All imports into the U.S. may be subject to duties, taxes, and fees assessed by U.S. Customs and Border Protection (CBP). Merchandise Processing Fee (MPF) is a U.S. Customs fee, assessed for imports into the U.S. at a rate of 0.3464% of the declared value of goods. MPF has a current minimum level of $31.67 and a maximum level of $614.35 per entry. In October of each year, the minimum and maximum amounts are adjusted for inflation.

There are several program options for our customers to **minimize the amount of MPF paid** on U.S. imports

FTZ PROGRAM IMPORTER MANAGED

THE IDEAL CANDIDATE

Willing to convert existing facility (typically a DC) into an FTZ. Strong focus on compliance and has FTZ expertise within the organization or is willing to acquire it.

Their freight can be moved via any mode and there are typically additional FTZ goals outside of MPF savings (e.g., duty deferral, export, manufacturing, tax savings) to justify the cost of running/maintaining the FTZ.

Has a strong commitment to the program and understands that the timeline to get an FTZ fully operational from scratch can be 1-2 years.

ASSOCIATED COSTS

- One-time (e.g., application/activation fee, consultant fee, system fee, EDI set-up, security upgrades)
- Ongoing (e.g., annual grantee fee, operator bond, software fee)
- Transaction fees – *if not self-managed* (e.g., in-bonds to FTZ, weekly declaration fee, admission fees)

POTENTIAL MPF SAVINGS

One weekly entry fee per FTZ capped at the maximum MPF amount.

RISKS

Maintaining compliance in the FTZ and the responsibility of regular CBP audits.

FTZ PROGRAM 3RD PARTY

THE IDEAL CANDIDATE

Freight moves primarily Air or Ocean LCL as these shipments already are incurring additional trucking and handling – *rerouting Ocean FCL freight rarely makes sense in this model.*

Wants to recognize a high level of MPF savings but doesn't care to take on the responsibility and costs of establishing an FTZ themselves.

Likely has additional FTZ goals outside of MPF savings (e.g., duty deferral, export, manufacturing) to justify the cost of routing freight through an FTZ.

ASSOCIATED COSTS

- Transaction fees (e.g., in-bonds to FTZ, weekly declaration fee, admission fees)

POTENTIAL MPF SAVINGS

One weekly entry fee per FTZ capped at the maximum MPF amount.

RISKS

Reducing overall velocity in freight as shipments need to move through facilities not already in the supply chain.

BEST PRACTICE:

These models are not exclusive of each other.

Start saving on MPF immediately through the Expeditors MPF Management program, then complete analysis on other models and how to best utilize them in your supply chain.

EXPEDITORS MPF MANAGEMENT

THE IDEAL CANDIDATE

Multiple entries (typically ocean but can be air) on a single conveyance when combined exceed at least $178K of value.

Imports are predictable and have a tolerable level of exams. Any risk areas can be identified and segmented (e.g., HTS number, entry type, PGA, COO etc.)

Wants immediate savings with no change in the routing of their supply chain.

ASSOCIATED COSTS

- Traditional entry fee
- MPF Management fee – *Expeditors will typically charge a % of the MPF savings*

POTENTIAL MPF SAVINGS

Varies based on the number of entries on a single conveyance, the value of goods, and the importer's desired business rules.

Expeditors can provide an estimate based on previous importing patterns.

RISKS

If a hold/exam occurs it will stop the entire entry. This can be mitigated by:

- Creating a business rule to group a set number of bills of lading or containers
- Working with CBP to get a conditional release for the remaining containers

Expeditors®

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