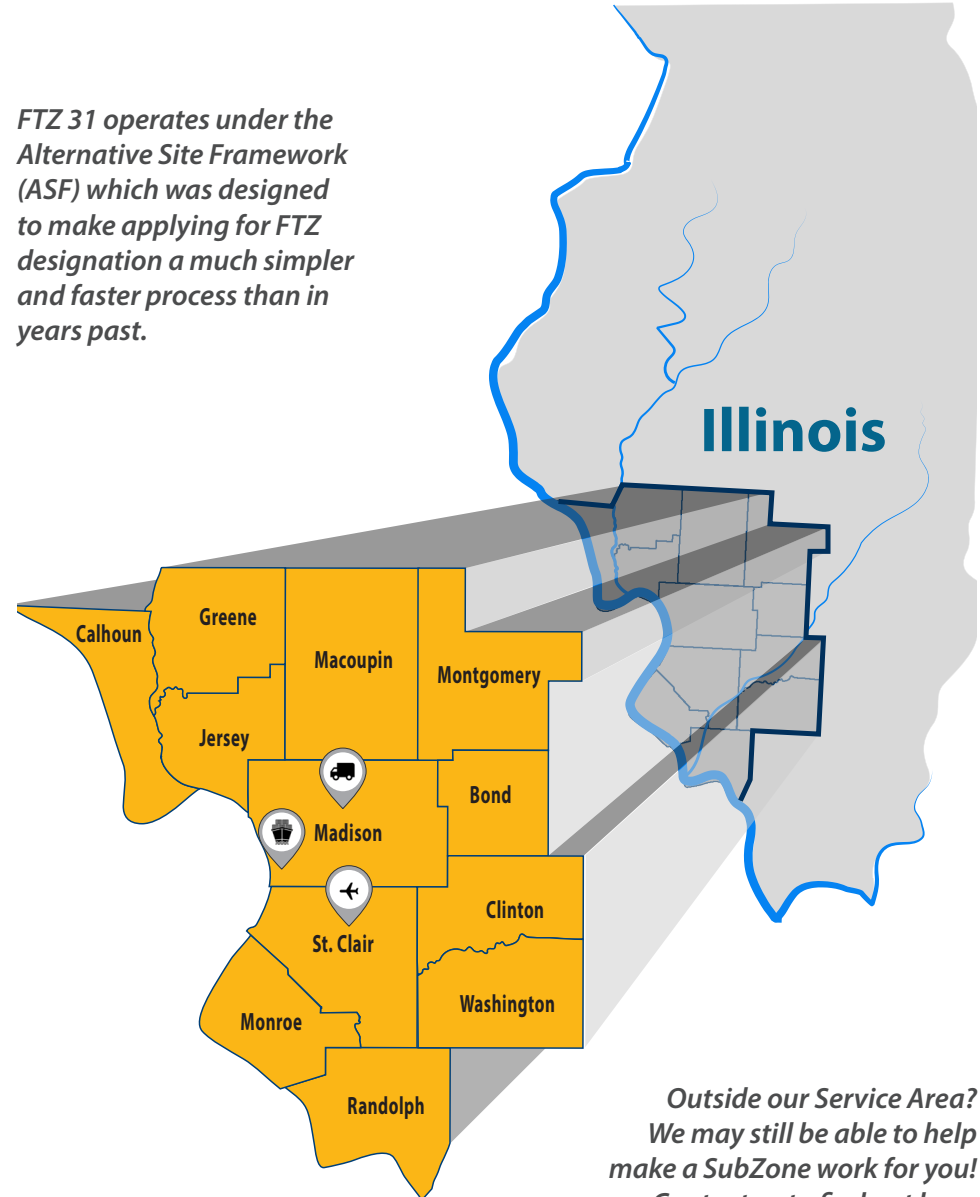
This 2,200+ acre warehouse and distribution park offers build-to-suit and land sale options, with immediate access to four major interstate highways. Located on site are third-party logistics and trucking companies providing shipping and supply-chain options.



#### MidAmerica St. Louis Airport

The airport offers over 2,500 acres of air cargo facility development and hosts state-of-the-art cargo support facilities for international and domestic customers, with easy access to four major interstate highways, as well as being a commercial passenger airport.

*FTZ 31 operates under the Alternative Site Framework (ASF) which was designed to make applying for FTZ designation a much simpler and faster process than in years past.*



*Outside our Service Area?  
We may still be able to help  
make a SubZone work for you!  
Contact us to find out how.*



# STEPS TO BECOMING AN OPERATOR

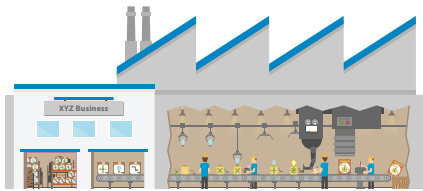
## IS FTZ 31 RIGHT FOR YOU?

If you regularly import product, give us a call. A brief conversation about your general operations with our Grantee Administrator will help determine if this is an opportunity worth exploring for your organization.



## READY FOR THE NEXT STEP?

The next step in deciding if being an Operator is right for your company is to schedule a meeting so our team can learn more about your operations, imports, export opportunities, distribution, security, building or land requirements or expansion opportunities, etc. If your company is already established, a tour of your facility during operation is preferred.



Our team can then better assess and discuss how your company could take advantage of any one or more of the benefits of an FTZ.

## ENTERING THE HOME STRETCH

Once you've decided to become an operator, FTZ 31 and your organization will enter into an Operator Agreement outlining the basic rules and regulations of FTZ 31. The Grantee Administrator will assist in the completion and filing of any applications required to the FTZ Board for designation. Once the application to Customs for activation is prepared and submitted, the Administrator will submit a "Letter of Concurrence" on behalf of the Operator. The normal time-line for approval is approximately 3 to 7 months.

Locating at a Magnet Site still requires applying to U.S. Customs for activation, however it does eliminate the need to apply to the FTZ Board for designation and thereby reduces the approval process by about 1 month.



## IT'S A GO!

After filing your application for activation and a formal site visit is conducted by U.S. Customs personnel, Customs will issue your Approval of Activation, outlining the procedures for which you have been approved. Your company can then begin operating and taking advantage of the benefits of FTZ 31!



*Note: There are costs associated with becoming an operator such as the annual operator fee, the potential need to hire an outside FTZ consultant, and/or the purchase or upgrade of inventory management software for your organization.*

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**Helping businesses in the Southwestern Illinois region grow is a key element of the mission of America's Central Port.**

**As Grantee of Foreign Trade Zone 31 and leaders in transportation and freight logistics, we encourage you to reach out and learn more about how we can be your partner in global competitiveness.**

**Give us a call!**



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AMERICA'S CENTRAL PORT

# GRANTEE OF FOREIGN TRADE ZONE 31

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