

Foreign Trade Zone 289 User Profile



Company: Crosman Corporation www.crosman.com

Address: 7629 Routes 5 & 20 Bloomfield, NY 14469 (Production / Manufacturing) with a warehouse & distribution facility in Farmington, NY (Ontario County, New York)

FTZ Contact: Jodi Earle, 585-657-3082 jearle@crosman.com

Type of Company: Manufacturer of Airguns and Accessories.

Primary Activity in Zone: Production/Manufacturing

Product(s) Importing/Exporting: Approximately 40% of their current products are imported. This percentage includes both purchased complete goods and raw materials.

How many employees and weekly work-hours are used to manage the Zone: There are two employees trained to manage the zone functions and reporting. However, all warehouse and material handling employees are critical to the day-to-day functions.

What type of employee training was involved: All employees participated in an "Introduction to FTZ's" presentation. Employees in Sales, Warehouse (Shipping and Receiving), and Finance were involved in a slightly more in depth training.

Consultants and professional services used to get establish FTZ: Crosman contracted with a nationally known FTZ consultant for the Subzone application. This consultant had extensive experience in the FTZ industry and primarily assists Grantees, Zone Operators, Zone Users and third-party logistics providers/brokers with defining and developing best-practice training and procedures to support zone activation. Interested zone users should research the background and track record of any consultant claiming knowledge in this specialized area of expertise. The National Association of Foreign-Trade Zones (NAFTZ.org) is a good resource for specialists.

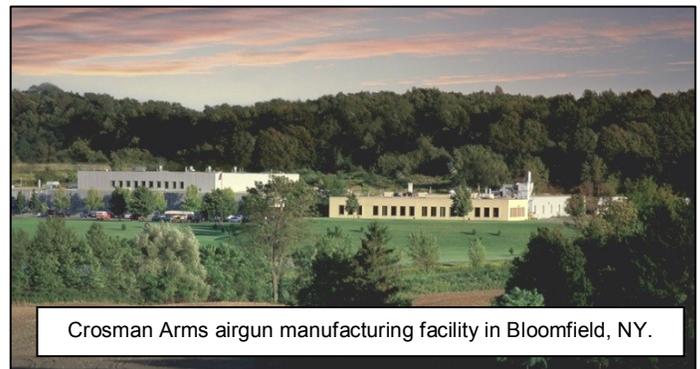
Length of time to establish the FTZ: Crosman began their FTZ application in June of 2012 through a series of efforts including basic fact finding, Cost Benefit Analysis, and ROI Analysis. We received Approval/Authorization in September of 2014. This process took a little longer than average because the Grantee designation for Ontario County was occurring simultaneously and required additional approval from US Dept. of Commerce and NYS Senate and Assembly.

Advice to other potential FTZ users: "Take full advantage of any available resources and network, network, network. Someone thinking about implementing an FTZ should speak to existing zone users to hear the do's and don'ts, as well as reach out to FTZ organizations. Any prospective FTZ user should be very familiar with the foreign sourced goods and their HTS codes and limitations and/or restrictions. This is a critical factor in realizing projected cost savings associated with potential benefits, such as duty inversion.

Crosman Corporation Uses Foreign Trade Zone to Maintain Global Competitive Edge

November 30, 2015 – Bloomfield, NY – In September 2014 Crosman Corporation established the use of a foreign-trade zone (FTZ) within their manufacturing facility in the town of Bloomfield, located in Ontario County, as well as at their warehouse and distribution facility located in the town of Farmington, also located in Ontario County. This designation has benefited Crosman by lowering the cost of production components through the reduction or elimination of import duties owed through a process called duty inversion. They were also able to decrease other fees such as their Merchandise Processing Fees (MPFs) through a weekly entry system and defer the Harbor Maintenance Fee payments, which are now paid quarterly instead of with every shipment. This federal program has enabled a more efficient import/export operating model for the local company who employs more than 300 people domestically.

Crosman Corporation has been in business since 1923 and is an international designer, manufacturer and marketer of Crosman pellet and BB rifles and pistols, Copperhead ammunition, high quality Benjamin pellet rifles and ammunition, airsoft rifles and pistols, and precision optics. They market their products around the world and are seen as a leader in the air gun industry both domestically and internationally. The foreign-trade zone program helps to efficiently manage costs associated with their foreign sourced materials and other components vital to their business.



The Foreign-Trade Zone program (FTZ) establishes a federally designated area of business that is treated as foreign territory strictly for purpose of importing and exporting goods within the US marketplace. “Having a fully functional FTZ at Crosman enables the company to grow competitively, both internationally and domestically,” states Kevin Farrelly, Director of Supply Chain and Operations.

The federal FTZ program was established in 1934 under President Franklin D. Roosevelt’s “New Deal,” post-depression economy to facilitate international commerce while promoting a resurgence in US manufacturing and domestic employment. The program set guidelines for managing the duties, tariffs, and reported inventory associated with the importing and exporting of foreign and domestic products. The US economy still depends on imports and exports to thrive and grow. This program can open foreign markets to small and mid-size companies, while expanding benefits to US companies who are active in the global markets. FTZ 289 covers all of Livingston, Ontario, Seneca, Wayne, and Yates counties. For more information visit FTZ289.com

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