

# Eastern Iowa Airport's foreign trade zone expanded

Will allow companies to delay, eliminate duties



Passengers deliver their checked baggage to TSA screeners after checking in at the Eastern Iowa Airport on Friday, May 20, 2011, in Cedar Rapids. After the upgrade is complete, bags will be delivered to the TSA screening area by a bag belt that runs the length of the terminal check-in area. (Liz Martin/SourceMedia Group News)

**George C. Ford, The Gazette**

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CEDAR RAPIDS — The Eastern Iowa Airport has received approval to expand its foreign trade zone to 11 additional counties, enabling more companies to take advantage of cost savings.

Don Swanson, airport director of finance and administration, told the Cedar Rapids Airport Commission on Monday that the U.S. Department of Commerce Foreign Trade Zones board approved the airport's application on May 8.

"We submitted an application in 2014 to reorganize under an alternative site framework," Swanson said. "We worked for about a year before that with

consultants to identify the 30 counties that we wanted to pursue to include in the alternative site framework.”

The airport's foreign trade zone will include Benton, Buchanan, Cedar, Clinton, Delaware, Johnson, Jones, Linn, Louisa, Muscatine and Scott counties. Swanson said companies can save money by delaying or eliminating duty payments on material brought into their facility from foreign countries.

“They can bring product in from outside the United States, do some type of change or installation, and they don't have to pay the duty or tariff while it is here,” he said. “It also will expedite the application process for manufacturers and others that want to use the foreign trade zone site in Cedar Rapids.”

When Deere wanted to create a sub-zone for its plants in Black Hawk County, it took about 18 months to get approval from the Foreign Trade Zones board. Swanson said that could be reduced to 30 days under the new structure.

Deere's 1,400-acre sub-zone saves the company as much as \$2.5 million annually. Deere also realizes savings from zone-to-zone transfers and cash flow savings on customs duties while products destined for the U.S. market are in production.

Swanson said the airport will work with businesses in other counties to take advantage of its foreign trade zone. He said the 11 counties met the criteria of being within a 60-mile radius or 90-minute drive of Moline, Ill., where the closest port is located.