



**FOR IMMEDIATE RELEASE**

## **NAFTZ Endorses Bill Aimed at Strengthening Manufacturers Operating in U.S. Foreign-Trade Zones**

*Legislation would enhance U.S. competitiveness in North American trade by implementing key benefits for manufacturers in Foreign-Trade Zones*

**WASHINGTON – Dec. 17, 2025** – Today, [the National Association of Foreign-Trade Zones \(NAFTZ\)](#) announced its endorsement of the Foreign-Trade Zone Export Enhancement Act of 2025. If passed, this bipartisan legislation would enable duty-relief benefits for certain goods produced or altered in a federally designated U.S. Foreign-Trade Zone (FTZ) and exported to Mexico and Canada. The proposed act is designed to address what NAFTZ, the only national trade association focused solely on the [U.S. Foreign-Trade Zone program](#), calls a longstanding imbalance under the U.S.-Mexico-Canada Agreement ([USMCA](#)). In its current form, the USMCA, which became law in 2020, places U.S. manufacturers operating in FTZs at a competitive disadvantage relative to their Canadian and Mexican export counterparts.

The bill, co-sponsored by Representatives Lance Gooden (R-Texas), Vicente Gonzalez (D-Texas), Monica De La Cruz (R-Texas), Virginia Foxx (R-N.C.), Vern Buchanan (R-Fla.) and Mike Kelly (R-Pa.), clarifies U.S. trade law to ensure goods produced in U.S. foreign-trade zones (FTZs) can be exported duty-free to Mexico and Canada under USMCA. The change would codify duty-relief benefits that Congress intended when it created the U.S. FTZ program in 1934 to address the Depression Era and the nation's tariff policies.

"Foreign-Trade Zones exist to strengthen U.S. competitiveness, not undermine it," said [Jeffrey J. Tafel](#), president of NAFTZ. "Yet under USMCA, American manufacturers operating in FTZs are required to pay duties on imported components before exporting finished goods to Canada or Mexico, even when those goods fully qualify for USMCA preferential treatment. This legislation is a pragmatic, targeted fix that restores parity and reinforces the U.S. as the best place to manufacture and export goods."

USMCA, like its predecessor [NAFTA](#), directly affects the ability of U.S. manufacturers to compete on an equal footing within North America. While Mexico and Canada have adopted policies – such as Mexico's PROSEC program and Canada's targeted tariff relief – that eliminate duties on non-originating inputs used in exports, the U.S. has not yet implemented a comparable approach. As a result, U.S. producers exporting from FTZs have historically faced costs their competitors do not.

“This legislation utilizes a well-established legal framework for recognizing special trade circumstances, including duty relief for qualifying goods,” said [Melissa Irmen](#), director of advocacy for NAFTZ. “Allowing the use of a new tariff classification ensuring duty-free export eligibility for qualifying goods produced in U.S. FTZs and exported to Mexico and Canada would immediately reduce cost disparities, support investment decisions and better align USMCA with the original purpose of the FTZ program.”

NAFTZ has advanced these concerns on Capitol Hill since the NAFTA era and has sustained that advocacy for decades, across administrations and political climates, including through repeated testimony before federal officials. The association’s members believe that current rules not only discourage manufacturing investment in the U.S., but also create unintended outcomes, whereby goods made by U.S. workers face higher duty burdens than identical products from Canada or Mexico.

NAFTZ also maintains that the proposed legislation would not weaken the USMCA but instead ensure that FTZ-based manufacturers are treated comparably to their North American competitors when exporting qualifying goods. The bill’s passage would advance shared, bi-partisan goals around supply-chain resilience, economic security and job creation.

“This legislation recognizes that U.S. manufacturers should not be penalized simply because they operate inside an FTZ,” added Tafel. “We commend these representatives for advancing a solution that strengthens American competitiveness and keeps the decades-long promise of the FTZ program.”

NAFTZ looks forward to working with Congress, the administration and industry stakeholders to advance the legislation and ensure its effective implementation in the year ahead.

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

NAFTZ is a nonprofit trade association comprised of 950 members spanning the United States and Puerto Rico. The association is the collective voice of all that engage in the U.S. FTZ program, serving as the premier advocacy and educational organization for the U.S. FTZ community of professionals. For questions or more information about U.S. FTZs, visit our website at [www.naftz.org](http://www.naftz.org).

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