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Understanding Foreign-Trade Zone (FTZ) No. 54: Requirements, Process, and Fees

Introduction

Foreign-Trade Zones (FTZs) offer businesses valuable benefits, including cost savings and streamlined customs processes. This document provides a general overview of the requirements, procedures, and associated fees charged by the Grantee for businesses seeking FTZ designation within Clinton County's Foreign-Trade Zone No. 54.

FTZ Eligibility and Application Process

Magnet Site vs. Subzone Designation

- **Magnet Site (Former Plattsburgh Air Force Base)**
 - Businesses located within the designated magnet site can obtain FTZ status through a simple process.
- **Subzone/Usage Driven Site (Outside of the Magnet Site)**
 - Companies outside the magnet site must apply for a **subzone/Usage Driven Site designation** under FTZ No. 54. Although this process requires the filing of an application with the FTZ Board, it only adds a relatively small amount of time to the entire FTZ process.

Distribution vs. Production Authorization

- **Distribution Purposes Only:**
 - If using the FTZ for distribution, businesses follow the standard application process.
- **Production or Kitting Activities:**
 - A separate **production authorization** is required.
 - Applicants must submit a filing to the FTZ Board detailing all foreign status (imported non duty-paid) inputs (materials, components) and final articles to be produced using those inputs.
 - A **40-day public comment period** follows submission. If there is no opposition, approval should be issued within 120 days from submission. If there is opposition, approval is unlikely.

FTZ No. 54 Fee Schedule (Effective January 1, 2025)

Service	Fee	Details
Minor Boundary Modification Sponsorship Fee	\$5,000	To designate a new usage-driven/subzone site (non-refundable).
Expansion Application Sponsorship Fee	\$15,000	To designate a new magnet site (non-refundable).
Production Notification/Authorization Request Fee	\$2,500	To submit a production notification or authorization request.

Service	Fee	Details
Activation or Alteration of Zone Site Fee	\$1,500	Payable before submission to U.S. Customs and Border Protection.
Annual Fee for Activated Site (Multi-User Magnet Site)	\$1,200	Payable upon activation and annually thereafter.
Annual Fee for Activated Site (Single User Magnet Site)	\$5,000	Payable upon activation and annually thereafter.
Annual Fee for Activated Subzone or Usage-Driven Site	\$5,000	Payable upon activation and annually thereafter.

Additional Costs & Compliance Requirements

Customs Bond Requirement

- U.S. Customs requires an FTZ Operator's bond (the premium runs approximately **\$750 per \$100,000**).

Security Upgrades

- Depending on the business's location and operations, additional security measures may be required.

IT & Record-Keeping Compliance

- The business's **inventory control system** must comply with FTZ record-keeping requirements.
- An individual (either an employee of the company or a third-party subcontractor) must oversee FTZ operations and reporting.

Employee Background Checks

- U.S. Customs conducts background checks on **3-4 key employees** before granting approval.

Facilitation & Assistance

The **Clinton County Capital Resource Corporation (CCRC)** facilitates the FTZ application process, ensuring businesses receive proper support. The CCRC is not involved in the day-to-day operations of its FTZ Operators. Services include:

- Assistance in completing FTZ Board applications.
- Connecting businesses with U.S. Customs officials to help you secure the necessary **concurrence letter** for final approval.

Conclusion

FTZ No. 54 offers significant advantages for businesses looking to optimize trade and distribution. While the application process varies based on site designation and operational use, the Clinton County Capital Resource Corporation is available to support businesses through every step.

For more details, visit the **FTZ No. 54 website** or contact the CCRC for direct assistance.