

**Foreign Trade Zone** – The project has been designated a Foreign Trade Zone (#50) by the U.S. Department of Commerce. The designation permits foreign or domestic merchandise or components to enter the FTZ without payment of Customs duties or government excise taxes. Final products exported from the United States would not be subject to U.S. Custom duties. Final products exported from the FTZ into the US would pay deferred entry fees at the time of entry. A summary of benefits include:

- **Duty Deferral:** Duty on goods may be deferred on goods stored in an FTZ indefinitely until the product leaves the zone and is entered for consumption into the US.
- **Lower Duty Rates:** A manufacturer in the FTZ may elect to pay duty on the imported components either at the duty rate applicable to the components or at the duty rate applicable to the finished products. Moreover, the duty rate on the finished product may be lower than that on the imported components.
- **Made in USA label:** Since US added valued is not subject to duty, a manufacturer that adds US content to the foreign product at a rate of 51% or ore may qualify for the Made in USA label thus avoiding duty all together.
- **Quota Restrictions Avoidance:** Quota merchandise may be stored in a FTZ duty-free until the next quota period reopens, thus saving time to market.
- **Export Savings:** US domestic goods may be shipped into a zone and considered exported for the purpose of duty drawback and excise-tax rebates.
- **Tax Savings:** Some savings are available through the avoidance of local or state laws that are inapplicable in a FTZ due to federal preemptions. For example, state and local ad valorem tax on inventory is not applicable to foreign origin of foreign destination goods held in an FTZ.