

IMPORTANT INFORMATION ABOUT ZONE SCHEDULES

This zone schedule is being made available pursuant to 15 CFR 400.44(e), which states: “The Board shall make copies of zone schedules available on its Web site.”

Availability of this zone schedule on the FTZ Board’s website does not imply that the FTZ Board has approved any rate/charge, policy or other content of this zone schedule. In particular, while the FTZ Board staff intends to conduct spot checks over time, zone schedules are not reviewed for compliance with the public utility requirement (19 U.S.C. 81n, 15 CFR 400.42) prior to making the zone schedules available via the Board’s website.

Pursuant to 15 CFR 400.44(b)(4), a grantee may not assess any specific rate or charge for which the amount – or formula for calculating the amount – does not appear in the zone schedule that the grantee has submitted to the FTZ Board.

Complaints about a grantee’s compliance with statutory and regulatory requirements related to public utility and uniform treatment – including rate or charge amounts/formulas, a grantee assessing a rate or charge amount/formula that does not appear in its zone schedule, and a grantee not affording uniform treatment under like conditions – may be presented to the FTZ Board under 15 CFR 400.45 (which also allows for complaints to be made on a confidential basis, if necessary).

Questions or concerns may be addressed to the FTZ Board staff at (202) 482-2862 or ftz@trade.gov.

FOREIGN-TRADE ZONE NO. 241

ZONE SCHEDULE

~~March 31, 2014~~

April 5, 2022

CHARGES, RATES, RULES, AND REGULATIONS

APPLICABLE AT

FOREIGN-TRADE ZONE NO. 241

**Operating Under Grant of Authority
from the
United States Foreign-Trade Zones Board
to the
City of Fort Lauderdale, Florida**

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APPLICATION OF RATES, RULES, AND REGULATIONS

The rates, rules and regulations published in this schedule will apply to all Operators of Zone sites or Subzones under the jurisdiction of Foreign-Trade Zone No. 241. Except as otherwise provided in this schedule, all general rates, rules, and regulations will apply as published.

I. Foreign-Trade Zone No. 241 Administration Directory

GRANTEE: City of Fort Lauderdale, Florida

ADMINISTRATOR: ~~Ms. Karen Reese~~ Fort Lauderdale Executive Airport (FXE)
6000 N.W. 21st Avenue
Fort Lauderdale, FL 33309
(954) 828-4901

Site 1: Fort Lauderdale Executive Airport Complex
West Commercial Boulevard and NW 21st Avenue
Fort Lauderdale, FL 33311

Foreign Trade Zone No.241 is sponsored by the City of Fort Lauderdale pursuant to a grant issued by the U.S. Foreign-Trade Zones Board on April 6, 2000, Board Order No. 1081. The Zone is comprised of sites designated in the records of the Foreign-Trade Zones Board.

Site 2: CenterPort Industrial Park
NW 8th Avenue
Fort Lauderdale, FL 33311

Site 4: Meridian Business Park
3355 Enterprise Avenue
Weston, FL 33331

Site 5: Wartsila North America, Inc.
2900 S.W. 42nd St.
Fort Lauderdale, FL 33311

Site 6: Corropack Containers Corporation "Pending Activation"
500 Shotgun Road
Sunrise, FL 33326

U.S. CUSTOMS AND BORDER PROTECTION:

~~Jorge Roig~~
Port Director
1800 Eller Drive, Suite 104
Fort Lauderdale, FL 33316
(954) 761-2000

II. Overview of Foreign-Trade Zone No. 241 and this Zone Schedule

Purpose of Foreign-Trade Zone No. 241 and this Zone Schedule

The Foreign-Trade Zones Board granted Foreign-Trade Zone No. 241 to the City of Fort Lauderdale, Florida (the City), on April 6, 2000, Board Order No. 1081. Foreign-Trade Zone No. 241 reorganized under the Alternative Site Framework on April 30, 2013.

This Zone Schedule is issued by The City of Fort Lauderdale (Grantee) in compliance with the U.S. Foreign-Trade Zones Board regulations. This Zone Schedule sets forth the operational structure of Foreign-Trade Zone No. 241 and the regulations and charges associated with active Zone operations. The Grantee's goal is to promote economic development throughout the greater Fort Lauderdale area. The City's area represents the Foreign-Trade Zone's service area. As an extension of the City, the FTZ has been developed to affect the following objectives:

1. Diversify the economy of the Greater Fort Lauderdale area.
2. Provide enhanced job opportunities for the citizens of the Greater Fort Lauderdale area.
3. Provide a relocation incentive for companies involved in international trade, which, if successful, would bring investment, jobs and commerce to the Greater Fort Lauderdale area.

Taking Advantage of the Benefits of Foreign-Trade Zone No. 241

~~Currently approved Zone sites are listed in Section IV of this Zone Schedule.~~ The Zone can be expanded or modified to accommodate interested Zone site Operators and/or importers and exporters located throughout the region, as explained in Section ~~VII~~^{VI}. The actual procedure involved in expanding or modifying the Zone is included as an appendix to this Zone Schedule.

There are two ways to take advantage of Foreign-Trade Zone No. 241. A company can have its products handled by a Zone Operator, who can store and manipulate the products duty-free in the Zone, or a company can itself become a Zone Operator at one of the existing Zone sites or another site if none of the existing Zone sites are suitable.

The Grantee charges Zone Operators for the privilege of operating a Zone site. Uniform charges are set forth in Section ~~X~~^{IX}. Other charges and costs associated with the operation of a Zone site are also the responsibility of the Zone Operator for that Zone site.

Additional Information Concerning Foreign-Trade Zone No. 241

Additional general information concerning the operation of Zone sites and general recordkeeping requirements is contained in the other sections of this Zone Schedule. Obligations and responsibilities of Zone Operators are also specifically outlined in the Operations Agreement, which must be executed by every Zone Operator prior to activating a Zone site with CBP.

III. Principal Benefits Provided by Foreign-Trade Zone No. 241

Re-exports: Merchandise which is imported into the U.S. for admission into Foreign-Trade Zone No. 241 and later re-exported from the Zone is never assessed any CBP duties.

Reject, Scrap, and “Consumed” Merchandise: Imported merchandise which is admitted into a Zone and then rejected, scrapped, or consumed in the Zone is not assessed any CBP duties. Duties are reduced significantly for all merchandise, which is scrapped through a manufacturing operation in a Foreign-Trade Zone and then sold from the Zone as commercial scrap material.

Zone-to-Zone Transfers: Imported merchandise which is admitted into the Zone and then shipped to another U.S. Foreign-Trade Zone can be shipped duty-free to the receiving Zone with the receiving Zone’s concurrence. As duty-free transfers, Zone-to-Zone shipments allow both the shipping Zone and the receiving Zone to reduce their duty exposure. Duties are eliminated completely on imported components which are transshipped through several Zones and eventually re-exported.

Duty Deferral: While duties are eventually assessed on imported merchandise shipped to U.S. locations from the Zone, these duties are deferred while the merchandise remains in the Zone. The time that duty is paid is moved from the date of importation to the date of shipment from the Zone. The cost-of-money savings on duty deferral can be significant for large-volume distributors or operations with long inventory turnover periods.

Inverted Tariffs: When components are imported and admitted into a Foreign-Trade Zone they can be manufactured into a new product for re-export or sale in the U.S. In these cases, the importer may elect to apply the finished product duty rate or the component duty rate, whichever is lower. When the finished product rate is lower than the imported component rate, the importer can save the difference between the two rates.

Weekly Entry: This benefit was added to the Foreign-Trade Zone benefits stream in the year 2000 by the Trade and Development Act. This benefit allows the importer to file a consolidated entry to CBP instead of the regular “entry per Bill of Lading” that normally occurs in shipping. Huge economies of scale result can be obtained through weekly entry, by reducing the number of CBP entries, reducing the importer’s internal paperwork processing costs and reducing the total amount of fees paid to CBP for each entry. This fee reduction can result in \$200,000, \$300,000 and up to \$1 Million of savings annually for a large box, Distribution Center (DC) operator. The cost savings are so significant that the Foreign-Trade Zone program is now being used by 45 of the top 100 importers in the U.S.

Direct Delivery: This is a CBP procedure, only allowed in a Foreign-Trade Zone. This benefit gives the users/tenant the ability to “Sign for” CBP upon receipt of goods that normally have to go to another location for signature, before the goods can be delivered to the DC. With Direct Delivery, importers can eliminate 1-2 days of inbound time on their receipt of goods. This is being proved out every day by Huffy Bikes, Black and Decker, Skechers, and others importers who have announced publicly that they are receiving improved supply chain velocity within their Foreign-Trade Zone facility.

These are just the principal benefits of U.S. Foreign-Trade Zones. There are many other additional benefits provided by Foreign-Trade Zone No. 241, which are usually evaluated on a case-by-case basis. To discuss how your operation could benefit from Foreign-Trade Zone No. 241, call Ms. Karen Reese at the Fort Lauderdale Executive Airport at (954) 828-4970.⁰¹

~~IV. Site Descriptions for Foreign-Trade Zone No. 241~~

Foreign-Trade Zone No. 241 is sponsored by The City of Fort Lauderdale pursuant to a grant issued by the U.S. Foreign-Trade Zones Board on April 6, 2000, Board Order No. 1081. The Zone is comprised of five (5) sites designated in the records of the Foreign-Trade Zones Board: Relocated to Page 1-1

Site 1: Fort Lauderdale Executive Airport Complex
West Commercial Boulevard and NW 21st Avenue
Fort Lauderdale, FL 33311
Total acreage: 847 acres
Type of Site: Magnet
Sunset Date: N/A

Site 2: CenterPort Industrial park
NW 8th Avenue
Fort Lauderdale, FL 33311
Total acreage: 11 acres
Type of Site: Magnet
Sunset Date: 04/30/2018
Operator: Fairn & Swanson

Site 4: Meridian Business Park
3355 Enterprise Avenue
Weston, FL 33331
Total acreage: 8 acres
Type of Site: Magnet
Sunset Date: 04/30/2018

Site 5: Wartsila North America, Inc.
2900 S.W. 42nd St.
Fort Lauderdale, FL 33311
Total acreage: 7 acres
Type of Site: Usage-Driven
Sunset Date: 04/30/2016

Site 6: Corropack Containers Corporation
500 Shotgun Road
Sunrise, FL 33326
Total acreage: 4.2 acres
Type of Site: Usage-Driven
Sunset Date: 11/30/2016

V. Principal Governing Regulations and Agreements

Foreign-Trade Zones Act: Foreign-Trade Zone No. 241 is governed by the Foreign-Trade Zones Act, 19 United States Code 81a-81u as amended. Copies of the Act are maintained at the office of Foreign-Trade Zone No. 241.

Foreign-Trade Zones Board Regulations: Foreign-Trade Zone No. 241 is regulated by the Foreign-Trade Zones Board, Washington, D.C., under U.S. Code of Federal Regulations, Title 15, Part 400, as amended. ~~Copies of these regulations are maintained at the office of Foreign-Trade Zone No. 241 for reference.~~
Information regarding the regulations are available on the Foreign-Trade Zones Board website www.trade.gov/ftz.

CBP Service Regulations: Foreign-Trade Zone No. 241 is subject to the regulations of the CBP Service under U.S. Code of Federal Regulations, Title 19, part 146, as amended. ~~Copies of these regulations are maintained at the office of Foreign-Trade Zone No. 241 for reference.~~ Information regarding the regulations are available on the Foreign-Trade Zones Board website www.trade.gov/ftz.

FTZ No. 241 Zone Schedule: All corporations, partnerships, and persons operating within activated Zone space are subject to this Schedule. The Foreign-Trade Zone Grantee will be the sole judge to interpret and determine the applicability of any of the rates, rules, regulations, or services provided for in this Schedule. However, any matter involving interpretation of action by CBP or other agency of the U.S. Government will be determined by the Port Director of CBP as the resident representative of the Foreign-Trade Zones Board. One copy of this Schedule will be provided to each Operator. Updates will be provided as revisions occur. Additional copies of this Schedule are maintained at the office of Foreign-Trade Zone No. 241 for reference.

Foreign-Trade Zone Operator Agreement: Every corporation, partnership, and person seeking to operate a Zone site (including a Subzone) within Foreign-Trade Zone No. 241, must enter into an Operator Agreement with The City of Fort Lauderdale as Grantee. Copies of the Standard Operating Agreement are maintained at the office of Foreign-Trade Zone No. 241 for reference. If any conflict with this Schedule and any Operating Agreement occurs, the Operating Agreement will prevail.

Foreign-Trade Zone Developer Agreement: Every corporation, partnership, and person seeking to develop a General Purpose Magnet Site within Foreign-Trade Zone No. 241, must enter into a Developer Agreement with The City of Fort Lauderdale as Grantee. Copies of the Standard Developer Agreement are maintained at the office of Foreign-Trade Zone No. 241 for reference. If any conflict with this Schedule and any Developer Agreement occur, the Developer Agreement will prevail.

V.

VI. General Rules and Regulations

Availability of Zone: All rates and charges for all services and privileges within the Zone shall be fair and reasonable, and the Grantee shall afford to all who may apply for the use of the Zone and its facilities 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.

All Zone services and facilities shall be administered fairly and reasonable. In addition, the availability of all said services and facilities is subject to the physical limitations of Foreign-Trade Zone No. 241, with said services and facilities available on a “first-come, first-served” basis. No Zone participant is required to use any specific consultant, software system or other service provider in FTZ No. 241.

Merchandise Permitted in Zone: Foreign and domestic merchandise of every description, except such as is specifically prohibited by law, may, without being subject to the CBP laws of the United States except as otherwise provided in the Act and the regulations made thereunder, be brought into a Zone.

Merchandise which is specifically 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.

Activities Permitted in Zone: 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, repacked, assembled, distributed, sorted, graded, cleaned, mixed with foreign and domestic merchandise, or otherwise manipulated or be manufactured into new articles of commerce. **Only production (manufacturing and/or processing) activity approved by the FTZ Board may be performed in the Zone or Subzone(s).** See Section **IX** **“Activities permitted in a Zone.”**

Security and Safety Requirements in the Zone: All Foreign-Trade Zone sites, in order to be approved for their initial activation by CBP, must meet certain security and safety requirements. These requirements may include, but are not limited to: locking warehouse doors, adequate fencing (if necessary), personnel screening, proper lighting in warehouses, absence of debris or other safety hazards, etc. Each Zone site will be considered separately to determine what CBP may require to protect the revenue of the United States, based on the specific conditions of each Zone site, e.g., value of goods, size, chances of theft occurring, etc.

After a Zone site has been activated, all security and safety measures required to achieve the initial activation must be maintained at all times. Spot checks may be conducted by CBP and the Grantee and liquidated damages or notices may be assessed if these requirements are found to be insufficiently met in any way.

No operation or process of treatment will be permitted in the Zone that, in the judgment of the Foreign-Trade Zones Board, CBP, or the Grantee is detrimental to the public interest, health and safety.

Cost of special security devices and other requirements will be the responsibility of Operator.

Inventory Control and Recordkeeping Systems: All inventory control and recordkeeping systems employed by Operators within the Zone must meet the requirements of the CBP Service Regulations. Under the Regulations, each Operator maintains the inventory records. The CBP Service is relieved of the duty of actually keeping the records, but maintains assurance of the systems’ accuracy by selective examinations of merchandise, and spot checks and audits of

Zone facilities. Each system must be capable of producing the following required results:

- Producing accurate and timely reports and documents as required by the CBP Regulations.
- Accounting for all merchandise in their care, custody and control.
- Identifying shortages and overages of merchandise in the Zone in sufficient detail to determine the quantity, description, tariff classification, Zone status, and value of the missing or excess merchandise.
- Providing an audit trail to CBP forms, from admission through manipulation, manufacture, destruction or transfer of merchandise from the Zone by a CBP authorized inventory method.
- Providing all information necessary to make entry for merchandise being transferred to the CBP territory.

Hours of Business and Services: The Zone will be available for business activities on a 24-hour basis. Regular business hours will be between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday, except on holidays.

Holidays: The term “holiday” includes the following named days and every day proclaimed by the President of the U.S. or the Governor of the State of Florida to be a legal holiday:

New Year's Day	Labor Day
Martin Luther King's Birthday	Columbus Day
President's Day	Veteran's Day
Memorial Day	Thanksgiving Day
Independence Day	Day After Thanksgiving
	Christmas Day & Day Before or After

Use of Zone Facilities: Zone facilities will be used for the purposes of receipt, storage, handling, exhibition, manipulation, approved production/manufacturing, and related processing and shipment of foreign and domestic merchandise as considered necessary to the conduct of Operator's normal business. Operators will not use or permit the Zone to be used for any other purpose without the prior written consent of the Zone Grantee.

Proprietary Information: Proprietary information contained on CBP forms or in the inventory control and recordkeeping systems of Operators will not be disclosed to unauthorized persons. The CBP Regulations provide for liquidated damages for unauthorized disclosure of proprietary information.

Residence within Zone: No person will be allowed to reside within a Zone except Federal, State, or Municipal officers or agents whose resident presence is deemed necessary by the Foreign-Trade Zones Board.

Insurance: Insurance is carried by the Zone Operator on its own property and merchandise at the expense of the Operator. Merchandise stored, manipulated, or transferred within the Zone is not insured by the Grantee, and the Zone tariff rates do not include insurance on merchandise.

Liability of Grantee: The City of Fort Lauderdale (Grantee) will not be liable and cannot assume any responsibility for any loss or damage to freight, cargo, or merchandise or other property within the Zone or for any loss or damage arising from acts of commission or omission of Operators.

Record Retention: The Operator is required to retain records for five (5) years after merchandise is removed from the Zone. Records must be readily available for CBP review at the Zone site(s).

CBP Inspection of Zone Merchandise: The Operator will make merchandise subject to CBP inspection immediately available to CBP at the Zone site or a location designated by CBP and will have the sole responsibility of opening crates and packages, handling the merchandise and securing the crates and packages following the inspection.

VII. Applications to the Foreign-Trade Zones Board

New Zone Sites

If a company is interested in taking advantage of the benefits of Foreign-Trade Zone No. 241 at a location other than the currently approved Sites ~~as listed in Section IV~~, the company may request that an Application be filed by the City of Fort Lauderdale as Grantee for another location.

Manufacturing Permits (Production Authority)

Any activity involving foreign merchandise which causes the merchandise to undergo a substantial transformation or a change in tariff rates or other activity which the FTZ Board considers “production” which leads to a change in CBP tariff classification while in the Zone must be approved in advance by the Foreign-Trade Zones Board. If a company is interested in conducting manufacturing, processing or assembly operations in the Zone, the company may request that an Application be filed by City of Fort Lauderdale to the Foreign-Trade Zones Board for approval of the contemplated operation.

The Grantee will work with the company interested in conducting the activity to determine if the activity is consistent with the criteria established by the Board for approval.

Types of Applications to the Foreign-Trade Zones Board under the ASF Format:

There are several types of Applications for new Zone Sites:

- Magnet Site
- Subzone (non-ASF Subzone)
- Minor Boundary Modification (Usage-Driven Site) and ASF Subzones
- Production Authority (Manufacturing)

Requests to the Board for manufacturing authority (Production Authority) can generally be made as part of an Application for a new Zone Site or they can be filed separately with the Board for a manufacturing permit at an existing Zone Site. Manufacturing requests to the Board are available for fast-track consideration.

Procedures for Filing Applications to the Foreign-Trade Zones Board

The Grantee will determine which type (or types) of Application(s) is appropriate to accommodate an interested Zone User.

VIII. Activation, Deactivation and Alteration of Zone Sites with CBP

Activation

The Grantee will provide a checklist of items necessary to assist the Operator toward Activation of the Zone site with CBP for commencement of Zone operation. The Grantee/Administrator recommends that an Operator retain a qualified consultant to assist in the management of the Activation process or bring such expertise in-house to properly plan for and implement the Activation and operation of the FTZ Site or Subzone. Here are the elements of the Activation request to CBP.

- 1) Procedures Manual establishing how the Zone site will be operated, in conformance with the Federal Regulations found at 19 CFR Part 146.
- 2) Statement of personal history in order to permit CBP to perform a background check. This form must be completed on principal officers and key employees who will be involved in the operation.
- 3) Request and obtain a letter of concurrence from the Zone Grantee.
- 4) If activity is for manufacturing, a description of the proposed manufacturing activity and a copy of the Foreign-Trade Zones Board approval of this activity.
- 5) Operator Agreement duly executed between the Operator and the Grantee, covering the Zone site for which Activation is sought.
- 6) A security inspection of the Zone site to ensure security systems are in place as listed in the Procedures Manual will be conducted by CBP.
- 7) FTZ Operator's Bond to CBP as specified by CBP prior to Activation.

Deactivation

An Operator may deactivate all or a portion of a Zone site by notifying the Grantee pursuant to the terms of the Operator Agreement between the Operator and the Grantee.

Alteration

An Operator may increase or decrease the amount of activated space within an authorized Zone site or Subzone by giving five working days advance written notice to the Grantee and to CBP and by applying for Alteration which includes a new layout diagram and a letter request for Alteration.

~~IX.~~^{VIII} Activity Permitted in Zone

Storage of merchandise: Merchandise may be stored for an unlimited period of time in the Zone. Merchandise controlled under a Zone lot system must be physically segregated and marked by lot and lot number. Merchandise controlled under a UIN system does not need to be segregated or marked.

Quota Controlled Merchandise: Foreign merchandise subject to U.S. Government import quota controls may be placed in the Zone pending approval for transfer to CBP territory or may be re-exported to a foreign destination.

Manipulation of Merchandise: Before foreign merchandise may be manipulated within the Zone, the Operator will make application on CF 216 to CBP for approval. On approval, the contemplated manipulation may occur. A yearly, blanket CF 216 may be allowed by CBP.

Manufacturing in the Zone: Manufacturing in the Zone will have been approved in writing by the FTZ Board prior to the commencement of any manufacturing activity. A CF 216 will also be required to be filed with CBP, after FTZ Board approval and prior to the manufacturing. A yearly, blanket CF 216 may be allowed by CBP.

Exhibition of Merchandise: Any merchandise admitted to the Zone may be exhibited. The Operator must obtain permission from CBP to exhibit merchandise through submission of CF 216.

Change in Zone Status: The Zone status of merchandise may be changed in the Zone. Merchandise in NPF status may be changed to PF status if done prior to manipulation or manufacture effecting a change in tariff classification of the merchandise. PF status may not be changed to NPF status. Merchandise in D or NPF status may be changed to Zone-restricted status. The Operator will submit a CF 214 to CBP for approval of a Zone status change.

Destruction of Merchandise: Whenever Zone status merchandise is discovered damaged or merchandise is considered waste or scrap, it will be physically segregated, marked, and otherwise secured to preserve its identity. Such merchandise may be held for return to the vendor, for destruction or CBP entry. All merchandise destroyed will be recorded in the Operator's inventory control and recordkeeping systems.

Temporary Removal from Zone: Merchandise may be removed temporarily from the Zone for repair, restoration or incidental operations on application by the Operator to CBP, so long as no material value is added and no change in Tariff class has occurred.

~~X.~~ Fee Schedule

FTZ Grantee fees are authorized under the regulations at 400.42(b)(ii). The structure of FTZ No. 241 fees meet all regulatory requirements, including those pertaining to the operation of Zones as public utilities. As a public utility, the Grantee is entitled to charge fees to Operators and users in order to recoup the direct and indirect costs of operations and amortized costs of Zone start-up expenses including a temporary surplus, if possible. The Grantee structured these fees to achieve this recoupment within five years, instead of immediately, in an effort to minimize the financial burden on initial Zone Operators. By design, the fees charged by the Grantee are expected to stabilize over a 10-year period and, as in the case of other large Zone projects, to actually reduce if the Zone has grown to a point where reducing the fees will still cover costs.

As an extension of The City of Fort Lauderdale, the FTZ has been developed to affect the following objectives:

1. Diversify the economy of the Greater Fort Lauderdale Region.
2. Provide enhanced job opportunities for the citizens of the Region.
3. Provide a relocation incentive for companies involved in international trade, which, if successful, would bring investment, jobs, and commerce to the Region.

In order to accomplish these goals, the Grantee established the following fee structure. The fee structure is intended to encourage FTZ use. **A lack of use or a delay in the utilization of each site is viewed as detrimental to the overall Zone project and is discouraged.** Zone activation is the outward evidence of Zone use.

The fees are divided into two elements: one-time fees and recurring, annual fees. One-time fees are charged usually only once during the life of an FTZ site and recurring fees are those charged either each year or every time a site or Operator makes significant changes in its operations or size. The fees are not based on benefits, number of entries, etc.; they are instead based on the start-up costs and ongoing marketing, administration and other services provided by the Grantee in Zone Administration, which meets the letter and intent of the FTZ Board regulations.

One Time FTZ No.241 Fees

Application Fee

An application fee will be charged to any new site owner for a: Magnet Site, Subzone Site, Minor Boundary Modification Usage-Driven site or Production Notification when an application to the FTZ Board is being requested.

The fee will cover Grantee expenses for obtaining the necessary approvals, resolutions, letters and support services. This fee does not cover any costs to prepare the application, which must be borne by the applicant. The fee is based on the following schedule:

Non-Alternate Site Framework (ASF) Subzone

\$5,000 for each ~~Subzone~~, Production Notification (manufacturing) and/or Magnet Site application.

\$2,500 for each Usage-Driven, Minor Boundary Modification.

The application fees are payable in advance of the application request.

The Operator will also be responsible for paying any application or filing fees required by the Foreign-Trade Zones Board for such an application.

Activation Fee

An activation fee will be charged to an Operator when seeking to activate a Zone site. The fee will cover Grantee expenses for the preparation and processing of the Operator Agreement, the Grantee concurrence letter to the CBP Service and review of the activation request and related documents. This fee does not cover any costs to prepare the activation application, which must be borne by the applicant.

~~The activation fee is of \$5,000 payable in advance to the Grantee at the time of requesting a Grantee/Operator Agreement. The Operator will also be responsible for paying any activation fees required by CBP for such a request. (not in force at this time)~~
An activation fee will be charged to an Operator upon activation,

Deactivation Fee

A deactivation fee of \$3,000 will be charged to an Operator when seeking to deactivate a Zone site but will not include temporary deactivation or alteration of a Zone site or Subzone.

Ongoing, Annual Fees within FTZ No. 241

Annual Fee

The annual fee will cover the administration of the Zone by the Grantee, preparation of the Annual Report to the Foreign-Trade Zones Board and support services from the Grantee staff. ~~Upon activation, an Operator shall be charged an annual fee.~~ **Annual Fees are due on the anniversary date of activation.** Standard annual fees are:

All manufacturing Operators approved for a Production Notification: \$10,000/yr.

General-Purpose or Subzone Operators (price per each Operator):

Operator located in FXE airport, FTZ Hub Site	\$4,000/yr.
Operator located in an Enterprise Zone or CRA industrial park	\$2,000/yr.
Operator located in a Private Magnet or Usage-Driven site	\$8,000/yr.

Any Operator with two or more sites pays the appropriate highest fee applicable, plus one-half of each additional site's applicable fees.

All Grantee fees, as described herein, are payable to The City of Fort Lauderdale and are due upon receipt. Failure to pay timely can and will result in additional fees.

CBP Fees

At the time of issue of this Schedule, no fees are charged by CBP for Zone services. Should any fees or charges be imposed in the future, all such fees and charges shall be payable by the Operator of the affected Zone site. However, CBP does charge for overtime and other special services provided at the request of an Operator. Such fees and charges shall be payable by the Operator of the affected Zone site to CBP. Under no circumstances will the Grantee be liable or responsible for any such CBP fees or charges.

FTZ Board Fees

Any fees or charges imposed by the Foreign-Trade Zones Board shall be payable by the Applicant/Operator of the affected Zone site or as apportioned by the Grantee among the Zone sites. Under no circumstances will the Grantee be liable or responsible for any FTZ Board fees or charges.

Other Government Agency Fees

Charges for services of other government agencies should be arranged for and paid by the Operator who requires the use of such services. Under no circumstances will the Grantee be liable or responsible for any other government agencies' fees or charges.

Enforcement of Charges

Zone fees and charges are due and payable when invoiced. All fees and charges are non-refundable. Any and all amounts required to be paid by Operator to Grantee or which are to be paid "with interest" or which Grantee advances on behalf of Operator, which are not paid when due shall bear interest at the following rate: the legal rate provided by law for judgment in Florida plus three percent (3%). The interest rate shall be per annum from the due date until paid, unless otherwise specifically provided. The rate shall be modified from time to time as the legal rate or prime rate changes. Failure to pay fees and charges in a timely fashion may also result in cancellation of the Operator Agreement, deactivation of the Zone site, eviction or other remedies deemed appropriate by the Grantee.

X.
~~XI.~~ **Public Utility Principles**

The Grantee will provide any stakeholder within the Foreign-Trade Zone program (User/Operator or site owner) or an entity potentially wanting to participate in the program, access to the Zone under public utility principles, according to their ability to qualify under 19 CFR Part 400.

The Foreign-Trade Zone Act of 1934 requires that Zone Grantees administer the Zones as a public utility, with fair and equitable rates and charges. As such, the Grantee will operate the Zone under the public utility guidelines provided in 19 U.S.C 81n in the Foreign-Trade Zones Act as listed below:

§ 81n. Operation of Zone as Public Utility

Each Zone shall be operated as a public utility, and all rates and charges for all services or privileges within the Zone shall be fair and reasonable, and the Grantee 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 and the cost of maintaining the additional CBP service required under this chapter shall be paid by the Operator of the Zone.

For each type of entity that seeks Zone services; be it Zone Users, Operators, or new sites, the Grantee has a public review process and will allow said applicant the freedom to choose consultants, service providers and/or software providers. No restrictions apply.

~~XII.~~^{XI} Appendix A

Activation: Approval by the Grantee and CBP for operations and the admission and handling of merchandise in Zone status.

Administrator: An employee of the Grantee, who is charged with managing the functions related to maintenance and development of the Zone including but not limited to marketing, administration of Zone access (application/activation) and report receipt, review, and submission, along with all other City and market interface. ~~The Administrator of FTZ No.241 is Ms. Karen Reese.~~

Admission: Physical arrival of goods into the Foreign-Trade Zone with the approval of the Zone Grantee and CBP. The word “admission” is to be used instead of “entry” of goods in a Zone to avoid confusion with CBP entry processes under Parts 141 through 144 of the CBP Regulations.

Admit: To bring merchandise into a Zone with Zone status.

Alteration: A change in the boundaries of an activated Zone or Subzone, activation of a separate site of an already-activated Zone or Subzone with the same Operator at the same port, or the relocation of an already-activated site with the same Operator.

Audit-Inspection Procedures: These procedures provide the framework for CBP to reduce on-site supervision of Zones and for Zone Operators to increase Zone operating flexibility through the audit-inspection method of supervising Zones. These procedures require use of the Zone Lot Number system or a Unique Identifier Number system. The systems may be manual, computerized, or a combination of both.

Applicant: A corporation, partnership, or person applying for the right to operate a Foreign-Trade Zone site or Subzone under the jurisdiction of Foreign-Trade Zone No. 241.

Bulk: A product or mass (of a product) which is not packaged, bundled, bottled or otherwise packed, so that it is designated as bulk or bulk merchandise.

CBP: U.S. Customs and Border Protection

Constructive Transfer: A legal fiction which permits acceptance of a CBP entry for merchandise in a Zone before its physical transfer to the CBP territory. Constructive transfer is deemed to have occurred when CBP receives and approves an entry in proper form. If the entry is not accepted, the merchandise will be deemed constructively transferred back to the Zone in its previous Zone status.

Control Number: The number used on all Zone admission forms to identify all merchandise and commodities. The control number will, in all cases, be the same as the tariff number for that same merchandise described in the Harmonized Tariff Schedules of the United States Annotated.

CBP Territory: The territory of the U.S. in which the general tariff laws of the U.S. apply. “CBP territory of the United States” includes only the fifty States, the District of Columbia and Puerto Rico, minus any areas within the boundaries of Foreign-Trade Zones.

Deactivation: Voluntary discontinuation of the activation of an entire Zone or Subzone by the Grantee or Operator. Discontinuance of the activated status of only a part of a Zone site is an alteration.

Default: An act or omission that will result in a claim for duties, taxes, charges or liquidated damages under the FTZ Operator's Bond.

Domestic Status: Domestic status is for (a) the growth, product, or manufacture of the United States on which all internal revenue taxes, if applicable, have been paid and (b) previously imported merchandise on which all applicable duties and internal revenue taxes have been paid. Domestic merchandise may be returned to the CBP territory free of duty and taxes.

Exhibition: The showing of merchandise within a Zone, usually to prospective buyers. This may require CBP supervision whenever it involves packing, unpacking, repacking, assembly or reconditioning of the goods for showing.

First In-First Out (FIFO): Under the FIFO method, any fungible merchandise withdrawn from stock is assumed, in accordance with good business practice, to be withdrawn from the oldest stock first. In applying FIFO procedures, it is important to note that each Zone admission is considered a layer and the Zone Operator is responsible for identifying the appropriate sequence of transfers from the Zone to assure the proper layer was used and transferred from the Zone. Fungible merchandise is by definition, commercially interchangeable merchandise. Identification shall be maintained in the inventory control system records, generally by description and part or stock number.

Foreign-Trade Zone (FTZ): A restricted-access site in or adjacent to a CBP Port of Entry operated pursuant to public utility principles under the sponsorship of a corporation granted authority by the Foreign-Trade Zones Board (the Board) and under supervision of the CBP Service. 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 CBP 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 Foreign-Trade Zones Act of 1934, as amended, and other applicable laws or regulations. The merchandise may be exported, destroyed, or sent into CBP territory from the Zone, in the original package or otherwise. It is subject to CBP duties if sent to CBP territory but not if reshipped to foreign points.

Foreign-Trade Zones Act: The Foreign-Trade Zones Act of June 18, 1934 (48 Stat. 998-1003; 19 USC 81a-81u), as amended (the Act).

Foreign-Trade Zones Board: The Board which is established to carry out the provisions of the Foreign-Trade Zones Act. The Board consists of the Secretary of Commerce (Chairman), the Secretary of the Treasury, and the Secretary of the Army or their designated alternates.

Grantee: A corporation which has the privilege of establishing, operating, and maintaining a Foreign-Trade Zone by grant of authority from the Foreign-Trade Zones Board. The Grantee for Foreign-Trade Zone No. 241 is The City of Fort Lauderdale, Florida.

Imports: Foreign merchandise of every description (except articles specifically and absolutely prohibited by statute) entered into Custom territory to become a part of the domestic supply for the purpose of domestic commerce or consumption, and particularly that which is entered into CBP 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, CBP bonded warehouses or CBP custody. This latter merchandise, in

relation to operations in the Zone, is considered to be foreign merchandise until its entry into the commerce of the United States.

Manipulation: Processing wherein merchandise is packed, unpacked, repacked, cleaned, sorted, graded or otherwise changed in condition, but not manufactured. The definition is taken from Section 562 of the Tariff Act. The precise distinction between manipulation and manufacture is subject to interpretation and enjoys a long history of case law.

Manufacture: (Sometimes called Production Notification within FTZ Board regulations) Generally, the production of articles for use from raw or prepared materials by substantially transforming such materials into new forms or with new qualities, properties or combinations, whether by hand, labor or machine. The CBP Service determines what constitutes manufacture on a case-by-case basis and distinguishes the manufacture from other operations such as manipulation, processing, production and blending. The Foreign-Trade Zones Board has defined manufacture as any process which results in a change in CBP classification of the merchandise and, therefore, requires prior clearance from the Board before the manufacturing can occur within the Zone and any such process requires a Production Notification application submitted, prior to any activity deemed “manufacturing or production” may occur within an activated FTZ site/subzone.

Merchandise: Merchandise includes goods, wares and chattels of every description, except prohibited merchandise, building materials, production equipment and supplies for use in operation of a Zone.

Merchandise, Conditionally Admissible: Merchandise which may be imported into the U.S. under certain conditions; merchandise which is subject to permits or licenses or which must be reconditioned to bring it into compliance with the laws administered by various Federal agencies.

Merchandise, Domestic: Merchandise which has been produced in the United States and not exported therefrom or previously imported into the CBP territory of the United States and properly released from CBP custody with payment of all applicable duties and taxes.

Merchandise, Foreign: Imported merchandise which has not been properly released from CBP custody into the CBP territory of the United States.

Merchandise, Fungible: Merchandise which, for commercial purposes, is identical and interchangeable in all situations. Originally applied to liquids or free-flowing substances which arrived in bulk, unpacked condition, the concept is now applied in Zones, for inventory control purposes, to shipments of goods which arrive packed but are unpacked and placed together in storage or manufacturing locations so that identification with the shipment as admitted to the Zone is lost. The concept is subject to wide use in manufacturing environments where it is infeasible to store goods in their original lots awaiting manufacture.

Merchandise, Mixed Status: Foreign merchandise which has been combined with domestic merchandise in the Zone is sometimes referred to as mixed status merchandise.

Merchandise/Operations, Prohibited: Merchandise, the importation of which is prohibited by law on grounds of public policy, morals or any merchandise which is excluded from a Zone by order of the Foreign-Trade Zones Board. Books urging treason or insurrection against the U.S., obscene pictures, and lottery tickets are examples of prohibited merchandise. Also, certain operations involving the following merchandise are prohibited: tobacco, distilled spirits, alcohol, wine and beer (26 USC 5001-5008, 5010); sugar (26 USC 4501-4503); watch movements (19 USC 1367-1368); and bicycle parts (19 USC 81c). Additionally, retail sales are prohibited in a Zone (19 USC 81o & 19 CFR, Part 146.14).

Merchandise/Operations, Restricted: Merchandise which may not be authorized for delivery from CBP custody without a special permit, or a waiver thereof, by an agency of the U.S. Government. Also, the Foreign-Trade Zones Board and CBP Service have restricted certain operations involving the following products: steel, textiles, television tubes and sugar. Operations involving orange juice may be restricted. The restrictions vary on a case-by-case basis.

Nonprivileged Foreign Status (NPF): Nonprivileged foreign status is a category for merchandise which does not have privileged or Zone-restricted status. Articles composed of nonprivileged foreign merchandise are classified and appraised in their condition at the time of transfer to the CBP territory for consumption.

Open or Yard Storage: The keeping of merchandise in open space within the fenced-in area of the Zone where merchandise not requiring weather protection may be stored.

Operator: A corporation, partnership or person that operates a Zone or Subzone under the terms of an agreement with the Grantee.

Operator Agreement: Prior to activation of the site, an agreement between the Operator of the Zone site and the Grantee will be executed. Activation cannot occur without an executed Operator Agreement.

Operator's Bond: All Zone Operators must submit to CBP a bond to assure compliance with CBP regulations. The bond is submitted on CBP Form (CF) 301. The bond provisions are set forth at 19 CFR 113.73, CBP Regulations. A failure to comply with the regulations may be deemed a "default" by CBP and result in the assessment of liquidated damages under the bond.

Port Director: CBP, Ft. Lauderdale, Florida. Port Director is the local representative of the FTZ Board as identified in the FTZ Board regulations and is the authority on all operational and activity-related issues at the Zone.

Port of Entry: A place designated by the U.S. Government at which a CBP officer is assigned with authority to accept entries of merchandise, collect duties and enforce the various provisions of the CBP laws.

Privileged Foreign Status (PF): In normal operations or prior to any manipulation or manufacture which would change its tariff classification, an importer may apply to the District Director to have imported merchandise in the Zone given privileged foreign status. The merchandise is classified and appraised, and duties and taxes are determined the date the application is filed. Taxes and duties are payable, however, only when such merchandise or articles are transferred to the CBP territory. The determined duty rate and taxes are not subject to future fluctuation. Once established, privileged foreign status cannot be changed.

Reactivation: A resumption of the activated status of an entire area that was previously deactivated without any change in the Operator or the area boundaries. If the boundaries are different, the action is an alteration. If the Operator is different, it is activation.

Retail Sale: The sale of goods to ultimate consumers, usually in small quantities.

Subzone: A special-purpose Zone established as part of a Zone project for a limited purpose that cannot be accommodated within an existing Zone. The term "Zone" also applies to a Subzone, unless specified otherwise.

Transfer: To take merchandise with Zone status from a Zone for consumption, transportation, exportation, warehousing, cartage or lighterage, vessel supplies and equipment, admission to another Zone, and like purposes.

Unique Identifier Number (UIN): CBP identifies and defines a UIN as any unique set of alpha-numeric characters which is assigned to a category of merchandise, i.e., by unique numbers and/or letters that identify merchandise admitted to a Zone (SKU, part number, bar code, etc.). Inventory levels are adjusted on a First-In-First-Out (FIFO) or Foreign First (FOFI) basis pursuant to generally accepted accounting principles.

Vessel/Aircraft Supply: The supply of goods or equipment free of duties and taxes under Section 309 of the Tariff Act to eligible vessels or aircraft for use while actually engaged in foreign trade or in transit to Alaska, Hawaii, Puerto Rico or any U.S. possession. This term is sometimes confused with exportation, which involves removal from the geographic territory of the United States and entry into a foreign country.

Zone Lot Number (ZLN): A collection of merchandise maintained under an inventory control method based on specific identification of merchandise admitted to a Zone by lot and lot number.

Zone-Restricted Status: Articles in Zone-restricted status have been brought to the Zone from CBP territory for the purpose of exportation, destruction or storage and are considered exported.

CBP Forms:

- 214 Application for FTZ Admission and/or Status Designation: Application and permit to approve status and admit merchandise into the Foreign-Trade Zone and report of merchandise received at Zone site.
- 214A The CF 214A Statistical Copy: The CF 214A must be printed on salmon or pink colored stock and identified as "Statistical Copy." It shall include the data required in items 1, 2, 3, 4, 5, 7, 8, 14, 15, 16, 17, 18, 19, 20, 21, and 23 of the form. The responsibility for obtaining and providing the information rests with the Operator for admissions to the Zone. CBP is responsible for making sure the information is provided, then transmitting to Census, unless direct transmit to U.S. Census has been authorized.
- 216 Application for FTZ Activity Permit: Application and permit for the manipulation, manufacture, exhibition or destruction of Foreign-Trade Zone merchandise.
- 301 CBP Bond: All CBP bonds utilize this form. The Foreign-Trade Zone Operator's bond provisions are set forth at 19 CFR 113.73.
- 3461 Entry/Immediate Delivery Application: Used for entry of foreign or mixed status merchandise into CBP territory. Duties and taxes are payable on filing of the CF 7501 within ten (10) working days of release of merchandise. An estimated CF 3461 may be used if the Operator operates under Estimated Production Procedures for Consumption (19 CFR, Part 146.63c).
- 5119-A Informal Entry: Entry for goods valued under \$1,250. Informal entry does not require a bond. Informal entry is generally not permitted for textiles and textile products (CBP Directive 3500-07).
- 7501 Consumption Entry: Entry for foreign or mixed status merchandise into the CBP territory of the United States. Duties and taxes must be paid at the time of filing this form. Consumption entries must be supported by an entry bond.

- 7512 Transportation Entry and Manifest of Goods Subject to CBP Inspection and Permit: This form is used to establish the responsibility of bond for the transfer of foreign or mixed status merchandise from the port of unloading to the Zone (unless the Zone is located in the port of unloading which requires the use of a CF 214, CF 3171, or CF 6043); from the Zone to the Port of exportation; from one Zone to another Zone; from a Zone to a bonded warehouse; and for other transfer purposes.
- 349/350 Harbor Maintenance Fee Quarterly Summary Report and Amended Quarterly Summary Report: The Harbor Maintenance Fee is remitted quarterly for merchandise admitted to Foreign-Trade Zones and Subzones. CF 349 is used to report and remit the quarterly fees. CF 350 is used to amend prior reports, to request refunds, or to make supplemental payments.