

# Casper/Natrona County International Airport Foreign Trade Zone 157



casper  natrona county  
international airport

# Casper/Natrona County International Airport

## Foreign Trade Zone 157

### History of the FTZ Program

- The FTZ Act was passed in 1934 to stimulate and expedite international commerce, make U.S.-based businesses more competitive, and to create employment opportunities in the United States.
- In 1950 manufacturing was permitted in FTZs.
- In 1980 manufacturing increased significantly with Customs Regulation change that removed duty from domestic components, labor, overhead, and profit.

### What is a FTZ?

- Fenced areas in or near a Port, deemed outside the U.S. Customs territory for customs purposes.
- Goods can enter the zone without a formal customs entry or the payment of duty and excise taxes.
- Established to stimulate international trade and create jobs and investment in the United States.

### Benefits of FTZ for Storage

- **Duty Deferral**– Customs duties and excise taxes are not payable until merchandise is released from the FTZ and enters U.S. customs territory.
- **Duty Elimination** – Re-exported merchandise is not subject to payment of customs duties, AD/CVD, nor excise taxes.
- **Scrap Duty Elimination** – Non-conforming merchandise can be returned to foreign supplier or destroyed under Customs’ supervision without being subject to payment of customs duties and/or excise taxes.
- **Direct Delivery** – Available if the FTZ Operator is the owner or purchaser of the imported merchandise.
- **Weekly Estimated Entry** – Saves on administration paperwork and Merchandise Processing Fees (MPF).
- **Zone Security** – Must be in compliance with U.S. Customs standards. Theft of merchandise located within a zone is punishable as a federal offense, thus, zone utilization generally reduces the rate of pilferage and insurance premiums.
- **Tighter Inventory Record Keeping** – Users must adopt inventory control procedures in compliance with Customs Regulations, which enables users to maintain tighter control over merchandise in the FTZ.
- **Storage of Quota Merchandise** -- Users can store Quota merchandise for a Quota Category that has been filled until the Quota Category reopens.
- **Re-marking or Relabeling Merchandise** – Merchandise may be relabeled to comply with U.S. Customs requirements.
- **Zone Restricted Status** – Merchandise placed in “Zone restricted” status is considered to have been exported for customs purposes and, if applicable, drawback can be claimed.

### Benefits of FTZ for Production

- **Inverted Tariff** – Components with a higher duty rate, utilized in production of articles with a lower duty rate, can have their duty rate reduced to the lower duty rate applicable to the finished article.

- **Lower Valuation** – The expense of labor, overhead, and profit on the finished product is not subject to customs duties.
- **Eliminate Duties on Exports** – Articles produced in a FTZ that are re-exported without entering the U.S customs territory are never subject to U.S customs duties, AD/CVD, nor excise taxes.
- **Defer Duty on Production Equipment** – Duty is payable when equipment becomes operational.
- **Zone to Zone Transfer** – Articles can, in various stages of manufacture, be transferred from zone to zone.
- **Made in USA** – Articles produced in a FTZ are considered products of the United States.
- **Scrap duty reduction, Weekly entry, reduction in MPF, Tighter Security, and Inventory Control.**

#### Direct Delivery

- Merchandise can be delivered to the FTZ without prior application and approval on C.F.214.
- Streamlines logistics.
- Port Director shall approve application if three criteria are satisfied:
  - ✓ Merchandise is **not restricted or of a type which requires CBP examination or documentation review** before arrival at the zone.
  - ✓ Merchandise to be admitted and operations to be conducted within the zone are **known well in advance or are predictable and stable over the long term.**
  - ✓ Operator is the **owner or purchaser of the merchandise.**

#### Casper/Natrona County FTZ 157

The Grant of Authority establishing the Casper/Natrona County Airport Foreign-Trade Zone (FTZ 157) was issued by the Foreign-Trade Zones Board (FTZB) to the Casper/Natrona County International Airport on January 19, 1989. There has been one expansion application that established a second General Purpose Zone Site<sup>1</sup> (September 17, 2010).

Magnet Site Number	Site Name & Location	Acreage
1	Casper/Natrona County International Airport, 8500 Airport Parkway	492
2	Casper Logistics Hub, 6 Mile Road & Commerce Street	984

#### Traditional Site Framework

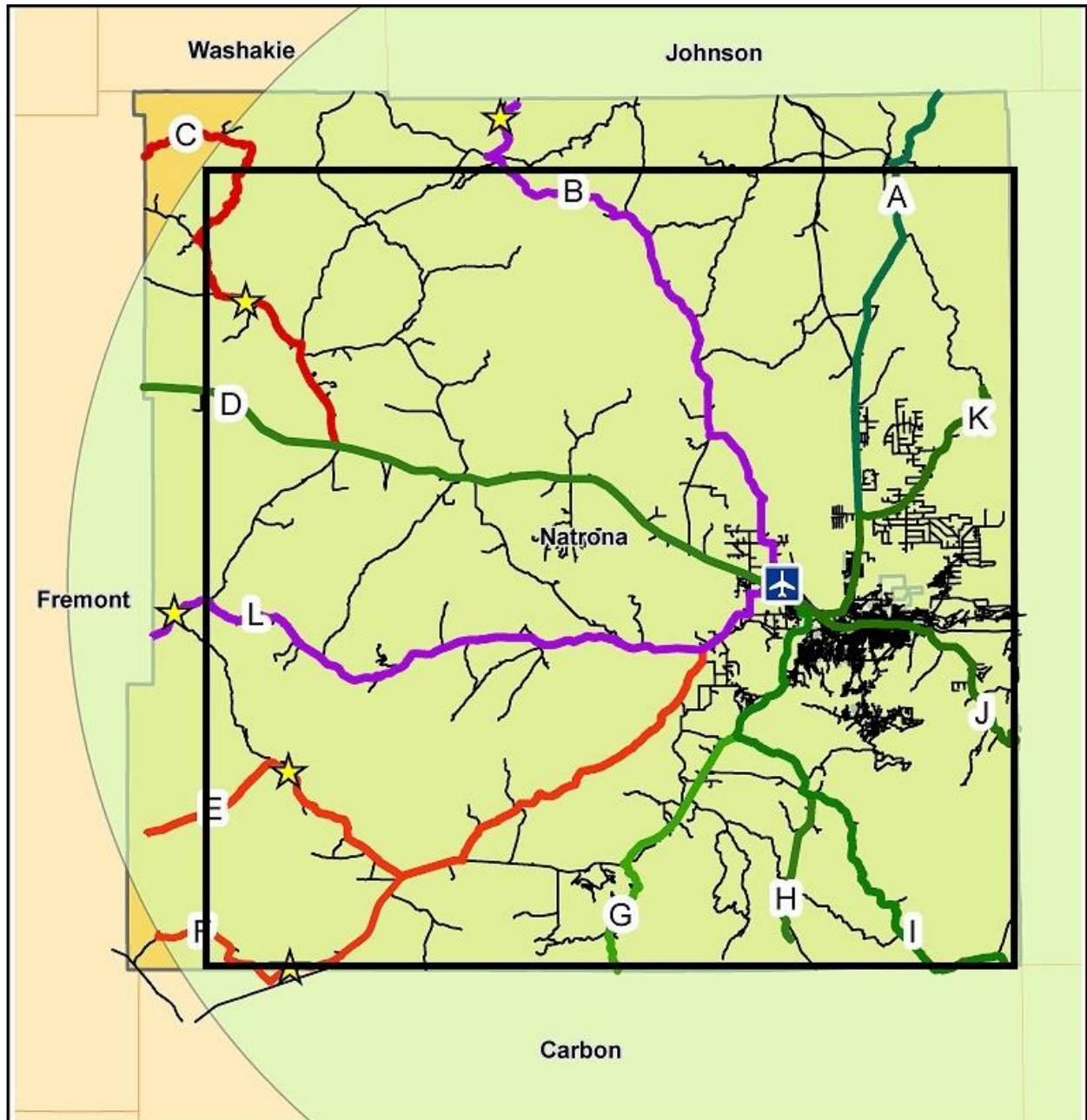
FTZ 157 was formed using a Traditional Site Framework where there is one General Purpose Zone established at the Airport.

#### Alternative Site Framework

---

<sup>1</sup> Under the ASF, General Purpose Zones are referred to as Magnet Sites.

In May of 2016, the Airport moved forward with expanding the FTZ through what is called an Alternative Site Framework (ASF), which establishes a predefined service area with Magnet Sites for business attraction and Usage-Driven/Subzone sites for companies that cannot move to a Magnet Site. Usage-Driven Sites can be established in 30-45 days vs. 2 to 5 months under the traditional site framework. Also, Usage-Driven/Subzone sites can be applied for under the ASF with no application fee vs. \$4,000 - \$6,000 under the traditional site framework. The Airport received notice of approval of the FTZ expansion under the ASF on July 5, 2018. The current FTZ 157 boundary encompasses nearly all Natrona County.



## Warehouse FTZ Savings Example

### FTZ Deferred Costs

Article Description	Plasma TV monitors
HTSUS	8528.21.7001
Annual Dollar Volume 60,000 monitors @ \$1,000 each	\$60,000,000
Duty Rate	5%
Annual Duty Liability	\$3,000,000
X Cost of Money (borrowing)	5%
= Yearly Savings if Un-entered	\$150,000
/ 365 days = Daily Savings if Un-entered	\$411
Avg. # of Inventory Days	120
FTZ Avg. Savings/Duty Deferral	\$49,320

FTZ Duty Elimination Benefit

<b>Annual \$ Value of Exports</b>	<b>\$6,000,000 (10% of goods)</b>
Annual \$ Value of Defects	\$1,200,000 (2% of goods)
Annual \$ Value Not Entered	\$7,200,000
Duty Rate	5%
Annual FTZ Duty Elimination	\$360,000

Weekly Entry Savings

<b>Number of Entries Per Week</b>	<b>4</b>
\$485 MPF per Entry	\$1,940
1 Estimated Weekly Entry MPF	\$485
Weekly MPF Savings	\$1,455
Annual MPF Savings	\$75,660
\$100 per Entry Broker's Fee	\$400
1 Weekly Entry Broker's Fee	\$100
Annual Brokerage Savings	\$15,600

Total Annual Savings on Article Through FTZ Use: **\$500,580**

## Production FTZ Savings Example

### Bicycle Manufacturing

You are a U.S. manufacturer of lightweight bicycles which if imported into the U.S. as a finished product would be classified under HTSUS no. 8712.00.25 at 5.5%.

- Total value of imported components: \$93.50
- Remainder parts sourced in U.S: \$50.00
- Labor, Overhead & Profit: \$56.20
- Value of finished bicycle: \$200.00

### Bicycle Manufacturing

Input	Cost	Duty Rate	Duty	FTZ Status	FTZ Duty
Bicycle Chain	\$5.00	0%	\$0.00	PFS	\$0.00
Derailleurs	\$17.50	0%	\$0.00	PFS	\$0.00
Frame	\$35.00	3.9%	\$1.37	PFS	\$1.37
Pedals	\$2.00	8%	\$0.16	NPFS	\$0.11
Saddle	\$21.00	8%	\$1.68	NPFS	\$1.155
Spokes	\$3.00	10%	\$0.30	NPFS	\$0.165
Wheel Rim Set	\$10.00	5%	\$0.50	PFS	\$0.50
US Parts	\$50.00	n/a		n/a	
Labor, Overhead & Profit	\$56.20	n/a		n/a	
<b>Total</b>	<b>\$199.70</b>		<b>\$4.01</b>		<b>\$3.30</b>

- **Duty savings per bicycle through FTZ use = \$0.71**
- If 750,000 bicycles are manufactured for U.S. consumption **Inverted Tariff Savings = \$532,500/year** (750,000 x \$0.71).
- If an additional 50,000 bicycles are manufactured for re-export then no duty will be paid on the appraised value of the imported components utilized on these bicycles, resulting in a **further savings = \$200,500/year** (50,000 x \$4.01).



## **Evaluate your Potential FTZ Duty Savings**

The FTZ Board has a tool that allows those interested in a FTZ to determine the potential FTZ duty savings using a Duty Savings Estimator Worksheet for FTZ production.

<https://enforcement.trade.gov/ftzpage/info/toolbox.html>

### **For more Information**

Glenn S. Januska, A.A.E.  
Airport Director  
Casper/Natrona County International Airport  
FTZ 157  
8500 Airport Parkway  
Casper, WY 82604  
307.472.6688 ext. 12  
307.277.8271 (cell)  
[gjanuska@iflycasper.com](mailto:gjanuska@iflycasper.com)

Andrew McGilvray  
Executive Secretary  
Foreign-Trade Zones Board  
U.S. Department of Commerce  
1401 Constitution Ave., NW, Room 21013  
Washington, DC 20230

<https://enforcement.trade.gov/ftzpage/index.html>