



THE CITY OF SAN DIEGO

GRANTEE OF FOREIGN-TRADE ZONE No. 153



FACT SHEET

Benefits of the Foreign-Trade Zones (FTZ) Program

- **Duty Deferral.** Delayed payment of duties on goods that enter the U.S. market.
- **Duty Exemption.** No duties on imported goods that are later re-exported.
- **Inverted Tariff.** Manufacturing-specific benefits – can include reduction of duties if a lower tariff rate applies to the finished product leaving the zone than the tariff rates that would have applied on the foreign components.
- **Logistical Benefits.** Reductions in merchandise processing fees due to single customs “entry” (pay one fee) per week rather than making multiple entries throughout the week.
- **Other Benefits.** Elimination of duties on waste, scrap and rejected or defective parts.

Other Advantages

- **Enhancing Competitiveness.** FTZ benefits help U.S. corporations maintain efficient and competitive operations in the U.S. by encouraging production closer to market.
- **Creating/Retaining Jobs and Encouraging Investment.** The FTZ program also attracts and retains foreign and domestic investment in manufacturing, distribution and storage facilities in the U.S. These facilities help communities hold onto their manufacturing bases and secondary service sector support systems and the jobs that go with them.

About the Foreign-Trade Zones Program

- Retail sales are prohibited within a zone
- The FTZ Act prohibits residence within a zone
- With the exception of formal customs entry procedures, all other local, state and federal laws and regulations apply (including labor and immigration laws)
- FTZs remain under the direct supervision of U.S. Customs and Border Protection
- FTZs are within the territory of the U.S. and merchandise stored in a FTZ is considered imported into the U.S. but exempt from U.S. Customs’ tariffs.

Types of Companies Using the Foreign-Trade Zones Program

Large and small companies alike use the Foreign-Trade Zones Program: 70 percent of users are small businesses. These companies defer, reduce or eliminate U.S. Customs duties and fees. Such companies include importers, manufacturers, distributors, assemblers of products, and re-exporters of imported merchandise and/or products containing imported merchandise.

Other Facts

U.S. FTZs play an important role in enhancing cargo security. FTZs incorporate screening and securing measures beyond those for products imported for direct consumption.

U.S. FTZ operations account for a significant share of U.S. trade. Over 12 percent of foreign goods entering U.S. commerce in 2011 came through Foreign-Trade Zones. From 1993 to 2011, the real value of foreign inputs into FTZs increased sharply, from \$27 billion to \$96 billion in 1993 dollars.

FTZs account for over 320,000 jobs, many in the crucial manufacturing sector. While crude oil and refined petroleum products represent the single largest sector using FTZs, other manufacturing sectors have shown impressive growth in areas such as automotive, consumer electronics, machinery and pharmaceuticals.



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HISTORY

June 18, 1934

The Foreign-Trade Zones Act was enacted by the 73rd Congress

October 14, 1988

San Diego Foreign-Trade Zone (FTZ) No.153 was established by Grant of Authority from the Foreign-Trade Zones Board (U.S. Department of Commerce, Import Administration)

June 3, 2011

FTZ No. 153 received approval for Alternative Site Framework reorganization including expansion of the Service Area into Riverside County

SERVICE AREA

FTZ No. 153 Service Area includes the entire San Diego County plus the expansion area in the south west corner of Riverside County.



FTZ No 153 is available in all 18 cities in San Diego County and the industrial areas of Temecula and Murrieta in Riverside County.

FTZ No. 153 ACTIVITY	2013 \$ millions
Merchandise Received	\$ 226.2
Merchandise Forwarded	\$ 206.7
FTZ Operators	10
Business Clients using FTZ	71
Total Operator Employment	1698