

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.

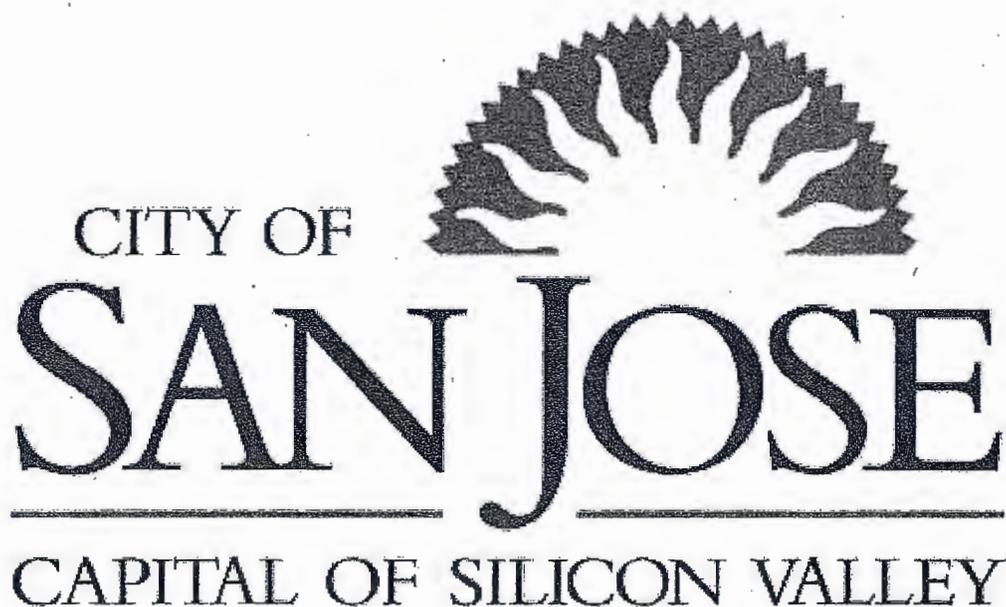
Pursuant to 15 CFR 400.44(b)(4), a grantee may not assess any specific rate or charge for which the amount – or formula for calculating the amount – does not appear in the zone schedule that the grantee has submitted to the FTZ Board.

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.

ZONE SCHEDULE

FOREIGN TRADE ZONE #18 SAN JOSE, CALIFORNIA



Effective: July 1, 2014

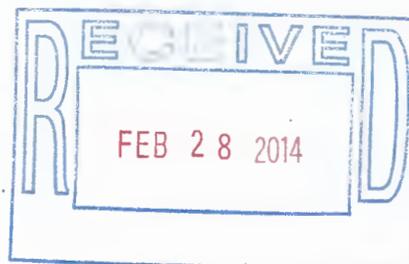


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San Jose Foreign Trade Zone #18

Grantee

City of San Jose
Office of Economic Development
200 E. Santa Clara Street, 17th Floor
San Jose, California 95113
Phone: (408) 535-8186
Fax: (408) 292-6719
www.sjeconomy.com
joe.hedges@sanjoseca.gov
Joseph Hedges
International Program Manager

General Purpose Zone Operator

San Jose Distribution Services
2055 South Seventh Street, Suite A
San Jose, California 95110
Phone: (408) 292-9100
Fax: (408) 292-7173
www.sjdist.com
min@sjdist.com
Gary Minardi, President

San Jose Foreign Trade Zone #18

Subzones

Subzone #18E

Space Systems Loral
3825 Fabian Way
Palo Alto, California 94303
Phone: (650) 852-6923
Fax: (650) 852-6575
www.ssloral.com
rose.kelly@sslmda.com
Kelly Rose
Director, Procurement & Logistics

Subzone #18F

Lam Research Corporation
4650 Cushing Parkway
Fremont, California 94538
Phone: (510) 572-5078
www.lamrc.com
malcolm.appelbe@lamresearch.com
Malcolm Appelbe
International Trade Management

Subzone #18G

Tesla Motors
3500 Deer Creek Road
Palo Alto, California 94304
Phone: (650) 681-5224
www.teslamotors.com
dfeinstein@teslamotors.com
David Feinstein
Foreign Trade Zone Manager

Subzone #18H
The RK Logistics Group
41707 Christy Street
Fremont, California 94538
Phone: (800) 821-7770
Fax: (408) 942-9226
www.rklogisticsgroup.com
rodk@rklogisticsgroup.com
Rod Kalune
President

San Jose Foreign Trade Zone #18 Grantee Fees

Subzone Application	\$500
Annual Subzone Fee	\$275
Fee to Establish FTZ Operating Agreement	\$2,500
Foreign Trade Zone Operator's Annual Fee	\$350

Fees adopted by the San Jose City Council for implementation on July 1, 2014.

San Jose Foreign Trade Zone #18

General Purpose Zone – Site Description

San Jose Foreign Trade Zone #18 is located at 2055 South Seventh Street, Suite A in San Jose, California. The General Purpose Zone is located in a 330,000 square foot warehouse building and office complex.

The warehouse in a concrete tilt up building with ground level and dock unloading. The building is equipped with a sprinkler system, security system, rack and floor stacking storage and a computerized inventory control system with direct customer linkage.

**San Jose Foreign Trade Zone #18
Rate Schedule
General Purpose Zone - San Jose Distribution
Services**

Labor Handling Rates (per unit) \$6.50 Per Pallet

Withdrawals from Storage

 Bill of Lading \$7.50

 Per Line Item \$1.30

Special Labor and Clerical Charges \$26.00 Per Hour

Minimum Storage and Handling Charges

 Per Inbound Receipt \$10.00

Clerical – Document Fees

 Inbound Document or Manipulation Fee \$5.00

 Outbound Document Fee \$7.50

**San Jose Distribution Services Inc. Foreign Trade Zone #18
Rates and Services Effective October 1, 2011**

Rates herein replace any previous Foreign Trade Zone #18 Tariff published by San Jose Distribution Services Inc.

Rates are premised on:

- Non Co Mingled Bonded Storage
- Dedicated – Secure FTZ Storage Area
- Special Administration For Promulgation of FTZ Entry and Exit Documentation
- Manipulations
- Zone Lot Tracking
- Abidance and Compliance to Foreign Trade Zone Regulations

These rates also reflect and are consistent with expenses associated with abidance-compliance to FDA Regulations, Food Grade Sanitation, Good Manufacturing Practices, Special Security and Zone User C-TPAT Regulations.

Rates include all general commodities, except hazardous materials, or any commodity that could contaminate or impact food, food related articles, medical devices, medical device articles or medical device accessories. Rates herein are fair, reasonable, within market competitiveness, and charged uniformly under like conditions.

Rate Schedule

Storage

Goods that are palletized and do not exceed industry average dimensions:
40"x48"x48"

Rate: \$10.00 per pallet per month.

Goods that are palletized and exceed industry average dimensions:

Rate: \$12.00 per pallets per month.

Minimum Monthly Storage Charge Per Month: \$500.00 per month.

Handling

Goods that are handled in a palletized condition in and out of the Foreign Trade Zone with no breakdown:

Rate: \$10.00 per pallet

Goods palletized but require cases picking on outbound departure of Foreign Trade Zone:

Rate: \$.75 per case.

Goods that require repackaging:

Rate: \$5.00 per order or rate determined by zone user specifications.

Pick and Pack Charge

Rate: \$.50 to \$2.00 per line item or determined by zone user specifications

Manipulations: Hourly warehouse person rate or mutually agreed upon transactional rate determined by zone user specifications

Administration and Foreign Trade Zone Documentation

FTZ Entries and Exits;

Rate: \$15.00 per document

Bill of Ladings and Per Order Charge

\$7.50 per document

Labeling

Basic shipment labeling \$.25 per label

Destructions

Hourly rates plus disposal and certificate of destruction costs.

Hourly Rates

For special services not defined in tariff:

Warehouse Person Only: \$30.00 per hour

Warehouse Person and Forklift: \$45.00 an hour

Escorting: \$30.00 an hour

Overtime: \$45.00 an hour

Holidays: \$60.00 per hour, four hour minimum

Special Hours Opening: \$45.00 an hour, four hour minimum

Packaging Materials

Cost plus 15%

Cycle Counts and Physical Inventories

See applicable hourly rates

San Jose Foreign Trade Zone # 18

The operator of San Jose Foreign Trade Zone #18 is selected through a public Request for Qualifications process. The current operator, San Jose Distribution Services, has operated the General Purpose Zone for the City of San Jose, the grantee, since September 1982. The current agreement with the Zone operator was entered on July 31, 2009. The agreement requires the operator to manage the Zone in accordance with all applicable federal, state and local statutes and regulations and policies of the City of San Jose and the Foreign-Trade Zones Board.

In the event that a special user requests an extension or non-contiguous Zone designation, the Grantee, shall, in its sole discretion, determine whether or not to submit an application to the Foreign-Trade Zones Board. The special user is required to file a petition with the Grantee and provide evidence in the petition that the existing Zone will not adequately serve the convenience of commerce with respect to that particular business. The petition must provide sufficient evidence to meet all criteria required by the Foreign-Trade Zones Board or federal law and regulations for the establishment of Foreign-Trade Zones.

There are prohibitions and restrictions on hazardous materials in the Foreign-Trade Zone. Hazardous materials is defined as any substance or material which is determined by the state of California, federal or local government agency to be capable of posing risk of injury to health, safety, the environment, and property. The operator must comply with all federal, State of California, and local laws, requirements, and policies relating to hazardous materials and environmental conditions.

The Grantee promotes nondiscrimination in employment. The Grantee's agreement with the Operator and Subzones requires a nondiscrimination clause against any worker, employee or applicant, or any member of the public, because of race, creed, color, religion, gender, sexual orientation, national origin, or otherwise commit an unfair employment practice.