



Boone, Campbell and Kenton Counties

GRANTEE

NORTHERN KENTUCKY
FOREIGN-TRADE ZONE, INC.

www.gcftz.com

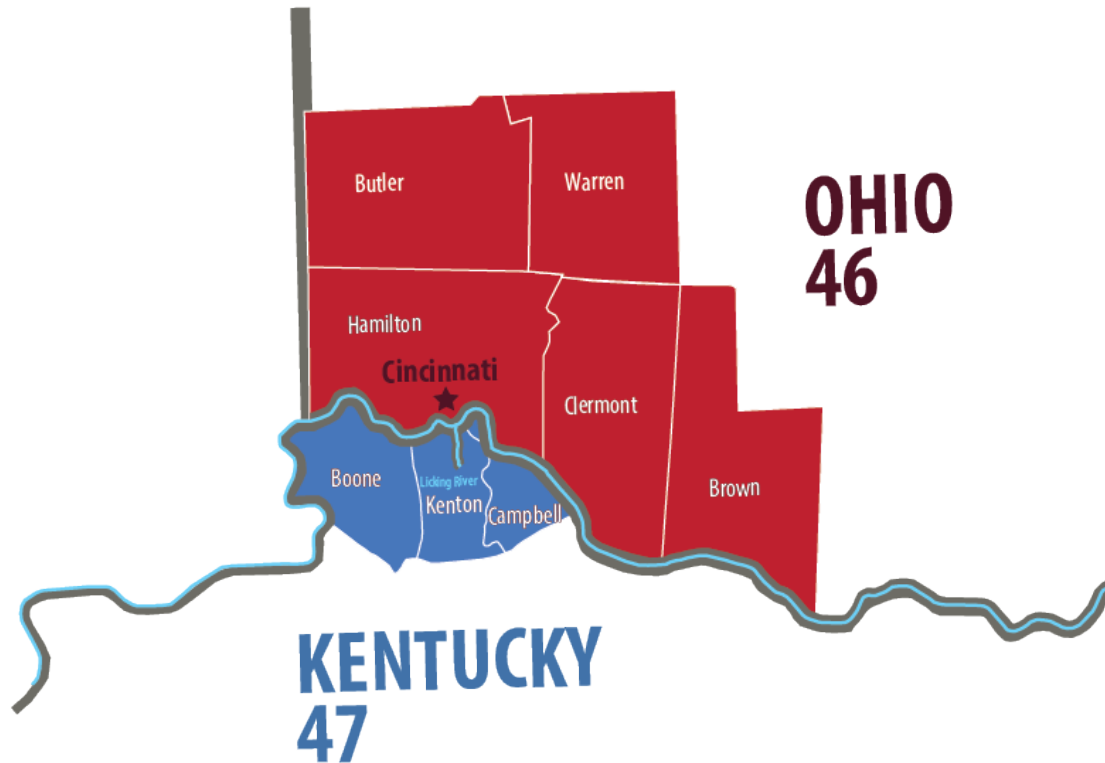
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FOREIGN-TRADE ZONE BENEFITS

Foreign-Trade Zones (FTZs) are designated areas within the United States that operate under special customs procedures. They function as duty-free zones for businesses, allowing for the import, storage, manipulation, assembly, or manufacturing of goods with reduced or deferred customs duties.



RULES AND POLICIES OF FTZ NO. 47

FTZ Policy

Northern Kentucky Foreign Trade-Zone, Inc. (NKFTZ), a non-profit organization, is the grantee for FTZ 47, which serves Boone, Campbell, and Kenton Counties in Northern Kentucky. NKFTZ's mission is to catalyze regional economic growth in Northern Kentucky by promoting the benefits of the Foreign-Trade Zone Program.

Alternative Site Framework

FTZ 47 operates under the Foreign-Trade Zone Board's Alternative Site Framework (ASF). The ASF approach to designation and management of zone sites allows businesses that wish to utilize foreign-trade zone procedures to do so on an expedited basis.

*****Applications submitted under the ASF typically receive approval within approximately 30 days from the submittal date.***

FTZ Availability

FTZ 47 encourages companies within its service area to participate in the Foreign-Trade Zone Program to take advantage of the savings opportunities it can provide to businesses with international operations, which can result in the retention, expansion, and attraction of jobs and investment in the region. FTZ 47 is located adjacent to a valuable network of transportation and logistics resources and is recognized as one of the top regional international business locations in the United States.

- FTZ 47 will sponsor a Usage-Driven Site within its service area. A Usage-Driven Site is typically company specific and located at the business's facility.
- FTZ 47 will sponsor a Subzone for a business located within its service area. A Subzone is a site or group of sites tied to a single operator.
 - Establishing a Usage-Driven Site or Subzone within the service area requires submission of written intent to the NKFTZ Board and participation in the ASF application process with the FTZ Board.
 - Establishing a Usage-Driven Site or Subzone outside of the service area is possible but requires submission of written intent to the NKFTZ Board and participation in the ***Traditional Site-Framework (TSF)*** application process with the FTZ Board.

TSF applications require that the FTZ site location meet adjacency requirements as defined by at least one of the following:

- The zone site is within the limits of a CBP port of entry.
- The zone site is within 60 statute miles of the outer limits of a CBP port of entry.
- The zone site is within 90 minutes' driving time from the outer limits of a CBP port of entry as verified by the CBP Service Port Director.
- Zone sites that are outside the 60-mile or 90-minute driving-time requirements may alternatively qualify as adjacent if they work with the CBP Port Director to ensure that proper oversight measures are in place.

DEFINITION OF TERMS

ACTIVATION:	Once a Usage-Driven Site or Subzone is approved by the FTZ Board, a request must be made to the local U.S. Customs and Border Protection (CBP) office, with the concurrence of the FTZ grantee, to operate the Usage-Driven Site or Subzone (or portion thereof) under FTZ procedures. Activation generally requires background checks, a written procedures manual, posting a bond with CBP, and a review of site security and the inventory control method to be used. CBP may also impose additional, site-specific requirements or conditions as part of the activation process.
CUSTOMS:	U.S. Customs and Border Protection (CBP), which oversees the day-to-day monitoring of zone activity.
CUSTOMS TERRITORY:	The territory of the United States in which the general tariff laws of the United States apply. The U.S. Customs territory includes the States, the District of Columbia and Puerto Rico. Foreign-Trade Zones are not considered part of the U.S. Customs Territory.
FTZ BOARD:	Established within the Department of Commerce to carry out the provisions of the FTZ Act. The FTZ Board consists of the Secretary of Commerce (Chair) and the Secretary of the Treasury, or their designated alternates.
GRANTEE:	An entity that is the recipient of a grant of authority to establish, operate and maintain a zone. This authority includes responsibility for management of the zone.
MAGNET SITE:	A general-purpose FTZ location pre-designated to attract and serve multiple companies over time within a defined service area. Magnet Sites are established in advance of knowing all future users and are commonly located in industrial parks, logistics hubs, or port areas. Magnet Sites must be activated with qualified activity within a five-year period or the designation will sunset.
OPERATOR:	A corporation, partnership or person that operates a Foreign-Trade Zone site under the terms of an agreement with the grantee.
SUBZONE:	A site or group of sites designated to a single operator and established for a specific use under the ASF.
USAGE-DRIVEN SITE:	A site designation created for a specific company to support its immediate operational needs at a defined location. The designation is tied directly to an identified user and will sunset if it is not activated and does not have qualified usage within the required three-year timeframe.
USER:	An entity using a portion of a zone under agreement with an operator.
ZONE:	A Foreign-Trade Zone established under the provisions of the FTZ Act and regulations.
ZONE SITE:	The physical location of a Foreign-Trade Zone.

GRANTEE FEES

Application Processing Fee: \$1,500.00

Annual Operator Fee:

\$20,000 per year (billed in two installments on October 1 and April 1)

Operator billing shall begin 90 days after site approval or upon activation, whichever occurs first.

Fees are pro-rated in the first six months based on 90 days from the approval date or activation date whichever occurs first.

Invoices are due upon receipt

Expansion or Modification Fee: \$ 750.00

De-Activation Fee: \$1,500.00

Businesses utilizing FTZ 47 are subject to grantee fees as published in the NKFTZ Fee Schedule. The NKFTZ Fee Schedule is subject to change.

CONTACT INFORMATION

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