

Case Study

Foreign Trade Zone Advantages



Vogue Tyre and Rubber Company benefits from ASW Global Operating in Foreign Trade Zone (FTZ) # 181.

Client:
Vogue Tyre & Rubber Company

Location:
Mt. Prospect, Illinois

Industry:
Premium tires and aftermarket products

Business Challenge:
Offset the impact of tariffs

Solution:
FTZ warehousing

Benefit:

- Duty deferral
- Tariff deferral

ASW is pleased to have Vogue Tyre join the list of automotive clients it serves including: Tracy Industries and ASC.

Customer Background:

Vogue Tyre and Rubber Company has been manufacturing and distributing premium, custom built tires for more than 96 years. Vogue is the inventor of the whitewall tire.

Business Challenge:

Vogue Tyre distributes its products, including aftermarket wheels and accessories, through new car dealerships, select tire dealers, and company-operated custom centers. With much of its production coming to the U.S. from offshore facilities, Vogue needed to offset the impact of ad valorem tariffs per Section 421 of Trade Act of 1974.

Solution:

ASW proposed its 3PL facility operating in Foreign Trade Zone #181. This solution also gives Vogue an advantage due to ASW's prior expertise in managing Goodyear's high performance racing tires.

Execution:

ASW dedicated space in its shared service facility near Akron, Ohio to store, secure, and manage product entry into the United States Custom Territory. Execution included:

- Dedicated racking
- Processes for moving premium product
- Dedicated customer service representative.

- FTZ storage and documentation handled by ASW
- Monitoring of FTZ regulations to ensure compliance with changing regulations

Why ASW:

ASW Global offered a complete solution through its Akron-based Supply Chain Services (SCS) division. While discussing the details of the project with ASW, Vogue Tyre executives immediately recognized the advantages such as:

- Strategic location
- Customized program
- Online inventory capabilities
- High Performance call center

Key Benefits:

Vogue improves its bottom line by managing duties and tariff payments to coincide with actual sales and delivery into the U.S. ASW is able to guide the client on how to admit the tires into the FTZ so in the event that the duty/tariff is reduced in the future, the client will receive the benefit of the reduced tariff when their merchandise is entered into the United States Customs Territory.

Summary:

ASW's knowledge of FTZ regulations and processes offered Vogue a solution that was not under consideration and became the optimum resolution.

About ASW Global

ASW Global, headquartered in Akron, OH, is a full-service **supply chain management** company. We are one of the largest **minority owned** companies in Northeast Ohio serving a national and international client base. As a full service supply chain management company, we develop custom solutions for every opportunity which brings unprecedented levels of supply chain value to our clients. For more information on all of our solutions, please contact Nick Mihiylov, Sr. Vice President, Business Development or nmihiylov@aswglobal.com. To learn more about ASW Global please visit our web site at www.aswglobal.com.