

Bigger foreign trade zone sought

Move would help businesses on Oneida land

By Richard Ryman

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ASHWAUBENON — Brown County is seeking to expand Wisconsin's only active foreign-trade zone, a move that will provide more opportunities for Nature's Way Tissue Corp. and other businesses on Oneida Tribe of Indians-owned land.

Nature's Way, 1555 Glory Road, is owned by Swakweko LLC, a Native American-owned holding company, and CPPI of De Pere.

Artley Skenandore, chairman and CEO of Nature's Way, said the foreign-trade zone "increases our value-added opportunity in the marketplace. It saves us money, but it also provides additional customer opportunities."

John Kroner, property manager for Seven Generations Corp., an Oneida subsidiary that owns the land to be added to the trade zone, said other parties have expressed interest in the zone.

"There is some rather neat stuff that could happen," he said. "It does give back some unique tax advantages."

Nature's Way, which has grown to more than 80 employees since opening earlier this year, will use the zone for importing raw materials and exporting finished products.

The company includes among its brands Purely Cotton, made from cotton fibers, and Nature's Way Tissue, made from recycled paper.

Skenandore said most of the company's overseas customers are in the United Kingdom, but it has patents and licenses in more than 17 countries.

"We are looking at the rest of the European Union," he said.

Brown County has Wisconsin's only active foreign-trade zone. The zone in Milwaukee is not active.

The Brown County zone includes 1,654 acres at Austin Straubel International Airport, 650 acres in Ashwaubenon and Hobart, which includes the Ashwaubenon Industrial Park, and two subzones in Hudson and Osceola in western Wisconsin.

A U.S. customs agent is stationed at the airport, hence the international designation.

The expansion would include 160 acres adjacent to the industrial park zone, where Nature's Way is located, and 300 acres in Oshkosh near Wittman Regional Airport.

"For customs purposes, a foreign trade zone is not legally considered part of the United States," said Fred Monique, international business development manager for the Green Bay Area Chamber of Commerce's International Business Development Consortium.

Thus, foreign and domestic material can be admitted into the zones for storage, exhibition, assembly, manufacture and processing without having to pay tariffs or customs duties. Sometimes, assembled or manufactured products will be charged less duty than the individual materials from which they are made.

"You can delay duty payments. If you export out of the U.S., you can totally avoid that duty," Monique said.

Monique said products stored in foreign-trade zones do not count against import quotas.

"If we had a cold storage warehouse in the zone, a company could take advantage of lower cheese prices in New Zealand. It could store the cheese there and once the quota is open again, move out of that zone into the United States," he said.

Getting approval for the expansion will take about nine months, Monique said.

The existing zone was created in 1990 but has not been utilized locally, though the subzones are being used.

"The companies in that zone are not interested in international trade," Monique said.

Dean Haen, Brown County port manager, said local companies have been reluctant to use the foreign-trade zone because of its cost and complexity.

Steve Evans, president of Leicht Transfer & Storage, which is the zone's operator, said that while not much is happening in the zone now, the opportunity is there for the right manufacturer.

"We have to find a manufacturer who wants to take the bull by the horns and work the process. There is a fair amount of paperwork involved," he said.

Haen said the county gets about \$8,000 a year in tariff payments.

"We are hoping these expansion opportunities will significantly increase that number," Haen said. "And being in Brown County, that's real jobs here. That's the whole reason behind foreign-trade zones, to utilize U.S. labor."