

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.

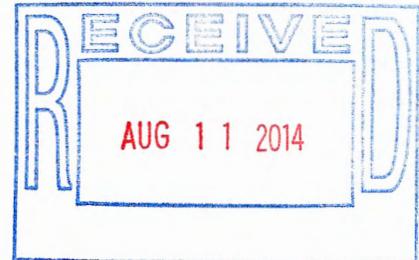


Rhode Island Commerce
CORPORATION

315 Iron Horse Way, Suite 101 • Providence, Rhode Island 02908
PHONE: 401-278-9100 • FAX: 401-273-8270 • www.commerceri.com

August 6, 2014

Ms. Kathleen Boyce
Foreign Trade Zones Board
US Dept. of Commerce
1401 Constitution Ave., NW, Room 21013
Washington, DC 20230



Dear Kathleen:

Per your request, enclosed please find the FTZ 105 Zone Schedule. As stated in my email, I am in the process of amending the schedule to reflect the corporation's name change and general updates, as part of my work plan for FY15. Also, pursuant to our work with NORAD as the zone operator, they created a zone schedule as well that was based on this schedule.

I will be in touch regarding the amended schedule in the very near future.

Regards,

A handwritten signature in cursive script that reads "John T. Riendeau".

John Riendeau
Director of Business Development

enclosure

**Foreign Trade Zone Schedule
Rhode Island Foreign Trade Zone No. 105**

**Rhode Island Economic Development Corporation
(Grantee)**

Foreign Trade Zone No. 105

Rates, Charges, Rules and Regulations

Applying at

Foreign Trade Zone No.105

Established under granted authority of the
United States Foreign Trade Zones Board to
Rhode Island Economic Development Corporation

315 Iron Horse Way, Suite 101
Providence, Rhode Island 02908

Foreign Trade Zone 105
Originally Granted September 13, 1984

Prepared by:
John Riendeau
&
Russell Dunn
Port & Marine Affairs Associate

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ADMINISTRATIVE INFORMATION

**Rhode Island Economic Development Corporation
(Grantee)**

Foreign Trade Zone No. 105

LOCATED AT:

315 Iron Horse Way, Suite 101
Providence, Rhode Island 02908
Telephone: (401) 278-9100

Marcel Valois
Executive Director

POLICY

Foreign Trade Zone No. 105

All rates and charges for all services or privileges within the Zone shall be fair and reasonable and the operators 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.

Copies of this manual are on file with the Foreign Trade Zones Board, Washington, D.C., and are available at the general offices of Foreign Trade Zone No. 105 upon request at a price of \$5.00 per copy.

Definition of Terms

Act: The Foreign Trade Zone Act of June 19, 1984 (48 Stat. 998-1003; 19 U.S.C. 81a-81u), as amended by P.L. 566, 81 st Congress, approved June 17, 1950.

Board: The Foreign Trade Zones Board, created by the Act to carry out the provisions thereof.

Conditionally Admissible Merchandise: Merchandise which may be imported into the United States under certain conditions. Merchandise which is subject to permits or licenses, or which may be reconditioned to bring it into compliance with the laws administered by various Federal agencies is an example of conditionally admissible merchandise.

Customs Territory: The territory of the United States in which the general tariff law of the United States applies, but which is not included in any foreign trade zone.

Domestic Merchandise: Merchandise of every description, except articles specifically and absolutely prohibited by statute, which has been (1) grown, produced, or manufactured in the United States and on which all internal taxes have been paid or (2) previously imported into Customs territory and properly released from Customs custody on which duty and tax has been paid or which was previously entered free of duty and tax.

Director of Customs: The Port Director of Customs, Providence, Rhode Island - U.S. Customs Service.

Foreign Merchandise: Imported merchandise of every description, except article specifically and absolutely prohibited by statute, which has not been properly released from Customs custody into Customs territory.

Grantee: The Rhode Island Economic Development Corporation to which the privileges of establishing, operating, and maintaining Foreign Trade Zone No. 105 have been granted.

Manipulation: The breaking up, repacking, assembling, distribution, sorting, grading, clearing, mixing with foreign or domestic merchandise, or other processing which does not constitute a manufacture.

Secretary: The term "Secretary" means the Secretary of Commerce.

Subzone: A special purpose zone established as part of a zone project for a limited purpose, that cannot be accommodated within the existing zone.

User/Client: An individual, company or corporation utilizing the services and facilities of Foreign Trade Zone No. 105.

Zone: A foreign trade zone and/or foreign trade zone No. 105.

Zone Operator: To Be Determined.

Definition and Privileges of Foreign Trade Zones:

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

Section 3 of the Act, P.L. 397, 73rd Congress, approved June 18, 1934, as amended by P.L. 566, 81st Congress, approved June 17, 1950, authorizes the following privileges: "Foreign and domestic merchandise of every description except such as is prohibited by law, may, without being subject to the Customs laws of the United States, except as otherwise provided in the Act, be brought into a zone and may be stored, exhibited, broken up, repackaged, assembled, distributed, sorted, graded, cleaned, mixed with foreign or domestic merchandise, or otherwise manipulated, or be manufactured except as otherwise provided in the Act, and be exported, destroyed, or sent into Customs territory of the United States therefrom, in the original package or otherwise; but when foreign merchandise is so sent from a zone into Customs territory of the United States it shall be subject to the laws and regulations of the United States affecting imported merchandise;

Provided, that whenever the privilege shall be requested and there has been no manipulation or manufacture effecting a change in tariff classification, the Port Director of Customs shall take under supervision any lot or part of a lot of duties liquidated thereon. Merchandise so taken under supervision and regulations prescribed by the Secretary of the Treasury, be exported or destroyed, or may be sent into Customs territory upon the payment of such liquidated duties and determined taxes thereon.

If merchandise so taken under supervision has been manipulated or manufactured, such duties and taxes shall be payable on the quantity of such foreign merchandise used in the manipulation or manufacture of the entered article. Allowance shall be dutiable and taxable in its condition and quantity and at its weight at the time of entry. Where two or more products result from the manipulation or manufacture of merchandise in a zone, the liquidated duties and determined taxes shall be distributed to the several products in accordance with their relative value at the time of separation with due allowance for waste as provided for above:

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

Provided further, that if in the opinion of the Secretary of the Treasury their identity (of the goods) has been lost, such articles not entitled to free entry by reason of noncompliance with the requirements made hereunder by the Secretary, shall be treated when they reenter Customs territory of the United States as foreign merchandise under the provisions of the tariff and the internal revenue law in force at that time;

Provided further, that under the rules and regulations of the controlling Federal agencies, articles which have been taken into a zone from Customs territory for the sole purpose of

exportation, destruction, (except destruction of distilled spirits, wines and fermented malt liquors), or storage shall be considered to be exported for the purpose of:

- (a) the drawback, warehousing and bonding, or any other provisions of the Tariff Act of 1930, as amended and the regulations thereunder; and
- (b) the statutes and bonds exacted for the payment of drawback, refund or exemption from liability for internal revenue taxes and for the purposes of the internal revenue laws generally and the regulations thereunder.

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

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

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

General Rules and Regulations

General Regulations

All persons and merchandise of every description entering or leaving Zone No. 105 for any purpose whatsoever shall be bound by the lawful regulations of the Foreign Trade Zones Board and by the Zone regulations issued thereunder.

Government Agencies

All lawful regulations regarding government agencies in or about ports of entry must be complied with insofar as they are not in conflict with P.L. 73-397 and the regulations issued thereunder.

Insurance

The procedures, regulations, and charges set forth in this manual do not include insurance of any character.

All Foreign Trade Zone tenants/occupants/users, or all of the aforementioned where applicable, shall provide evidence that the following insurance coverage is in force covering their operations at any RIEDC facilities.

I.) Workmen's Compensation Insurance and additionally provide insurance required by law for other benefits to all persons in their employ. Employer's liability shall not be less than state law requirements. .

II.) Comprehensive General Liability Insurance to cover foreign trade zone tenants/occupants/users, or all of the aforementioned where applicable, and any subcontractor they shall employ.

Said comprehensive general liability coverage shall protect the tenants/occupants/users, companies performing work on or in RIEDC lands, facilities, or equipment, from any and all claims for damages arising out of personal injuries, including wrongful death, or property damage which may result from their operations, whether said operations by the tenant/occupant/user, or all of the aforementioned where applicable, or any subcontractor, or by anyone directly or indirectly employed by either of them. Comprehensive General Liability Insurance shall be in the amount of not less than \$1,000,000 per occurrence and not less than \$2,000,000 in the aggregate with respect to bodily injury, death, and property damage liability.

III.) Automobile Liability insurance to cover the tenant/occupant/user or all of the aforementioned, where applicable, and any subcontractor in their employ. Automobile Liability Insurance shall be in the amount of not less than \$1,000,000 for bodily injuries, death or property damages arising out of any one incident.

IV.) Amount of Fire / Casualty Insurance required: One Hundred percent (100%) of replacement cost of any RIEDC owned premises. The zone user/operator is responsible for replacement of any portions of a RIEDC owned property damaged by fire or other loss due to negligence of the user/operator.

V.) All policies shall include contractual liability insurance covering the liability of the lessee/occupant/user or all of the aforementioned, where applicable, for the assumption of entire responsibility and liability for losses, expenses, demand and claims in connection with, or, arising out of, any injury (including death) to any person or damage to property of RIEDC or others sustained, or, alleged to have been sustained in connection with, or, to have arisen out of or resulting from any and all operations of the lessee/occupant/user, his subcontractors, agents, and employees, except as may be caused by the Grantee's own negligence, including losses, expenses or damages sustained by RIEDC, and agrees to indemnify and hold harmless RIEDC, its agents and employees from any and all such losses, expenses, damages, demands, and claims, and agrees to defend any suit or action brought against them, or any of them based on any such alleged injury and to pay all damages, costs and expenses in connection therewith or resulting therefrom, and to name RIEDC as an additional insured subject to item V of the liability provision.

VI.) The above insurance policies shall remain in full force and effect and shall not be canceled, allowed to lapse, or allowed to expire until thirty (30) days after the RIEDC, One West Exchange Street, Providence, RI 02903; has received written notice thereof. Proof of this coverage shall be furnished before any work may be started, or release of any and all liability without exception must be given in writing to the Zone.

VII.) Insurance is carried by the Grantee on its own property only and does not include insurance on the contents stored therein. Lessee is obligated to put nothing within the zone which will cause cancellation or forfeiture of the insurance or affect the premium rate thereof on the building or buildings of which the leased premises forms a part. Insurance on commodities or other property stored on the leased premises, if desired, must be carried by and at the expense of Lessee or owner of the commodities or other properties.

Insurance on Merchandise in Warehouse

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.

Limit of Liability

I.) The responsibility of the zone, in the absence of written provisions, is the reasonable care and diligence required by law. Perishable goods, or goods which are susceptible to damage through temperature changes or other causes incident to general storage, are accepted in general storage only at owner's risk for such damages as might result from

general storage conditions.

II.) The Grantee and Operator are not liable and cannot assume any responsibility for any loss or damage to freight, cargo, or merchandise or other property upon the leased premises, or for any loss or damage arising from acts of commission or omission of co-tenants, or of the occupants, or users of adjacent or contiguous, compartments or of other portions in or about the zone, not for the breakdown of cranes or power service, not for loss or damage occasioned by plumbing, electric wires, automatic fire apparatus, not for any loss or damage from any cause whatsoever.

III.) The Grantee assumes no liability for damage to cargo transshipped through, or, stored at this facility except where caused by negligence of the grantee. The Grantee, its officers, agents or employees shall not be responsible for loss or damage by whomsoever caused to cargo or any other property in or upon or moving or being moved over, in, through, or under any wharf or other structure or property owned, controlled, or operated by the Grantee, resulting from any cause whatsoever, including but not limited to loss of or damage which in any manner is caused by or results from theft, pilferage, animals, including rats, mice, and other rodents, birds, insects, including moths and weevil, shrinkage, wastage, seepage, leading containers, heating, evaporation, fire or extinguishment thereof, explosion, leakage, discharge from fire protection system, dampness, rain, frost, freezing, frost, or other action of the elements or acts of God, collapse of walls, piers, or other structures, breakdown of plant, machinery, or equipment, flats, logs, sabotage, insurrection, revolution or war, riots, strikes, or any combination of the aforementioned.

IV.) The Grantee will not be responsible for any delay, loss or damage arising from strikes of any persons in their employ or in the service of others nor for any causes arising therefrom, nor any causes unavoidable or beyond its control. The Grantee accepts no responsibility for damages or accidents occurring when equipment or operations or employees are furnished to perform work for others.

V.) All persons to whom berths, facilities, and equipment have been rented or assigned shall be responsible and liable to the Grantee for any and all damage occurring to such property during their occupancy and/or use of said facilities and equipment without regard to whom shall cause the damage, except damages that arise solely from the gross negligence or willful and wanton act of the Grantee or its agents and servants. Any damage done to the pier, buildings utilities, other structures or equipment within FTZ No. 105 by a vessel or otherwise, must be immediately reported to the Grantee, together with the name of the person causing such damage. The expense of the repair of such damage shall be paid by said vessel or person, or agent of said vessel or person, except where it is due to Grantee's own negligence.

VI.) The Grantee shall require that the operator/users, their owners and agents, trucking companies, vendors, and all other users of the licensed area, leased premises, leased equipment, or any other land, property, or facilities of the Grantee agree to indemnify and

save harmless the Grantee from and against all losses, claims, demands, and suits for damages, arising out of their operations on all property of the Grantee or Grantee equipment, including but not limited to the leased premises, licensed area, and rented equipment, including any claims arising from paragraph II (above), by their employees, or by Workers Compensation insurers (sometimes called third party actions), and including court costs and attorneys' fees, except such as arise solely from the gross negligence or willful and wanton act of the Grantee or its agents and servants.

VII.) No provision contained in this policy shall limit or relieve the Grantee from liability of its own negligence nor require any person, vessel, or tenant / lessee to indemnify or hold harmless the Grantee from its own negligence.

VIII.) In performing the service of checking, the zone will accept no responsibility for concealed damage nor for the condition of contents of packages, cases or other containers, whether or not receipts issued so state. The operator/Grantee will not be responsible for or loss or damage arising from or occasioned by any misunderstanding of orders or instructions received or taken by telephone from the Zone user to the operator.

IX.) As a condition precedent to recovery, claims for loss or damage must be made in writing within thirty days after the merchandise is delivered from the zone, or in the case of failure to make delivery, then within thirty days after delivery of the last package of the lot in Operator's apparent possession.

Public Interest, Health and Safety

No operation or process of treatment will be permitted in the Zone that, in the judgment of the Operator or Grantee, is detrimental to the public interest, health and safety.

Confidential Relationship

The Operator will take precaution to avoid the divulging of confidential information regarding merchandise and services thereon performed in the Zone. Any Zone employee violating this confidential relationship will be discharged immediately.

Merchandise Arriving After Hours

Merchandise arriving after regular business hours may, by special arrangements with the Zone Operator, be placed in a designated location and received subject to special charges.

Security

There are no explicit standards as to what security procedures must be in force, however, users should be prepared to demonstrate to U.S. Customs that intrusions into the secured area will be detected and handled. In order to comply with the terms of the grant and the requirements of the United States Customs Service, companies wishing to operate under

zone procedures should be prepared to install a system of security control which complies with the following:

1. Buildings

- (a) Equip all exterior doors and windows with locks
- (b) Protect all window through which entry can be made from ground level by safety glass, wire mesh, or bars
- (c) Delivery and receiving doors should be constructed of steel or other materials suitable to deter or stop unlawful entry. All these doors should be locked at all times when not in use.
- (d) When fencing is not needed or the above security measure are insufficient, equip the building with an intrusion detection system or alarm system.

2.) Fencing

- (a) Where fencing is required it should enclose an area around cargo storage structures, support buildings, and exterior stored cargo areas sufficient to allow maneuvering space for pickup and delivery vehicles and to prevent use of buildings or cargo to surmount the fence.
- (b) Install chain-link type fencing using at least nine gauge, 2 inch mesh, standing eight feet in height.
- (c) The fence should be topped with a 2 foot barbed / concertina type wire extension. If barbed wire is used a minimum of three strands must be used and positioned at a 45 degree angle.
- (d) Fence posts should be on the inside of the fence and secured in a concrete foundation at least two feet deep.

3) Gates

- (a) The number of gates should be the minimum necessary for access.
- (b) Gates should be equipped with a deadlocking bolt or a substantially equivalent lock which does not require use of a chain. All hardware connecting the lock to the gate should be strong enough to withstand constant use and attempts to defeat the locking system.
- (c) Gates should be swing-type which can be secured to the ground when closed.
- (d) Separate gates should be provided for personnel and vehicles.

4) Personnel

- (a) Companies should prepare a list of employees who will have access to the area to enable U.S. Customs to run background checks on these employees. Although some interpretation and flexibility is afforded by Customs in such matters, current U.S. Customs regulations indicate that a customhouse broker, bonded carrier, bonded warehouse operator, and Foreign trade zone operator may not station convicted felons in secured areas.
- (b) Persons desiring admittance to the Zone shall make application to a representative of the Operator or Grantee. The pass issued must be worn or shown upon request. Upon leaving the Zone, any temporary pass must be surrendered, and any permanent

pass must be shown to the representative of the Operator. All persons having business in the Zone will enter and leave at the prescribed entrance.

5) Inventory Control

Users/operator should be prepared to show the U.S. Customs Service how they can and will account for materials which will eventually enter Customs territory. A system of electronic interface may be required by the U.S. Customs Service.

Employees and Persons Entering and Leaving the Zone

Employees and other persons entering or leaving the zone shall pass through the designated entrances to the zone. Employees and other persons shall be subject to examination upon entering and leaving a zone as the Director may deem necessary for the protection of the revenue.

All Persons Entering Zone Bound by Regulations

All persons entering the Zone for any reason whatsoever shall be bound by the regulations promulgated by the Board, Customs, grantee, and by the operator of the Zone

Identification of Employees within the Zone

Every employee within the zone shall be required, while within the Zone, to carry identification badges to be provided by the operator of the zone.

Identification of Visitors and Non-employee Personnel within the Zone

All persons having business within the Zone, but not possessing appropriate zone-issued badges, passes or other approval to enter the Zone, shall apply for the appropriate approval and entry identification at the zone operator office.

Customs Permit

Merchandise will not be delivered to or through Customs territory unless delivery order is accompanied by Customs permit.

Zone Accommodations

Before merchandise may be entered into the Zone, applications on Customs Form 214 must be completed by the zone user or their agent, filed and approved by the Zone operator and with the authorized Customs personnel. The application shall describe the merchandise fully, in terms of the harmonized Tariff Schedules of the United States Annotated, and be accompanied by an examination invoice and any additional information or documentation requested by the Port Director.

Permission to Manipulate

Before merchandise may be manipulated within the Zone, application on Customs Form 216 must be presented to the Operator for concurrence by the zone. The operator will then forward the application to the Director of Customs through the Customs officer on duty at the Zone. On approval by the Director, the contemplated manipulation will then be permitted.

Clearing Merchandise and Traffic

Merchandise, land carriers and other users of the Zone, both incoming and outgoing, must obtain clearance through the Zone office.

Tender For Acceptance

All merchandise for zone acceptance shall be delivered at designated points properly marked and packed and accompanied or preceded by the necessary documents for preserving the identity of such merchandise.

Customs Bond

The Grantee maintains, for Customs purposes, a Foreign Trade Zone Customs Bond as a guarantee for the payment of all duties and Customs permit or be otherwise found missing from the Zone and also for the payment of any penalties and liquidated damages that may result. The Grantee may, if deemed appropriate, require a zone or subzone user to also obtain an individual Customs bond.

Inspection

The Zone Operator/Grantee may inspect the assigned area at any and all reasonable times to ascertain whether or not the covenants or conditions related to its proper use are being observed.

The Grantee is authorized to enter and inspect any building or facility within foreign trade zone 105 or any RIEDC owned properties or facilities to ascertain the kind and quantity of merchandise of cargo thereon and no person or persons shall hinder, molest, or refuse entrance upon or into such facilities or properties for the purpose specified.

Hazardous Commodities

The zone will not be required to accept for storage any commodity that will affect the rate of insurance on other merchandise in storage.

Where reference is made hereto, by any rate item the product will not be stored except in locations or areas that are not restricted in the acceptance of any commodity for storage under the insurance rate established on contents stored therein.

Marking

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

Trucking and Lighterage

Transfer of foreign merchandise through Customs territory to the zone must be made by Customs bonded trucks or other carriers and is subject to Customs regulations. Likewise, the transfer of merchandise from zone to zone, from bonded warehouse to zone or from zone to port of export must be made by Customs bonded trucks or other carriers and be subject to Customs regulations. Domestic merchandise may be admitted to the Zone by any means of transportation.

Conditions for Construction of Buildings or Facilities

The Grantee may, with the approval of the Board, and under reasonable and uniform regulations for like conditions and circumstances prescribed by it, permit other persons, firms, corporations or associations to erect such buildings and other structures within the zone as will meet their particular requirements, provided: (a) that such permissions shall not constitute a vested right as against the United States, nor interfere with or complicate the revocation of the grant by the United States; (b) that in the event of the United States or the Grantee desiring to acquire property of the permittee, no good will shall be considered as accruing from the privilege granted to the zone; and (c) that such permits shall not be granted on terms that conflict with the public use of the zone as set forth in the Act.

Construction of any and all buildings and/or facilities within Foreign Trade Zone No. 105 shall be in compliance with all applicable Federal, State, and local building codes, ordinances, and regulations. Further, all designs and plans for construction or expansion of buildings or facilities must be approved by the Grantee prior to the initiation of any work on said buildings or facilities. Any and all applicable and necessary building permits and variances must be obtained by the zone user prior to commencement of construction activities. Copies of all permits / variances must be submitted to the Grantee prior to the commencement of construction activities.

Residence within the Zone

Charges, Rates, Rules and Regulations Applicable to Grantee's Sub-zones and Annexes.

The Grantee, Operator and all persons and entities doing business within a subzone established by the Grantee must comply with provisions of the Foreign Trade Zone Act, as amended; with the lawful and effective Rules, Regulations and Procedures of Foreign Trade Zones Board; with such of the laws and lawful regulations of the United States, the States, or the subdivision and agencies thereof as may be applicable to operators, occupants, their employees and invitees, and users of subzones; and with such of the provisions of this Tariff and subsequent issues and modifications thereof as may be applicable to the operations conducted in the subzone.

Where the applicant desires to have a subzone located within Grantee's jurisdiction and the Grantee has no site available for its location or where sites available are not suited for proposed operations, the applicant must arrange for the acquisition of a suitable and available site. The Grantee will provide cooperation with all State or local industrial development agencies, public or private, to assist applicants to the fullest extent possible in securing a suitable location.

All persons and entities who request the Grantee to apply for authority to establish a subzones must first enter into an agreement with the Grantee governing the subzone operations. This agreement will contain provisions including, but not limited to, those relating to costs incident to the preparation of the application and any subsequent amendment or modification thereof; costs incident to public hearings and legal proceedings; charges for any required Customs Zone activation, relocation, alteration, audit or spot check; and charges for Grantee's special services not provided in this manual. Applicants for the establishment of a subzone will bear application costs and charges of preparing and filing of application by the Grantee whether or not the application is favorable acted upon the Foreign Trade Zones Board.

Preparation of Application:

Cost is negotiable due to varying degrees of staff work and preparation time. Companies may develop their own applications if they choose.

Activation Fee:

At the time of activation, users will pay the grantee an activation fee of \$100.00.

U.S. Customs Bond:

The operator/user must maintain a U.S. Customs bond "limit of liability amount shall be fixed in an amount the district director may deem necessary to accomplish the purpose for which the bond is given, but not less than \$50,000". The foreign trade zone user will

provide a letter holding the Rhode Island Economic Development Corporation harmless from any liability claims or punitive measures imposed by the U.S. Customs Service.

Active Foreign Trade Zone User Fee

For active foreign trade zone use, the Rhode Island Economic Development Corporation will be remitted by the user/operator a rental fee of \$.015 per square foot per month to cover the costs of activated FTZ space.

Subzone

\$1,000 per year

General Purpose

\$2,500 per year for more than 20,000 square feet.

(Rates are adjustable in accordance with reporting requirements assumed by users.)

Foreign Trade Zone 105 Transfer Fee Schedule

Costs will be applied where a general purpose foreign trade zone or foreign trade zone subzone was sponsored into existence by foreign trade zone 105 of North Kingstown, Rhode Island. The FTZ No.105 operator shall be paid by the user as determined by the operator's tariff.

Charges for Warehouse Specific Services

These charges will be set forth in the Zone operators tariff.

Charges for Special Zone Staff Services

The Operator maintains at the Zone a legally assigned staff of employees to assist in the normal operations of the Zone during regular business hours set forth in this tariff. Zone staff services rendered during National holidays, Saturdays and Sundays or during overtime hours at the specific request of the user of zone facilities for such purpose, will be charges to the user of such services.

Charges by Government Agencies

Charges made by Government agencies other than the Foreign Trade Zone Operator/Grantee are not included in the Tariff and should be arranged by the owner or his agent with the government bureau concerned.

Charges for Special Customs Services

U.S. Customs Service charges special fees for the activation of new foreign trade zones or subzones, for zone relocation and for zone boundary alterations. When such fees are assessed as a result of a specific request by a zone user, the Operator/Grantee may require that user to bear the expense thereof. No fees are charged for deactivation or reactivation

Warehouse Space

Grantee will lease space for the storage of general merchandise calculated at a negotiable base rate of \$1-\$3 per square foot per year, commodity, use of space and volume. This rate shall include basic customs service during regular business hours. Each open zone lot shall be subject to a minimum charge of \$33.00 per month.

Special Alterations

Lessee/User will be responsible for the cost of any special alterations for the installation of machinery and equipment, partition and related construction required for their preparation. At termination or end of lease period permanent alterations will become the property of the building owner or the premises must be restored to the original condition at the expense of the lessee.

Utilities

Charges for utilities will be the responsibility of the occupant/tenant/user.

Office Space

Office space is available for lease by zone users at a negotiable base rate of \$8.40 per sq.ft. per year. This charge includes heat, electricity, and janitorial services in common areas. Offices using window mounted air conditioning units will be assessed an additional charge of \$15 per month per unit during the months of June, July, and August.

Waiver of Storage Charges.

Merchandise owned by or under legal control of private lease area users shall not be subject to storage charges as set forth in other sections of this tariff while occupying space in such areas, but shall be subject to storage handling charges as elsewhere provided for in this tariff.

Minimum Acceptance Charges

The zone reserves the right to refuse acceptance of any merchandise, the value of which may be determined as less than the probable zone charges; or at its discretion, it may require the prepayment of all such charges on this class of merchandise.

Service Charge

A service charge of 1.5% may be charged on all accounts receivable of 30 of age. No proration will be made and 1.5% will be charge on the compound balance every anniversary date thereafter.

Payment of Charges

Zone charges are due and payable upon receipt.

Merchandise Held for Charges

The Zone Operator reserves the right to withhold permission to withdraw merchandise from the Zone for users with unpaid charges for Zone use.

Enforcement of Charges

For the purpose of enforcing payment of charges named in this manual on merchandise handled over, stored, or manipulated in the Zone facilities, the Zone Operator may take possession of such merchandise and remove and store some at the charge, risk, and expense of the owner or consignee thereof and/or my sell the goods by public action and/or pursue such other remedies as may be provided by law. All tenants/occupants/users of the foreign trade zone or RIEDC facilities placed on the delinquent list, in accordance with the aforementioned Payment of Charges guidelines, shall be denied by the operator/grantee use of the facilities or the right to remove cargo from storage until all such charges, together with any other charges due, shall have been paid in full.

Upon request, the Zone is prepared to furnish nonnegotiable warehouse receipts on merchandise stored under zone supervision and control.

Private Lease Area

Grantee will lease space for handling, processing, manipulation and manufacture of goods for a term of not less than three months or for extended periods which may be negotiated subject to the rates, rules and regulations published in this tariff. Lease forms containing the terms and conditions of leasing such space are available upon request to the operator of the zone. All leases are subject to the approval of the Grantee.

Exclusive Use

Private lease areas shall be for the exclusive use of the lessee/user.

Description of Property

Pursuant to a grant issued by the Foreign Trade Zones Board, United States Department of Commerce, Washington, D.C. on September 13, 1984 to the Rhode Island Economic Development Corporation, under provisions of P.L. 72-397, approved June 19, 1934 as amended, Foreign Trade Zone No. 105 the following publication on rules, regulations and tariff rates.

Foreign Trade Zone No. 105 is the property of the Rhode Island Economic Development Corporation. Foreign Trade Zone No. 105 measures 902 acres and is located in the Quonset Davisville Industrial Park, at 30 Enterprise Drive, North Kingstown, RI 02852. The zone has adequate electric, gas, water, waste disposal, communications and access to all mode of transportation. The zone is equipped to provide general storage, manipulation, manufacturing and exhibition.

The zone fronts U.S. Route One which connects with Federal Highway I-95 at a distance of 4.5 miles. There are adequate paved areas provided for truck circulation, parking, and trailer storage. Rail sidings within the park connect to the Amtrak main line and subsequently to the national rail system. Rail cars may be loaded and unloaded directly within the zone and warehouse area. Two 1200 foot reinforced concrete piers of 300,150 square feet and 680,040 square feet respectively, with deep-water frontage give access to domestic and international shipping services. The piers provide 2650 linear feet of berthing and 1850 linear feet of berthing respectively. Further, the former aircraft carrier pier of 93,760 square feet provides an additional 2080 linear feet of berthing space. In aggregate, there is 1, 073,950 square feet of wharf space with 6580 feet of linear berthing.

Air service is available within the industrial park at the Quonset State Airport. This airport has a landing capability for aircraft weighing 339,000 lbs. (double-duel-tandem wheels) on its 8000 foot runway. It is the second largest airport in the State of Rhode Island.

Merchandise Permitted in a Zone

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

(a) Merchandise which is specifically and absolutely prohibited by law shall not be admitted into a zone. Any merchandise so prohibited by lay which is found within a zone shall be disposed of in the manner provided for in laws and regulations applicable to such merchandise. A distinction is made between (1) merchandise which is specifically and absolutely prohibited by law on the grounds of policy and morals, such as immoral or

subversive literature, obscene article, or lottery matter, and (2) merchandise which is subject to conditional prohibition only, for example, articles which are subject to permits or licenses for the protection of economic or national security or which may be reconditioned to bring them into compliance with the laws administered by various Federal agencies. Directors of Customs are required to exclude the first class of articles and may not permit them to be transferred to a zone if they are aware of their prohibited status, except that the Director may permit the temporary deposit of any such merchandise in a zone pending final determination of its status. The transfer of articles of the second class to a zone is subject to any requirements of the Federal agency concerned. There is no prohibition against placing over-quota merchandise in a zone pending its right to transfer to Customs territory pursuant to the applicable quota provisions.

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

Application and Permit for Admission of Merchandise

Merchandise may only be admitted to a zone upon submission of Customs Form 214 by an applicant having right to make entry and the issuance of a permit by the district Director. Exceptions to this requirement are for merchandise temporarily/rarely deposited in a zone or transiting zone. Domestic status merchandise, including packing and repair material may be admitted into the zone without application or permit except: (1) when it is mixed or combined with merchandise in another zone status, or (2) upon order of the Commissioner of Customs.

Disposition of Merchandise in a Zone

In general, merchandise lawful brought into a zone may, in accordance with these and other regulations made under the provisions of the Act, be exported, destroyed, or sent into Customs territory of the United States there from, in the original package or otherwise; but then foreign merchandise, and domestic merchandise whose identity has been lost, is so sent from a zone into Customs territory of the United States it will be treated as foreign merchandise. Any domestic merchandise will be considered to have lost its identity if the Port Director determines that it cannot be identified positively by a Customs officer as domestic merchandise on the basis of an examination of the articles or consideration of any proof that may be submitted by a party-in-interest.

Manipulation, Manufacture, Exhibition, Destruction of Merchandise

In general, merchandise lawfully brought into a zone may, in accordance with these and other regulations made under the provisions of the act, be stored, sold, exhibited, broken up, repacked, assembled, distributed, stored, graded, cleaned, mixed with foreign and domestic merchandise, or otherwise manipulated, or be manufactured, or destroyed except as otherwise provided by the Act.

(a) Permission for any manipulation, manufacture, exhibition or destruction in a zone shall be obtained from the Port Director of Customs. Destruction of merchandise may be permitted outside a zone, in whole or in part and under such conditions necessary to protect the revenues, if proper destruction cannot be accomplished within the zone.

(b) The Port Director shall approve the application unless (1) the proposed operation would be in violation of law or regulation; (2) the place designated for the operation is not suitable for the preservation of identity or status of the merchandise, or safeguarding the revenues; (3) the Port Director is not satisfied that the destruction will be effective; or (4) the executive secretary of the Board has not granted approval of a new manufacturing operation.

(c) If an approved application is subsequently rescinded by the Port Director for any reason, the applicant or grantee may appeal the adverse ruling and request a hearing pursuant to Section 146.82 (b)(2).

(d) The Port Director may approve a blanket application for a period of up to one year for a continuous or repetitive operation.

Status of Merchandise in a Zone

For the purposes of the Act and the regulations of this section, all merchandise within a zone, except that as defined in Item 107 of the Act, shall be given a zone status as one of the following in accordance with Part 146, Subpart C of Customs regulations:

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

Subsequent Importation of Zone Merchandise

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

Retail Trade Within the Zone

No retail trade; sales or offers to sell goods or services to individuals for personal use, shall be conducted within a zone except under permits issued by the grantee and approved by the Board. Such permittees shall sell no goods except such domestic or duty paid or duty-free goods as are brought into a zone from Customs territory. Permits which are sent to the Board for approval shall be accompanied by a sworn statement, as specified in

section 400,808, of the Foreign Trade Zone Regulations. No goods shall be offered for sale or sold in the political jurisdiction in which a zone is located. If the permittee violates any provisions of the regulations in this section, their permit shall be revoked by the grantee, who shall immediately report such action to the board. The Port Director may assess a fine of up to \$1,000 for each violation.

Use of Zone by Carriers

The docking facilities and loading or unloading stations of a zone are intended primarily for the use of vehicle, for unloading merchandise into the zone or loading merchandise from the zone, and their use for other purposes may be terminated by the Secretary of the Treasury if found to endanger the revenue or by the Board, if found to interfere with the primary uses of the zone.