

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 #110
Albuquerque, New Mexico

Effective Date: August 19, 2014

TABLE OF CONTENTS

	Page
Section 1. Rules and Policies.....	3
Section 2. Rates/Charges Assessed for FTZ #110.....	8
Appendix A Definitions.....	9

Foreign-Trade Zone #110

Foreign-Trade Zone #110 is regulated by the Foreign-Trade Zones Board, Washington, D.C. under U.S. Code of Federal Regulations Chapter IV, Part 400. The authority and jurisdiction of the FTZ Board is derived from Public Law No. 397, 73rd Congress (48 Stat.998), approved June 18, 1934, as amended by Public Law No. 566, 81st Congress (164 Stat. 246), approved June 17, 1950.

Foreign-Trade Zone #110 is subject to U.S. Customs and Border Protection regulations as defined in U.S. Code of Federal Regulations, Title 19, Customs Duties, Chapter 1, Part 146-Foreign-Trade Zones. Copies of these regulations may be obtained at the local U.S. Customs and Border Protection office.

Section 1. Rules and Policies.

1.1 Hours of Business and Service. Hours of business and service, for Customs purposes, shall be the same as those prescribed in Customs regulations.

The Zone shall be available for business activities on a 24-hour basis. Regular or normal business hours shall be between the hours of 8:00-12:00 p.m. and 1:00-5:00 p.m., Monday through Friday. After regular business hours or on holidays, authorized Zone Operator employees will conduct business on the Grantee's behalf.

1.2 Payment of Customs Officers and Employees.

(a) The cost of maintaining the Customs service in the Zone, if any, shall be paid in the manner prescribed by U.S. Customs regulations, by the Zone Operator, to the Port Director of Customs. Reimbursement to Zone Operator from each individual user of Customs services rendered is due to Zone Operator within ten (10) days of billing.

(b) Customs officers and employees performing services in the Zone at night, on Sundays, or on holidays shall receive extra compensation, to be computed as prescribed by U.S. Customs regulations.

1.3 Zone Regulations. The following rules governing procedures within FTZ #110 are issued in conformity with, and supplementary to, the FTZ Board's regulations and such of the United States laws and regulations relating to the port of entry as are applicable to FTZ operations.

1.3.1 General Regulations. All persons and merchandise of every description entering or leaving FTZ #110 for any purpose whatsoever shall be bound by the lawful regulations of the FTZ Board and by the Zone regulations issued thereunder.

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

1.3.3 Compensation Insurance. Every person employed by contractors or customers in the Zone shall be properly covered by workers' compensation insurance. Proof of this shall be furnished before any work may be started or release of liability must be given to the Zone Operator.

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

1.3.5 Confidential Relationship Between Zone and Tenants. The Grantee or Zone Operator shall 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 suitably disciplined or discharged.

1.3.6 Merchandise Held for Charges. Zone charges are due and payable as they accrue and upon presentation to the Zone user or Subzone Operator. The Grantee or Zone Operator, reserves the right to withhold permission to withdraw merchandise from the Zone for users with unpaid charges for Zone use.

1.3.7 Enforcement of Charges. For the purpose of enforcing the payment of charges named in the schedule detailed in Section 2 below, on merchandise handled over, stored, or manipulated on the Zone facilities, the Zone Operator may take possession of such merchandise, and may remove and store same at the charge, risk, and expense of the owner or consignee thereof and/or sell the goods by public auction, and/or such other remedies as may be provided by law.

1.3.8 Customs Bond. The user of the Zone maintains for Customs purposes a Customs 301 Bond as a guarantee for the payment by the user of all duties and taxes on such merchandise as may be removed from the Zone without proper Customs permits or otherwise missing from the Zone. A Subzone Operator shall purchase and deliver to the U.S Customs and Border Protection a Customs 301 Bond in an amount set by U.S. Customs. This bond shall be effective beginning on the effective date of the Subzone Operator agreement, and shall be a "Continuous Bond."

1.3.9 Customs Permit. Merchandise shall not be delivered to, or through, Customs Territory unless permitted by U. S. Customs.

1.3.10 Customs Inspection of Merchandise While in Zone. The consignee or Zone user, or its agent, shall at all times be immediately available to make the merchandise subject to inspection required by the U.S. Customs and Border Protection and shall have the sole responsibility of opening crates and packages, handling the merchandise, and securing the crates and packages following the inspection. In the event that the consignee or its agent is not immediately available for the inspections, then Zone personnel shall be authorized to open such packages for the Customs service and shall not be liable for any loss or damage for any reason whatsoever to the goods.

1.3.11 Non-Liability.

(a) The Grantee, its Zone Operator, employees, representatives and/or those acting within the authority delegated by the Grantee, including the FTZ Board, shall 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 the acts or omission of co-tenants, or of the occupants, or users of adjacent or contiguous compartments of other portions in or about the Zone, nor for the breakdown of power service, nor for loss or damage occasioned by plumbing, electric wires, automatic fire apparatus, nor for any loss or damage from any cause whatsoever.

(b) Zone users and Subzone Operators through their use of the Zone agree that the Grantee and/or Zone Operator, their agents, employees, or representatives, shall not be responsible nor liable for any claims for damages or injury, including death, caused by or arising from acts or negligence of co-tenants upon or within the Zone, the occupants or users of adjacent or contiguous premises, the breakdown of power service, plumbing, electrical wires, automatic fire or sprinkler apparatus or any facilities upon or about the Zone or other premises of the Grantee and/or Zone Operator, water being upon or coming through the roof, skylights, or trapdoors, and accidents on tracks, roadways or elsewhere upon or within Grantee's and/or Zone Operator's property.

(c) The FTZ Board shall never be liable to respond in damages or make indemnity or compensation of any character from any source other than the income and revenues arising from the operation of the property by the Grantee or Zone Operator by reasons of, or due to, or caused by the operation of the Albuquerque International Sunport. The members of the FTZ Board, either individually or collectively, shall not be personally liable to anyone by reason of, or due to, or caused by the management of the Albuquerque International Sunport.

1.3.12 Zone Accommodations. Before merchandise may be admitted into the Zone, a CF 214 form, Application for FTZ Admission and/or Status Designation, must be completed by Zone user or its agent, filed, and approved by the Grantee or Zone Operator and with the authorized Customs personnel. The application shall describe the merchandise fully, in terms of the Harmonized Schedules of the United States and be accompanied by all supporting document as required by CF 214.

1.3.13 Permission to Manipulate, Manufacture, and Process. The FTZ Board approval of any manufacture process is required prior to such activity commencing. Before merchandise may be manufactured or manipulated within the Zone, a completed CF 216 form, Application for FTZ Activity Permit, must be presented to the Grantee or Zone Operator for concurrence by the Grantee. The Grantee or Zone Operator will then forward the application to the Port Director of Customs. On approval by the Port Director of Customs, the contemplated Manipulation will then be permitted.

1.3.14 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.

1.3.15 Clearing Merchandise and Traffic. All merchandise having Zone status, both incoming and outgoing, must obtain clearance through the Zone office.

1.3.16 Charges for Special Zone Staff Services. The Grantee or Zone Operator shall provide and maintain in the Zone, a legally assigned FTZ Manager to assist in the normal operation of the Zone during regular business hours as set forth in subsection 1.1, above. Zone staff services rendered during national holidays, or Saturdays and Sundays, or during overtime hours at the request of the users of such service shall be at rates agreed to between said Zone users and the Grantee or Zone Operator.

1.3.17 Insurance. Insurance is carried by the Grantee or Zone Operator on its own property only, and does not include insurance on the contents stored therein. User is prohibited from putting anything within the Zone, which will cause the cancellation or forfeiture of the insurance or affect the premium rate thereof on the building or buildings of which the leased premises forms a part. Insurance on commodities or other property stored on the leased premises, if desired, must be carried by, and at the expense of, user or owner of the commodities or other properties. Merchandise stored, manipulated, or transferred within the Zone is not insured by the Grantee or Zone Operator, and the Zone rates and charges do not include insurance on merchandise.

1.3.18 Business Insurance. All persons or firms conducting business on or in connection with the facilities of FTZ #110 shall be required to provide the Grantee or Zone Operator with proof of existing in force business insurance in such amounts and type as may be required by the Grantee/Zone Operator.

1.3.19 Inspection. The Grantee or Zone Operator 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.

1.3.20 Marking and Labeling. All merchandise handled in the Zone before entry into Customs Territory must be truly marked in accordance with U.S. Customs regulations as to the country of origin and in accordance with all other government regulations. 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.

1.3.21 Merchandise Which is Prohibited by Law. Merchandise which is prohibited by law shall not be admitted into the Zone. The admission into the Zone of merchandise, the importation of which into the United States is restricted, but not absolutely prohibited, such as certain classes of merchandise as set forth in Chapter X Customs Regulations of 1937, shall be under such provisions as may be prescribed by the Department of Agriculture or other government agency having jurisdiction in the particular case. No narcotic drug as defined in the Act of May 26, 1922, known as the "Narcotic Drug Import and Export Act," as amended, shall be permitted to be introduced into the Zone, except that such quantities of narcotic drugs as are required for direct emergency medical needs within the Zone may be admitted into the Zone from Customs Territory

of the United States subject to the requirements of the Act of December 17, 1914, known as the "Harrison Narcotic Law," as amended, and regulations thereunder. Any prohibited merchandise, including narcotic drugs not admissible into the Zone as herein provided, found within the Zone shall be seized and disposed of according to law. Merchandise in the Zone may be examined by the FTZ Manager at any time to enforce the provisions of this subsection.

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

1.3.23 Gold. Gold, except fabricated, is prohibited by Special Order of the FTZ Board.

1.3.24 Improper Packing. Merchandise not suitably packed for ordinary handling, may, in the discretion of the appropriate officers, be rejected, or repacked at the expense of the shipper, consignee, or their agents.

1.3.25 Hazardous Merchandise. Explosives, inflammable, and other hazardous merchandise will not be permitted in the Zone unless complying with all federal, state, City of Albuquerque, and Grantee/Zone Operator regulations.

1.3.26 Contingencies Not Covered by Rules and Policies. Contingencies not covered by these rules and policies will be subject to arrangements or agreements approved by the Grantee/Zone Operator.

1.4 Grantee's Restrictions and Prohibitions. The Grantee/Zone Operator reserves the right to restrict or prohibit the entry or handling of any commodity in the Zone due to its hazardous, obnoxious, or unsanitary conditions or nature.

1.5 Zone to be Operated as a Public Utility. All rates and charges for all services or privileges within the Zone shall be fair and reasonable, and the Grantee/Zone Operator and users 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 pursuant to 15 CFR, Chapter IV, Part 400, Section 1003a.

Section 2. Rates/Charges Assessed for FTZ #110. The following rates and charges are assessed for FTZ #110 General Purpose Zone (GPZ) and Special-Purpose Sub Zone (SPZ) current and future activities.

- a) GPZ Application Fee: N/A.
- b) GPZ Activation Fee: N/A.
- c) Additional GPZs in FTZ #110: \$3,200 payable by Zone Operator/Grantee to FTZ Board.
- d) Expansion of Existing FTZ: \$1,600 payable by Zone Operator/Grantee to FTZ Board.
- e) SPZ Application Fee: \$4,000 for Users manufacturing less than three (3) products, payable by Operator/User to FTZ Board.
- f) SPZ Application Fee: \$6,500 for Users manufacturing three (3) or more products, payable by Operator/User to FTZ Board.
- g) Activation Processing Fee: \$3,500 payable by User to Zone Operator/Grantee.
- h) Annual Fee for GPZ Users: \$6,000 payable to Grantee.
- i) Annual Fee for SPZ Operator/Users: \$9,600 payable to Grantee.
- j) Request for User Boundary Modification in GPZ or SPZ: \$2,000 payable to Grantee (this fee does not cover FTZ Board charges for processing boundary modifications).
- k) Special Zone Operator/Grantee Assistance: Any additional assistance or interface required with the FTZ Board, U.S. Customs, or any other governmental agency on procedures or operations within FTZ #110 will be provided by Zone Operator/Grantee on an hourly rate basis.

Appendix A Definitions

“Act” means the FTZs Act of June 18, 1934 (48 Stat. 998-1003; 19 U.S.C. 81a-81u), as amended by Public Law 566, 81st Congress, approved June 17, 1950, and as it may subsequently be amended.

“Customs” means U.S. Customs.

“Customs Territory” means the territory of the United States in which the general law of the United States applies, but is not included in any FTZ.

“Domestic Merchandise” means merchandise of every description, except articles specifically and absolutely prohibited by statute, which has been either grown, produced, or manufactured in the United States and not exported therefrom, or was previously imported into Customs Territory and properly released from Customs custody.

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

“Foreign Merchandise” means imported merchandise of every description, except articles specifically and absolutely prohibited by statute, which has not been properly released from Customs custody into Customs Territory.

“FTZ” means the FTZ.

“FTZ Board” means the FTZs Board created by the ACT to carry out provisions thereof. The FTZ Board shall consist of the Secretary of Commerce, who shall be the chairman and executive officer, the Secretary of the Treasury, and the Secretary of the Army.

“Grantee” means the City of Albuquerque to which the privileges of establishing, operating, and maintaining FTZ #110 have been granted.

“Manipulation” means breaking up, repacking, assembling, distributing, sorting, grading, cleaning, mixing with Foreign or Domestic Merchandise, or other processing, which does not constitute a manufacture.

“Port Director of Customs” means the port director of Customs, Albuquerque, New Mexico, United States Customs and Border Protection.

“Quantity” means the numerical count of the units composing a shipment of a commodity except Bulk commodities which must be measured by Weight, size, or volume.

“Subzone” means a special-purpose zone established in accordance with 15 CFR Part 400 for a manufacturing or refining process and as an adjunct to the Zone project for a limited purpose.

“Subzone Operator” means an individual, company or corporation managing the operation of the Subzone through its FTZ Subzone Operator agreement with the Zone Operator.

“U.S. Customs” means United States Customs.

“United States” means the 50 states, District of Columbia, and Puerto Rico. The term also includes all territories and possessions of the United States, except the Virgin Islands, American Samoa, Wake Island, Midway Islands, Kingman Reef, and the Island of Guam.

“Weight” means the gross weight of the merchandise including container, except as noted to the contrary.

“Zone” includes "FTZ" and/or FTZ #110.

“Zone Operator” means the City of Albuquerque, Aviation Department, representing the City of Albuquerque, which manages the operation of the Zone through its FTZ Manager.