

National Association of Foreign-Trade Zones
National Press Building
529 14th Street NW, Suite 1071
Washington, DC 20045
202.331.1950



NAFTZ Issue Brief

A Modification of AES/ACE is Necessary to Capture the Full Impact of the Foreign-Trade Zones Program on the U.S. Economy

FTZs encourage exports. According to the latest figures released by the Department of Commerce, exports from U.S. Foreign-Trade Zones have quintupled over the last ten years, far outpacing the national average. Those figures also reported that 2014 employment in Foreign-Trade Zones increased 7.7% over the previous year to 420,000 across the country. Clearly this program remains true to its Congressional intent in driving U.S. economic growth.

The NAFTZ believes even these impressive figures underreport the impact the FTZ program is having on boosting exports from U.S. factories and warehouses. This is because the Bureau of the Census requires the reporting of shipment information that may not be available, or even applicable, at the time the exporter notifies Census of its intention to export the merchandise. The only recourse for FTZs in this situation is to avoid reporting the shipment as emanating from an FTZ in the Automated Export System (AES), diluting the accuracy of Census export statistics.

The Association worked diligently and cooperatively with Census and Customs and Border Protection to establish an 'FTZ Identifier' to be checked in AES when an export shipment originates from an FTZ. Currently, checking the 'FTZ Identifier' requires that both the 'in-bond type' and 'entry number' fields be completed, even though they may not be known or necessary, and even though they are always elsewhere reported to Customs when required. We urge the Census Bureau and Customs and Border Protection to make the in-bond type and entry number fields optional in AES so that export statistics from FTZs can be accurately reported.

ABOUT THE NAFTZ:

The National Association of Foreign-Trade Zones (NAFTZ) is the leading advocate of productive investment through the U.S. Foreign-Trade Zones program. That program was established by Congress in 1934 and is administered by the Department of Commerce. A key feature of this program is to encourage economic activity and create and preserve jobs that would otherwise be enticed to relocate overseas to reduce U.S. Customs expenses. In this way the program supports reshoring, international investment in U.S. factories, and preserving the manufacturing jobs we already have in this country. In the face of intense and growing competition from all over the world, Foreign-Trade Zones are playing an important role in revitalizing American manufacturing.

FOR MORE INFORMATION: Contact Erik Autor at 202-331-1950, x226 or Eautor@naftz.org