

**SOUTH PUGET SOUND FOREIGN TRADE ZONE**

**TARIFF NO. 1**

**RATES, CHARGES, RULES AND REGULATIONS**

Applying at the

**FOREIGN-TRADE ZONE # 216**

Operating under the grant of authority of the  
Government of the United States of America  
to the Port of Olympia

**TARIFF NO. 1**

**SOUTH PUGET SOUND FOREIGN TRADE ZONE  
FOREIGN TRADE ZONE # 216**

**GRANTEE OFFICE**

Port of Olympia  
915 Washington Street N.E. Olympia, Washington 98501

## **SYMBOLS USED TO INDICATE CHANGES IN TARIFF**

**REDUCTION**

**ADDITION**

**INCREASE**

Change in wording resulting in  
neither an increase nor a reduction  
in charges

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## ABBREVIATIONS AND SYMBOLS

'	Cents (U.S.)
\$	Dollars (U.S.)
%	Percent
Art.	Article
B.M.	Board Measure
Bdl.	Barrel
Bdle.	Bundle
C/L	Carload
Cl.	Coil
C.O.D.	Cash on Deliver
Crt.	Crate
s.	Case
Ctn.	Carton
Cu.Ft.	Cubic Feet or Cubic Foot
Cwt.	100 Pounds
Doz.	Dozen
Ea.	Each
E.g.	For Example
Etc.	Et Cetera
F.F.	Folded Flat
Ga;/	Gallon
H.T.S.	Harmonized Tariff Schedule
Incl.	Inclusive
K.D.	Knocked Down
Lbs.	Pounds
L.C.L.	Less-than-Carload
L.T.L.	Less-than-Truckload
No.	Number
N.O.S.	Not Otherwise Specified
N.S.P.F.	Not Specially Provided For
Par.	Paragraph
Pc.	Piece
Pkg.	Package
Qt.	Quart
Sec.	Section
Sq.Ft.	Square Feet or Square Foot
SU.	Set Up
T/L	Truckload
U.S.	United States
Yd.	Yard

## DEFINITION OF TERMS

**ACT** - The Foreign Trade Zones Act of June 18, 1934 (48. Stat. 998-1003; 19 U.S.C. Bla-Blu), as amended by Public Law 566, 81st Congress, approved June 17, 1950.

**SECRETARY** - the term "Secretary" means the Secretary of Commerce

**BOARD** - The Foreign Trade Zone Board created by the ACT to carry out the provisions thereof. The Board shall consist of the Secretary of Commerce, who shall be the chairman and exclusive officer, the Secretary of the Treasury, and the Secretary of the Army.

**ZONE** - The term "Zone" means a "Foreign Trade Zone" and/or Foreign Trade Zone # 216.

**PORT DIRECTOR OF CUSTOMS** - The Port Director of Customs, Tacoma, WA - U.S. Customs Service.

**GRANTEE** - The Port of Olympia, to which the privileges of establishing, operating and maintaining Foreign-Trade Zone # 216 have been granted.

**ZONE OPERATOR** - Operator of each zone site.

**ADMINISTRATOR** - Foreign Trade Zone Services, Inc., contracted by Grantee.

**USER/CLIENT** - An individual, company or corporation, utilizing the services and/or facilities of Foreign Trade Zone # 216.

**CUSTOMS TERRITORY** - The territory of the United States in which the general tariff law of the United States applies but which is not included in any foreign trade zone.

**UNITED STATES** - The several States, The District of Columbia, and Puerto Rico. The term "United States" includes all territories and possessions of the United States, except the Virgin Islands, American Samoa, Wake Island, Midway Islands, Kingmanreef, and the Island of Guam.

## DEFINITION OF TERMS

**AICS - ALTERNATIVE INVENTORY CONTROL SYSTEMS** - The computerized procedure to maintain the records necessary for inventory control of merchandise that is under the supervision of the U.S. Customs.

**FOREIGN MERCHANDISE** - Imported merchandise of every description (except articles specifically and absolutely prohibited by statute), which has not been properly released from Customs custody into Customs territory.

**DOMESTIC MERCHANDISE** - Imported merchandise of every description (except articles specifically and absolutely prohibited by statute) which had/has been (1) grown, produced, or manufactured in the United States and not exported therefrom, or (2) previously imported into Customs territory and properly released from Customs custody.

For the purposes of return to Customs territory from a Zone and freedom from liability for the payment of duties or taxes, it includes only (1) domestic merchandise brought in the Zone from Customs territory whose identity has been maintained, and (2) the product of manipulation and manufacture in the Zone in which only privileged domestic commodities are mixed or combined; or in which foreign merchandise is so changed in form or enhanced in value as to be considered a product made in the United States, except that duties and taxes are payable only on the quantity of the foreign merchandise contained in the product.

**PRIVILEGED FOREIGN MERCHANDISE** - Foreign merchandise for which an application (Customs Form 214) has been made for a certificate of identification, and which has been taken under supervision by the Port Director of Customs for the purpose of maintaining its' identity.

**ZONE RESTRICTED MERCHANDISE** - Foreign or domestic merchandise taken into the Zone, under the rules and regulations of the controlling Federal agency, for the sole purpose of exportations or destruction (except destruction of distilled spirits, wines, and fermented malt liquors), or storage pending exportation or destruction.

## DEFINITION OF TERMS

**NON-PRIVILEGED FOREIGN MERCHANDISE** - (1) Foreign merchandise properly in the Zone which does not have the status of (1) privileged foreign merchandise or (b) zone restricted merchandise, (2) waste recovered from any manipulation or manufacture or privileged foreign merchandise; or (3) domestic merchandise taken into a Zone whose identity has been lost.

**IMPORTS** - Foreign merchandise of every description (except articles specifically and absolutely prohibited by statute) entered into Customs territory to become a part of the domestic supply for the purpose of domestic commerce or consumption, and particularly that which is entered into Customs territory through the Zone and foreign merchandise which, under the laws and regulations of various other Federal agencies having jurisdiction within the Zone, is said to be "imported" into foreign-trade zones, Customs bonded warehouses or Customs custody. The latter merchandise, in relation to operations of the Zones, is considered to be foreign merchandise until its entry into the commerce of the United States.

**DOMESTIC EXPORTS** - Domestic merchandise exported from the United States, or particularly such merchandise exported through a foreign-trade zone. It includes merchandise of every description (except articles specifically and absolutely prohibited by statute) which have been (1) grown, produced or manufactured in the United States and not exported therefrom, or (2) previously imported into Customs territory and properly released from Customs custody.

For the purposes of marking and labeling, it includes (1) the product of manipulation or manufacture in the Zone in which only privileged domestic merchandise is used, (2) the product of manipulation or manufacture in the Zone in which there is a mixture of foreign and domestic merchandise which results in a change in form or nature of the commodities and in which the domestic merchandise consists of a component part or parts of a substantial portion of the finished product and (3) foreign merchandise which by manipulation or manufacture in the Zone has been so changed in form and nature or enhanced in value that the product is deemed to be one of domestic manufacture.

## DEFINITION OF TERMS

**IN-TRANSIT MERCHANDISE** - The term “in-transit merchandise” includes all foreign merchandise transported into and out of the United States, whether in and out of the same port or across the country to another port, with or without trans-shipment, warehousing, breaking bulk, or change in mode of transportation, which originated in one foreign country and is destined at the time of the original shipment to another foreign country. It’s distinctive feature is that it is being transported, from one foreign country through the United States to another foreign country, under a through bill of lading or other documentation for completed journey. The term is particularly applied to foreign merchandise shipped in transit through a foreign trade zone.

**RE-EXPORTS OF RESHIPMENTS** - Merchandise from one foreign country initially destined to the United States which, after being unladen, stored, and/or manipulated or manufactured in this country, is transported under a new bill of lading or other new documentation to another foreign country. The term is particularly applied to re-exports or reshipments through a foreign trade zone.

It includes privileged, non-privileged, or zone-restricted foreign merchandise which (1) is in the same condition as when transported into the United States, or (2) has been manipulated without any change in its form or nature, or (3) has been manufactured or processed in such manner as to change its form, whether or not mixed with domestic merchandise, provided the domestic merchandise is not a component part or substantial ingredient thereof.

Generally, it includes all merchandise of foreign origin which has not been so manipulated or manufactured as to be deemed a product of the United States, and which has not been released from Customs custody into Customs territory.

**TRANS-SHIPMENT MERCHANDISE** - Foreign merchandise which enters and leaves the United states through the same port, being transferred from one vessel to another directly or by way of a foreign trade zone or Customs bonded warehouse. The term is particularly applied to such merchandise transferred through a foreign trade zone.

## DEFINITION OF TERMS

**ZONE LOT** - The unit or units of goods for which a separate record and account is to be kept by the Zone Operator.

**CONTROL NUMBER** - The number used on all Zone entry and exit forms to identify all merchandise and commodities. The Control Number shall, in all cases, be the same as the Harmonized Tariff Schedule of the United States.

**BULK** - In trade, a product or a mass (of a product) which is not packaged, bundled, bottled, or otherwise packed, so that it is designated as bulk or bulk merchandise.

**WAREHOUSE** - A covered and enclosed structure, affording weather protection, used primarily for short or long term storage of merchandise, and often containing business offices. In a foreign trade zone it also is used for manipulation, manufacture, and exhibition of merchandise.

**STORAGE** - The keeping of merchandise in or upon the premises within the foreign trade zone. Covered storage means keeping within a covered and enclosed structure affording weather protection. The term "storage", without other designation, ordinarily implies covered storage.

**OPEN OR YARD STORAGE** - The keeping of merchandise on open space within the fenced-in area of the foreign trade zone where merchandise not requiring weather protection may be stored.

**UNIT OR QUANTITY** - Means the customary grouping of a commodity as to indicate the medium or method of measure.

**QUANTITY** - Means the numerical count of the units composing a shipment of commodity

**TON** - Means weight ton of 2,000 pounds, unless otherwise indicated.

**WEIGHT** - Means the gross weight of the merchandise including container, except as noted to the contrary.

## DEFINITION OF TERMS

**MANIPULATION** - Means breaking up, repackaging, assembling, distributing, sorting, grading, cleaning, mixing with foreign or domestic merchandise, or other activities which do not constitute processing or manufacturing.

**LEASE** - The document of agreement entered into between the Operator and User/Client for assignment of space within the Foreign Trade Zone # 216.

**PERSON OF RECORD** - The person, firm or corporation, in whose name is on the application to admit merchandise into Zone, as having the legal right to make the application. Evidence of this right of the applicant is the same as would be required to establish the right to apply for release of the merchandise from Customs custody at the end of its transit through Customs territory, and usually consists of an original bill of lading in the name of the applicant, and original bill of lading endorsed to him, or a carrier's certificate.

## FOREIGN-TRADE ZONE FORMS

**CUSTOMS FORM 214 AND 214A** - Application and permit to admit merchandise into the foreign trade zone, permit to transfer merchandise through Customs territory to Zone and Customs Officer's return thereon, and Customs report of merchandise received at Zone. Can also be used as an application and permit for privileged foreign status for Zone Merchandise. This is application for liquidation of duties and taxes if any, under the First Proviso of Section 3 of the Act, filed with Zone Customs entry of Customs Form 7502.

**CUSTOMS FORM 216 AND 216A** - Application and permit for the manipulation, manufacture, exhibition, or destruction of foreign trade zone merchandise and Customs Officer's return.

## DEFINITION OF TERMS

### CONCLUSION - HOLIDAYS

Those legal holidays during which the Grantee is closed for regular business:

New Year's Day	1st of January
Martin Luther King, Jr. Day	15th of January
President's Day	3rd Monday of February
Memorial Day	Last Monday in May
Independence Day	4th of July
Labor Day	1st Monday of September
Veteran's Day	2nd Monday in November
Thanksgiving Day	4th Thursday in November
Day Following Thanksgiving	4th Friday in November
Christmas Day	25th of December

Holidays falling on Saturday shall be observed on Friday.

Holidays falling on Sunday shall be observed on Monday.

Holidays subject to change.

## DEFINITION PRIVILEGES OF FOREIGN TRADE ZONES

Under Section 400, Paragraph 101, Regulations governing the establishment, operation, maintenance and administration of Foreign Trade Zones in the United States, the term "Zone: means a "foreign trade zone". It is an isolated, enclosed and policed area, operated as a public utility in or adjacent to a port of entry, furnished with facilities for lading, unloading, handling, storing, manipulating, manufacturing, and exhibiting goods, and for reshipping them by land, water or air. Any foreign and domestic merchandise, except such as is prohibited by law or such as the Board may order to be excluded as detrimental to the public interest, health or safety, may be brought into a Zone without being subject to the Customs laws of the United States governing the entry of goods or the payment of duty thereon; and such merchandise permitted in a Zone may be stored, exhibited, manufactured, mixed or manipulated in any manner, except as provided in the Act and other applicable laws or regulations. The merchandise may be exported, destroyed or sent into Customs territory from the Zone, in the original package or otherwise. It is subject to Customs duties if sent into Customs territory, but not if reshipped to foreign points.

Section 3 of the Act, Public Law 397, 73rd Congress, approved June 18, 1934, as amended by Public Law 566, 81st Congress, approved June 17, 1950, authorizes the following privileges:

"Foreign and domestic merchandise of every description except such as is prohibited by law, may without being subject to the Customs laws of the United States, except as otherwise provided in this Act, be brought into a Zone and may be stored, sold, exhibited, broken up, repackaged, assembled, distributed, sorted, graded, cleaned, mixed with foreign or domestic merchandise, or otherwise manipulated, or be processed or manufactured except as otherwise provided in this Act, and be exported, destroyed, or sent into customs territory of the United States therefrom, in the original package or otherwise but when foreign merchandise is so sent from a Zone into Customs territory of the United States it shall be subject to the laws and regulations of the United States affecting imported merchandise;"

## DEFINITION PRIVILEGES OF FOREIGN TRADE ZONES

“Provided, that whenever the privilege shall be requested and there has been no manipulation or manufacture effecting a change in tariff classification, the collector of Customs shall take under supervision any lot or part of a lot of duties liquidated thereon. Merchandise so taken under supervision may be stored, manipulated or manufactured under the supervision and regulations prescribed by the Secretary of the Treasury, and whether mixed or manufactured with domestic merchandise or not may, under regulations prescribed by the Secretary of the Treasury, be exported or destroyed, or may be sent into Customs territory upon the payment of such liquidated duties and determined taxes thereon. If merchandise so taken under supervision has been manipulated or manufactured, such duties and taxes shall be payable on the quantity of such foreign merchandise used in the manipulation or manufacture of the entered article. Allowance shall be made for recoverable and irrecoverable waste; and if recoverable waste is sent into Customs territory, it shall be dutiable and taxable in its’ condition and quantity and at its’ weight at the time of entry. Where two or more products result from the manipulation or manufacture of merchandise in a Zone the liquidated duties and determined taxes shall be distributed to the several products in accordance with their relative value at the time of separation with due allowance for waste as provided for above.”

“Provided further, that subject to such regulations respecting identity and the safeguarding of the revenue as the Secretary of the treasury may deem necessary, articles, the growth, products or manufacture of the United States, on which all internal-revenue taxes have been paid, or which have been admitted free of duty and tax, may be taken into a Zone from the Customs territory of the United States, placed under the supervision of the collector, and whether or not they have been combined with or made part, while in such a Zone, of other articles, may be brought back thereto free of quotas, duty or tax.,”

“Provided further, that if in the opinion of the Secretary of the Treasury their identity has been lost, such articles not entitled to free entry by reason of noncompliance with the requirements made hereunder by the Secretary of the Treasury shall be treated when they re-enter Customs territory of the United States as foreign merchandise under the provisions of the Tariff and Internal-Revenue laws in force at that time.”

## DEFINITION PRIVILEGES OF FOREIGN TRADE ZONES

“Provided further, that under the rules and regulations of the controlling Federal agencies, articles which have been taken into a Zone from customs territory for the sole purpose of exportation, destruction (except destruction of distilled spirits, wines, and fermented malt liquors), storage shall be considered to be exported for the purpose of:

“(a) The draw-back, warehousing, and bonding, or any other provisions of the Tariff Act of 1930, as amended, and the regulations thereunder,” and

“(b) The statutes and bonds exacted for the payment of draw-back, refund, or exemption from liability for Internal-Revenue taxes and for the purposes of the Internal-Revenue laws generally and the regulations thereunder.”

“Such a transfer may also be considered an exportation for the purposes of other Federal laws insofar as Federal agencies charged with the enforcement of those laws deem it advisable. Such articles may not be returned to Customs territory for domestic consumption except where the Foreign Trade Zones Board deem such return to be in the public interest in which event the article shall be subject to the provisions of paragraph 1615(F) of the Tariff Act of 1930, as amended;”

“Provided further, that no operation involving any foreign or domestic merchandise brought into the Zone which operation would be subject to any provision or provisions of Section 1807, Chapter 15, Chapter 17, Chapter 21, Chapter 23, Chapter 24, Chapter 25, Chapter 26 or Chapter 32 of the Internal Revenue Code if performed in Customs territory, or involving the manufacture of any article provided for in Paragraph 367 or Paragraph 368 of the tariff Act of 1930, shall be permitted in a Zone except those operations (other than rectification of distilled spirits and wines, or manufacture of production of alcoholic products unfit for beverage purposes) which were permissible under this Act prior to July 1, 1949.;

Provided further, that articles produced or manufactured in a Zone and exported therefrom shall be subsequent importation into the Customs territory of the United States be subject to the import laws applicable to like articles manufactured in a foreign country, except that articles produced or manufactured in a Zone exclusively with the use of domestic merchandise, the identity of which has been maintained in accordance with the second provision of this section, may on such importation, be entered as American goods returned.”

## APPLICATION OF TARIFF

**ZONE TO BE PUBLICLY REGULATED** - All rates and charges for all services or privileges within the Zone shall be fair and reasonable, and the Grantee and Operator shall afford to all who may apply for the use of the Zone and its' facilities and appurtenances uniform treatment under like conditions, subject to such treaties or commercial conventions as are now in force or may hereafter be made from time to time by the United States with foreign governments. (15 CFR, Chapter IV, Part 400, Section 1003a).

**APPLICATION OF FOREIGN-TRADE ZONE NO. 216 TARIFF** - The rules, regulations and rates of this tariff shall apply at Foreign Trade Zone # 216, it's sub-zones and annexes unless otherwise provided for.

**GENERAL REGULATIONS** - Foreign Trade Zone # 216 is regulated by the Foreign Trade Zone Board, Washington, DC, under U.S. Code of Federal Regulations, Chapter IV, Part 400. Copies of these regulations are maintained at the Foreign Trade Zone # 216 office for reference.

**UNITED STATES CUSTOMS REGULATIONS** - Foreign Trade Zone # 216 is subject to special Customs regulations as defined in U.S. code of Federal Regulations, Chapter 1, U.S. Customs, Part 146 - Foreign Trade Zones. Copies of these regulations are maintained at the office of Foreign Trade Zone # 216, for reference.

**APPLICATION AND INTERPRETATION OF TARIFF** - The Grantee shall (be the sole judge to) interpret and determine the applicability of any of the rates, rules and regulations or services provided for in this Tariff. However, any matter involving interpretation or action by U.S. Customs or other agency of the U.S. Government will be determined by the Port Director of Customs or his duly appointed representative.

## SECTION 1 - OPERATION OF ZONE

**OPERATIONS, FORMS AND PROCEDURES - GENERAL** - The merchandise and operations permitted in a Zone, the disposition of merchandise in a Zone, the Zone status of the merchandise and special provisions applicable to each status, the subsequent export-importation of merchandise removed from a Zone, and other operations in a Zone authorized by the Act, are herein-after in this Section generally described.

**MERCHANDISE PERMITTED IN A ZONE** - Foreign and domestic merchandise of every description, except such as is specifically prohibited by law, may without being subject to the Customs laws of the United States, except as otherwise provided in the Act and the regulations made thereunder, be brought into a zone.

(a) Merchandise which is specifically and absolutely prohibited by law shall not be admitted into a Zone. Any merchandise so prohibited by law which is found within a Zone shall be disposed of in the manner provided for in laws and regulations applicable to such merchandise. A distinction is made between (1A) merchandise which is specifically and absolutely prohibited by law on the grounds of policy and morals, such as immoral or subversive literature, obscene articles, or lottery matter, and (2) merchandise which is subject to conditional prohibition only, for example, articles which are subject to permits or licenses for the protection of economic or national security or which may be reconditioned to bring them into compliance with the laws administered by various Federal agencies. Port Directors of Customs are required to exclude the first class of articles and may not permit them to be transferred to a Zone if they are aware of their prohibited status, except that the Port Director may permit the temporary deposit of any such merchandise in the Zone pending final determination of its status. The transfer of articles of the second class to a Zone is subject to any requirements of the Federal agency concerned. There is no prohibition against placing over-quota merchandise in a Zone pending its' right to transfer to Customs territory pursuant to the applicable quota provisions.

(b) The application for the admission of merchandise into a Zone shall be approved or disapproved by the Port Director as the representative of the Board, where the merchandise is not excluded by any other Federal agency having jurisdiction over the merchandise.

## SECTION 1 - OPERATION OF ZONE

**MERCHANDISE PROHIBITED BY BOARD - GOLD** - All gold, except fabricated, is prohibited by special order of the Foreign Trade Zone Board.

**DISPOSITION OF MERCHANDISE IN A ZONE** - In general, merchandise lawfully brought into a Zone may, in accordance with these and other regulations made under the provisions of the Act, be exported, destroyed, or sent into Customs territory of the United States therefore, in the original package or otherwise; but when foreign merchandise, and domestic merchandise whose identity has been lost, is so sent from a Zone into Customs territory of the United States it shall be subject to the laws and regulations of the United States affecting imported merchandise.

**MANIPULATION, MANUFACTURE, EXHIBITION OF MERCHANDISE** - In general, merchandise lawfully brought into a Zone may, in accordance with these and other regulations made under the provisions of the Act, be stored, sold exhibited, broken up, repackaged, assembled, distributed, sorted, graded, cleaned, mixed with foreign and domestic merchandise, or otherwise provided by the Act.

(a) Permission for any manipulation, or exhibition in a Zone shall be obtained from the Port Director of Customs, as the representatives of the Board, subject to such application and procedure prescribed by the Secretary of the Treasury for the protection of the revenue.

(b) In the event of the denial of any application by the Port Director of Customs for any reason, the applicant, the Grantee, or the Operator of the Zone may appeal the adverse ruling of the Board. If any revenue protection considerations are involved in such an application, the Board shall be guided by the determinations of the Secretary of the Treasury with respect to them.

**RESIDENCE WITHIN ZONE** - No person shall be allowed to reside within a Zone except Federal, State, or Municipal officers or agents whose resident presence is deemed necessary by the Board.

## SECTION 1 - OPERATION OF ZONE

**STATUS OF MERCHANDISE IN A ZONE** - (a) For the purpose of the Act and the regulations of this Section, all merchandise within a Zone except merchandise in transit through a Zone as provided in Sections 146.14 and 146.13 of Customs regulations, and except merchandise temporarily transferred to a Zone for manipulation as provided in paragraph (b) of this Section, shall be given a Zone Status as:

- (1) privileged foreign merchandise,
- (2) non-privileged foreign merchandise,
- (3) zone-restricted merchandise,
- (4) domestic merchandise,

In accordance with Subpart C of Customs regulations

(b) Imported merchandise which has been entered and which has remained in continuous Customs custody may be temporarily transferred to a Zone for manipulation under Customs supervision pursuant to Section 562, Tariff Act of 1930, as amended, and for return to Customs territory. Any such merchandise shall not be considered within the purview of the Foreign Trade Zone Act, but shall be treated in all respects all through remaining in Customs territory. Therefore, no Zone form or procedure shall be considered applicable but the merchandise shall remain subject in the Zone to such requirements as are necessary for the enforcement of Section 562 and other pertinent Customs laws.

**USE OF ZONE BY CARRIERS** - The docking facilities, and loading or unloading stations of a Zone are intended primarily for the use of vehicles, for unloading merchandise into the Zone or loading merchandise from the Zone, and their use for other purposes may be terminated by the Secretary of the Treasury if found to endanger the revenue, or by the Board if found to interfere with the primarily uses of the Zone.

## **SECTION 1 - OPERATION OF ZONE**

**SUBSEQUENT IMPORTATION OF ZONE MERCHANDISE** - Articles produced, processed or manufactured in a Zone and exported therefrom shall on subsequent importation into the Customs territory of the United States, be subject to the import laws applicable to like articles manufactured in a foreign country, except that articles produced, processed or manufactured in a Zone exclusively with the use of domestic merchandise, the identity of which has been maintained in accordance with the Second Proviso of Section 3 of the Act, as amended may, on such importation, be entered as American goods returned.

**EXCLUSION FROM ZONE OF GOODS OR PROCESS OF TREATMENT** - When it shall be reported to the Board that any goods or process of treatment is detrimental to the public interest, health or safety, the Board shall cause such investigation to be made as it may deem necessary. The Board may order the exclusion from the Zone of any goods or process of treatment that in its' judgment is detrimental to the public interest, health, or safety.

**RETAIL TRADE WITHIN ZONE** - No retail trade shall be conducted within a Zone except under permits issued by the Grantee and approved by the Board. Such permittees shall sell no goods except such domestic or duty-paid or duty-free goods as are brought into the Zone from Customs territory. Permits which are sent to the Board for approval shall be accompanied by sworn statement subscribed to by the applicant before a duly authorized officer to administer oaths setting forth in detail the nature of the retail trade to be conducted, and containing an agreement that such applicant will sell no goods except the kinds specifically authorized by the Act, which are brought into the Zone from Customs territory. No goods shall be offered for sale or sold in a Zone, which are not of the same kind, and quality permitted to be offered for sale or sold in the political jurisdiction in which the Zone is located. If the permittee violates any provision of the regulations of this Section, his permit shall be revoked by the Grantee, who shall immediately report such action to the Board.

## SECTION 1 - OPERATION OF ZONE

**PAYMENT OF CUSTOMS OFFICERS AND EMPLOYEES** - (a) The cost of maintaining the Customs service for a Zone shall be paid monthly by the operator of such Zone to the Port Director of Customs and billed on a pro-rata basis to each Zone user.

(b) Customs officers and employees performing services in a Zone at night, or on Sunday and holidays, shall receive extra compensation, to be computed as and under the conditions prescribed by Customs regulations and such charges shall in turn be billed to Zone user for which charges were incurred.

(c) In a Zone at a where customary working hours are other than those herein mentioned, the Port Director of Customs is authorized to regulate the hours of Customs officers and employees assigned to the Zone so as to agree with prevailing working hours, but nothing herein shall be construed in any manner to affect or alter the length of a working day for Customs officer or employees, or the overtime pay.

(d) Overtime or shift work requested set up by Zone user, resulting in additional Customs costs, shall be billed by the Operator to the requesting user for reimbursement of cost.

(e) The costs of operating and maintaining the computerized AICS (Alternative Inventory Control System) shall be paid by the Zone operator. A pro-rata portion of the cost for maintaining the AICS will be billed to each Zone user/client with rates subject to approval by the Grantee.

**CHARGES BY OTHER GOVERNMENT AGENCIES** - Charges made by government agencies that are not included in this Tariff should be arranged for and paid by the user/client that requires and uses such services.

**PAYMENT OF ZONE PERSONNEL** - Overtime or shift work requested by an Operator, resulting in overtime services of Zone Grantee or Administrator (excluding normal security personnel) shall be billed to the Operator for reimbursement of cost.

## SECTION 1 - OPERATION OF ZONE

**HOURS OF BUSINESS AND SERVICE** - The Grantee's and Administrator's hours of business and service, for Customs purposes, shall be the same as those prescribed in Customs regulations.

The Grantee and Administrator shall be available for business activities on a 24-hour basis. Regular or normal business hours shall be between the hours of 8:00am and 5:00pm, Monday through Friday. Hours requested by Operator / User outside of these regular hours shall be subject to additional fees.

The Zone may be opened at other times, on an irregular or regular basis, upon application and with approval of the Grantee, Administrator and Customs officials.

Customs service will not normally be available during the period of 12:00 noon to 1:00pm.

## SECTION 2 - GENERAL RULES AND REGULATIONS

**ZONE REGULATIONS** - The following rules governing procedures within the Foreign Trade Zone are in conformity with and supplementary to the Foreign Trade Zone Board's regulations and such of the United States laws and regulations relating to the Port of Entry as are applicable.

**GENERAL REGULATIONS** - All persons and merchandise of every description entering or leaving the Zone for any purpose whatsoever shall be bound by the lawful regulations of the Foreign Trade Zones Board and by the regulations issued thereunder.

**GOVERNMENT AGENCIES** - All lawful regulations regarding government agencies in or about ports of entry must be complied with insofar as they are not in conflict with Public Law 397 of the 73rd Congress and the regulations issued thereunder.

**COMPENSATION INSURANCE** - Every person employed by contractors or Customs in the Zone shall be properly covered by Workmen's Compensation Insurance. Proof of this shall be furnished before and work may be started or release of liability must be given to the Zone.

**PUBLIC INTEREST, HEALTH AND SAFETY** - No operation or process of treatment will be permitted in the Zone that, in the judgment of the Grantee, is detrimental to the public interest, health and safety.

**CONFIDENTIAL RELATIONSHIP** - The Grantee and Administrator will take precaution to avoid the divulging of confidential information regarding merchandise and services thereon performed in the Zone. Any Zone employee violating his confidential relationship will be suitably disciplined or discharged.

## **SECTION 2 - GENERAL RULES AND REGULATIONS**

### **ADMITTANCE OF PERSONS.**

**EMPLOYEES AND PERSONS ENTERING AND LEAVING ZONE** - Employees and other persons entering or leaving the Zone site shall only use the designated entrance(s). Anyone entering or leaving the Zone may be subject to physical examination as the Port Director of U.S. Customs deems necessary, or at the request of the Grantee. Anyone entering the Zone for whatever reason shall adhere to the Foreign Trade Zone Board regulations Customs regulations and the rules and regulations issued by the Grantee, Administrator or Operator of the Zone.

**WHEN CHARGES ARE PAYABLE** - Zone charges are due and payable as they accrue.

**MERCHANDISE HELD FOR CHARGES** - The Administrator and Operator reserves the right to withhold permission to withdraw merchandise from the Zone for users with unpaid charges for Zone use.

**ENFORCEMENT OF CHARGES** - For the purpose of enforcing the payment of charges named in this schedule on merchandise handled over, or manipulated on the Zone facilities, the Zone may take possession of such merchandise, and may remove and store same at the charge, risk and expense of the owner or consignee thereof and/or may sell the goods by public auction, and/or such other remedies as may be provided by law.

**SPECIAL SERVICES** - Users of Zone facilities requiring special or additional services not being regularly furnished to all users of Zone must request same in writing to Grantee, who shall clear the possibility of furnishing such services with Customs and consider cost thereof for account of user. If service is established, it will be made available under similar circumstances to all users on the same basis.

The cost of Customs personnel for Customs services at special purpose Sub-Zone that may, from time to time, be authorized shall be subject to the prior arrangement of cost between the Grantee and user of special purpose Sub-Zone.

## SECTION 2 - GENERAL RULES AND REGULATIONS

**INSURANCE** - Insurance must be carried by Operator on its' own property only and does not include insurance on the contents stored therein. Lessee is obligated to put nothing within the Zone which will cause the cancellation or forfeiture of the insurance or affect the premium rate thereof on the building or buildings of which the leased premises forms a part. Insurance on commodities or other property stored on the leased premises, if desired, must be carried by and at the expense of Lessee or Owner of the commodities or other properties. Merchandise stored, manipulated or transferred within the Zone is not insured by the Grantee or Administrator and the Zone Tariff rates do not include insurance on merchandise.

**LIMIT OF LIABILITY** - Neither the Grantee, Administrator or Operator will be responsible for loss or damage caused by fire, explosion, heat, dampness, leakage, the elements, evaporation, natural shrinkage, wastage, or decay, animals, rats, mice or other rodents, moths, weevil or other insects, leakage or discharge from fire protection systems, collapse of building structures, breakdown of plant machinery or equipment, Acts of God, the Public Enemy, the inherent nature of the merchandise itself nor will it be answerable for any loss, damage, or delay arising from the insufficient notifications, nor from war, insurrection, shortage of labor, combinations, riots or strikes of any persons in its employee or in the service of others or from any consequences arising therefrom.

In performing the service of checking, neither the Grantee, Administrator or Operator will accept responsibility for concealed damage or for the condition of contents of packages, cases or other containers, whether or not receipts issued to state.

Neither the Grantee, Administrator or Operator will be responsible for any loss or damage arising from or occasioned by any misunderstanding or orders or instructions received or taken by telephone from the Zone users.

All liability for duties, taxes or penalties due any agency of the United States Government and arising from the utilization of Zone premises shall be borne by the Zone user, including any duty, taxes or penalties on merchandise which is pilfered, lost, damaged or otherwise not accounted for to the satisfaction of the Customs service, for which the Zone user may be liable.

### **SECTION 3 - SPECIAL RULES PERTAINING TO MERCHANDISE**

**ZONE ACCOMMODATIONS** - Before merchandise may be entered into the Zone, applications in Zone Customs Form 214 must be completed by Zone user or his agent, filed and approved by the Zone Operator and with the authorized Customs personnel. The application shall describe the merchandise fully, in terms of the Marmonized Tariff Schedule and be Accompanied by all supporting documents as required by Customs Form 214.

**PERMISSION TO MANIPULATE, MANUFACTURE AND PROCESS** - Before merchandise may be manipulated within the Zone, application on Customs Form 216 must be presented to the Operator for concurrence. The Operator will then forward the application to the Port Director of Customs. On approval by the Port Director, the contemplated manipulation will then be permitted.

**TENDER FOR ACCEPTANCE** - All merchandise for Zone acceptance shall be delivered at designated points properly marked and packed and accompanied or preceded by the necessary documents for preserving the identity of such merchandise.

**CLEARING MERCHANDISE AND TRAFFIC** - Merchandise, land carriers and other users of the Zone, both incoming and outgoing must obtain clearance from the zone Operator.

**CUSTOMS BOND** - The Operator maintains, for Customs purposes, a Customs Bond (301) as a guarantee for the payment from the Zone of all duties and taxes on such merchandise as may be removed from the Zone without a proper Customs permit or otherwise missing from the Zone.

**CUSTOMS PERMIT** - Merchandise will not be delivered to or through Customs territory unless a delivery order is accompanied by Customs permit.

**MARKING** - All merchandise handled in the Zone, before entry to Customs territory, must be truly marked in accordance with Customs regulations as to the country of origin and in accordance with all other Government regulations, and no merchandise will be permitted to leave the Zone for any purpose that carries any false or misleading label or mark. When repackaged or labeled in the Zone the goods should, when possible, be marked to indicate the fact.

### **SECTION 3 - SPECIAL RULES PERTAINING TO MERCHANDISE**

**TRUCKING AND LIGHTERAGE** - Transfer of foreign merchandise between Customs territory and the Zone must be made by Customs bonded trucks or other carriers and subject to Customs regulations. Likewise, transfers of foreign non-privileged merchandise to or through Customs territory must be made by Customs bonded trucks or other carriers and subject to Customs regulations.

**CUSTOMS INSPECTION OF MERCHANDISE WHILE IN ZONE** - The Operator, consignee or zone user/client, or his agent, shall at all times be immediately available to make the merchandise subject to inspection required by the United States Customs Service and shall have the sole responsibility of opening crates and packages, handling the merchandise and securing the crates and packages following the inspection. In the event that the Operator, consignee or his agent is not immediately available for the inspections, then the Grantee shall be authorized to open such packages for the Customs Service and shall not be liable for any loss or damage for any reason whatsoever to the goods.

#### SECTION 4 - GRANTEE FEES

<b>APPLICATION FEE :</b>	Boundary Modification - minor	\$2500.00
	Boundary Modification - major	\$5000.00
	Manufacturing / Processing	\$2500.00
	Sub-Zones	\$5000.00

**NOTE: Fees due at time of submission to FTZ Board.**

<b>ACTIVATION FEE :</b>	All Sites	\$2500.00
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**NOTE: Fees due upon submission of application to US Customs.**

<b>DEACTIVATION FEE :</b>	All Sites	\$2500.00
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**NOTE: Fees due at time of request of deactivation.**

<b>ANNUAL ADMINISTRATION FEE :</b>	General-Purpose Site	\$2500.00
	Sub-Zone	\$5000.00

**NOTE: Fees invoiced to activated sites at the first of each calendar year.**

## **SECTION V - SERVICE AND RENTAL RATES (SITE SPECIFIC)**