



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 in FTZ #181, ASW's Mogadore operations are strategically located to quickly access over 60% of the U.S. population and more than 50% of Canada's. A partnership with ASW offers foreign and domestic companies an opportunity to defer, reduce, or eliminate duties and tariffs on imports.

1. **Duty Exemption:** Re-exports do not incur duties or quota charges; no duties on scrap, waste, or defective parts
2. **Duty Deferral:** Customs duties and federal excise tax are deferred on imports
3. **Inverted Tariff** (needs FTZ Board case-by-case authorization): When zone production results in a finished product that has a lower duty rate than the rates on foreign components (inverted tariff), the finished products may be entered at the duty rate that applies to its condition as it leaves the zone
4. **Logistical Benefits:** Streamlined customs procedures may be available (e.g. "weekly entry" or "direct delivery")
5. **Other Benefits:** Exemption from state/local inventory taxes on domestic and foreign goods held for export; FTZ sites might also be eligible for state/local benefits that are not related to the FTZ Act