



VOTE FOR YOUR TOP 3PL

YOUR VOICE. YOUR VOTE.
OUR MOTIVATION.

ARTICLES | LOGISTICS PLANNER | SEND RFP/RFI | FIND SOLUTIONS | WEB_CITE CITY® | MODES & SERVICES



Some packages are way small.

March 2012 | Commentary | EcoDev

Getting in the Zone: FTZs Fuel Improved Logistics

By Daniel Griswold

42

For decades, America's foreign trade zones (FTZs) have provided a valuable platform for U.S. companies competing in global export markets. The FTZ program was established in 1934 to expedite and encourage foreign commerce. The nation's 500 zones and subzones are secured areas, often near or adjacent to U.S. ports of entry, and are considered outside U.S. Customs territory.

Benefits of the FTZ program include:

- **Reducing or eliminating duties on imported goods.** The program applies to imported goods used by U.S.-based companies to produce final goods for export. It also offsets inverted tariffs, which force U.S. producers to pay duties on imported parts and materials while final products made abroad with those same components can enter the United States duty-free, creating an unintended incentive to locate production offshore. The FTZ program helps put U.S.-based producers on more equal footing with foreign competitors who do not bear the cost of U.S. duties.
- **Streamlining customs procedures.** Zone and subzone users can file weekly entry permits that allow them to consolidate multiple shipments into one weekly filing. The permits allow advanced approval of weekly shipments through an FTZ or subzone up to an estimated amount. The system also allows admitting critical goods on weekends and after hours, with admission notification filed the next working day. This helps eliminate bottlenecks that could disrupt tightly scripted just-in-time supply chain operations.
- **Expediting electronic customs form filing.** The weekly, electronic filing systems not only speed shipment handling, but also cut costs both for U.S. producers and U.S. Customs and Border Protection (CBP). Producers save because they make one payment for a weekly permit, rather than paying separate fees on each shipment during the week. U.S. CBP saves money because it can process fewer transactions.
- **Supporting retail distribution.** FTZs allow footwear, apparel, electronics, and high-end consumer goods importers to realize savings from consolidated weekly admissions, as well as the delay in paying duties on goods until they actually enter U.S. commerce for consumption. Major retailers such as IKEA, Under Armour, and Walmart use the FTZ program.
- **Addressing security concerns.** FTZs operate in physically segregated and fenced



Daniel Griswold is president of the National Association of Foreign-Trade Zones 202-331-1950

Digital Editions



FULL DIGITAL ISSUE

March 2012

(148 pages • 33.03 MB PDF)



DIGITAL EDITION

2012 Logistics Planner

(182 pages • 21.4 MB PDF)



DIGITAL EDITION

2012 Global Logistics Guide

(1 pages • 6.18 MB PDF)



DIGITAL EDITION

South Carolina: Invested in Logistics Excellence

(17 pages • 3.89 MB PDF)



DIGITAL EDITION

Wind Power: Generating Logistics Opportunities

(7 pages • 1.41 MB PDF)

See All Digital Editions...

areas, making it easier to account for inventory. Zone operators establish trusted relationships with customs officials stationed at nearby ports of entry. Customs officials usually receive advance notification of foreign-sourced goods admitted to FTZs.

- **Promoting economic growth.** An estimated 2,400 U.S. firms operated within foreign trade zones and subzones in 2010, employing 320,000 American workers. More than \$500 billion in merchandise was admitted to general purpose zones and subzones in 2010—58 percent from the domestic economy, and 42 percent from abroad.

FTZs will play a key role in promoting the economic recovery and meeting the National Export Initiative goal of doubling U.S. exports between 2009 and 2014. Exports from zones and subzones jumped 23 percent from 2009 to 2010, a rate of growth well ahead of total U.S. export growth for the year.

With Washington focusing attention on reducing incentives for offshoring, the enhanced logistics facilitated by the FTZ program creates a more welcoming environment for investment and value-added economic activity in the United States.

[CLICK TO LEARN MORE ABOUT WHO WE ARE.](#) 

CLICK TO LEARN MORE ABOUT WHO WE ARE.



ARTICLES	LOGISTICS PLANNER	SEND RFP/RFI	FIND SOLUTIONS	WEB_CITE CITY'	MODES & SERVICES
This Month Features Case Studies How-To Commentary Trends Global Sponsored Articles Digital Issues & Editions	View Planner Profiles Logistics Planner RFP	3PL RFP Air Cargo RFP Chemical Logistics RFP Economic Development RFP Education RFP Forklift RFP Freight Payment RFP Global Logistics RFP Green RFP	Latin America RFP Logistics IT RFP Logistics Planner RFP Mexico RFP Ocean/Intermodal/Rail RFP Retail RFP TMS RFP Trucking RFP Warehousing RFP Wind Power Logistics RFP	Find a 3PL/Warehouse Find a Trucking Company Find a Technology Company Find an Air Forwarder Find a Logistics Education Program	Search Our Web Directory Add Your Company 3PL Air Cargo Chemical Logistics Forklifts Logistics & Supply Chain Education Logistics IT Ocean/Intermodal/Rail Trucking Warehousing