



Dallas/Fort Worth International Airport  
Foreign Trade Zone No. 39

Hunt County Foreign Trade Zone Briefing –  
Alternative Site Framework

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By A handwritten signature in black ink, appearing to read "Jennifer Lindenzweig", written over the printed name and title.



## FTZs Encourage U.S. Business

- Treated as outside U.S. customs territory
- Allows business to be conducted with equivalent customs treatment to off-shore business
- Benefits to businesses using FTZs:
  - No duty on imports until they leave the zone for a domestic destination
  - Can elect lower of component part or finished product duty rate
  - No local personal property tax on imported inventory or inventory held for export
- Logistical and process savings



## DFW FTZ

- Grant from Foreign Trade Zones Board to operate FTZ "Number 39" in the Dallas/Fort Worth region issued in 1979
- Motivation
  - Increase air cargo
  - International trade will increase passenger traffic
  - Leadership role in regional economic development, balancing interests of owner cities
- FTZ must be operated as a "public utility," providing uniform treatment under like conditions, with "fair and reasonable" charges



## Designating New FTZ Sites – A two step process

- Geography approved by federal Foreign Trade Zones Board
  - Requires a detailed application
  - Application includes letters from impacted local taxing jurisdictions
  - Can take 10-12 months for approval
- Operational approval by Customs and Border Protection
  - Systems
  - Security



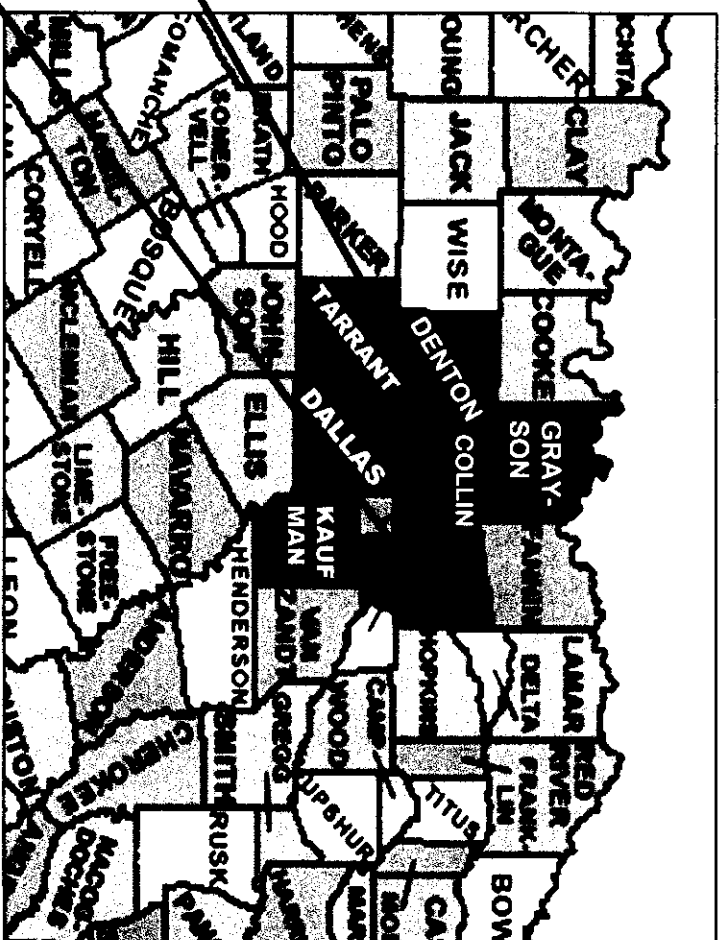
## "Alternative Site Framework" Structure

- FTZs meeting certain criteria, like DFW, can ask for approval from FTZ Board to use ASF
- Provides more autonomy over geographic designations in exchange for better linking of designations to activity
- Applies to any location within a designated "Service Area"
  - FTZ Board suggests Service Areas be defined by Counties
  - County approval required in letter format prescribed by FTZ Board
- No change to Customs and Border Protection operational approval
  - Geographic approval will be much faster and less expensive for businesses which can utilize FTZs



# DFW Airport's Foreign Trade Zone Off-Airport Company-Specific FTZs

- Alternative Site Framework ("ASF") allows select established FTZ Grantees, like DFW Airport, expedited approval for company-specific FTZ designations within a "Service Area"
- Communities can agree to participate, forming the designated Service Area
- Easier, faster FTZ setup within this Service Area
- The DFW FTZ Service Area includes 6 counties: Collin, Dallas, Denton, Grayson, Kaufman and Tarrant
- 5,284 square miles
- 8,502 square kilometers
- Working to add Hunt County to Service Area
- DFW can still sponsor FTZs outside Service Area, under "old" rules.





## Steps for FTZ Designation under ASF

1. Business asks DFW for designation
2. DFW confirms local government support (County, City, School District, etc.)
3. DFW evaluates eligibility, and if met, requests Customs approval of geography (not operations)
4. DFW submits simplified application to FTZ Board
5. FTZ Board approval within 30 days



## Hunt County Participation in Service Area

- Request letter to DFW to be included with application to FTZ Board
- No cost
- All specific proposals still require County (and other taxing entity) approval
- FTZ Designation for Hunt County business will be substantially streamlined
- Hunt County, and Hunt County communities, can list FTZ as an available economic development amenity
- DFW staff available to provide support