



## *Benefits of ASW's FTZ Operations*

**The Foreign-Trade Zone program** was created in 1934 by Congress as an incentive to encourage companies to keep investment and jobs in the United States and not move production offshore. The program removes certain costs and barriers that do not exist in foreign locations.

**Located within FTZ #181**, ASW's Akron (Mogadore) facility is strategically located to quickly access over 60% of the U.S. population and more than 50% of Canada's. An alliance with ASW offers foreign and U.S. companies alike a unique opportunity to defer, reduce or eliminate duty and tariffs on goods.

1. **Duty Exemption:** No duties on or quota charges on re-exports.
2. **Duty Deferral:** In Customs duties and federal excise tax deferred on imports.
3. **Inverted Tariff:** In situations where zone production results in a finished product that has a lower duty rate than the rates on foreign inputs (inverted tariff), the finished products may be entered at the duty rate that applies to its condition as it leaves the zone (requires prior authorization).
4. **Logistical Benefits:** Companies using FTZ procedures may have access to streamlined customs procedures (e.g. "weekly entry" or "direct delivery").
5. **Other Benefits:** Foreign goods and domestic goods held for export are exempt from state/local inventory taxes. FTZ status may also make a site eligible for state/local benefits which are unrelated to the FTZ Act.

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