

## **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](mailto:ftz@trade.gov).

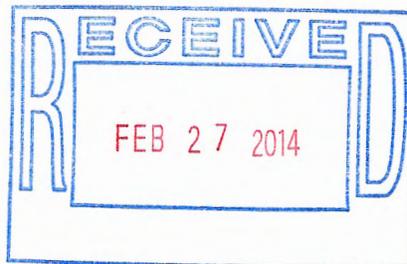
**ZONE SCHEDULE  
FOR  
FOREIGN TRADE ZONE NO. 45  
PORTLAND, OREGON**

This Zone Schedule, effective February 28, 2014, has been prepared by the Port of Portland, Grantee for FTZ No. 45. Any questions concerning the contents of this Zone Schedule should be addressed to:

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FTZ No. 45 is open for Business during normal business hours.

This Zone Schedule has been prepared in accordance with 15 C.F.R.§400.44 and is on file with the Foreign-Trade Zones Board and United States Customs & Border Protection in Portland, Oregon



## Table of Contents

FOREIGN-TRADE ZONES IN GENERAL:.....	1
HISTORY OF THE PORTLAND FOREIGN-TRADE ZONE, FTZ NO. 45: .....	1
PRESENT SITES COMPRISING FTZ NO. 45:.....	1
BUSINESS HOURS:.....	3
STATUTORY AND REGULATORY AUTHORITY:.....	3
ROLE OF FOREIGN-TRADE ZONES BOARD (FTZB): .....	4
ROLE OF U.S. CUSTOMS AND BORDER PROTECTION: .....	4
ROLE OF ZONE GRANTEE:.....	5
ROLE OF ZONE OPERATOR:.....	5
ROLE OF ZONE USER: .....	6
ZONE POLICIES .....	7
QUALIFICATIONS:.....	9
RIGHT OF ENTRY:.....	9
APPLICATION TO FTZB: .....	9
RETAIL TRADE WITHIN FTZ 45: .....	9
ZONE-RESTRICTED MERCHANDISE: .....	9
EXCLUSION FROM FTZ OF GOODS OR PROCESS: .....	10
FOREIGN-TRADE ZONES BOARD ANNUAL REPORT: .....	10
PROCEDURES MANUAL:.....	10
INVENTORY CONTROL AND RECORDKEEPING SYSTEM:.....	10
ADMISSION OF MERCHANDISE: .....	11
ACCOUNTABILITY FOR MERCHANDISE: .....	11
PHYSICAL INVENTORIES: .....	11

ANNUAL RECONCILIATION:.....	11
ANNUAL SYSTEM REVIEW: .....	12
SHORTAGES AND OVERAGES:.....	12
RECEIPT OF MERCHANDISE: .....	12
MANIPULATION OF MERCHANDISE:.....	12
TRANSFER OF MERCHANDISE TO ANOTHER FTZ PROJECT: .....	13
REMOVAL OF MERCHANDISE FROM FTZ NO. 45: .....	13
GRANTEE FEE SCHEDULE:.....	14
OPERATOR FEE SCHEDULES: .....	14

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**EXHIBITS**

- EXHIBIT A – GRANTEE'S FOREIGN-TRADE ZONE FEE SCHEDULE FOR FTZ ESTABLISHMENT
- EXHIBIT B – GRANTEE'S FOREIGN-TRADE ZONE FEE SCHEDULE FOR APPROVED FTZ SITES

# FOREIGN TRADE ZONE NO. 45

## ZONE SCHEDULE

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Effective February 28, 2014

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### **GENERAL BACKGROUND**

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#### **FOREIGN-TRADE ZONES IN GENERAL:**

Foreign-trade zones (FTZs) were created by the Foreign-Trade Zones Act of 1934 (the FTZ Act) for the purpose of expediting and encouraging foreign commerce. Changes to the FTZ Act in 1950 that permitted manufacturing and exhibiting in FTZs have broadened the objectives of the program. FTZs are secured areas under U.S. Customs and Border Protection (CBP) supervision that are considered outside the customs territory of the United States. Merchandise may be moved into an FTZ for storage, exhibition, manufacture, or other operations not otherwise prohibited by law. Customs duties on foreign merchandise are not collected until the merchandise is entered into the U.S. Customs territory.

#### **HISTORY OF THE PORTLAND FOREIGN-TRADE ZONE, FTZ NO. 45:**

The Grant of Authority establishing the Portland Foreign-Trade Zone, (FTZ No. 45) was issued by the Foreign-Trade Zones Board (FTZB) to the Port of Portland on December 18, 1978 (Board Order 140). The Grant for FTZ No. 45 was expanded once on April 5, 1991 (Board Order 518). At that time, the Grant of Authority was broadened so as to provide manufacturing authority for the Portland Ship Repair Yard. There have been a number of Administrative Actions that have temporarily altered the boundaries of the General Purpose Zone Project – however all of them have lapsed.

On June 27, 2013 (Board Order 1905), FTZ No. 45 received authorization from the Foreign-Trade Zones Board to reorganize under the Alternative Site Management Framework (ASF). The Port of Portland's Service Area encompasses Multnomah, Washington and Clackamas counties.

#### **PRESENT SITES COMPRISING FTZ NO. 45:**

FTZ No. 45 presently consists of the following five (5) Magnet Sites, one (1) Usage Driven Site, one (1) activated Subzone and four (4) deactivated Subzones:

Magnet Site 1	Rivergate Industrial Park, Port Terminals 5 and 6 and the Oregon Steel Mills plant, N. Marine Dr. and N. Lombard St., Portland, OR	1830
Magnet Site 2	Portland International Airport and Portland International Center, 7000 NE Airport Way and NE Alderwood Rd., Portland, OR	1043
Magnet Site 3	Portland Ship Repair Yard, 5555 N. Channel Ave., Portland, OR	254
Magnet Site 6	Port Terminal 4, N. Terminal Road and N. Lombard St., Portland, OR	241
Magnet Site 9	Gresham Vista Business Park N.E. Glisan St. and SE Stark St., between NE 223 <sup>rd</sup> and NE 242 <sup>nd</sup> Avenues, Gresham, OR	173

Usage Driven Site 7	Tektronix Inc. facility, 14400 SW Millikan Way, Beaverton, OR	4
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Subzone 45A	Beall Pipe, Portland OR Board Order 161 dated July 31, 1980	Deactivated
Subzone 45C	Alcatel Submarine Networks, Inc., Portland, OR Board Order 527 dated August 8, 1981	Deactivated
Subzone 45E	Tofle USA, Inc., Tualatin, OR Board Order 621 dated December 29, 1992	Deactivated
Subzone 45F	Epson Portland, Inc., Hillsboro, OR Board Order 1406 dated September 9, 2005	Activated
Subzone 45G	Shimadzu, USA Manufacturing Inc., Canby, OR S-52-2012 dated August 8, 2012/B-34-2012 dated August 30, 2012	Deactivated

**BUSINESS HOURS:**

FTZ No. 45 is open for business Monday through Friday between the hours of 9:00AM PST and 5:00PM EST. Those legal holidays during which the Zone is closed for regular business are as follows:

New Year's Day	1st day of January
Martin Luther King Day	3rd Monday of January
President's Day	3rd Monday of February
Memorial Day	Last Monday of May
Independence Day	4th day of July
Labor Day	1st Monday of September
Thanksgiving Holidays	4th Thursday and Friday of November
Christmas Holidays	Noon closure on 24th and closed 25th day of December

**STATUTORY AND REGULATORY AUTHORITY:**

Foreign-Trade Zone Act – 19 U.S.C. 81

Foreign-Trade Zones Board Regulations – 15 C.F.R. 400

Customs & Border Protection Regulations – 19 C.F.R. 146

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## **ROLES OF PARTIES**

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### **ROLE OF FOREIGN-TRADE ZONES BOARD (FTZB):**

1. Prescribe rules and regulations concerning foreign-trade zones and issue Board Orders (Grants of Authority). 15 C.F.R. 400.3.
2. FTZ applications, expansion applications, subzone applications, production requests and boundary modification requests are reviewed by FTZB staff. 15 C.F.R. 400.4.
3. All ongoing activities are subject to review 15 C.F.R.400.49.
4. The FTZB may revoke a grant in whole or in part for repeated and willful violations of the FTZ Act. 15 C.F.R.400.61.
5. The Executive Secretary and/or the FTZB may entertain complaints filed by zone participants regarding conditions or treatment that are alleged to be inconsistent with the public utility and uniform treatment requirements of the FTZ Act and Regulations. 15 C.F.R. 400.45.
6. A request for production authorization in a designated zone or subzone must be approved by the FTZB prior to initiation of the production operation under FTZ procedures. 15 C.F.R. 400.14 and 400.23.
7. Zone Schedules are subject to review by the Executive Secretary 15 C.F.R. 400.44.
8. Zone-restricted merchandise may be permitted to be returned into the customs territory by request to the FTZB 15 C.F.R. 400.48.
9. Retail trade requests may be processed by the Executive Secretary 15 C.F.R. 400.47.
10. The FTZB shall submit an Annual Report to Congress 15 C.F.R. 400.51(c)(2).

### **ROLE OF U.S. CUSTOMS AND BORDER PROTECTION:**

1. Port Director is local Representative of the FTZB 19 C.F.R. 146.2.
2. Port Director approves activation and alteration requests 19 C.F.R. 146.6 and 146.7.
3. CBP will conduct spot checks and audits.

4. CBP provide recommendation to the FTZB with regard to requests to return zone-restricted merchandise into the customs territory 15 C.F.R. 400.48(b)(4).

**ROLE OF ZONE GRANTEE:**

1. File all applications with the FTZB.
2. Assist in marketing of zone project.
3. Select Operators and enter into agreements with entities authorizing said entities to function as an Operator.
4. Insure maintenance of facilities. 19 U.S.C. 81l.
5. Insure zone is run as public utility. 19 U.S.C. 81n; 15 C.F.R. 400.42.
6. Insure all parties that apply to make use of or participate in the zone are provided uniform treatment under like conditions. 15 C.F.R. 400.43
7. Concur in all activation requests filed with Customs 19 C.F.R. 146.6.
8. Insure that the Annual Report is timely filed with the FTZ Board. 19 U.S.C. 81p(b); 15 C.F.R. 400.51(c).
9. Submit the Zone Schedule to the Executive Secretary. 15 C.F.R. 400.44.
10. Submit requests to the Executive Secretary of the FTZB with regard to whether an activity constitutes retail trade and can be conducted within the zone 15 C.F.R. 400.47.

**ROLE OF ZONE OPERATOR:**

1. Supervise all admissions, transfers, removals, recordkeeping, manipulations, manufacturing, destruction, exhibition, physical and procedural security and conditions of storage in zone as required by law and regulations. 19 C.F.R. 146.4.
2. Payment of any applicable activation fee and annual fee. 19 C.F.R. 146.5.
3. Prepare written application to the Port Director for activation of zone. 19 C.F.R. 146.6.
4. Make written application to the Port Director for approval of an alteration of an activated area. 19 C.F.R. 146.7.

5. File the requisite CBPF 301 Foreign Trade Zone Operator's Bond with CBP. 19 C.F.R. 146.7.
6. Sign all CBPF 214s permitting merchandise to be admitted into the zone. 19 C.F.R. 146.9.
7. Prepare a Procedures Manual outlining the inventory control system and recordkeeping system to be followed at the zone. 19 C.F.R. 146.21.
8. Responsible for preparing a reconciliation report within 90 days after the end of the zone/subzone year. 19 C.F.R. 146.25.
9. Perform an annual internal review of the inventory control and recordkeeping system and report discrepancies to the Port Director. 19 C.F.R. 146.26.
10. Maintenance of admission documentation. 19 C.F.R. 146.37.
11. Collect all in-bond documentation. 19 C.F.R. 146.40.
12. Filing of a CBPF 216 for permission to manipulate, manufacture, exhibit or destroy merchandise in a zone. 19 C.F.R. 146.52.
13. Report shortages and overages to CBP. 19 C.F.R. 146.53.

**ROLE OF ZONE USER:**

1. Payment of customs duties for merchandise entering customs territory.
2. In many instances, the User is responsible for maintenance of inventory control records, particularly where the User has physical possession of zone merchandise. 19 C.F.R. 146.4.
3. In many instances the User is the Operator.

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## **ZONE POLICIES**

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### **ZONE POLICIES**

1. This Zone Schedule is published in accordance with 15 C.F.R. 400.44. The Zone policy, rules, regulations, rates and charges of this schedule shall apply at Foreign-Trade Zone No. 45, unless otherwise provided for.

2. Pursuant to 15 C.F.R. 400.42 and 400.43, the rates and charges for services within the Zone shall be fair and reasonable, and the Grantee shall afford uniform treatment under like conditions to all users. The FTZB shall determine whether the rates and charges are fair and reasonable.

3. All persons and entities who request the Grantee to apply for authority to establish a Usage Driven or subzone site must first enter into an agreement with the Grantee governing the proposed operations at the site. All requests for usage driven and/or subzone designation will be reviewed by the Grantee and all entities will be afforded uniform treatment with respect to the handling of the request by the Grantee. Should the Grantee determine to sponsor the Usage Driven or subzone site application, it will be the obligation of the applicant for the new site to prepare the application and bear all costs associated with the preparation and filing of the application, including any filing fees assessed by the FTZB.

4. All requests for the establishment of a new Magnet Site will be reviewed by the Grantee and all entities will be afforded uniform treatment with respect to the handling of the request by the Grantee. Should the Grantee determine to sponsor the expansion application, it will be the obligation of the applicant for the new Magnet Site to prepare the expansion application and bear all costs associated with the preparation and filing of the application, including any filing fees assessed by the FTZB.

5. Since the focus of the ASF is the expeditious and cost effective establishment of Usage Driven Sites for individual entities, any entity that seeks Magnet Site designation must demonstrate a compelling need for said designation and shall provide letters of commitment to activate parcels within the requested Magnet Site from multiple Operators.

6. All requests and applications to the FTZB by Operators and Users of FTZ No. 45 shall either be submitted by the Grantee or shall include a letter of transmittal or concurrence from the Grantee. Such requests include, but are not limited to, applications for production authority, subzone applications, minor boundary modifications, determinations of or expansions of previously approved scope of authority for Zone procedures. All requests to CBP by Operators of FTZ No. 45 shall include a letter of transmittal or concurrence from the Grantee. Such

requests include, but are not limited to, activation, deactivation, or alteration of zone areas.

7. Pursuant to 19 U.S.C 81o(c), no merchandise, operation or process of treatment will be permitted in the Zone that is detrimental to the public interest, health and safety.

8. All persons conducting business within FTZ No. 45 and all operations moving merchandise into or out of FTZ No. 45 must strictly conform to the Foreign-Trade Zones Act (FTZA), FTZB Regulations, CBP Regulations, this Zone Schedule and all other applicable federal, state and local laws, rules, and regulations. This Zone Schedule may be modified, amended or replaced by the Port of Portland at any time if it is determined to be necessary or appropriate to do so. The Port of Portland shall, in its sole discretion, interpret the provisions of this Schedule and determine the applicability of any of its provisions.

9. The Grantee is responsible for preparing and filing with the FTZB an Annual Report summarizing all Zone activity from January 1 through December 30 of each year. The Report shall be filed by March 31 of each year pursuant to current requirements of the FTZB. All Operators shall submit to the Grantee, through the Online FTZ Information System (OFIS) account established for each Operator by the Grantee, the data and information required to complete the Annual Report for the FTZB. This information shall be submitted thirty (30) days prior to the due date as established by the FTZB.

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## **INTERNAL RULES**

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### **QUALIFICATIONS:**

Persons and business entities may qualify as an FTZ Operator of FTZ No. 45 provided that they have satisfied all requirements imposed by CBP, executed the necessary Operating Agreement with the Grantee and met all additional laws and regulations imposed by agencies having jurisdiction over their activities.

### **RIGHT OF ENTRY:**

Representatives of the Grantee, FTZB, CBP and other authorized U.S. Government Officers, shall have the right to enter the Zone Site at any time for the authorized and lawful purpose of examining the Zone Site, conferring with the FTZ Operator, its agents, invitees and employees on the premises, inspecting and checking operations, supplies, equipment and merchandise, and determining whether the business is being conducted in accordance with the procedures established in the Procedures Manual, the Operating Agreement and pursuant to CBP and FTZB regulations. All such entries shall be in accordance with the established security procedures and with reasonable advance notice to the FTZ Operator.

### **APPLICATION TO FTZB:**

The Grantee shall have the sole authority to file applications and requests with the FTZB requesting modifications to Grants of Authority. Requests to modify a Grant may include expansions, boundary modifications, subzone applications and/or changes in scope of authority.

### **RETAIL TRADE WITHIN FTZ 45:**

No retail trade may be conducted within FTZ No. 45 unless written approval is issued by the FTZB.

### **ZONE-RESTRICTED MERCHANDISE:**

Zone-restricted merchandise may be transferred to the customs territory only for entry for exportation, for entry for transportation and exportation, for warehousing pending exportation, for destruction (except destruction of distilled spirits, wines and fermented malt liquors), for transfer to another FTZ, or for delivery to a qualified vessel or aircraft or as ground equipment of a qualified aircraft, unless the FTZB has ruled that the return of the merchandise to the customs territory for domestic consumption is in the public interest.

### **EXCLUSION FROM FTZ OF GOODS OR PROCESS:**

The FTZB may at any time order the exclusion from FTZ No. 45 of any merchandise or process of treatment that in its judgment is detrimental to the public interest, health, or safety.

### **FOREIGN-TRADE ZONES BOARD ANNUAL REPORT:**

The Grantee is responsible for preparing and filing with the FTZB an annual report summarizing all Zone activity from January 1 through December 31 of each year. The report shall be filed by the deadline that the FTZB establishes. In order for the Grantee to meet its responsibility in this regard, each Operator shall complete the on-line OFIS report thirty (30) days prior to the due date as established by the FTZB.

### **PROCEDURES MANUAL:**

The Operator will provide the CBP Port Director with an English language copy of its written inventory control and recordkeeping systems procedures manual and all subsequent changes thereto. The Operator may authorize a Zone User to maintain its individual inventory control and recordkeeping system and procedures manual, however, the Operator remains responsible to CBP and liable under its bond for supervision, defects in, or failures of such a system.

### **INVENTORY CONTROL AND RECORDKEEPING SYSTEM:**

The FTZ Operator will maintain an inventory control and recordkeeping system capable of:

1. Accounting for all merchandise, including domestic status merchandise, temporarily deposited, admitted, granted a zone status or status change, stored, exhibited, manipulated, manufactured, destroyed, transferred, and/or removed from the FTZ;
2. Producing accurate and timely reports and documents as required by regulations;
3. Identifying shortages and overages of merchandise in the FTZ in sufficient detail to determine the quantity, description, tariff classification, zone status, and value of the missing or excess merchandise;
4. Providing all the information necessary to make entry for merchandise being transferred to the Customs territory; and
5. Providing an audit trail to Customs forms from admission through manipulation, manufacture, destruction or transfer of merchandise from the FTZ either by zone lot or Customs authorized inventory method.

### **ADMISSION OF MERCHANDISE:**

All merchandise will be recorded in a receiving report or document using a zone lot number or unique identifier. All merchandise, except domestic status merchandise for which no permit for admission is required must be traceable to a CBP Form 214 and accompanying documentation. Quantities received will be reconciled to a receiving report or document such as an invoice with any discrepancy reported to the Port Director. The receiving report or document is required to provide sufficient information to identify the merchandise and distinguish it from other merchandise. Merchandise received will be accurately recorded in the inventory system records from the receiving report or document using the zone lot number or unique identifier for traceability.

### **ACCOUNTABILITY FOR MERCHANDISE:**

A zone lot number or unique identifier will be used to identify and trace merchandise. Fungible merchandise may be identified by an inventory method authorized by CBP, which must be consistently applied, such as First-In-First-Out (FIFO) and using a unique identifier. The inventory records will specify by zone lot number, or unique identifier (a) the location of merchandise; (b) zone status; (c) cost or value, except where the Operator's or user's financial records maintain cost or value and the records are made available for CBP review; (d) beginning balance, cumulative receipts and removals, adjustments, and current balance by date and quantity; (e) destruction of merchandise; and (f) scrap, waste, and by-products.

### **PHYSICAL INVENTORIES:**

The Operator is required to take at least an annual physical inventory of all merchandise in the FTZ (unless continuous cycle counts are taken as part of an ongoing inventory control program) with prior notification of the date(s) given to CBP for any supervision of the inventory deemed necessary. The Operator will notify the Port Director of any discrepancies.

### **ANNUAL RECONCILIATION:**

The Operator will prepare a reconciliation report within ninety (90) days after the end of the zone/subzone year unless the Port Director authorizes an extension for reasonable cause. The Operator will retain the annual reconciliation report for a spot check or audit by CBP. The report will contain a description of merchandise for each zone lot or unique identifier, zone status, quantity on hand at the beginning of the year, cumulative receipts and transfer (by unit), quantity on hand at the end of the year, and cumulative positive and negative adjustments (by unit) made during the year. The Operator will submit to the Port Director within ten (10) working days after the preparation of the annual reconciliation report, a letter signed by the operator certifying that the annual reconciliation has been prepared, is available for CBP review, and is accurate. The certification letter is required to contain the name and street address of the Operator, where the

required records are available for Customs review; and the name, title, and telephone number of the person having custody of the records.

**ANNUAL SYSTEM REVIEW:**

The Operator will perform an annual internal review of the inventory control and recordkeeping system and report to the Port Director any deficiency discovered and corrective action taken.

**SHORTAGES AND OVERAGES:**

The Operator will report, in writing, to the Port Director upon identification, as such, of any (a) theft or suspected theft of merchandise; (b) merchandise not properly admitted to the zone; or (c) shortage of one percent or more of the quantity of merchandise in a lot or covered by a unique identifier, if the missing merchandise would have been subject to duties and taxes of ONE HUNDRED DOLLARS AND NO CENTS (\$100.00) or more upon entry into the customs territory. The operator will record upon identification all shortages and overages, whether or not they are required to be reported to the Port Director at that time, in its inventory control and recordkeeping system. The operator will record all shortages and overages as required in the annual reconciliation report. The person with the right to make entry is required to file, within five (5) days after identification of an overage, an application for admission of the merchandise to the zone on CBP Form 214 or file a Customs entry for the merchandise. If a CBP Form 214 or a Customs entry is not timely filed, and the Port Director has not granted an extension of the time provided, the merchandise will be sent to general order.

**RECEIPT OF MERCHANDISE:**

Merchandise will be admitted into FTZ No. 45 only upon application on a uniquely and sequentially numbered CBP Form 214 ("Application for Foreign Trade Zone Admission and/or Status Designation") and the issuance of a permit by the Port Director. Exceptions to the CBP Form 214 requirement are for merchandise temporarily deposited, transiting merchandise, or domestic merchandise admitted without permit.

An Operator may qualify for direct delivery if its operations are predictable and stable over a long term and are relatively fixed in variety; merchandise is not restricted or of a type requiring Customs examination before or on its arrival, and CBP has no reason to believe the merchandise will be inaccurately described in admission documents; and when the Operator is the owner or purchaser of the merchandise.

**MANIPULATION OF MERCHANDISE:**

Prior to any action the Operator is required to file with the Port Director an application (or blanket application) on CBP Form 216 for permission to manipulate, manufacture, exhibit, or destroy merchandise in the zone. After CBP approves the application (or blanket application), the Operator will retain in his recordkeeping

system the approved application. The Port Director is authorized to approve a blanket application for a period of up to one year for a continuous or repetitive operation. The Port Director may disapprove or revoke approval of any application, or may require the operator to file an individual application.

#### **TRANSFER OF MERCHANDISE TO ANOTHER FTZ PROJECT:**

When merchandise is transferred from one FTZ to another, the Operator of the transferring zone must provide the Operator of the destination zone with the documented history of the merchandise being transferred.

#### **REMOVAL OF MERCHANDISE FROM FTZ NO. 45:**

Except domestic status merchandise, no merchandise may be removed from FTZ No. 45 without a Customs permit on the appropriate entry form or other document as required by pertinent regulations. The Port Director may authorize transfer from the zone without physical supervision or examination by a CBP officer. Upon issuance of a permit, the Port Director will authorize delivery of the merchandise only to the operator, who then may release the merchandise to the importer or carrier.

**Transfer to customs territory for consumption** -- A CBP Form 3461 permit must be filed with and approved by CBP prior to the removal of any foreign status merchandise from FTZ No. 45 for entry into the customs territory for consumption.

**Weekly estimated entries for consumption** -- An Operator or User may, if it meets certain criteria, remove merchandise from FTZ No. 45 based upon weekly estimated entries. The weekly estimated entry covers any seven (7) consecutive day period and shall be treated as a single entry for MPF purposes.

**Transfer to customs territory for exportation** -- A CBP Form 7512 permit must be filed with and approved by CBP prior to the removal of any foreign status merchandise from FTZ No. 45 for entry into the customs territory for exportation. The bonded carrier will assume liability for the transportation and exportation of the merchandise.

**Weekly Estimated Exports** -- CBP may approve removal for exportation of merchandise from the Zone based on weekly estimate.

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## **FEE SCHEDULES**

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### **GRANTEE FEE SCHEDULE:**

The Fee Schedules for FTZ No. 45 is attached as Exhibit A and B.

### **OPERATOR FEE SCHEDULES:**

Each operator will be responsible for preparation of its own Fee Schedule listing its charges. All rates and charges for all FTZ services within FTZ No. 45 shall be fair and reasonable and the operators shall afford to all who may apply for the use of the FTZ and its facilities uniform treatment under like conditions.

**EXHIBIT A**

**GRANTEE'S FOREIGN-TRADE ZONE FEE SCHEDULE  
FOR FTZ ESTABLISHMENT**

**Effective February 28, 2014**

**1. Minor Boundary Modification Sponsorship Fee to Designate a new Usage Driven Site..... \$5,000**

*This non-refundable Sponsorship Fee is payable to Grantee by Company seeking the Usage Driven Site designation prior to filing of Minor Boundary Modification Request. The Company is responsible for the cost of preparing said request as well as any filing fees assessed by the FTZB with regard to the processing of said request.*

**2. Subzone Application Sponsorship Fee..... \$5,000**

*This non-refundable Sponsorship Fee is payable to Grantee by Subzone Operator prior to filing of Subzone Application. The Subzone Operator is responsible for the cost of preparing said request as well as any filing fees assessed by the FTZB with regard to the processing of said request.*

**3. Sponsorship Fee for Transfer of Ownership of FTZ Eligible Property within Magnet Site ..... \$2,500**

*This non-refundable Sponsorship Fee is payable to Grantee by new Owner of Property within a Magnet Site within forty-five (45) days of closing of sale or transfer of FTZ eligible property.*

**4. Expansion Application Minimum Sponsorship Fee to Designate a New Magnet Site..... \$10,000**

*This non-refundable Sponsorship Fee is payable to Grantee by Owner of Magnet Site prior to filing of Expansion Application. The Property Owner is responsible for the cost of preparing said application as well as any filing fees assessed by the FTZB with regard to the processing of said application.*

**EXHIBIT B**  
**GRANTEE'S FOREIGN-TRADE ZONE FEE SCHEDULE**  
**FOR APPROVED FTZ SITES**

**Effective February 28, 2014**

**1. Fee for Activation of Zone Site .....\$1,500**  
**(whether a Magnet, Usage Driven or Subzone Site)**

*This non-refundable fee is payable to Grantee by Operator prior to submission of activation application to United States Customs and Border Protection. Failure by Operator to pay such fee to Grantee will result in Grantee withholding its concurrence to activation.*

**2. Fee for Alteration of Zone Site .....\$1,500**  
**(whether a Magnet, Usage Driven or Subzone Site) for the Purpose of**  
**adding a New Site at which Operator is authorized to Provide FTZ**  
**Services**

*This non-refundable fee is payable to Grantee by Operator prior to submission of alteration request to United States Customs and Border Protection. Failure by Operator to pay such fee to Grantee will result in Grantee withholding its concurrence to alteration. It is to be noted that an alteration request solely to expand or decrease the activated portion of an existing Site is not subject to this Fee.*

**3. Annual Fee for Non-Activated Zone Site .....\$1,000**  
**(whether a Magnet, Usage Driven or Subzone Site)**

*This non-refundable Annual Fee is payable to Grantee by Property Owner of Magnet Site or Company operating Usage Driven or Subzone Site upon the site's receipt of FTZ designation. If FTZ designation is issued on a date other than January 1, this Annual Fee will be prorated for the remainder of that calendar year. This Annual Fee is to be paid on January 1 of each year thereafter that the Zone Site is non-activated. In the case of a Magnet Site 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 will commence payment of this Annual Fee on a yearly basis as described above.*

**4. Annual Fee for Activated Subzone or Usage Driven Zone Site ..\$8,000**

*This non-refundable Annual Fee is payable to Grantee by Subzone or Usage Driven Site Operator upon activation of the Subzone or Usage Driven Zone Site. This Annual Fee applies separately to each site activated by Operator. If activation occurs on a date other than January 1, this Annual Fee will be prorated for the remainder of that calendar year and Subzone or Usage Driven Site Operator will receive a prorated credit for the Annual Fee it paid for that calendar year pursuant to 3 above. This Annual Fee is to be paid on January 1 of each year thereafter that the Subzone or Usage Driven Site remains activated.*

**5. Fee for Sponsorship of Production Notification/Production Authorization Request ..... \$2,500**

*This non-refundable fee is payable by Operator to Grantee prior to submission of a production notification/production authorization request to the FTZB. The Operator is responsible for the cost of preparing said request(s) as well as any filing fees assessed by the FTZB with regard to the processing of said request(s).*

## APPENDIX

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### DEFINITIONS

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1. **Foreign-Trade Zones Board (FTZB)** -- comprised of the Secretary of Commerce and the Secretary of Treasury. These officials or their designee are empowered to issue to appropriate applicants the grant of authority to establish, maintain and operate a Foreign Trade Zone project 19 U.S.C. 81a(b); 15 C.F.R. 400.2(d).
2. **Foreign-Trade Zones Board (FTZB) staff** -- Officials in the Department of Commerce, International Trade Administration responsible for overseeing the administration of Foreign Trade Zones. The Executive Secretary heads up this office 15 C.F.R. 400.2(g).
3. **Port Director of Customs and Border Protection (CBP)** – CBP official with responsibility for overseeing the activation and operations of zone projects within his customs port of entry.
4. **Grantee** -- Corporation to which the privilege of establishing, operating, and maintaining a foreign-trade zone has been granted. 19 U.S.C. 81a(h); 15 C.F.R. 400.2(v). The Port of Portland is the Grantee of FTZ No. 45.
5. **Operator** -- Corporation, partnership, or person that operates a zone or subzone under the terms of an Agreement with the Grantee. 15 C.F.R. 400.2(w).
6. **User** -- A person or firm using a zone or subzone for storage, handling, or processing of merchandise. 15 C.F.R. 400.2(aa).
7. **FTZ Eligibility** – A site becomes eligible to be used as an FTZ upon receipt of designation from the FTZB in response to a request from the Grantee.
8. **Activation** -- Filing of an application with CBP by the Operator, with Grantee's concurrence, results in the actual utilization of an FTZ eligible site as an FTZ. 19 C.F.R. 146.1.
9. **Subzone** -- A site (or group of sites) established for a specific use. 15 C.F.R. 400.2(s).
10. **Alternative Site Framework (ASF)** -- An optional approach to FTZ designation and management that provides Grantees with greater flexibility and responsiveness in serving FTZ Users. 15 C.F.R. 400.2(c). FTZ No. 45 was reorganized under ASF through Board Order No. 1905 on June 27, 2013.

11. **Service Area** -- Jurisdiction within which a Grantee proposes to be able to designate sites via minor boundary modifications under the ASF. 15 C.F.R. 400.2(q). The Service Area for FTZ No. 45 encompasses all of Multnomah, Washington and Clackamas counties.
12. **Magnet Site** -- A site intended to serve or attract multiple operators or users under the ASF. 15 C.F.R. 400.2(j).
13. **Usage Driven Site** -- A site tied to a single Operator or User under the ASF. 15 C.F.R. 400.2(t).
14. **Zone Project** -- All of the Zone sites (General Purpose, Magnet, Usage Driven and subzone) established by the Board under a single Grantee.
15. **Production** -- Activity involving the substantial transformation of a foreign article resulting in a new and different article having a different name, character, and use or activity involving a change in the condition of the customs classification of the article or its eligibility for entry for consumption. 15 C.F.R. 400.2(o)
16. **Domestic Status Merchandise** -- Merchandise produced in the United States or imported merchandise for which customs duties have already been paid. 19 C.F.R. 146.43.
17. **Privileged Foreign Status Merchandise** -- Imported merchandise that has not cleared Customs and for which the User wishes said merchandise to retain its identity, from a customs classification standpoint, regardless of its condition when it ultimately enters the customs territory of the United States. 19 C.F.R. 146.41.
18. **Non-Privileged Foreign Status Merchandise** -- Imported merchandise that has not cleared Customs and for which the User does not wish said merchandise to retain its identity, from a customs classification standpoint, so that if altered, it will become classifiable in its condition when it enters the customs territory of the United States. 19 C.F.R. 146.42.
19. **Zone Restricted Merchandise** -- Merchandise which cannot re-enter the U.S. customs territory. 19 C.F.R. 146.44
20. **CBPF 214** -- Document prepared on behalf of the User, signed by the Operator and approved by CBP, which authorizes the admission of merchandise into a FTZ and designates the status of the merchandise.
21. **CBPF 216** -- Document prepared by the Operator and approved by CBP, which authorizes the User to engage in certain activities within the FTZ such as manipulation, repair, destruction and manufacture.

22. **CBPF 3461** -- Document prepared on behalf of the User, which must be approved by CBP and furnished to the Operator prior to the physical removal of any merchandise from the FTZ into the customs territory of the United States.

23. **CBPF 7512** -- Document prepared on behalf of the User, which must be approved by CBP and furnished to the Operator prior to the physical removal of any merchandise from the FTZ for exportation of merchandise from the United States.