

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



FROM: Supervisor John Benoit

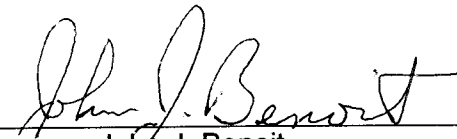
SUBMITTAL DATE:
December 2, 2009

SUBJECT: Application for Foreign Trade Zone, Jacqueline Cochran Regional Airport, Thermal, CA

RECOMMENDED MOTION: That the Board of Supervisors authorize the Assistant County Executive Officer/EDA, or his designee, to take all mandatory steps to prepare and file an application with the United States Department of Commerce- Foreign Trade Zone Board to establish Jacqueline Cochran Regional Airport and the area immediately adjacent to the airport as a Foreign Trade Zone. This process shall also include input from the members of the airport commission on behalf of its member jurisdictions..

BACKGROUND: United States trade policy is based on a free trade model and recognizes the economic beneficiaries of free trade; it acknowledges costs that result from free trade that are negligible. Without a doubt free trade has costs; however free trade benefits far outweigh the costs. Foreign Trade Zones reduce and mitigate the costs of free trade. Riverside County's economy enjoys greater benefits from United States trade initiatives. Benefits offered by Foreign Trade Zones make it effective in response to problems that arise when the \$ 8.5 trillion dollar U.S economy is forced to operate within a rapidly changing international trade environment. The Foreign Trade Zone Act was created in 1934 to "expedite trade and encourage foreign commerce" in the United States. In 1970 only eight Foreign Trade Zones existed in the United States, as of today over 230 zones exist with another 400 sub trade zones in service. The General Agreement on Tariffs and Trade, better known as "GATT" both broke down trade barriers with over 120 nations and is credited with the explosive growth of the Foreign Trade Zones and Sub Trade Zones in the United States. Establishing a Foreign Trade Zone at Jacqueline Cochran Regional Airport generates investment, labor and profits which collectively produce more tax revenues than do duties. To form a Foreign Trade Zone a Letter of Transmittal, Executive Summary and 5 exhibits are required. The process may take up to 11 months to complete after submittal and if successful results in the Departments of Commerce and Treasury issuing a Board Order to publish the decision in the Federal Register and notifies the applicant. Foreign Trade Zones act as a tool for business development, attraction, and retention and can stimulate job growth.

Departmental Concurrence



Supervisor, John J. Benoit
Fourth District

Prev. Agn. Ref.:

District:

Agenda Number:

RF:TF:ds 9750
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EDA-001b-F11a
Form 11a (Rev 01/2004)