



# PORT MILWAUKEE

## GRANTEE OF FOREIGN TRADE ZONE 41

### 2015 Annual Report

CITY OF MILWAUKEE MAYOR: Tom Barrett

**PORT MILWAUKEE**

**GRANTEE OF FOREIGN TRADE ZONE 41:**

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**BOARD HARBOR COMMISSIONERS:**

- Tim K. Hoelter, President
- Ron S. San Felippo, Vice President
- Alderman Robert J. Bauman
- Craig A. Mastantuono
- Claude K. Krawczyk
- Kathleen Smith
- Diane Diel



MILWAUKEE



#### PORT MILWAUKEE FTZ 41 ACTIVE USERS:



Broan NuTone



CNH Industrial



Generac



Hospira



Mercury



*The Port of Milwaukee is an economic entity of City government governed by the seven-member Board of Harbor Commissioners, a panel appointed by Mayor Tom Barrett and confirmed by the Common Council. It administers operations on the 467 acres that make up the Port. It promotes shipping and commerce throughout the region by providing access to domestic and international ships, rail, and over-the-road transportation.*

## ABOUT FOREIGN TRADE ZONE 41

A Foreign Trade Zone is a designated area where companies are able to import and re-export goods duty free. These approved areas are designated at an individual company's physical location through an application process and allows them to remain more competitive in the global marketplace. The Port of Milwaukee is the Grantee, or administrator, of Foreign Trade Zone 41 covering the entire state of Wisconsin but focused primarily on the 12 counties in Southeastern Wisconsin. It is one of over 200 Foreign Trade Zone Grantees that are located in all 50 states and Puerto Rico.

The Foreign Trade Zone program can provide a number of savings and benefits for local companies that are doing business internationally. Current FTZ operators are able to realize benefits such as; deferral or elimination of Customs duties on imported components, reduction in merchandise processing fees and broker's fees, elimination of duty deferral paperwork, address marking and packaging issues, and streamline their supply chain. The Foreign Trade Zone program has been steadily growing as companies are learning about it and taking advantage of the benefits it has to offer.

## THE ROLE OF A GRANTEE

A foreign trade zone is created when a local organization such as Port Milwaukee applies to the FTZ Board for a "grant" to establish and operate a zone to serve a specifically defined geographic area. Grantees are then able to submit applications to the FTZ Board to establish sites or subzones. Grantees are required to operate their zones as "public utilities" and provide "uniform treatment under like conditions" to companies using the zone.

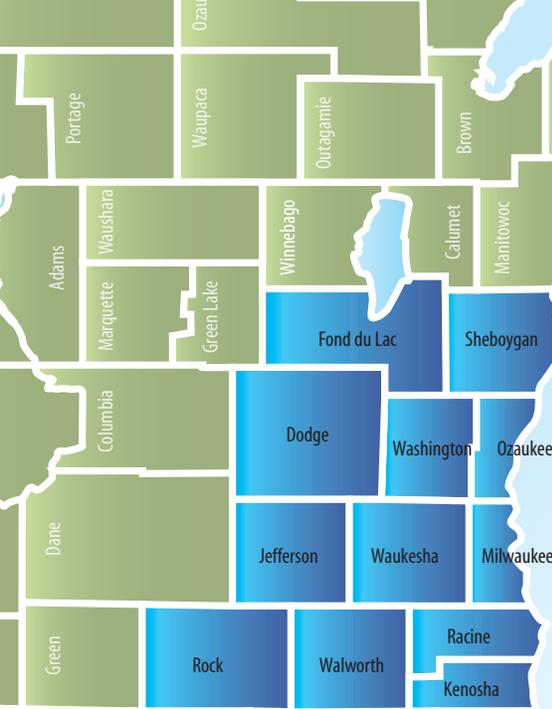
The Grantee is to educate and promote the benefits of being an FTZ operator/ user.

## 2015 FTZ ACTIVITIES

Broan NuTone was activated and approved for production by U.S. Customs and Border Protection in December 2015 in the manufacturing of exhaust fans. Lindner Logistics applied for a General Purpose Zone and was approved as FTZ 41 Site 14 by the Foreign Trade Zone Board. The Kohler Company applied and was approved as Subzone 41M.

Our yearly Operators Outreach event was hosted by Mercury Marine. As grantee, the Port brings together operators to discuss the successes of their zone and share their experiences in how they can best utilize the FTZ benefits.

In May of 2015, the FTZ 41 staff exhibited a booth at the World Trade Day in Milwaukee, WI. In addition, staff continued to meet with other county economic development groups within our Alternative Site Framework (ASF) to promote the benefits of having a foreign trade zone at manufacturing facilities.



### MERCURY



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*Mercury Marine produces inboard, sterndrive and outboard marine engines in its foreign trade zone (FTZ) located in Fond du Lac, Wisconsin. Our FTZ uses tariff inversion to import otherwise dutiable parts and transform them into duty-free engines, and has recognized the importance and cost savings of FTZ's and recently added a distribution FTZ in Edwardsville, Illinois. Mercury Marine has operated as an FTZ since 1999, which has contributed to millions of dollars in savings and helped Mercury Marine become the world's largest builder of recreational and commercial marine propulsion systems.*

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Corbin Stenz, LCB  
Trade Compliance Analyst  
FTZ Operator, Mercury Marine



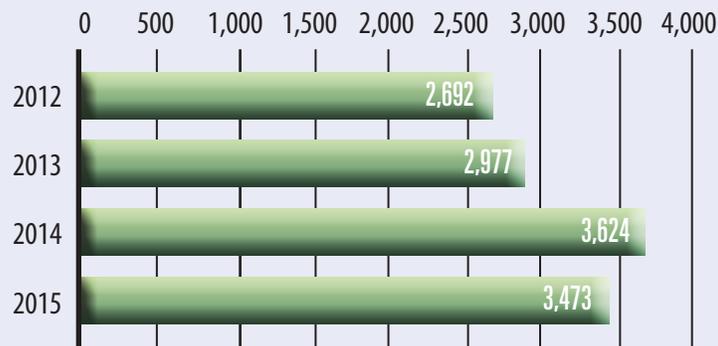
## FTZ 41 – 2015 By the Numbers

The total value of shipments through the FTZ 41 including merchandise, value added, labor, profit and overhead increased by \$453,080,132 in 2015. Exports through the zone increased from 15% to 16.58% of manufactured goods. Acreage and the number of employees were slightly down compared to last year due to Bentley World Packaging discontinuing FTZ activation.



CNH Industrial

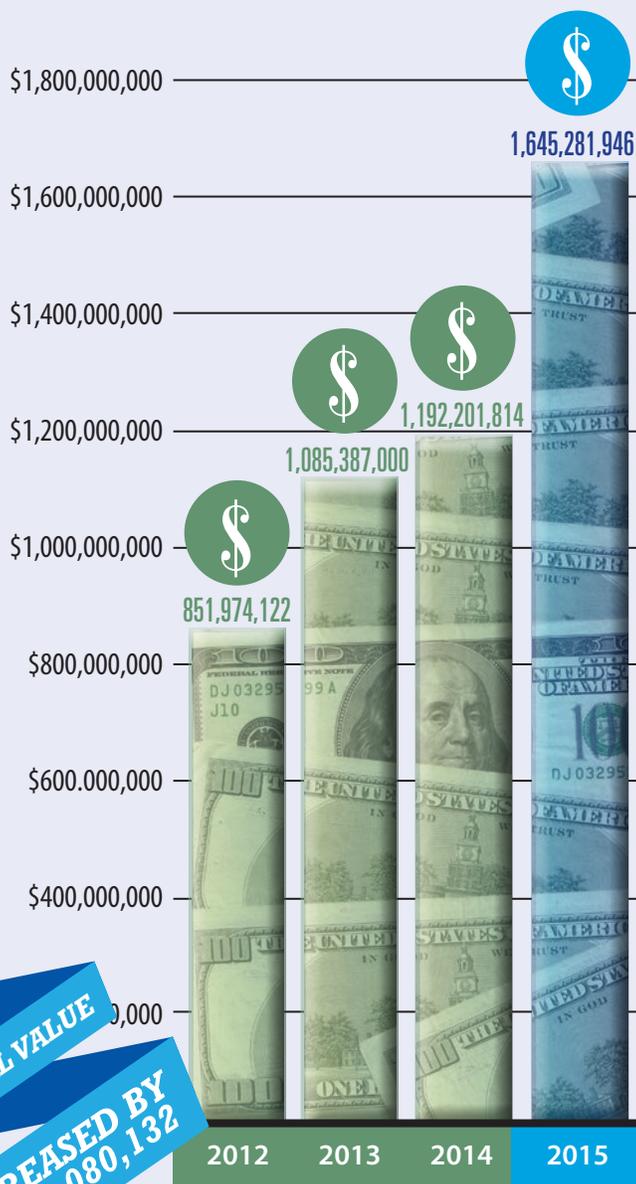
## Number of Employees in FTZ 41



## 2015 Status of Zone Activity

Activated Zones:	5
Approved Zones:	7
Percent Exported:	16.58%
Approved Acreage Pending Activation:	452.75
Activated Acreage:	256.26

## TOTAL VALUE of Shipments including Merchandise, Value Added, Labor, Profit & Overhead



**TOTAL VALUE INCREASED BY + \$453,080,132 IN 2015!**



**COMPANY PROFILES  
PORT MILWAUKEE FTZ 41 ACTIVE USERS:**



**Broan NuTone**

Headquartered in Hartford, Wisconsin, Broan NuTone is America's leading brand of residential ventilation products and residential built-in convenience products. It employs over 2,600 people on 5 continents and had their FTZ space activated in late 2015.



**CNH Industrial**

CNH Industrial is a global leader in the capital goods sector that produces and sells agricultural and construction equipment in addition to other powertrain applications. CNH is currently doing business in over 190 countries worldwide. Their plant in Racine County, Wisconsin has been an active FTZ since 2009.



**Generac**

Founded in 1959, Generac is the #1 manufacturer of home backup generators and manufactures the widest range of power products in the marketplace. Recognized as the Mega Category Grand Award recipient in the 28th Annual Wisconsin Manufacturer of the Year competition, Generac is committed to developing a long-term vision that promotes environmentally responsible products. Generac has been an approved FTZ Operator since the beginning of 2015.



**Hospira**

Hospira, now a Pfizer Company, is the world's leading provider of generic injectable drugs and infusion technologies and a global leader in biosimilars. Their facility in Pleasant Prairie, Wisconsin has been an approved FTZ site since 2011.



**Mercury**

Mercury Marine has been making world-class outboard and sterndrive boat motors since 1939. Headquartered in Fond du Lac, Wisconsin, they are the largest manufacturer of marine propulsion systems in the world. Mercury Marine has been an approved FTZ Operator since 1998.



**Approved Operators Pending Activation:**

**Lindner Logistics**



**Kohler**



**GENERAC**

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*The FTZ is beneficial to Generac, as it helps to maintain the company's competitiveness while keeping production activity in the United States which helps maintain American jobs, and provides a level-playing-field as it relates to imported foreign produced products.*

”

Douglas J. Grant  
Supply Chain Import/Export Specialist  
Generac Power Systems, Inc.

**HOSPIRA**

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*Hospira uses its FTZ mainly for bringing in critical cancer fighting and other drugs prior to Food and Drug Administration (FDA) approval. Once approval has been received and the customs entry completed, distribution to the US market can begin. Timing is everything when it comes to saving human lives!*

”

Janet Westadt  
Import Compliance Supervisor  
Hospira, a Pfizer Company



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