

**ANNUAL REPORTS TO THE FOREIGN-TRADE ZONES BOARD
BY GRANTEES OF FOREIGN-TRADE ZONES AND SUBZONES**

Public reporting burden for this collection of information is estimated to vary from 37 to 235 hours per response (average 88.75 hours) including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. All responses to this collection of information are voluntary, and will be provided confidentially to the extent allowed under the Freedom of Information Act. Notwithstanding any other provision of law, no person is required to respond to nor shall a person be subject to a penalty for failure to comply with a collection of information subject to the requirements of the Paperwork Reduction Act unless that collection of information displays a current valid OMB Control Number. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Reports Clearance Officer, International Trade Administration, Department of Commerce, Room 4001, 14th and Constitution Avenue, N.W., Washington, D.C. 20230.

Pursuant to the Foreign-Trade Zones Act (19 U.S.C. 81a-u) and the FTZ Board's regulations (15 CFR Part 400), zone grantees must submit an annual report on zone and subzone activity. Information is reported on a federal fiscal year basis (October 1 through September 30) and reports are due from grantees by the last business day in January of each year. They are used by the FTZ Board in preparing its annual report to the Congress. Failure to submit a report can be considered a violation of the Act resulting in the revocation of a zone grant. The report/records retention period is five years.

Zones activated during the year should submit reports for the general-purpose zone and for any subzones for the time period activated. Zones not yet activated, but approved prior to October 1 of the fiscal year covered in the report, must submit a project status report. Grantees must also submit status reports for any inactive subzones.

The format for annual reports is attached. The report (original and 1 copy) must be signed by an authorized official of the grantee corporation.

As part of an effort to provide specific guidance to parties, a guideline for oil refinery subzones is attached. This guideline should be used in place of the standard subzone section.

Remember to include the name and phone/FAX number of the contact person for your report at the close of your cover letter.

Attachment

GRANTEE LETTERHEAD

DATE

Executive Secretary
Foreign-Trade Zones Board
U.S. Department of Commerce
1401 Constitution Ave., NW, Room 2111
Washington, D.C. 20230

Dear _____ :

Submitted herewith, in accordance with the Foreign-Trade Zones Act and the regulations of the Foreign-Trade Zones Board, is an original and one copy of the annual report covering the operation of Foreign-Trade Zone #____, City, State, for the fiscal year ended September 30, __. [The report includes information on the following subzone(s) which was/were active during the year: Subzone(s) ____...] [Status reports are included for ____.]

If you have any questions regarding this report, please contact _____ (phone _____, FAX _____, e-mail _____). For Subzone __, you may contact _____ (phone _____, FAX _____).

(Highlights and comments)

Respectfully submitted,

Signature
Name (Typed)
Title
Corporation Name
Grantee, Foreign-Trade Zone

Grantee's
Corporate
Seal

ANNUAL REPORT
FOREIGN-TRADE ZONE
CITY, STATE
Oct. 1, __ - Sept. 30,

PART I. SUMMARY OF ACTIVITY - ZONE PROJECT

Provide a narrative summary of zone activity with brief discussion on significant developments during year, including the following information:

1. Developments/trends in shipments/activity, and factors affecting growth.
2. Improvements in zone services and facilities during the year or planned for the near future.
3. Promotion and marketing efforts.
4. Summary of general-purpose zone activity, specifically discussing export and transshipment activity, and role of the zone in U.S. export expansion.
5. Employment within the activated zone area (include contract workers).
6. Discussion as to how overall FTZ project and major specific activities conducted under FTZ procedures contribute to local and national economy, including FTZ impact on employment, port activity, industrial development, international trade and investment.

PART II. USE OF ZONE BY BUSINESS FIRMS (General-Purpose Zone)

- A. The zone served ___ business firms during fiscal year ____. Of these, ___ used the zone on a continuous basis, employing up to ___ persons, ___ of whom were full-time employees.
- B. List and discuss each manufacturing and processing operation conducted under FTZ procedures within the general-purpose zone. (Note those authorized subject to restriction, indicating the type of FTZ Board Order restriction and compliance measures.)
- C. List the subzones for which authority has lapsed.

PART III. MOVEMENT OF MERCHANDISE (for General-Purpose Zone No.)

The zone handled ___ different items from ___ countries of origin, compared with ___ items from ___ countries during the preceding fiscal year.

A. Merchandise in the Zone at Beginning and End of Fiscal Year

	<u>Beginning</u>	<u>End</u>
	<u>Value (Note 1)</u>	<u>Value</u>
Domestic Status (Note 2)	\$ _____	\$ _____
Foreign Status	_____	
<u>Total:</u>	\$ _____	\$ _____

B. Movement of Merchandise

Received Value (Note 1)

Domestic Status (Note 2) \$ _____

Foreign Status

From Other U.S. FTZ's:

Domestic Status

Foreign Status

Total: \$ _____

Forwarded Value

To The U.S. Market \$ _____

To Foreign Countries (Exports)

To Other U.S. FTZ's

Total: \$ _____

1. Values are in
(e.g., \$ 000s)
(Only needed if figures do not represent the actual values)

2. Domestic Status includes domestic origin and foreign duty paid items (i.e., includes all FTZ merchandise not in foreign status).

Explanation of Discrepancies:

1. Does Beginning Inventory + Total Merchandise Received – Total Merchandise Forwarded = Ending Inventory? If not, explain.
2. Is the Ending Inventory from the previous year equal to the Beginning Inventory for this year?
3. Is the level of Merchandise Received this year significantly different from the previous year? If yes, explain.
4. Other.

C. Value Added -- For any value-added activities conducted under zone procedures (e.g., assembly or

mfg.), provide statement as to nature and value of such activity (labor, profit, overhead, etc.). One way to estimate plant value-added is: Value of Sales from Plant minus Value of Merchandise Received at Plant. Value added is not included in the Movement of Merchandise figures above.

D. Main Categories of Foreign Status Merchandise Received (Top Five)

<u>Category</u>	<u>Value</u>	<u>Main Countries of Origin</u>
_____	\$ _____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
<u>Total:</u>	\$ _____	_____

E. Foreign Status Merchandise Received:

Nonprivileged Foreign \$ _____
 Privileged Foreign \$ _____.

F. Customs duties collected on merchandise entered from the zone during the fiscal year amounted to \$ _____.

PART IV. PHYSICAL FACILITIES - AVAILABLE AND ACTIVATED

A. Provide a narrative description of the general-purpose zone with number of sites and total acreage approved. Provide a list of the sites, describing acreage approved for the site, facilities available for zone users, and whether the site is "activated." Include a brief discussion of the status of the non-activated space, describing the efforts/expectations related to planned zone use.

<u>Site No.</u>	<u>Site Name</u>	<u>Size</u>	<u>Facilities Available</u>	<u>Activation Status</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

B. Zone Schedule. Provide the locations where the Zone Schedule (§400.42(b)), including rates and charges of zone grantees and general-purpose zone operators, is available for public inspection, and indicate the effective date.

PART V. SUBZONE ACTIVITY*

This part of the annual report is required for each subzone activated during the fiscal year. (Only status reports (in the form of a letter) are required for inactive subzones.) The attached oil refinery subzones guideline should be used in place of this part for oil refinery reports.

A. Summary for Subzone No.

Provide a narrative summary of the activity conducted at the subzone site, including the following information:

1. Name of owner, operator, and corporate affiliation.
2. Description of the subzone site and plant facilities.
3. Total employment at the subzone is _____. (Include direct contract employees.)
4. Description of activity, including materials and components received, sourcing patterns, manufacturing/processing activity, products forwarded, and distribution.
5. The economic and business benefits to the subzone user, including statement as to types of savings and how they assist the subzone user in its international competitive efforts (e.g., how FTZ status helps subzone compete with foreign plants; expand sales in overseas markets).
6. Describe public-type benefits (both direct and indirect) to the local and national economy:
 - explain how FTZ status for the plant has affected domestic production and employment;
 - discuss, if applicable, effects on domestic customers in terms of their international (e.g., export) competitiveness;
 - discuss, if applicable, impact on domestic suppliers.
7. If subzone activity is subject to restriction, please describe method of compliance.

* *If your zone project has more than one active subzone, a separate Part V should be submitted for each subzone.*

B. MOVEMENT OF MERCHANDISE FOR SUBZONE NO.

1. Merchandise in Subzone at Beginning and End of Fiscal Year

	<u>Beginning</u>	<u>Ending</u>
	<u>Value</u> (Note 1)	<u>Value</u>
Domestic Status (Note 2)	\$ _____	\$ _____
Foreign Status	_____	
<u>Total:</u>	\$ _____	\$ _____

2. Movement of Merchandise

<u>Received</u>	<u>Value</u> (Note 1)
Domestic Status (Note 2)	\$ _____
Foreign Status	
From Other U.S. FTZ's	
Domestic status	
Foreign status	
<u>Total:</u>	\$ _____

<u>Forwarded</u>	<u>Value</u>
To The U.S. Market	\$ _____
To Foreign Countries (Exports)	
To Other U.S. FTZ's	
<u>Total:</u>	\$ _____

1. Values are in
 (e.g., \$ 000s)
 (Only needed if figures do not represent the actual values)

2. Domestic Status includes domestic origin and foreign duty paid items (i.e., includes all FTZ merchandise not in foreign status).

Explanation of Discrepancies:

1. Does Beginning Inventory + Total Merchandise Received – Total Merchandise Forwarded = Ending Inventory? If not, explain.
2. Is the Ending Inventory from the previous year equal to the Beginning Inventory for this year?
3. Is the level of Merchandise Received this year significantly different from the previous year? If yes, explain.
4. Other.

3. Provide an approximate figure for the overall level of production at the subzone: _____.
 Examples of quantitative measures of production are units or tonnage per year, barrels per day (oil refineries) and plant square footage active under zone procedures (pharmaceutical plants). Please note that FTZ authority is limited by the scope of activity described in the application approved by the Board. If FTZ activity is expected to increase beyond the approved level, a zone/subzone may apply for expansion of the FTZ scope of authority.

4. Value Added: For any value-added activities conducted under zone procedures (e.g., assembly or mfg.), provide statement as to nature and value of such activity (labor, profit, overhead, etc.). One way to estimate plant value-added is: Value of Sales from Plant minus Value of merchandise Received at Plant. Value added is not included in the Movement of Merchandise figures above. _____

5. Main Categories of Foreign Status Merchandise Received

<u>Category</u>	<u>Value</u>	<u>Main Countries of Origin</u>
_____	\$ _____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
<u>Total: \$</u>		

6. Foreign Status Merchandise Received:

Nonprivileged Foreign \$
 Privileged Foreign \$

7. Customs duties collected on merchandise entered into U.S. Customs territory from the subzone during the fiscal year amounted to \$_____.

8. When applicable, indicate merchandise destroyed in the subzone during the fiscal year valued at \$_____.

PART VI. PHOTOGRAPHS

Each zone may periodically submit photographs (8" x 10" glossy) showing current zone layout and facilities, or portraying examples of current activity. These photographs are requested with the understanding that they may be reproduced in government publications or released to the public.

PART VII. ZONES AND SUBZONES AUTHORIZED BUT NOT YET IN OPERATION

For zones and subzones not yet activated, please submit a status report as to activation efforts and plans for such zone or subzones.

FTZ Staff
Jan. 2005

NOTES FOR PREPARING FTZ ANNUAL REPORT DATA

- Zone reports should reflect only activity within activated portions of zones/subzones. Foreign and domestic merchandise handled within activated FTZ areas should be reported. (Some domestic merchandise may be excluded if it is not related to zone activity in any way.)
- The figures for the “Movement of Merchandise” table are an accounting of the material inputs. They may be derived from existing company data. Foreign status merchandise figures may be derived from existing zone inventory control system data (sum of foreign status reported to CBP). Domestic status figures may be derived from total merchandise receipts (by the activated operation) minus the foreign status figure.
- The first figure in the "Movement of Merchandise" table (under the "Received," "Domestic Origin/Duty Paid" heading) involves the value of merchandise admitted to zones from U.S. Customs territory. It should include U.S.-origin merchandise and foreign merchandise for which formal Customs entry for consumption has been made, including domestic-origin zone restricted merchandise.
- The second figure under this table heading ("Received," "Foreign Status") involves the value of merchandise admitted to the zone in both foreign privileged and non-privileged status as well as foreign-origin merchandise admitted in zone restricted status.
- The figures under the "Forwarded" heading should be based on the value of foreign status and domestic status merchandise (material inputs) admitted to the zone and then removed from the zone inventory for shipment to the U.S. market or to foreign markets. It should not include value-added in the zone (labor, profit, overhead). The value of merchandise forwarded should equal the value of merchandise received plus or minus the change in inventory, OR: **Beginning Inventory + Total Merchandise Received - Total Merchandise Forwarded = Ending Inventory**. (There may be discrepancies due to scrap or other adjustments and these can be noted without values below the table.)
- "Forwarded, To the U.S. Market" includes that portion of the value “Forwarded” described above that is destined for sale in the U.S. market. Operators may allocate/estimate shipment value between foreign and domestic destinations based on ratios derived from general company data.
- "Forwarded, To Foreign Countries" (i.e., exports) is that portion of the forwarded value that is destined for foreign markets. In addition to the value of merchandise shipped abroad directly from the zone, this category should also include the value of merchandise shipped from a zone which is transferred/entered into Customs territory prior to export from the United States. The operator may estimate such shipments.
- Estimates of value-added for zone manufacturing activity should be provided separately under the “Value-Added” heading. This includes labor, profit and overhead and other value added to material inputs at the plant. One way to estimate plant value-added is: Value of Sales from Plant (or ex-factory value of shipments) minus the Value of Merchandise Received at the Plant. Value added is not included in the Movement of Merchandise figures.
- In the “Movement of Merchandise” tables (zone and subzone), note that the value of zone-to-zone transfers are reported under a separate line item.
- In the “Movement of Merchandise” tables, the difference between incoming and outgoing figures should be checked against the figures given for the beginning and ending inventory levels, and unusual discrepancies should be explained.
- With regard to the list of “Foreign Status Items Received” (Part III, Sec. D and Part V, Sec. B.4), you

may indicate categories of products and provide rounded value figures so that the information is in a non-proprietary form. For the “main countries of origin,” please list one or more countries that are considered major sources for each category.

- Employment figures should include both direct and contract persons working within the activated area that had zone operations during the year. For part time workers, please report a full time equivalent (e.g., 60 contract employees working for 6 months would equal a full time equivalent of 30 workers).
- In general, all data must be in a non-proprietary form. If you have information in addition to that which is required which would be useful to the FTZ Board but is business proprietary, you must mark it BUSINESS PROPRIETARY and submit it separately in a marked envelope.
- In reporting the amount of Customs duties collected, you may use an estimate that is agreed upon by Customs officials.