IN THE GLOBAL MARKETPLACE, many companies consider moving to foreign facilities to reduce costs. Foreign Trade Zones (FTZs) bring benefits that may be the competitive advantage companies need to remain in the U.S. and continue employing American workers, contributing to the domestic economy.

FTZs are designated, secure sites considered outside of U.S. Customs territory but physically located in the United States. The program was established in 1934 to encourage competitive global trade and to level the playing field for companies making investments and production decisions. These zones are proven to be successful in retaining capital and domestic jobs. Companies apply to designate part or all of their facility as an FTZ, allowing admittance of foreign and domestic merchandise. These zones also provide users and operators with a range of potential tariff reductions and other benefits.

As a Grantee, the Port of Vancouver USA is responsible for the organization, development, and marketing of FTZ 296 and manages it as a public benefit as part of the port’s mission to promote regional economic growth through the trade sector.
Foreign Trade Zone Benefits:

DUTY DEFERRAL
While in a Foreign Trade Zone, merchandise is not subject to U.S. duty or excise tax.

DUTY REDUCTION OR INVERTED TARIFF
Duties are typically higher on imported parts than for the finished product. In an FTZ a company imports parts, assembles products and pays duties on the finished goods once they leave the FTZ.

DUTY ELIMINATION
In a Zone, only merchandise that leaves a General-Purpose Zone or Subzone and enters the U.S. commerce is dutiable. No duty is paid on irrecoverable yield loss or merchandise that is scrapped or destroyed in the Zone.

DUTY EXEMPTION
No duties or quota charges apply on re-exported merchandise (exception applies for exports to Canada and Mexico under NAFTA). By using a Foreign Trade Zone, companies avoid lengthy Customs duty drawback processes.

MERCHANDISE PROCESSING FEE (MPF) REDUCTION
MPF is only paid on goods entering the U.S. Customs territory.

SECURITY
U.S. Customs and Border Protection security requirements provide protection against theft.

The Port of Vancouver received a grant of authority in 2016 from the federal Foreign Trade Zones Board as grantee to establish FTZs within the service area of Clark County, Washington. Under our Alternative Site Framework status, the timeline to apply for FTZ site designation is streamlined and can typically be approved within 30 days.

FTZ 296
FTZ 296 has a service area covering all of Clark County which includes the cities of Vancouver, Camas, Washougal, Ridgefield, La Center, Battle Ground and part of Woodland.