



LOGISTICS UPDATE: FTZ #64

The multimodal logistics capabilities in our backyard – including access to land, air and sea, and ample warehouse and distribution space – are huge draws for manufacturers and one of the reasons many companies call North Florida home. It goes without saying that effective regional transportation helps increase efficiency and lower costs, and taking advantage of our regional Foreign Trade Zone is an often untapped plus.

FTZs were created in 1934 during the Great Depression to encourage foreign commerce and help reduce international trade costs for U.S. companies. In a nutshell, they are secured sites where clearance is streamlined and companies can utilize eliminated, delayed or reduced duty payments, and other cost savings, on imported goods because the goods are treated the same as if they were commerce outside the U.S.

As Justine Brown writes in *Inbound Logistics*, “An FTZ’s primary advantage is its ability to improve a company’s competitive position. Businesses can avoid import duties if goods that enter the FTZ are stored, sorted, tested, repackaged and other handled within the FTZ, then exported

without ever entering the U.S. marketplace.”

Jacksonville’s FTZ #64 is listed in the top 25 zones in the nation for both value of merchandise received and value of zone exports, according to the recent FTZ Annual Board Report presented to the U.S. Congress. In 2014, the zone handled between \$50 and \$75 million in merchandise value for production-related shipments.

FTZ #64 is managed by Lisa Diaz, Manager, Foreign Trade Zone and Northeast Florida Sales for JAXPORT. It operates under the Alternative Site Framework (ASF) – a beneficial designation that extends an FTZ footprint – and the FTZ area includes eight Northeast Florida counties, more than 5,000 square miles. Operating under ASF has a number of benefits for participating companies, including a simplification of the application process, a reduction in paperwork and lowered costs.

Saft Batteries has recently applied to



Lisa Diaz, Manager, Foreign Trade Zone and Northeast Florida Sales

operate under FTZ #64. According to the company’s senior supply chain manager, Luis Trejo, the initiative should save the company upwards of \$100,000 annually.

“Lisa has been a critical resource in helping Saft put its business case together,” said Rich Metcalf, materials manager for Saft. “She also was instrumental in helping connect us with other companies and organizations to expand our network.”

Many manufacturing firms (both large and small) automatically assume they are ineligible or are wary of the approval process, and many more companies should actually consider it, said Diaz.

“There is no cost to a company to call us and have an analysis conducted,” said Diaz. “There is a lot of confusion about an FTZ in terms of benefits, and companies are often not aware of their eligibility or the ways they can save. I would encourage any manufacturer to contact us to discuss opportunities.”

As for the approval process, what makes

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Mackoul Distributors President Ron Mackoul (left) with Jacksonville Market President Cecil Gibson

Ron Mackoul Values His Relationship With Ameris Bank

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—Ron Mackoul, President of Mackoul Distribution

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or breaks the ease of that is U.S. Customs and Border Protection (CPB).

"JAXPORT has a great relationship with and the support of CPB, and this is a crucial step in the activation process for com-

panies," Diaz said. "Many importers have a fear of the process, and the cooperation that we have with CPB is one of the reasons our zone has been as successful as it is."

JAXPORT continues to see an increase in

the number of companies looking to utilize FTZ #64, and Diaz predicts a growing role for FTZs in regional development and foreign trade.

Top 25 by Zone (Warehouse/Distribution Activity)

Zone	Location	
1	124	Gramercy, Louisiana
2	68	El Paso, Texas
3	168	Dallas/Fort Worth, Texas
4	84	Harris County, Texas
5	74	Baltimore, Maryland
6	21	Dorchester County, South Carolina
7	202	Los Angeles, California
8	38	Spartanburg County, South Carolina
9	72	Indianapolis, Indiana
10	138	Franklin County, Ohio
11	235	Lakewood, New Jersey
12	64	Jacksonville, Florida
13	144	Brunswick, Georgia
14	78	Nashville, Tennessee
15	25	Broward County, Florida
16	29	Louisville, Kentucky
17	50	Long Beach, California
18	49	Newark/Elizabeth, New Jersey
19	61	San Juan, Puerto Rico
20	26	Atlanta, Georgia
21	148	Knoxville, Tennessee
22	205	Port Hueneme, California
23	1	New York City, New York
24	86	Tacoma, Washington
25	62	Brownsville, Texas

Exports

Zone	Location	
1	68	El Paso, Texas
2	21	Dorchester County, South Carolina
3	62	Brownsville, Texas
4	25	Broward County, Florida
5	26	Atlanta, Georgia
6	148	Knoxville, Tennessee
7	114	Peoria, Illinois
8	61	San Juan, Puerto Rico
9	9	Honolulu, Hawaii
10	38	Spartanburg County, South Carolina
11	281	Miami-Dade County, Florida
12	94	Laredo, Texas
13	2	New Orleans, Louisiana
14	70	Detroit, Michigan
15	32	Miami, Florida
16	27	Boston, Massachusetts
17	202	Los Angeles, California
18	84	Harris County, Texas
19	160	Anchorage, Alaska
20	35	Philadelphia, Pennsylvania
21	42	Orlando, Florida
22	153	San Diego, California
23	40	Cleveland, Ohio
24	77	Memphis, Tennessee
25	64	Jacksonville, Florida

Source: 76th Annual Report of the Foreign-Trade Zones Board to the Congress of the United States



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