

BENEFITS OF OPERATING WITHIN FTZ-260

Merchandise can be admitted to FTZ-260 with U.S. Customs permission but without filing a formal customs entry or paying of custom duties or excise taxes.

Merchandise in a FTZ can be stored, tested, relabeled, repackaged, manipulated, assembled, manufactured, and/or processed. If the merchandise is removed from the FTZ into U.S. commerce, a formal customs entry is filed and applicable customs duties and excise taxes are paid on the foreign content of that specific entry. If the merchandise is re-exported, no custom duties/taxes are paid.



FAST AND EFFICIENT

When using the FTZ, there are no customs delays because incoming shipments are unloaded onto bonded trucking or rail cars and transported directly to FTZ-260. Texas deep water sea ports include Houston, Galveston and Corpus Christi.

Thanks to efficient U.S. Customs procedures, FTZ users can move merchandise even faster, which reduces inventory levels and eliminates costly time from the supply chain.

These procedures include direct delivery of approved merchandise from the port of the FTZ without lengthy clearance delays as well as weekly entry/export permits which allow FTZ users to ship unencumbered, avoiding filing hundreds of customs entries each week.

PORT OF ENTRY

Lubbock Preston Smith International Airport is an international Customs and Border Protection (CBP) Port of Entry with a resident CBP Port Director.

LUBBOCK BUSINESS PARK & RAIL PORT

In addition to the FTZ industrial park site, Lubbock has other major off-airport FTZ business/industrial shovel-ready sites. This includes 586 acres at the Lubbock Business Park and 526 acres at the Lubbock Rail Port.

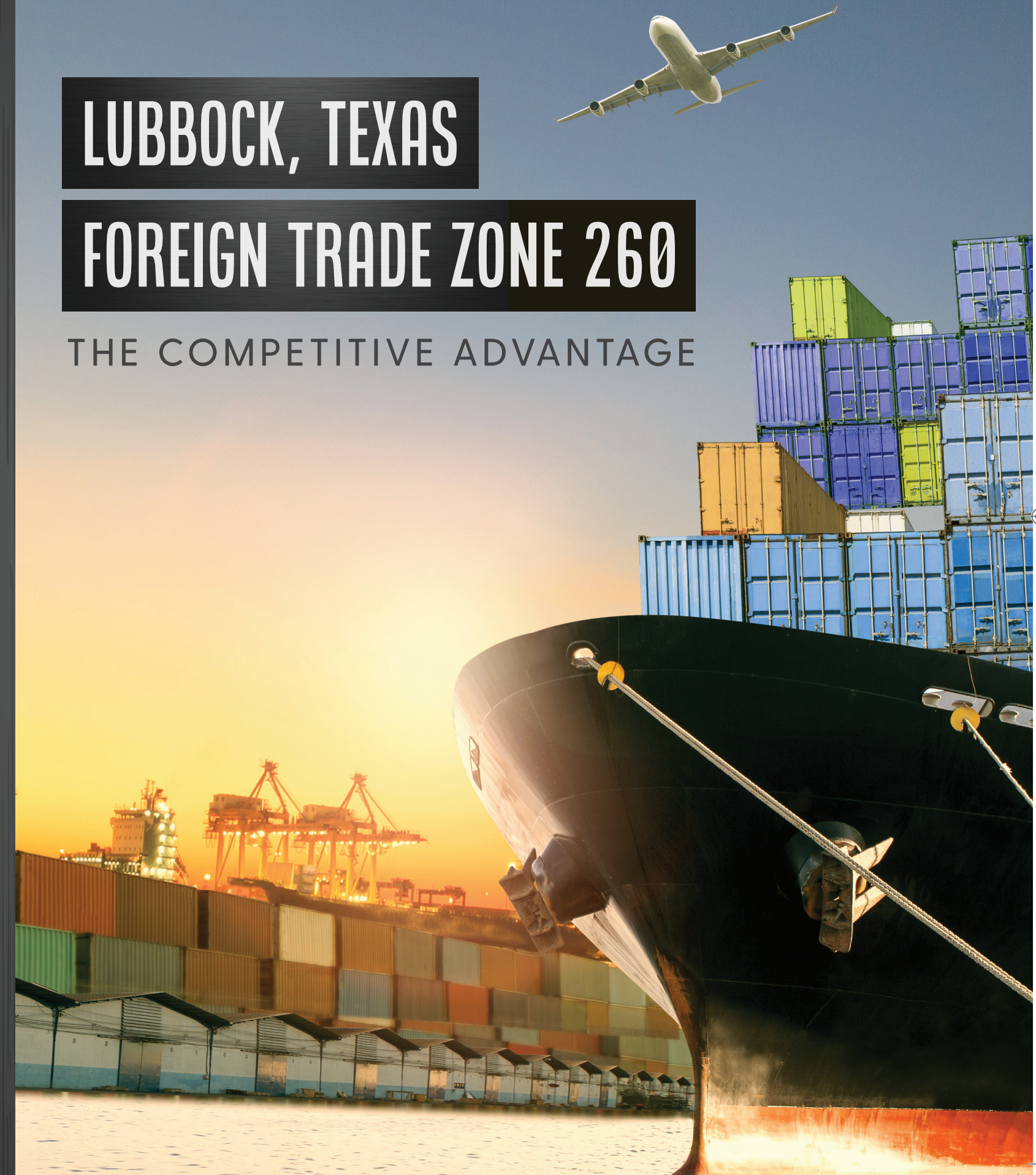
MARKET
LUBBOCK

LUBBOCK, TEXAS FTZ - 260 · 1500 BROADWAY 6th FLOOR · 806.749.4500 · 800.687.5330

LUBBOCK, TEXAS

FOREIGN TRADE ZONE 260

THE COMPETITIVE ADVANTAGE



FOREIGN TRADE ZONE OVERVIEW

Foreign Trade Zones (FTZs) are industrial parks and sites in the United States authorized by the Department of Commerce and overseen by the U.S. Customs (CBP) that provide substantial benefits to international businesses. Foreign Trade Zone status gives businesses located in the United States a competitive advantage when dealing with foreign competition.

There are 195 active FTZs in the United States with 3,300 domestic and international businesses operating in them, employing 440,000+ Americans. In 2018, their combined efforts produced \$793 billion dollars of business, with exports totaling \$112 billion dollars.

FOREIGN TRADE ZONE BENEFITS



IMPROVE CASH FLOW

With FTZ status, you can hold merchandise in inventory, transfer it to another FTZ, export or destroy it without paying U.S. Customs duties until the imported merchandise is shipped into U.S. Customs territory.



ELIMINATE INVENTORY TAX

While held in FTZ status, imported merchandise is not subject to state and local ad valorem taxes.



WEEKLY CUSTOM ENTRIES

With FTZ status, you can reduce paperwork and expense. By consolidating multiple customs entries into one per week, you can reduce custom brokerage fees and merchandise processing fees.



EXPORTS

Exporting from a FTZ eliminates U.S. Customs duties on exported FTZ merchandise.



WASTE/DEFECTS/DAMAGE/OBSOLESCENCE

With FTZ status, you can reduce or eliminate U.S. Customs duties on scrapped merchandise.



REDUCE SUPPLY CHAIN TIME

With FTZ status, you can eliminate delays related to U.S. Customs clearance. Special direct delivery procedures expedite the receipt of merchandise in company facilities, reducing inventory cycle time.



U.S. QUOTA MANAGEMENT

Most merchandise may be held in a FTZ, even if it is subject to U.S. quota restriction. When the quota opens, the merchandise may be immediately shipped into U.S. Customs territory.

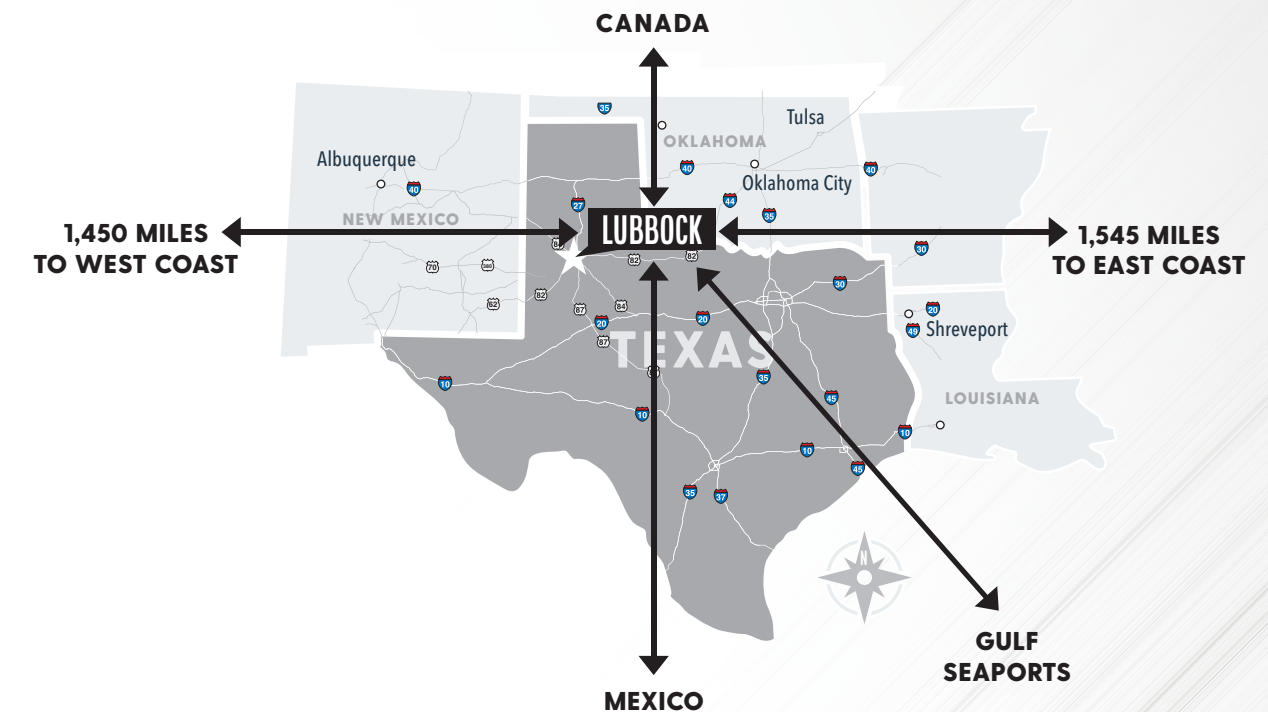


INVERTED U.S. CUSTOMS DUTY SAVINGS

With FTZ status, you can elect to pay the duty rate applicable to either component materials or the finished product produced from the component material, whichever is lower.

FOREIGN TRADE ZONE 260 - LOCATION

Foreign Trade Zone 260 (FTZ-260) is strategically located in the South Plains Texas area in order to provide a central United States location for businesses looking to meet increasing trade demands. FTZ-260 is located 1,450 miles from the west coast and 1,545 miles from the east coast of the United States. In addition, it is ideally centered between Canadian and Mexican market/business centers.



FOREIGN TRADE ZONE 260 - STRATEGIC ADVANTAGES

In the heart of the South Plains and the economic hub of a 26 county retail region which over 600,000 people call home, Lubbock boasts a strong and diverse economy at the forefront of emerging markets and industries. For a company looking to seek Foreign Trade Zone status, Lubbock has the perfect combination of location, pro-business atmosphere, low cost of doing business, highly-educated workforce and an outstanding quality of life. Here are just a few of the advantages your business can enjoy:

- Customs and Border protection (CBP) International Port of Entry with Resident CBP Port Director
- Served by the Southwest, American Airlines, and United enplaning over 500,000 passengers annually
- Oversize air cargo service
- BNSF rail service
- Business-savvy community
- Texas Tech University
- Nationally recognized, multi-career vocational training facility
- A truly temperate, non-violent seasonal climate
- Low cost of living
- No state or local income taxes, business or personal
- The largest medical complex between Phoenix and Dallas

Lubbock FTZ-260 is part of a professional staff of recruitment specialists who are available to visit with you and your team to discuss business requirements. We are prepared to develop a business-specific relocation project proposal to assist your company, at no cost, as well as all of the consulting required to formulate your FTZ-260 application and its correct submission to the FTZ Board in Washington D.C.