

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.

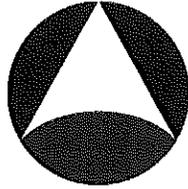
Pursuant to 15 CFR 400.44(b)(4), a grantee may not assess any specific rate or charge for which the amount – or formula for calculating the amount – does not appear in the zone schedule that the grantee has submitted to the FTZ Board.

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.

TRIANGLE J COUNCIL OF GOVERNMENTS

ZONE SCHEDULE FOR FOREIGN TRADE ZONE NO. 93



TRIANGLE J COUNCIL OF GOVERNMENTS



Effective Date: November 19, 2015

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INTRODUCTION

This Zone Schedule ("Schedule") has been adopted by the Triangle J Council of Governments ("TJCOG"), a governmental unit created and existing pursuant to the General Statutes of North Carolina, Chapter 160A, Article 20, Part 2, acting in its capacity as the Grantee of Foreign Trade Zone Number 93 ("FTZ No. 93") and shall govern all operations taking place within FTZ No. 93. The TJCOG was issued the Grant of Authority by the Foreign-Trade Zones Board ("Board") to establish, maintain and operate FTZ No. 93 (Board Order 233, dated November 16, 1983) and was approved to reorganize FTZ No. 93 under the Alternative Site Framework (Board Order 1872, dated November 30, 2012). The Service Area for FTZ No. 93 encompasses Chatham, Durham, Franklin, Granville, Harnett, Johnston, Lee, Moore, Orange, Person, Sampson, Vance, Wake and Warren Counties.

I. ZONE SCHEDULE

1.01 Schedule Content: This Schedule has been promulgated and adopted by the Grantee and contains the internal rules and regulations governing the use of FTZ No. 93 by Operators, Users, Participants, and all other persons or entities. The Schedule also includes the Rates and Charges applicable to the use of the Zone. This Schedule is intended to conform with the Foreign Trade Zones Act ("Act") and the rules and regulations of the Board and United States Customs and Border Protection ("USCBP") ("FTZ Regulations"). The effective date of this Schedule is set forth on the cover page.

1.02 Amendment and Interpretation: Subject only to the requirements of the Act and the FTZ Regulations, this Schedule may be modified, amended or replaced by TJCOG at any time, if TJCOG determines it to be necessary or appropriate to do so. TJCOG shall, in its sole discretion, interpret the provisions of this Schedule and determine the applicability of any of its provisions.

II. AUTHORITY

The Zone has been established pursuant to the Grant subject to oversight by the Grantee and all activities within the Zone. All persons doing business within the Zone and all operations moving merchandise into or out of the Zone must strictly conform to the Act, the FTZ Regulations, this Schedule and all other applicable federal, state and local laws, rules and regulations.

III. ZONE TO BE OPERATED IN THE PUBLIC INTEREST

3.01 Uniform Treatment: The Grantee shall have the responsibility of ensuring that the needs of the business community located within the Service Area are reasonably served and that the Zone is being operated in the public interest affording uniform treatment to all Operators, Users, and Participants operating under like circumstances. The Grantee will ensure that rates and charges imposed according to this Schedule will be fair and reasonable taking into account the costs and expenses of the Grantee.

3.02 Potential Detriment to Public Interest: In accordance with the Act, the Board may restrict or prohibit any operation in the Zone that the Board deems detrimental to public interest, health, and/or safety. Any party that is concerned that it is or may be adversely affected by any Zone operation may submit written comments to the Board relative to these concerns, if the Grantee is unable to resolve the party's concerns. Comments must stipulate how the activity in question is or would be detrimental to the public interest, health, and/or safety.

IV. ZONE REGULATIONS, RULES AND POLICIES

4.01 General Policy: It is the policy of TJCOG to promote the use of the U.S. Foreign Trade Zone program and the Zone. TJCOG shall encourage companies that can benefit from the activities allowed under the Act to invest resources and create jobs for the purpose of increasing international commerce.

4.02 Qualifications: Persons and business entities may qualify as Operators of the Zone provided that they have:

- A. Satisfied all requirements imposed by the USCBP.
- B. Executed the necessary Operating Agreement with the Grantee.
- C. Conformed with all federal, state and municipal statutes and regulations, including but not limited to, the USCBP Regulations.
- D. Have filed a schedule of rates and charges with the Grantee, if applicable.

4.03 Non-Reliance: Users contemplating the utilization of an Operator's services should not rely solely upon the schedule for that Operator that is on file with the Grantee. The User should always contact that Operator directly for current quotes of rates and rules relating to the User's cargo to be handled by that Operator.

4.04 Operators Not Filing a Schedule: Any Operator that does not file a Schedule with the Grantee is restricted to handling only its own merchandise.

4.05 Local Requirements: Operators, Users, and Participants whether operating on or off of property owned by the Grantee, shall comply with all requirements of applicable local laws, including the provisions of local zoning ordinances.

4.06 Other Requirements: Operators, Users, and Participants shall comply rules or regulations promulgated by agencies having jurisdiction of certain imports and/or exports, including but not limited to, the Food and Drug Administration, Fish and Wildlife Service, Environmental Protection Agency, Department of Defense, Import Administration, Export Administration, U.S. Census Bureau, Bureau of Alcohol, Tobacco, Firearms and Explosives, and any other agencies related to the import and export of merchandise. Operators, Users, and Participants shall cooperate fully with all such agencies.

4.07 Availability of Approved Facilities: In the event there are no facilities available in the approved Magnet Sites that meet the Operator's, User's, or Participant's requirements, the Grantee shall use its best efforts to obtain FTZ designation for an area located outside the Magnet Sites to accommodate such Operator, User or Participant.

4.08 Application to the Board: The Grantee shall have the primary responsibility for filing applications with the Board requesting modifications to the Grant. Requests for modification to the Grant may include expansion of the Zone, minor boundary modifications, Subzone or Usage-Driven Site applications and/or changes in the scope of authority.

4.09 Interpretation of this Schedule: Whenever interpretation of the provisions of this Schedule become necessary, such interpretation shall be made by the Grantee in accordance with the regulations and the laws of the State of North Carolina, as the same apply to the Operator's activities in the Zone.

V. PAYMENT OF FEES AND CHARGES

5.01 Rates: Operators, Users and Participants shall pay TJCOG for services rendered at the rates published on Exhibit A attached to this Schedule.

5.02 Fees, Fines, and Penalties Payable to the Grantee: A late fee assessment of one and one-half percent (1-1/2%) per month, will be imposed on all past due amounts not made within ten (10) days of the due date and shall be assessed for as long as said amount remains delinquent. This provision shall not preclude TJCOG from terminating any Agreement(s) as provided herein or from exercising any other remedy contained herein or as provided by law.

5.03 Non-Payment of Fees: TJCOG reserves the right to terminate any Operating Agreement or otherwise deny any Operator, User, or Participant the use of the Zone as a result of the Operator, User, or Participant's failure to pay fees due the Grantee, as provided for in this Schedule.

5.04 Fees Assessed by Operators: All Operators providing services to the public, unless listed under Section 5.04, shall publish its own schedule of services offered and fees to be charged to Users. Such schedule must be available at the Operator's Zone Site and at the office of the Grantee. Such fees shall be uniform and reasonable, but shall not preclude any Operator from entering into agreements with Users based on time, volumes and other considerations.

5.05 Fees, Fines, and Penalties Payable to the Foreign Trade Zone Board: All Operators, Users, and Participants should familiarize themselves with the fees, fines, and penalties set forth in 15 CFR Part 400 - Board Regulations, including articles 400.29 and 400.62.

VI. OPERATORS WITH A TJCOG AGREEMENT TO OFFER SERVICES TO THE PUBLIC

6.01 Fees for Operator's Administrative Charges: These charges are set forth in the most current Tariff issued by each operator and may be amended from time to time. Tariff schedules are subject to review by the Board and by the Grantee. Tariffs are submitted to the Board and made available to the public. For information on fees charged by FTZ No. 93 FTZ Operators see Appendix B.

EXHIBIT A: GRANTEE SCHEDULE OF FEES AND CHARGES

Effective Date: November 19, 2015

The TJCOG fiscal year is July 1 – June 30. Annual fees are due July 1 of each fiscal year and cover the fees incurred for that particular fiscal year (July 1 – June 30).

The Grantee reserves the right to change any fee or charge contained herein if, in the Grantee's determination, it is in the best interest of the welfare of the community to do so. Any fees enumerated herein shall be due and payable *in addition to any other fee* required by the Board, USCBP Directives, any other Government Agency, TJCOG's Zone Schedule, Document Recording Fees, and/or other fees associated with any other agreement in effect with TJCOG.

I. MAGNET SITE

- A. Sponsorship of Application for New Magnet Site
 - a. Up to 250 Acres \$4,500
 - b. Greater than 250 Acres..... \$7,500

Non-refundable fee payable with letter to Grantee requesting sponsorship of the Magnet Site application. This fee covers Grantee's expenses incurred in reviewing and submitting the request to the FTZ Board, any other necessary Grantee activities associated with the request and preparing and processing the Property Owner's or Zone Participant's Agreement. The applicant requesting the new Magnet Site is responsible for preparing the expansion application and providing all required documentation and approvals to support the applications.

- B. Sponsorship of Application for Production Notification/Authority..... \$7,500

Non-refundable fee payable prior to the Grantee's submission of the Production Notification/Authorization Application Request to the FTZ Board. The Zone Operator/User is responsible for preparing the Production Notification/Authorization Application request and obtaining all documentation associated with said request.

- C. Sponsorship of Request for Change in Scope of Authority \$1,000

Scope of Authority is defined in 15CFR 400.14 (d).

- D. Sponsorship of Request for Minor Modification (expansion) \$1,000

- E. Activation Fee per Site \$3,000

Non-refundable fee due prior to the Grantee's submission of the activation concurrence letter to CBP. The Operator is responsible for preparing the activation request and all documentation associated with said request.

- F. Grantee Annual Fee for Operator at Magnet Site
 - a. Without Production Authority \$4,500
 - b. With Production Authority \$7,500

This non-refundable Annual Fee is payable to Grantee by Operator at a Magnet Site upon the site's activation. If activation occurs on a date other than July 1, this Annual Fee will be prorated for the remainder of the 12 month period until June 30. This Annual Fee is to be paid on July 1 of each year thereafter that the Zone Site is activated.

G. Grantee Annual Fee for Non-activated Magnet Site \$2,000

This non-refundable Annual Fee is payable to Grantee by Property Owner or Zone Participant of Magnet Site upon the site's receipt of FTZ designation. If FTZ designation is issued on a date other than July 1, this Annual Fee will be prorated for the remainder of the 12 month period until June 30. This Annual Fee is to be paid on July 1 of each year thereafter that the Zone Site is non-activated. This Annual Fee is suspended should a portion of the Magnet Site be activated and remains suspended until the entire Magnet Site is deactivated, at which time Property Owner or Zone Participant will commence payment of this Annual Fee on a yearly basis as described above.

H. Application for New Operator within Magnet Site \$1,000

II. USAGE-DRIVEN SITE

A. Sponsorship of Usage-Driven Site Application..... \$3,000

Non-refundable fee payable with letter to Grantee requesting sponsorship of Usage-Driven Site Request. This fee covers Grantee's expenses incurred in reviewing and submitting the request to the FTZ Board, any other necessary Grantee activities associated with the request and preparing and processing the Operations Agreement. The applicant and/or Operator of the Usage-Driven Site is/are responsible for preparing the application and providing all required documentation and approvals to support the application.

B. Sponsorship of Application for Production Notification/Authority \$7,500

Non-refundable fee payable prior to the Grantee's submission of the Production Notification/Authority Application Request to the FTZ Board. The Zone Operator/User is responsible for preparing the Production Notification/Authority Application request and obtaining all documentation associated with said request.

C. Sponsorship of Request for Change in Scope of Authority \$1,000

Scope of Authority is defined in 15CFR 400.14 (d).

D. Sponsorship of Request for Minor Modification (expansion) \$1,000

E. Activation Fee per Site \$3,000

Non-refundable fee due prior to the Grantee's submission of the activation concurrence letter to CBP. The Operator of the Usage-Driven Site is responsible for preparing the activation request and all documentation associated with said request.

F. Grantee Annual Fee per Activated Site

a. Without Production Authority \$4,500

b. With Production Authority \$7,500

Non-refundable fee payable within 10 days after Operator is approved for activation by CBP, prorated from date of activation through June 30 of that year. Thereafter, payable annually on July 1 every year that the site remains activated.

G. Grantee Annual Fee per Non-activated Site \$2,000

Non-refundable fee payable within 10 days after Usage-Driven Site is approved by FTZ Board. Thereafter, payable annually on July 1 every year that the site remains non-activated. Once Site

is activated, Operator will be subject to the Grantee Annual Fee per Activated Site. Upon activation, Operator will receive a prorated credit for the non-activated Annual Fee that it paid.

III. SUBZONE (MANUFACTURING & DISTRIBUTION) – within Service Area

- A. Sponsorship of Subzone Application
 - a. Sites 1-2 \$3,000
 - a. Each Additional Site \$1,000

Non-refundable fee payable with letter to Grantee requesting sponsorship of Subzone application. This fee covers Grantee's expenses incurred in reviewing and submitting the Subzone application to the FTZ Board, any other necessary Grantee activities associated with the application and preparing and processing the Operations Agreement. The applicant for the subzone is responsible for preparing the application and providing all required documentation and approvals to support the application.

- B. Sponsorship of Application for Production Notification/Authority \$7,500

Non-refundable fee payable prior to the Grantee's submission of the Production Notification/Authority Application Request to the FTZ Board. The Zone Operator is responsible for preparing the Production Notification/Authority Application request and obtaining all documentation associated with said request.

- C. Sponsorship of Request for Change in Scope of Authority \$1,000

Scope of Authority is defined in 15CFR 400.14 (d).

- D. Sponsorship of Request for Minor Modification (expansion) \$1,000

- E. Activation Fee per Site
 - a. Sites 1-2 \$3,000
 - b. Each Additional Site \$1,000

Non-refundable fee due prior to the Grantee's submission of the activation concurrence letter to CBP. The Operator of the Subzone is responsible for preparing the activation request and all documentation associated with said request.

- F. Grantee Annual Fee per Subzone
 - a. Without Production Authority \$7,000
 - b. With Production Authority \$10,000

Non-refundable fee payable within 10 days after Operator is approved for activation by CBP, prorated from date of activation through June 30 of that year. Thereafter, payable annually on July 1 every year that the site remains activated.

- G. Grantee Annual Fee per Non-activated Subzone \$4,000

Non-refundable fee payable within 10 days after Subzone Site is approved by FTZ Board. Thereafter, payable annually on July 1 every year that the site remains non-activated. Once Site is activated, Operator will be subject to the Grantee Annual Fee per Activated Site. Upon activation, Operator will receive a prorated credit for the non-activated Annual Fee that it paid.

IV. SUBZONE (MANUFACTURING & DISTRIBUTION) – outside of Service Area

- A. Sponsorship of Subzone Application
 - a. Sites 1-2 \$4,000
 - b. Each Additional Site \$1,000

Non-refundable fee payable with letter to Grantee requesting sponsorship of Subzone application. This fee covers Grantee's expenses incurred in reviewing and submitting the Subzone application to the FTZ Board, any other necessary Grantee activities associated with the application and preparing and processing the Operations Agreement. The applicant for the subzone is responsible for preparing the application and providing all required documentation and approvals to support the application.

- B. Sponsorship of Application for Production Notification/Authority \$8,500

Non-refundable fee payable prior to the Grantee's submission of the Production Notification/Authority Application Request to the FTZ Board. The Zone Operator is responsible for preparing the Production Notification/Authority Application request and obtaining all documentation associated with said request.

- C. Sponsorship of Request for Change in Scope of Authority \$1,000

Scope of Authority is defined in 15CFR 400.14 (d).

- D. Sponsorship of Request for Minor Modification (expansion) \$1,000

- E. Activation Fee per Site
 - a. Sites 1-2 \$4,000
 - b. Each Additional Site \$1,000

Non-refundable fee due prior to the Grantee's submission of the activation concurrence letter to CBP. The Operator of the Subzone is responsible for preparing the activation request and all documentation associated with said request.

- F. Grantee Annual Fee per Subzone
 - a. Without Production Authority \$8,000
 - b. With Production Authority \$11,000

Non-refundable fee payable within 10 days after Operator is approved for activation by CBP, prorated from date of activation through June 30 of that year. Thereafter, payable annually on July 1 every year that the site remains activated.

- G. Grantee Annual Fee per Non-activated Subzone \$5,000

Non-refundable fee payable within 10 days after Subzone Site is approved by FTZ Board. Thereafter, payable annually on July 1 every year that the site remains non-activated. Once Site is activated, Operator will be subject to the Grantee Annual Fee per Activated Site. Upon activation, Operator will receive a prorated credit for the non-activated Annual Fee that it paid.

EXHIBIT B: FEES CHARGED BY OPERATORS OFFERING SERVICE TO THE PUBLIC

I. LONGISTICS INTERNATIONAL LLC SCHEDULE OF FEES AND CHARGES

Longistics International LLC is authorized by the TJCOG to function as the FTZ Operator at Magnet Site 1 of FTZ No. 93.

Fees for Operator's administrative and service charges are set forth in Tariff #4, effective March 1, 2006, updated August 18, 2015, and can be found below:

Container Processing	\$19.82 per cubic meter, or \$2.65 per cwt, or \$330.27 for 20' Container \$462.38 for 40' Container \$528.43 for 48' Trailer \$132.11 minimum charge per container (highest rate will apply)
Other Handling	\$0.47 per carton - in or out \$5.28 per std. Pallet -in or out \$5.28 per barrel (drum) - in or out \$10.57 per bundle/crate/piece over six feet in length/width - in or out \$1.99 per cwt - in or out \$12.67 minimum charge per shipment (highest rate will apply)
Storage	\$0.86 psf per month \$14.53 per pallet (if applicable)
Seal Charge	\$6.60 per seal
Dock Work, Stacking, Manual Handling	\$29.33 per man-hour
Forklift with Operator	\$35.00 per man-hour
Clerical Services	\$27.61 per man-hour
Supervisor Time for Labor and Clerical	\$39.63 per man-hour
Zone Administration Fee	\$1,100 per month
Inventory Management Fee	\$1,200 per month

APPENDIX A: DEFINITIONS

The following words have the following meanings when used in this Schedule:

“Act” means the Foreign-Trade Zones Act of June 18, 1934 (48 Stat. 998-1003; 19 USC81 81a-81u), as amended.

“Activated Area” means a Zone Site, whether a Magnet, Usage-Driven or Subzone Site or any portion thereof that has been activated pursuant to the Act.

“Board” means the U.S. Foreign-Trade Zones Board of the United States (U. S.) Department of Commerce, as established by the Act.

“Board Regulations” means Title 15, Code of Federal Regulations (CFR), Part 400, as presently constituted and as amended from time to time, which governs the grant of authority, the establishment and maintenance of FTZ's by Grantees.

“CBPF” means Customs Form as used in the Regulations, which will typically be paired with a specific number used by USCBP to stipulate the use of such form.

“Customs Territory” means the territories of the U.S. in which general U.S. Tariff laws apply. This includes all of the U.S. States, District of Columbia and Puerto Rico minus any areas within the boundaries of Foreign Trade Zones.

“Domestic Merchandise” means merchandise which has been (i) produced in the United States and not exported, or (ii) previously imported into the Customs Territory of the United States and properly released from USCBP's custody. Foreign merchandise on which all necessary and applicable duties and taxes have been paid, and upon which no drawback has been claimed, is considered Domestic Merchandise when admitted to a foreign-trade zone.

“FTZ” means Foreign-Trade Zone (capitalized or not) as defined by the Act.

“FTZ Regulations” means 15 CFR 400 and 19 CFR 146.

“Grant” means the authorization, as amended, issued to the Grantee that established the Zone pursuant to Board Order No. 233, dated November 4, 1983.

“Grantee” means the TJCOG as the recipient of the Grant, approved pursuant to Board Order No. 233, issued November 4, 1983, and subject to the requirement of Title 15 CFR Part 400, this Schedule and all other applicable federal, state and local statutes and regulations.

“Magnet Site” means large industrial/commercial sites intended to attract multiple potential FTZ operators/users meeting criteria established by the Grantee in accordance with the Act.

“Minor Boundary Modification” means a proposed change to a zone that may be authorized by the Executive Secretary of the Board.

“Operating Agreement” means a written agreement between the Grantee and any Operator utilizing the Zone that establishes the rules, procedures and requirements for the Operator's use of the Zone.

“Operating Procedures” means the inventory control and record keeping system that will be used in the Zone specified in writing and certified by the Operator to USCBP and the Grantee to meet the requirements of Subpart B of 19 CFR 146.

“Operator” means any company or other entity that executes an Operating Agreement with the Grantee and that assumes the responsibilities enumerated by Operating Agreement and 19 CFR 146.

“Participant” means a party who engages in Zone activity with the Grantee.

“Port Director” means the local USCBP Port Director with jurisdiction over the Durham area Port of Entry and the Zone pursuant to Section 4.02(h) of 15 CFR 15.

“Schedule” means this schedule of rules, regulations and fees issued and promulgated by the Grantee.

“Service Area” means the designated County or Counties approved by the FTZ-Board in the Alternative Site Framework application, or subsequent expansion applications, where usage-driven or magnet sites and subzones can be established.

“Subzone” means a special purpose zone established for a limited use.

“Sunset Provision” Magnet Sites have a rolling five (5) year sunset provision where at least a portion of the magnet site must be activated. A usage-driven site must demonstrate actual zone activity within three (3) years or lose zone status.

“Usage-driven Site” means a site designated to meet a specific operator’s/user’s present need for FTZ designation.

“USCBP” means the United States Customs and Border Protection Service.

“USCBP Regulations” means 19 CFR 146 that governs the activities of Operators within the Zone; the admission, manipulation, manufacture or exhibition of merchandise within the Zone; the exportation of merchandise from the Zone; the transfer of merchandise from one zone to another; and the transfer of merchandise from the Zone into Customs Territory.

“User(s)” means those persons utilizing the services of any Operator of a Zone Site. An Operator can also be a User.

“Zone” means the aggregate of all Zone Sites within FTZ No. 93.

“Zone Site” means each separate area comprising the Zone, including Magnet, Usage-Driven and Subzone Sites including the buildings and facilities located within that particular area that is utilized by an Operator while exercising the rights and privileges granted it pursuant to its Operating Agreement with the Grantee.

“Zone Status” means status of merchandise that is brought into the Zone or any of its Subzones. Merchandise shall be identified according to its type of status. The four types of Zone Status are:

- A. **Privileged Foreign Status** - the status that will be given to foreign merchandise or non-tax-paid domestic merchandise upon which the duty and applicable taxes have been determined at the time the status is approved according to a CBPF 214. Once they have been determined, the duty rate and taxes are not subject to future fluctuation. Once established, the Privileged Foreign Status given to merchandise cannot be changed. If merchandise has already been admitted into the Zone and given Non-Privileged Foreign Status, Privileged Foreign Status for that merchandise may be requested by filing CBPF 214, CBPF 7502 and related documents. Application for Privileged Foreign Status must be filed prior to manipulation or manufacture of any merchandise.

- B. Non-Privileged Foreign Status** - the status that will be given to foreign merchandise or non-tax paid domestic merchandise upon which the duty and applicable taxes will be determined at the time the merchandise enters Customs Territory from the Zone for consumption.
- C. Domestic Status** - the status that will be given to merchandise that is comprised of (i) U.S. products on which all internal revenue taxes have been paid; or (ii) imported merchandise on which all duty and/or taxes have been paid; or (iii) imported merchandise which is free of duty and tax.
- D. Zone Restricted Status** - the status that will be given to merchandise entering the Zone for the purpose of exportation or destruction (other than alcoholic spirits or beverages). Merchandise with Zone Restricted status may not be returned to any geographic area under USCBP jurisdiction for domestic consumption except as approved by the Board.