



News Release

GAC Houston warehouse achieves Foreign Trade Zone status

Offers duty-free benefits for oil and gas clients

Houston, 28 January 2015 – GAC North America - Logistics has been awarded a license to operate as a Foreign Trade Zone in Houston, making it one of just two logistics companies in the city to meet the criteria required to operate such a special facility.

Foreign Trade Zones (FTZs) are secure areas under the supervision of the Bureau of Customs and Border Protection (CBP), designed to encourage foreign commerce. They are considered to be outside the Customs territory of the United States with regards to the payment of duty. Merchandise may be admitted into FTZs for storage, exhibition, manipulation, destruction, assembly, manufacture and processing, without being subject to formal CBP entry procedures and payment of duties, unless and until the foreign merchandise enters the U.S. Customs territory for domestic consumption.

Imported merchandise transported from Houston, by air or sea, is transported via an electronic Permit to Transfer (ePTT) to the zone site. Each shipment of foreign status merchandise is recorded into the FTZ-ICRS within 15 days of arrival at the FTZ, and the CBP will approve the admission under electronic procedures.

“To qualify for the license, we had to demonstrate that the management system at our Houston warehouse facility in Houston met US Customs requirements,” says Jana Rodrigues, Vice President – Key Accounts. “A walkthrough and inspection confirmed that it is indeed a tightly secured operation with 100% accuracy with our records.”

GAC acts as a broker for its clients using the facility, taking care of all the documentation, maintaining an inventory of materials and handling export once the goods are required.

Oil and gas companies – especially drilling operators - operating out of Houston are among those who stand to benefit, adds Jana. They will be able to use the GAC Free Trade Zone for their capital spares, holding them duty free until they are needed to be transported to rigs in the Mexican Gulf.