

FOR IMMEDIATE RELEASE

NAFTZ Supports Senate Bill Meant to Enhance U.S. Manufacturing Competitiveness Across North America

Measure would help restore parity for U.S. manufacturers exporting to Canada and Mexico, strengthening North American supply chains and cross-border trade

WASHINGTON – June 16, 2026 – The National Association of Foreign-Trade Zones ([NAFTZ](#)), the only national trade association focused solely on the [U.S. Foreign-Trade Zones program](#), today applauded the introduction of Senate [companion legislation](#) from U.S. Sen. Tim Scott (R-S.C.) aimed at strengthening the competitiveness of American importers and exporters operating in U.S. FTZs.

The legislation – co-sponsored by Sen. Katie Britt (R-Ala.) – mirrors the recently introduced [Foreign-Trade Zone Export Enhancement Act](#) in the House and would provide duty-relief benefits for certain goods produced or altered in federally designated U.S. FTZs and subsequently exported to Canada and Mexico. The proposal addresses a longstanding imbalance under the U.S.-Mexico-Canada Agreement ([USMCA](#)) that has placed businesses operating in U.S. FTZs at a competitive disadvantage relative to counterparts in Canada and Mexico.

Annual trade between the U.S., Canada and Mexico totals roughly [\\$1.8 trillion](#), with operators increasingly relying on cross-border production, sourcing and export relationships to remain globally competitive. Yet, under current USMCA rules, businesses operating in U.S. FTZs must pay duties on inputs before exporting finished goods to North American partners – even when those products would otherwise qualify for preferential treatment under the agreement.

Meanwhile, competing manufacturers in Canada and Mexico benefit from national duty-relief programs that eliminate comparable costs – including Mexico's PROSEC program and Canada's targeted tariff relief efforts.

“South Carolina companies operating in Foreign-Trade Zones make significant contributions to the Palmetto State’s economy,” said Sen. Scott. “My bill levels the playing field for our businesses by making sure American manufacturing remains globally competitive, boosting USA-made exports, and supporting American jobs.”

Ultimately, the bill would clarify U.S. trade law to ensure qualifying goods produced in U.S. FTZs can benefit from duty-relief treatment when exported to Canada and Mexico, helping restore the intent behind the U.S. Foreign-Trade Zones program – first established by Congress in 1934 to promote domestic production and exports.

“U.S. Foreign-Trade Zones were designed to make the nation a more competitive place to invest and operate in,” said Jeff Tafel, president of NAFTAZ. “Unfortunately, current USMCA rules have produced the opposite result for many U.S. FTZ-based operations, imposing costs that competitors in Canada and Mexico often do not face. Sen. Scott's proposal recognizes that American businesses should not be penalized simply because they operate within one of these zones.”

NAFTZ has advocated for reforms addressing this issue since the [NAFTA](#) era and has continued that effort through the implementation of USMCA. The association maintains that the legislation would not weaken the agreement, but rather ensure that U.S. operators receive treatment comparable to that already available to competing North American producers.

The organization also noted that the proposal aligns with broader national priorities surrounding reshoring, supply-chain security and domestic industrial growth.

“At a time when policymakers are focused on strengthening North American supply chains and encouraging manufacturing investment in the U.S., this legislation addresses a clear policy inconsistency that has persisted for far too long,” said Melissa Irmen, director of advocacy for NAFTAZ. “The bill would help reduce cost disparities for qualifying U.S. FTZ operators, encourage additional investment in U.S. production facilities, and better align USMCA implementation with the original purpose of the U.S. FTZ program.”

Irmen added: “We appreciate Sen. Scott's leadership and look forward to working with lawmakers in both chambers to advance this important measure.”

U.S. FTZ users like [AFL](#), a South Carolina-based manufacturer of fiber-optic cable, hardware and equipment, are equally hopeful for the bill's eventual passage.

“We appreciate Senator Scott's leadership in supporting policies that strengthen U.S. manufacturing competitiveness,” said Jaxon Lang, CEO and President of AFL. “This legislation will help ensure that products manufactured in South Carolina can be exported efficiently to Canada and Mexico, allowing companies like AFL to compete on a level playing field and continue investing in jobs and innovation here at home.”

NAFTZ now intends to work directly with Congress, the administration and key industry stakeholders to further the proposal. Its House counterpart is pending review among the chamber's Ways and Means Committee.

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About the National Association of Foreign-Trade Zones (NAFTZ)

The National Association of Foreign-Trade Zones (NAFTZ) is the collective voice of the U.S. Foreign-Trade Zones community. Representing public and private sector members across the United States, NAFTAZ is dedicated to advancing the U.S. Foreign-Trade Zones program through advocacy, education and collaboration. The association works to promote policies that strengthen U.S. competitiveness, encourage domestic investment and job creation, and support secure and efficient international trade operations. For more information visit: www.naftz.org.

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