

National Association of Foreign-Trade Zones
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FOR IMMEDIATE RELEASE

NAFTZ APPLAUDS INTRODUCTION OF THE U.S. FOREIGN TRADE ZONE PARITY ACT OF 2024

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[WASHINGTON, DC] Today, April 17, 2024, Representatives Brad Wenstrup (R-OH-2), Lou Correa (D-CA-46), Carol Miller (R-WV-01), Ruben Gallego (D-AZ-3), Brian Fitzpatrick (R-PA-1) and Mike Carey (R-OH-15) introduced the “U.S. Foreign Trade Zone Parity Act of 2024”. The legislation eliminates the incentive to distribute e-commerce shipments from foreign countries by allowing U.S. Foreign-Trade Zones (U.S. FTZs) the same access to Section 321 as foreign warehouses presently enjoy, thus preserving tens of thousands of U.S. jobs. This bill is similar to provisions included in the Americas Act, S.3878, recently introduced by Senators Bennet (D-CO) and Cassidy (R-LA).

The U.S. FTZ program was created by Congress in 1934, to promote and foster U.S. economic activity, boost exports, and create jobs through special duty benefits and customs procedures reserved for America’s most trusted importers that have been separately approved for FTZ activity by the Department of Commerce’s Foreign-Trade Zones Board and U.S. Customs & Border Protection (“CBP”), with U.S. FTZs operating under the supervision of, and with complete accountability to CBP.

U.S. FTZs employ more than 500,000 American workers across 1,200 active zone operations in all fifty states and Puerto Rico. The U.S. FTZ program is a bright spot in the U.S. economy, with both production and distribution operations having significantly grown over the past decade, resulting in a 35% increase in employment.

NAFTZ, as a member of the Ship Safe Coalition, has been advocating for this urgently needed parity to eliminate the disadvantage U.S. companies confront in distributing e-commerce items from zones as

compared to those distribution operations based offshore. The establishment of a level playing field will preserve American jobs and prevent the offshoring of operations.

Current law prohibits goods distributed from U.S. FTZs from utilizing the de minimis provision due to nuanced statutory language put into place in 1938 by an amendment to the Smoot-Hawley Tariff Act.

“NAFTZ is grateful for the introduction of the bipartisan U.S. Foreign Trade Zone Parity Act of 2024 by Congressman Wenstrup and five other Members of Congress,” said Jeff Tafel, CAE, President of NAFTZ. “This legislation would level the playing field for U.S.-based operations distributing from an FTZ and ensure retention of American jobs while spurring further economic growth within the boundaries of the United States. We recognize the on-going dialogue associated with de minimis entry, and this legislation is intended solely to provide parity to U.S. FTZs based on whatever action Congress ultimately takes where de minimis is concerned.”

De minimis parity for U.S. FTZs will not expand the volume of de minimis shipments. It simply alters where such shipments originate from foreign entities for which the chain of custody of each package is not disclosed, to trusted U.S. facilities that operate with complete transparency to CBP. Such management of de minimis also helps alleviate existing compliance concerns with U.S. health, safety, intellectual property, and labor laws arising from these shipments.

“I thank Congressman Wenstrup for his leadership in proposing the U.S. Foreign Trade Zone Parity Act of 2024,” said Joseph R. Nardone, President & CEO of the Columbus Regional Airport Authority. “Representing Foreign-Trade Zone 138, covering 25 counties in Central Ohio and 20 companies employing 7,434 individuals, we believe this bill will correct a significant economic disparity affecting U.S. companies. This legislation eliminates this imbalance, securing jobs and business operations in Ohio.”

Please direct all communications on this and other U.S. FTZ questions to the NAFTZ's Director of Advocacy, Melissa Irmen, at mirmen@naftz.org.

The National Association of Foreign-Trade Zones (NAFTZ) is a non-profit trade association comprised of nearly 800 members spanning across the United States and Puerto Rico. NAFTZ serves as a pivotal resource hub, offering essential tools, informative webinars, and organizing four major events that unite hundreds of Foreign-Trade Zone (FTZ) professionals each year. NAFTZ aims to educate and champion the economic benefits of FTZs, while advocating for FTZ policy. Founded in 1973, NAFTZ continues to be the primary voice of the FTZ community.

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