FOREIGN TRADE ZONES



Federal policy plays a central role in shaping the US FTZ program and supporting American trade and competitiveness.

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Untapped strategy

FTZ advocacy education fosters program understanding

By Jeffrey J. Tafel, CAE

For more than 90 years, the United States Foreign-Trade Zones program has helped companies and communities support trade, investment, supply chain efficiency and competitiveness. Yet, for many businesses and policymakers, foreign-trade zones (FTZs) remain one of the most valuable but least understood elements of the US trade infrastructure.

At its core, this program allows approved sites within the United States to be treated, for customs purposes, as located outside of American customs territory. Merchandise may be admitted to a zone and handled under federal supervision. Duties are generally paid when goods enter US commerce, but goods exported from a zone may avoid US customs duties altogether.

This is just one piece of the overall value provided by the program.

For companies, these US-located zones can provide operational flexibility, duty management, inventory control and a structured compliance environment. They can support business attraction, retention, expansion and job creation, benefiting communities at large. On the national scale, US foreign-trade zones impact the economy by helping domestic-based operations compete in a global marketplace while maintaining a strong customs and compliance framework.

FOREIGN TRADE ZONES

The National Association of Foreign-Trade Zones (NAFTZ) exists to support that ecosystem.

NAFTZ serves as a shared voice of the US foreign-trade zone community, connecting public- and private-sector stakeholders who make the program work. The association transforms that collective experience into education, advocacy and practical engagement with policymakers and regulators. Unified representation is essential to keeping our FTZs effective and responsive to the needs of modern trade.

Education is one of the association's most important responsibilities. The US FTZ program is technical, and successful participation requires more than a general understanding of customs rules. Members are provided tools to help understand the operational responsibilities that come with activation, from inventory control and admissions to entries, recordkeeping and reporting. NAFTZ supports that work through conferences, seminars, webinars, certification programs and peer learning.

As more companies evaluate supply chain risk, tariff exposure, and domestic investment decisions, NAFTZ education benefits a group wider than just current zone users. Programs are designed to enable the broader trade community to better understand when a US foreign-trade zone may be worth exploring. While not the right fit for every operation, when it is appropriate, an FTZ can be an important part of a larger supply chain strategy.

Advocacy is a central pillar of the NAFTZ mission. Working with federal agencies and Congress, the association representatives explain the real-world impacts of domestic policy and regulatory decisions. That perspective is critical because changes designed for the broader customs environment can create unique and unintended consequences for zone operations.

The advocacy work undertaken by NAFTZ is not focused on obtaining special treatment. It is about ensuring that the program functions as intended and that policymakers understand how it supports US jobs, investment, exports and competitiveness.

As tariff volatility and economic security discussions have brought greater attention to the trade tools available to US-based companies, NAFTZ's public-facing role has expanded. In those conversations, US FTZs have often been misunderstood or overlooked. NAFTZ clarifies that they are federally authorized, locally supported, highly regulated economic development and trade strategies.

As the trade environment continues to evolve, so must the US FTZ community. Businesses and stakeholders are looking for methods to help manage uncertainty, preserve flexibility and compete in a changing global marketplace; NAFTZ has served the US FTZ community for more than five decades and remains committed to helping it adapt and move forward. ■

For more information, visit www.naftz.org.

Jeffrey J. Tafel, CAE, serves as president of the National Association of Foreign-Trade Zones.

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Port Freeport serves its customers and stakeholders through state-of-the-art infrastructure, including a deepwater container terminal; a rail-served multimodal terminal for finished-vehicle processing, storage and distribution; quick, efficient connections to the state highway system and the Gulf Intracoastal Waterway; Union Pacific rail service; and Foreign-Trade Zone No. 149. Together, these assets make the port a global gateway. The Velasco Container Terminal received two new super-post-Panamax gantry cranes in September 2025 to enhance and expand the port's container operations. As part of the expansion, Gate 12 opened adjacent to the port's refrigerated warehouse, Cross-Dock No. 1, creating a seamless connection to the terminal. The port plans to break ground on Cross-Dock No. 2 in the third or fourth quarter of 2026. The 84,000-square-foot facility will accommodate multiple temperature zones and provide critical infrastructure for the region. Completion is on track for 2027.

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Building bipartisan understanding

By Melissa Irmen, AZS, CZS

The launch of the bipartisan Congressional United States Foreign-Trade Zones Caucus in the House of Representatives marks an important step for one of the nation's most effective but often underrecognized trade and economic development tools.

Led by Rep. Aaron Bean (R-Fla.) and Rep. Marilyn Strickland (D-Wash.), the caucus was created to promote greater understanding of the US Foreign-Trade Zones program and its role in supporting American competitiveness. For the National Association of Foreign-Trade Zones (NAFTZ) and the domestic foreign-trade zone (FTZ) community, the caucus presents an opportunity to strengthen policymaker education and provides a forum for practical discussion of real-world use cases.

For many companies, US foreign-trade zones are a highly technical element of the trade and customs environment. Policymakers, however, may have a passing familiarity with the term, but an unclear understanding of their function and process of operations. Education that closes that gap can significantly impact the decisions made by Congress on legislative matters affecting trade, customs enforcement, manufacturing, supply chains, tariffs or domestic investment.

At its core, the US Foreign-Trade Zones program enables approved sites within the United States to be treated, for customs purposes, as outside US customs territory. Goods may be admitted to a zone and handled under federal supervision. Duties are generally paid when merchandise leaves the zone and enters US commerce, but no duty is owed on goods exported from a zone.

Established in 1934, the program has been part of the US trade

Port Houston's FTZ No. 84 strengthens competitiveness

As global supply chains adapt to shifting trade patterns, evolving tariffs and changing market demands, businesses are placing greater value on locations that offer connectivity, resilience and long-term growth potential. The Houston Ship Channel is one of the world's most dynamic trade gateways, and Port Houston strengthens that advantage through modern infrastructure, multimodal connectivity and the administration of Foreign-Trade Zone No. 84 (FTZ 84) as part of its broader economic development strategy.

Stretching 52 miles, the Houston Ship Channel is the nation's busiest waterway by total tonnage and serves more than 200 public and private terminals, creating one of the country's most significant industrial and logistics corridors. Home to a leading concentration of activity across the energy, petrochemical, manufacturing and distribution sectors, the Houston region offers businesses direct access to suppliers, customers, transportation providers and shipping services.

Administered by Port Houston, FTZ 84 operates as a vital component of the region's supply chain infrastructure, giving businesses greater flexibility in managing imports, exports, manufacturing and inventory needs. Through duty deferral, tariff mitigation strategies and streamlined customs procedures, companies can lower costs, improve cash flow and strengthen supply chain performance. In 2025, more than 125 companies sought guidance from Port Houston on FTZ benefits, and seven new FTZ sites expanded the zone's footprint across the Houston region. Today, FTZ 84 plays a significant role in regional commerce, supporting an estimated $25 billion-$50 billion in merchandise received annually, facilitating up to $5 billion in exports and helping sustain approximately 10,000 regional jobs. Strategic investments continue to strengthen Houston's competitive position. The Houston Ship Channel Expansion, known as Project 11, is enhancing navigational efficiency, improving safety and accommodating larger vessels. At the same time, Port Houston is investing $2.1 billion in landside infrastructure over the next five years to expand terminal capacity, accelerate cargo movement and strengthen supply chain performance.

With continued investment in infrastructure and supply chain capabilities, Houston is well positioned to meet the evolving needs of global commerce for decades to come. ■



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landscape for close to a century. The environment in which it exists, however, has changed significantly since the program's inception. Today, companies face tariff uncertainty, sourcing shifts, supply chain disruption, compliance expectations and global competition. At this moment, US foreign-trade zones offer a structured, regulated way to support flexibility, efficiency and support domestic activity.

This program does not operate in isolation. It is affected by decisions involving customs systems, trade remedies, import requirements, manufacturing policy, enforcement priorities and economic development. Even well-intentioned policy changes can create unintended consequences if the unique structure of zone operations is not considered.

The caucus provides a bipartisan forum for members of Congress and their staff to hear directly from the American foreign-trade zone community. It creates a venue to discuss support of broader issues, such as domestic manufacturing, jobs, investment, exports, and resilient supply chains. This keeps conversations dynamic and focused on the bigger picture, helping avoid narrow debates over a single issue or transaction.

That broader perspective is essential. Foreign-trade zones are sometimes misunderstood as strictly a duty-management mechanism. In practice, they are federally authorized, locally supported and highly regulated tools that require strong compliance and close coordination with federal agencies.

NAFTZ has long worked to help policymakers understand that balance. The Foreign-Trade Zone program provides meaningful economic and operational value, but it does so within a structured legal and regulatory framework. The goal is to make sure the program functions as intended and continues to support US competitiveness in a changing trade environment.

The first caucus event is expected to take place in September 2026, providing an early opportunity to bring members, staff and US FTZ stakeholders together.

As trade policy continues to evolve, sustained education will be essential. The creation of the caucus is an encouraging development because it recognizes that FTZs deserve a place in the national conversation about supply chains, investment, manufacturing and economic growth.

After more than 90 years, the United States FTZ program remains highly relevant. The new caucus can help ensure that policymakers understand the sustained value for an evolving future. ■

Melissa Irmen, AZS, CZS, serves as director of advocacy for the National Association of Foreign-Trade Zones.



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Ensuring access

Grantee model anchors program framework

By Leigh Ryan, AZS, CZS

Companies exploring the US Foreign-Trade Zones program often begin by asking whether a foreign-trade zone (FTZ) could reduce costs, improve supply chain flexibility, or support a broader trade strategy. However, another question should be considered part of the early list: Who is my local FTZ grantee?

Grantees are the public or quasi-public organizations authorized by the Foreign-Trade Zones Board to establish and administer a US foreign-trade zone in a specific community or region. Their role in the structure of the program is foundational.

As a federally authorized economic development and trade program built on a public utility framework, domestic foreign-trade zones are more than a private customs benefit. The grantee model provides access to the program in a manner that is fair, reasonable and consistent. Grantees help ensure the zone serves a broader public purpose while still allowing companies to pursue practical operational and trade benefits.

For a company interested in US foreign-trade zones, working with the grantee is often one of the first steps. The grantee can help explain the local zone structure, identify whether a site may be eligible, outline the process for obtaining FTZ designation and connect the company's project to the requirements of the FTZ Board and US Customs and Border Protection.

The grantee does not replace a company's internal feasibility or compliance analysis. Participation in a US foreign-trade zone still requires the right operational fit, systems and

A smarter gateway to North America

As North American supply chains evolve, companies are looking beyond traditional transportation models to improve resilience, control costs and strengthen inventory performance. Rising fuel prices, border congestion, labor shortages and increasing environmental expectations are reshaping how cargo moves between Mexico, the United States and Canada. Green Tide Logistics was established to help customers respond to these challenges with an integrated short-sea shipping solution.

Green Tide Logistics (GTL) operates a direct maritime service linking the Mexican ports of Tuxpan and Coatzacoalcos to the Philadelphia/Gloucester Terminal in New Jersey, offering a direct ocean transit of approximately six days with reliable biweekly sailings. By providing an alternative to traditional long-haul cross-border trucking, the service helps customers diversify transportation options while improving supply chain predictability and reducing exposure to border bottlenecks.

For companies operating within or alongside foreign-trade zones GTL's service supports efficient inventory positioning, enhanced supply chain planning and seamless access to one of North America's most important logistics gateways. From the Philadelphia gateway, cargo connects efficiently to inland markets in the United States and eastern Canada, including Chicago, Detroit, Columbus, Indianapolis, Memphis, Kansas City, Dallas, Toronto and Montreal.

GTL serves a broad range of industries, including fresh produce, refrigerated cargo, consumer goods, industrial products, automotive components and project cargo. Its logistics model emphasizes schedule reliability, operational visibility and customer-focused service while supporting long-term supply chain resilience.

Customers also benefit from a transportation strategy designed to complement existing truck and rail networks rather than replace them. This multimodal approach improves flexibility, supports inventory optimization and provides another dependable option for businesses seeking reliable access to North America's largest consumer markets.

As nearshoring continues to strengthen North American trade, businesses require logistics partners capable of delivering reliable, cost-effective and sustainable transportation solutions. Green Tide Logistics combines direct maritime connectivity, strategic inland distribution and a commitment to operational excellence to help importers, exporters and logistics providers build smarter, more resilient supply chains. By connecting Mexico directly with the US East Coast and Canada through an integrated maritime gateway, GTL is helping shape the next generation of North American trade. ■

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Hans Schriwer, CEO, GTL

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discipline. However, the grantee is often the doorway to the program.

For economic developers, that doorway can unlock great opportunity.

One of the simplest messages shared with economic development professionals is this: If a company is importing or exporting, think about a foreign-trade zone. That does not mean the United States FTZ program is always the answer. It means the foreign-trade zone question should be raised early enough that a company can evaluate the option before facility, sourcing, investment or supply chain decisions are settled.

US foreign-trade zones can support attraction, retention and expansion conversations because they give communities another strategy to help companies compete from a US location. Grantees are central to that discussion, because they connect federal trade policy to local economic development. They understand the regional business environment, the local zone structure and the public mission behind the program.

The FTZ question should be raised early enough that a company can evaluate the option before facility, sourcing, investment or supply chain decisions are settled.

The public utility framework keeps that access grounded. It reinforces that the US FTZ program should be administered consistently and in support of broader economic development objectives.

For companies interested in the program, the practical takeaway is clear: Get to know your grantee. If a company is evaluating a foreign-trade zone opportunity, the grantee can be an essential early resource. The Foreign-Trade Zones Board's Online FTZ Information System (OFIS), includes a public Zone & Site Information page, where companies can identify the grantee for a particular state or region and review related zone information: https://ofis.trade.gov/.

The US FTZ program works best when federal policy, local leadership and private-sector operations are aligned. Grantees help make that possible. They are more than administrative sponsors of the program. They form the public utility foundation that connects FTZ access to economic opportunity. ■

Leigh Ryan, AZS, CZS, serves as senior vice president of World Trade Center Savannah, the grantee for Foreign-Trade Zone No. 104.

Nearly 50 years of foreign-trade zone expertise

Rockefeller Group FTZ Services has nearly 50 years of experience helping companies implement, activate, and manage foreign-trade zone (FTZ) operations and navigate the complexities of FTZ compliance. The company offers consulting services tailored to each company's needs. FTZ services include FTZ designation, production authority, activation, inventory control system implementation, training, development of standard operating procedures (SOPs) and ongoing operational and compliance support.

Bonded warehouse services include bonded warehouse application and approval support, inventory control system implementation, training, SOP development, and ongoing operational and compliance support. Rockefeller Group's foreign-trade zone professionals monitor trade and customs developments and maintain strong relationships with government offices and agencies responsible for trade. The company's experience spans the retail, distribution and manufacturing industries; more than three decades spent building long-term professional relationships.

Rockefeller Group's industrial projects are considered FTZ-enabled and eligible for bonded warehouse designation. FTZ-enabled sites are located within the area of an FTZ project sponsored by a grantee. Bonded warehouse designation are generally located within 35 miles of a US Customs and Border Protection port of entry. Although these sites do not yet have FTZ or bonded warehouse designation, their locations, within defined geographic areas, may provide confidence that federal approval can be obtained and, in some cases, expedited. Rockefeller Group is positioned to align FTZ and bonded warehouse implementation with building occupancy, having identified the necessary steps and established the federal and local relationships to facilitate the process.

Rockefeller Group FTZ Services also offers a full suite of foreign-trade zone administration training modules for every aspect of FTZ operations. Training can be delivered remotely using online tools or, in person, at the client's preferred location. The company offers CCS/CES credit through NCBFAA for any Live Delivery training modules. ■

For more information visit rgftz.com

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