



## this issue

- A Sustainable Perspective on FTZs P.1
- From the Ground Up P.4

Join us in Q2. We will explore Samsara tracking, Cold Storage, and more...

## A Sustainable Perspective on FTZs

The pursuit of Sustainable practices encompasses more than environmental aspects. By combining considerations for economic, operational, and environmental sustainability, organizations and their stakeholders reap benefits beyond environmental stewardship, resource conservation, social equality, and ethical labor practices. Businesses that remain economically viable support and sustain the communities they operate in through job creation and providing strong partnerships with other community businesses.

We recently sat down with our Vice President of Business Development, Lisa Diaz, to explore how companies electing to leverage a Foreign-Trade Zone (FTZ) as part of their supply chain strategy contributes to our overall business sustainability. What we discovered beyond propagating TDI's sustainability is that a Foreign-Trade Zone may also facilitate improvement in supply chain sustainability practices by increasing efficiency and reducing waste.

"It's about sustaining businesses, jobs, and communities."

**A closer look reveals a powerful economic engine.**

*Continued on P.2*



## FTZs (continued)

**Hoss:** Lisa, for readers who may not be familiar, can you briefly explain what a Foreign-Trade Zone is and how it works?

**Lisa:** It is a secure, physical location within the U.S. that is considered “outside” of U.S. Customs territory enabling merchandise to remain in “foreign” status while in the zone. Many of our customers are importers who are impacted by increased tariffs when importing into the United States. The Foreign-Trade Zone program helps these clients soften the financial impact of tariffs. FTZs were originally designed as economic engines to keep the U.S. competitive in the global economy. By offering the strategic competitive advantage of FTZs, it allows TDI to grow the business and sustain our place in the 3PL industry as a premium partner.

**Hoss:** When it comes to FTZs, where does Sustainability enter the picture?

**Lisa:** Maintaining profitability and marketability is essential for TDI’s continued business sustainability. For some clients, FTZs provide an avenue to facilitate savings and help eliminate inefficiencies up and down the value chain.

**Hoss:** Other than cost savings, are there additional benefits pertaining to sustainability that FTZs can offer?

**Lisa:** Yes, importers outside of FTZs pay Merchandise Processing Fees (MPFs) on every inbound shipment, often encouraging them to import more than what is needed in an attempt to maximize the per inbound shipment. Whereas in an FTZ, the fee is limited to outbound shipments only and is processed as one weekly entry. Much like sand dunes act as erosion buffers, this advantage allows FTZs to



# Sustainability in Motion

## Small Steps, Big Impact at TDI

Have a project, idea, or improvement that makes your site more efficient? I want to hear about it! Whether it's energy savings, recycling, process efficiency, or creative reuse.

Reach out to **Hoss Youssefi** to share what your team is doing! Your story could be featured in the next issue.

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behave as a buffer zone by reducing or eliminating inefficient and wasteful upstream production activities. FTZs allow for more precise and necessary shipments enabling methods like **just-in-time manufacturing** and **one piece flow** to satisfy downstream demand. The cost savings benefit is obvious (as shown below), and, more importantly, the reduction of wasteful practices is meaningful when you consider the long-term impact of unnecessary resource and material usage.

### Merchandise Processing Fee Assume 10 Inbounds/ week

 **\$651.50 per I/B**  
**\$6510.50/ week**  
**Annual Cost: \$338,546.00** 

 **MPF paid on Outbound**  
**\$651.50 per week**  
**Annual Cost: \$33,878.00** 

With TDI's offering of Foreign-Trade Zones as part of our service portfolio, we gain traction in our overall sustainability efforts and elevate our position as the 3PL partner of choice. By deepening and broadening our client relationships, upholding our Value Proposition, and expanding the utility we provide to our clients and stakeholders, we continue to fortify our sustainability strategy.

By bringing together operational, economic, and environmental considerations in our journey, we keep business flowing and our communities thriving while reducing impact and protecting our resources for generations to come.

# From the Ground Up

Grassroots  
action. Lasting  
impact.

**“True sustainability in regard to the handling of pharmaceutical and food grade material means tightly controlling every component while continuously innovating safer, cleaner ways to protect people and the planet.”**

**-Austin Eads**

Operations Manager, 6 McJunkin Road

*From the Ground Up* features stories from across the TDI network where a determination for efficiency, teamwork, and innovation is transforming daily operations into lasting impact.



The teamwork displayed by the Processing and Quality departments on any preventative or corrective actions continues to impress me. Whether it be regarding storage locations or changing operation flow. All team members display a willingness to learn, and an openness to change for the better, this shows that the culture TDI has brought to the 6 McJunkin facility has prompted our employees a desire to grow and change with our customers and meet their needs wherever possible.

**-Jacob Shelton**

At our 6 McJunkin Road facility, sustainability is a natural part of our operations. Doing it right the first time, reducing rework and preventing contaminants allows us to protect our customers, reduce waste, and move business forward, sustainably.

**-Jeff Beard**