



Top Ten Common FTZ Operational Problems



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FTZ: It's Worth All The Pain!

- FTZ Benefits
 - Duty savings
 - MPF/Broker fees savings
 - No drawback program
 - Jobs & investment
- But Activation Can Also Come With Some Headaches
 - Most are solvable
 - Most have been experienced by another zone operator
 - Many can be avoided in the first place



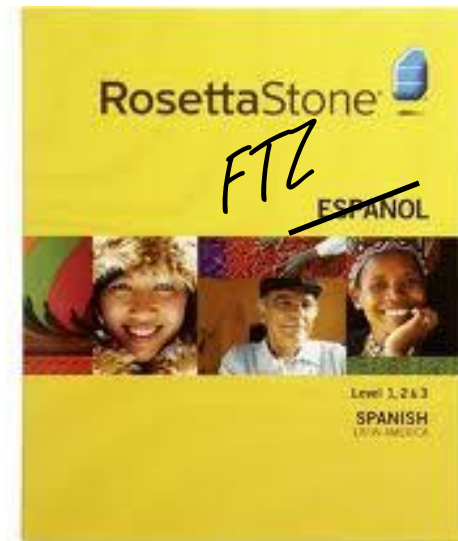
A Little Info About Crate and Barrel

- 3 FTZ's (Newark, Chicago, SFO)
- 1st zone activated in 2006
- Goods subject to FDA, USDA, F&W, EPA, CPSC
- Exporting in-bond to Canada and Dubai
- Zone-to-zone transfers
- No manufacturing/production
- Volumes:
 - 15,000 active SKU's
 - 500 HTSUS Numbers
 - 9,000 annual import shipments
- Using a purchased FTZ software package



#1: Setting Up Your Systems

- Your ERP/WMS Has to Learn a New Language
 - Translating inventory movements into FTZ transactions
- Out-of-Balances
 - What didn't we think about?
 - What doesn't happen very often?



#1: Setting Up Your Systems

- Validation Errors
- What's Missing?
 - Country of Origin
 - Ports
 - Currency
 - HTSUS Numbers
 - UOM's
 - Weight



Slides 6 -25 have been removed in this online sample version. For more information, join the NAFTAZ today.



#10: The Solutions

- Training
 - Start a few months before expected activation
- Share the rewards
 - Publish your successes/savings
 - We're all in this together
- Put the "Fun" in FTZ!



The Key to Avoiding FTZ Operational Problems

- Prepare
 - Systems
 - Training
- Communicate
 - Internally
 - With Customs
 - With PGA's
 - With Partners (brokers/carriers)
 - With Other Zone Operators
- Document
 - Everything!!

