



WHY FTZs ARE GOOD FOR A COMPANY'S BUSINESS AND THE U.S. ECONOMY

GLOBAL COMPETITIVENESS

Effective tool to increase the global competitiveness of U.S.-based operations and promote exports.

JOBS AND INVESTMENT

Encourage FDI and U.S. investment and employment that could otherwise be conducted outside the U.S.

KEEP MANUFACTURING

Source components and assemblies at competitive prices while keeping important value-added activities in the U.S.

SAFER AND FASTER SUPPLY CHAIN

Improved Customs & Border Protection compliance, leading to a more secure and rapid supply chain.



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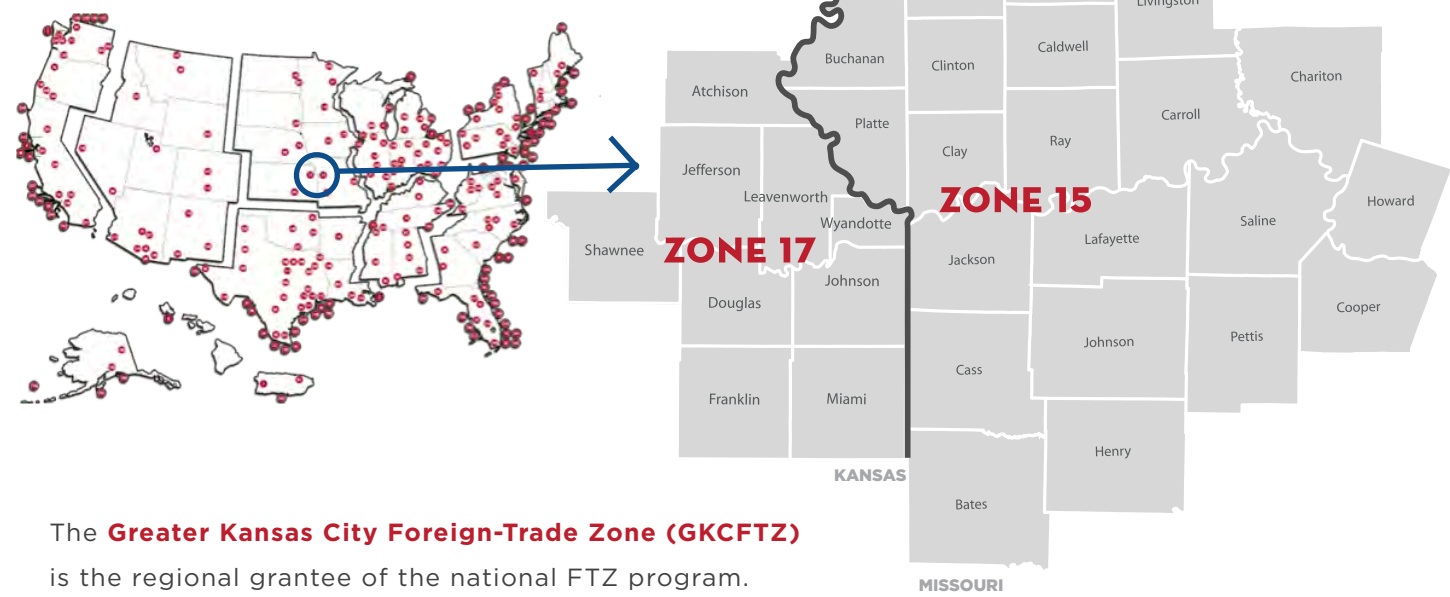
SITE ACCOMMODATIONS FOR INLAND PORT BUSINESS

Site accommodations and facility flexibility are important decisions for manufacturing, processing and distribution companies that import products and are considering locating to an inland port, like the Kansas City region. Many of these companies can benefit by operating in a Foreign Trade Zone (FTZ). The FTZ program can have a significant impact on the success of companies of all sizes entering the Kansas City market, along with the logistical advantages of the region. FTZs in an inland port have different site and facility needs than those at deep-water ports and along border crossings. These needs can affect what sites and facilities will best drive a company's success and can uniquely support the processes, negotiations and discussions leading to a contract for sale or lease.



Foreign-TradeZones are designated sites in the U.S. which are considered outside the U.S. for Customs purposes. In an FTZ, merchandise may be assembled, exhibited, cleaned, manipulated, manufactured, mixed, processed, relabeled, repackaged, repaired, salvaged, sampled, stored, tested, displayed and destroyed.

THE GREATER KANSAS CITY
FOREIGN-TRADE ZONE SERVICE AREA



The **Greater Kansas City Foreign-Trade Zone (GKCFTZ)** is the regional grantee of the national FTZ program. GKCFTZ is one of the largest zone areas in the country with more than 450 million sq. ft. of approved FTZ space both sides of the state line. The Kansas City FTZ handles more volume than most Midwest cities.

CHARACTERISTICS OF COMPANIES THAT WOULD
LIKELY BENEFIT FROM USING AN FTZ

Companies that import products for domestic distribution or export, as well as companies that import raw materials or component parts for processing, manufacturing/assembly activities for domestic consumption or export could benefit from an FTZ.

Inventory characteristics of cargo best suited for FTZs:

- Avg. import value of at least \$7 million with high duty rates (avg. 6% or more) OR \$50 million with low duty rates (avg. 2.5% or more)
- Goods/merchandise with restrictions on entering the U.S.
- Goods subject to federal taxes (e.g. spirits, petroleum, tobacco) and/or quotas

GKCFTZ can provide a cost-benefit analysis and guide you and your client through the FTZ processes in a user-friendly, uncomplicated way that will not hinder the project but instead show more value.

BENEFITS OF AN FTZ:



DIRECT DELIVERY

Swift Customs clearance at the Port of Entry for shipping directly to the FTZ. Remove seals and enter into inventory without Customs supervision.



DUTY DEFERRAL

Pay duties, taxes and fees on imports into the U.S. when they leave the FTZ, not when they arrive there. No time limitations on storage in FTZ.



DUTY ELIMINATION

No duties owed on foreign sourced goods exported from the FTZ. Deduct obsolete, damaged, scrapped, wasted, destroyed or consumed merchandise from zone inventory and avoid all duties.



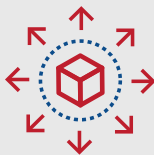
DUTY REDUCTION/ INVERTED TARIFF

Eliminate or lower duties on foreign inputs or finished products manufactured in the zone.



WEEKLY ENTRY & MPF SAVINGS

Consolidate all Customs entries to one weekly entry to reduce Merchandise Processing Fee & broker costs for filing entries.



ACCESS TO INVENTORY

Flexibility in managing inventory levels and delaying duties and Customs fees for goods subject to tariff remedies as well as unexpected disruptions in the company's supply chain.