

# Step 1: Feasibility Study - Can a FTZ Program Benefit Your Business?

The FTZ program helps U.S. companies improve their competitive edge against overseas competition. If your company imports goods, you may want to consider utilizing the FTZ program. But first, any prospective Zone user should thoroughly evaluate the savings and costs associated with utilizing a FTZ by completing a Feasibility Study. Your company may decide to hire a FTZ consultant to assist with the cost-benefit analysis and other steps associated with evaluating your participation in a FTZ program. (See list of consultants in packet.)

## Feasibility Study

Qualify the potential benefits of the FTZ program to determine which benefits your company may experience as part of your operations. During the feasibility study, you should:

- Conduct a cost-benefit analysis (MPF savings, broker fee savings, direct delivery, weekly entry, etc.)
- Determine economic development potential
- Check for product-specific limitations (FTZ or customs laws)
- Consider in context with other trade agreements and customs programs
- Determine suitability of proposed sites
- Examine extent of local and state support
- Examine views of competitors

Certain costs are associated with obtaining Zone status and should be considered when evaluating whether or not a FTZ program can benefit your company.

## Cost Associated with a FTZ program:

- FTZ Board Fees/CBP Fees
- Zone Grantee Annual Fees (based on number of employees) and Service Fees
- Consultant Costs
- Bond Costs
- Operational Costs (inventory control, recordkeeping needs/technology, physical security, personnel, etc.)

The following estimated savings calculated should only be used to determine preliminary savings opportunities. Additional savings opportunities may also be available. Other factors not captured within this calculator may affect potential savings (e.g., use of special trade programs, industry activity, etc.).

For more information please contact one of the FTZ consultants listed in this packet.