

## **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

Foreign-Trade Zone 30

1105 South 4800 West

Salt Lake City, UT 84108

---

Salt Lake City Corporation  
Economic Development Division  
451 South State Street, #425  
Salt Lake City, UT 84111

Effective: November 21, 2014

## Table of Contents

	Page No.
1. Rules and Policies of FTZ 30 .....	3
2. Rates/Charges Assessed for FTZ 30.....	11
3. Appendix A: Definitions.....	12

## Rules and Policies

### SITE DESCRIPTION

General-Purpose Zone Site of 55 acres located at 1105 South 4800 West between West 1400 South/California Avenue and West 700 South in Salt Lake City, UT. The site is referred to as "Rockefeller Group Foreign Trade Zone-SLC".

### OVERVIEW

FTZ No. 30 was granted by the U.S. Foreign-Trade Zones Board ("FTZB") to Salt Lake City Corporation ("SLCC") on May 26, 1977.

In accordance with FTZB Regulations [15 CFR Part 400, Section 400.42(b)], this zone schedule sets forth the rules and policies for the FTZ project, including a statement of the rates and charges (fees) applicable to FTZ operations. A copy of this zone schedule is available for public inspection at the offices of the grantee.

The goal of the FTZ is to promote economic development through investment and jobs by maintaining and attracting U.S.-based operations of firms participating in international trade.

The principal benefits that the FTZ provides are listed in Section III of this zone schedule. Currently approved FTZ sites are listed in Section IV of this zone schedule.

Companies seeking to access the benefits of an FTZ may have their products handled by a third party operator or become an operator themselves.

Prospective operators/users are encouraged to locate in a designated general-purpose zone location designed for multiple uses by multiple companies. If relocation into the general-purpose zone is not feasible, subzone status may be an option for specific FTZ uses.

The general-purpose zone boundaries also may be expanded or modified to other locations to accommodate multiple prospective operators and users located throughout the community, as explained in Section IX.

Uniform charges for operators and property owners are set forth in Section XIV. Other charges and costs associated with the operation of a specific FTZ operation are the responsibility of the operator.

### Operator Agreement

All operators of FTZ No. 30 must obtain a letter of concurrence from the grantee prior to activation with U.S. Customs and Border Protection ("Customs"). Prior to the issuance of the activation concurrence letter, operators must enter into an operator agreement with the grantee.

### Property Owner Agreement

All property owners of FTZ No. 30 must enter into a Property Owner Agreement with the grantee.

## PRINCIPAL BENEFITS

**Duty Deferral:** Imported products admitted to the FTZ are not entered into the Customs territory until their withdrawal from the FTZ. Therefore, users obtain a cash flow savings by deferring Customs duties until the merchandise leaves the FTZ for consumption in the United States.

**Duty Reduction:** Imported products admitted to the FTZ can be placed in a special status that allows the merchandise to be classified and appraised in its condition as withdrawn from the FTZ. For manufacturers this means that an imported component with a higher rate of duty can be classified and appraised in its finished product form, with a potentially lower rate of duty, thereby reducing the amount of duty owed. Special permission is required from the FTZB prior to accessing duty reduction benefits in FTZs.

**Duty Elimination:** Imported products admitted to the FTZ and subsequently destroyed in the FTZ or exported from the FTZ are not subject to Customs duties.

**Zone-to-Zone Transfers:** If the company utilizes more than one FTZ, merchandise may be transferred from zone to zone in order to extend the deferral benefits further. This benefit can be implemented up and down the supply chain by incorporating the activities of suppliers and customers.

**Direct Delivery/Weekly Entry & Export:** From a just-in-time inventory perspective, the FTZ program offers significant benefits. Users may obtain permission from Customs to move merchandise directly from the port of arrival to the FTZ avoiding delays at congested ports and minimizing exams. On outgoing merchandise, users may obtain permission to ship from the FTZ unrestricted weekly (24 hours per day, 7 days per week) based on an estimate approved by Customs before the start of the business week. Customs broker fees and merchandise processing fees paid to Customs may be significantly reduced by filing one entry per week versus daily entries or one per shipment. Goods move in and out of the facility on an expedited basis allowing for a seamless supply chain from vendor to customer without maintaining unnecessarily high levels of inventory.

**Production Equipment:** Certain duty deferral and reduction benefits also apply on production equipment admitted to the FTZ for assembly and testing prior to use in production.

These are the principal federal benefits of U.S. Foreign-Trade Zones. Other state and local benefits may apply for new investment and on a case-by-case basis for expansion and retention of existing activity.

### **Roles of Grantee, Operator, and User:**

**Grantee:** A grantee is a public or private corporation to which the privilege of establishing, operating, or maintaining an FTZ has been given. SLCC is the grantee of FTZ No. 30.

**Operator:** An operator is a corporation, partnership, or person that operates a general-purpose zone or subzone under the terms of an operator agreement with the grantee. SLCC explicitly delegates the responsibility for operation of zone sites to the operator(s) who will assume responsibility for compliance with all regulations of U.S. Customs and Border Protection, the FTZB, and other relevant government agencies.

**User:** A user is a corporation, partnership, or person that uses a general-purpose zone or subzone for storage, handling, processing, and/or manufacturing merchandise in FTZ status. In subzones and general-purpose sites, the operator and user can be the same party. If a user is not the operator and is delegated any of the operator's responsibilities as contained in the zone schedule or Customs Regulations, a written operator agreement and procedures manual are required.

**Availability of Zone:** All rates and charges for all services and privileges within the FTZ shall be fair and reasonable, and the grantee and operator(s) shall afford to all who may apply for the use of the zone and its facilities 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. Users are subject to specific rules, rates, and charges of operator(s).

All zone services and facilities shall be administered fairly and reasonably. In addition, the availability of all said services and facilities is subject to the physical limitations of FTZ No. 30, with said services and facilities available on a "first-come, first-served" basis.

**Merchandise Permitted in Zone:** Foreign and domestic merchandise of every description, except such 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.

Merchandise which is specifically prohibited by law shall not be admitted into a zone. Any merchandise so prohibited by law which is found within a zone shall be disposed of in the manner provided for in laws and regulations applicable to such merchandise.

**Activities Permitted in Zone:** 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, sorted, graded, cleaned, mixed with foreign and domestic merchandise, or otherwise manipulated, or be manufactured into new articles of commerce. Only manufacturing activity approved by the FTZB may be performed in the general-purpose zone or subzone(s).

**Responsibility for Duty and Taxes:** The FTZB does not own or operate FTZs. Rather, it provides grants to applicants to establish, operate, and maintain zones. SLCC as grantee shall execute an operator agreement with another party or parties for the operational management of zone sites. Various tenants may lease space and construct buildings in the zone project and physically run their operations in the buildings, while others may pay an operator a fee for handling their merchandise and performing related services. Operators/users of the zone are

responsible and liable for payment of any and all charges, fees, duties or penalties due any agency of the federal, state, or local government arising from use of the zone, including liabilities on merchandise which is not accounted for to the satisfaction of U.S. Customs.

**Security and Safety Requirements in the Zone:** All FTZ sites, in order to be approved for their initial activation by Customs, must meet certain security and safety requirements. All zone sites are subject to security inspections by Customs and/or the grantee. Procedures manuals shall include current information on the method of physical as well as cargo security at the zone site. Each zone site will be considered separately to determine what Customs may require to protect the revenue of the United States, based on the specific conditions of each zone site, e.g., description and value of merchandise activities, overall risk assessment, etc.

After a zone site has been activated, all security and safety measures required to achieve the initial activation must be maintained at all times. Spot checks may be conducted by Customs and the grantee and liquidated damages or notices may be assessed if these requirements are found to be insufficiently met in any way.

No operation or process or treatment will be permitted in the zone that, in the judgment of the FTZB, Customs, or the grantee, is detrimental to the public interest, health, and safety. Cost of special security devices and other requirements will be the responsibility of operator.

**Inventory Control and Recordkeeping Systems:** Inventory control and recordkeeping systems used by operators within the zone project to track zone merchandise must meet the requirements of the U.S. Customs Regulations. Under the Customs Regulations, each operator maintains the inventory records. U.S. Customs is relieved of the duty of actually keeping the records, but maintains assurance of the systems' accuracy by selective examinations of merchandise and spot checks and audits of zone facilities. Each system must be capable of producing the following required results:

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

**Inventory Procedures:** Zone operator(s) are responsible for establishing and maintaining inventory control systems acceptable to U.S. Customs for all merchandise in their care, custody, and control.

**Hours of Business and Services:** The grantee will be available for business activities during regular business hours. Regular business hours shall be between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday, except on holidays.

**Holidays:** The term "holiday", for the grantee, includes the following:

New Year's Day	Martin Luther King, Jr. Day
Presidents' Day	Memorial Day
Independence Day	Pioneer Day
Labor Day	Veteran's Day
Thanksgiving	Day after Thanksgiving
Christmas Day	

**Use of Zone Facilities:** Zone facilities will be used for the purposes of receipt, storage, handling, exhibition, manipulation, manufacturing and related processing, and shipment of foreign and domestic merchandise as considered necessary to the conduct of operator's normal business. Operators will not use or permit the FTZ to be used for any other purpose without the prior written consent of the grantee. Operators will not do or permit anything to be done in or about the FTZ that will in any way obstruct or interfere with the rights of other operators of the zone.

**Proprietary Information:** Proprietary information contained on Customs reports or in the inventory control and recordkeeping systems of operators will not be disclosed to unauthorized persons. The Customs Regulations provide for liquidated damages for unauthorized disclosure of proprietary information.

**Residence within Zone:** No person will be allowed to reside within an FTZ except federal, state, or municipal officers or agents, whose resident presence is deemed necessary by the FTZB.

**Insurance:** All persons or firms conducting business within FTZ No. 30 shall keep in full force the necessary insurance as required by the grantee at the expense of the operator. Merchandise stored, manipulated, or transferred within the zone is not insured by the grantee.

A copy of the policy or policies of insurance or certificate or certificates of insurance shall be delivered to the grantee and shall contain a clause that the insurer will not cancel or change the insurance without first giving the grantee thirty (30) days prior written notice.

**Liability of Grantee:** SLCC will not be liable and cannot assume any responsibility for any loss or damage to freight, cargo or merchandise, or other property within the FTZ, or for any loss or damage arising from acts of commission or omission of operators.

**Record Retention:** The operator is required to retain records for five (5) years after merchandise is removed from the zone. Records must be readily available for Customs review at the zone site(s). Records must be made available to the grantee upon request.

**Customs Inspection of Zone Merchandise:** The operator will make merchandise subject to Customs inspection immediately available to Customs at the zone site or a location designated by Customs, and will have the sole responsibility of opening crates and packages, handling the merchandise, and securing the crates and packages following the inspection.

**FTZ Operator's Bond:** The operator must maintain, for Customs purposes, an FTZ Operator's Bond in the amount required by Customs. This bond is to assure compliance with Customs regulations. The bond is submitted on CBPF 301. The bond provisions are set forth at 19 C.F.R. 113.73, Customs Regulations. A failure to comply with the regulations may be deemed a "default" by Customs and result in the assessment of liquidated damages under the bond. The FTZ Operator's Bond is a separate bond type from an Importer's Bond.

**Electronic Interface with Customs:** All activated operators and users agree to meet Customs' automated systems requirements related to FTZs.

#### **ACTIVITY PERMITTED IN ZONE**

**Storage of Merchandise:** Merchandise may be stored for an unlimited period of time in the zone. Merchandise controlled under a zone lot system must be physically segregated and marked by lot and lot number. Merchandise controlled under a UIN system does not need to be segregated or marked.

**Quota Controlled Merchandise:** Foreign merchandise subject to U.S. Government import quota controls may be placed in the zone pending approval for transfer to Customs territory, or may be re-exported to a foreign destination.

**Manipulation of Merchandise:** Before foreign merchandise may be manipulated within the zone, the operator will make application on CBPF 216 to Customs for approval. On approval, the contemplated manipulation may occur. A yearly, blanket CBPF 216 may be allowed by Customs.

**Manufacturing in the Zone:** Manufacturing in the zone will have been approved in writing by the FTZB prior to the commencement of any manufacturing activity. A CBPF 216 will also be required to be filed with Customs, after FTZB approval and prior to the manufacturing. A yearly, blanket CBPF 216 may be allowed by Customs.

**Exhibition of Merchandise:** Any merchandise admitted to the zone may be exhibited. The operator must obtain permission from Customs to exhibit merchandise by obtaining approval on a CBPF 216.

**Retail Trade within Zone:** No retail trade will be conducted within a zone except under permits issued by the grantee and approved by the FTZB. Such permittee will 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 FTZB for approval will 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 applicants will sell no goods except of the kinds specifically authorized by the Act, which are brought into the zone from Customs territory.

No goods will be offered for sale or sold in a zone that 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 provisions of the regulations, his permit will be revoked by the grantee, who will immediately report such action to the FTZB.

**Change in Zone Status:** The zone status of merchandise may be changed in the zone. Merchandise in Nonprivileged Foreign (NPF) status may be changed to Privileged Foreign (PF) status if done prior to manipulation or manufacture effecting a change in tariff classification of the merchandise. PF status may not be changed to NPF status. Merchandise in PF or NPF status may be changed to Zone Restricted (ZR) status. The operator will submit a CBPF 214 to Customs for approval of a zone status change.

**Destruction of Merchandise:** Whenever zone status merchandise is discovered damaged or merchandise is considered waste or scrap, it will be physically segregated, marked and otherwise secured to preserve its identity. Such merchandise may be held for return to the vendor, for destruction, or for Customs entry. All merchandise destroyed will be recorded in the operator's inventory control and recordkeeping systems.

**Temporary Removal from Zone:** Merchandise may be removed temporarily from the zone for repair, restoration, or incidental operations upon application by the operator to Customs and written approval from Customs on a CBPF 216.

## **ANNUAL AUDIT AND REPORTING REQUIREMENTS**

**Physical Inventory:** The operator will conduct an annual physical inventory of all merchandise in the zone (unless cycle counts are taken as part of an ongoing inventory control program). Customs and grantee will be given at least ten (10) days notice prior to the date(s) when the annual physical inventory will be performed so that Customs and/or grantee may participate if deemed necessary.

**Annual Reconciliation Report:** Within ninety (90) days of the end of the operator(s) year, the operator will prepare an annual reconciliation. An extension of the 90-day period may be requested from the grantee and Customs for reasonable cause. The annual reconciliation will contain the following:

1. Description of merchandise for each Zone Lot Number or UIN
2. Zone status
3. Quantity on hand at the beginning of the year
4. Cumulative receipts (admissions) by unit
5. Cumulative transfers by unit
6. Quantity on hand at the end of the year
7. Cumulative positive and negative adjustments by unit to inventory with explanation

A copy of the annual reconciliation will be provided to the grantee, but a copy need not be furnished to Customs unless requested. However, the operator will submit to Customs and the grantee within ten (10) working days after completion of the annual reconciliation, a letter declaring that the annual reconciliation has been prepared, is available for Customs review, and is accurate.

The letter will also contain any required reporting of shortages and overages of merchandise, verification that an annual internal review of the inventory and recordkeeping systems has been performed, and the name and street address of the operator where the required records are available for Customs review.

**Annual Internal Systems Review:** The operator will also perform an annual internal review of ~~the inventory control and record-keeping systems under its supervision and will report to the~~ grantee and the Port Director of Customs any deficiency discovered and corrective action taken to ensure that the systems meet the requirement of the Customs Regulations.

**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 October 1 - September 30 of each year. The report will be filed by the grantee by January 31 of the following year pursuant to current requirements of the FTZB.

In order for the grantee to meet its responsibility in this regard, each operator will complete a report, so that sufficient data is available to the grantee to complete the FTZB annual report. The operator will complete the report based on the FTZB requirements and guidelines, and submit it to the grantee by **December 15** of each year.

SLCC's policy will be to submit annual report information to the FTZB electronically when the functionality becomes available. All parties including property owners, operators and users agree to provide information and data in a format that will facilitate timely electronic transmission to the FTZB by SLCC.

## Rates Charged and Assessed

### Application Fees

A onetime application fee of \$0.00 to cover review and processing costs by grantee applies.

### Annual Fees to Grantee

General-purpose operators shall pay to SLCC an annual Foreign-Trade Zone Administration fee, for the privilege of operating under zone procedures and as reimbursement for the services provided by SLCC. The fee is **\$0.00** annually per site.

Subzone operators shall pay to SLCC an annual Foreign-Trade Zone Administration fee, for the privilege of operating under zone procedures and as reimbursement for the services provided by SLCC. The fee is **\$0.00** annually.

Property owners shall pay to SLCC an annual Foreign-Trade Zone Administration fee toward the costs of maintaining and marketing the zone project. The fee is **\$0.00** annually. This fee applies to property where FTZ designation is maintained without any activated operators. When an activated operator is identified, the annual fee for general-purpose operators shall replace the property owner fee.

### U.S. Customs and Border Protection Fees

At the time of issue of this zone schedule, no fees are charged by Customs for normal zone services. Should any fees or charges be imposed in the future, all such fees and charges shall be payable by the operator of the affected zone site including any charges for overtime and other special services provided at the request of an operator. Such fees and charges shall be payable by the operator of the affected zone site. Under no circumstances will the grantee be liable or responsible for any such Customs fees or charges.

### Foreign-Trade Zones Board Fees

Any fees or charges imposed by the FTZB shall be payable by the operator of the affected zone site, or as apportioned by the grantee among the zone sites when appropriate. Under no circumstances will the grantee be liable or responsible for any FTZB fees or charges incurred on behalf of companies seeking to operate or use the general-purpose zone or subzones.

Presently the following FTZB fees apply for certain types of applications and requests for authority. Applications combining requests for more than one type of approval are subject to the fee for each category.

- |   |                |
|---|----------------|
| (1) Additional General-Purpose Zones in a Customs Port of Entry | <b>\$3,200</b> |
| (2) Special-Purpose Subzones:                                   |                |
| (i) non-manufacturing/processing or less than three products    | <b>\$4,000</b> |
| (ii) manufacturing/processing three or more products            | <b>\$6,500</b> |
| (3) Expansions  | <b>\$1,600</b> |

### **Harbor Maintenance Fees (HMF)**

The Water Resources Development Act of 1986 provides for a Harbor Maintenance Fee to be imposed for commercial use of ports in the United States. This fee is provided for in title XIV (Revenue Provisions) of the Act and is cited as the Harbor Maintenance Revenue Act of 1986. The purpose of the fee is to provide the Army Corps of Engineers with a dedicated source of revenue for funding Corps Port Project. U.S. Customs has been mandated to act as the collection agency for this fee. Date of implementation is April 1, 1987. The fee is assessed on water-borne cargo. Merchandise received into the zone will be assessed this fee upon admission when applicable. Payment is due by the importer of record on a quarterly basis on admitted merchandise. The current rate of the Harbor Maintenance Fee is .125% of the value of the commercial cargo.

### **Merchandise Processing Fees (MPF)**

Merchandise that is formally entered or released is subject to the payment to Customs of an ad valorem fee of .21%. The fee shall be due and payable to Customs by the importer of record of the merchandise at the time of presentation of the entry summary and shall be based on the value of the merchandise as determined under 19 U.S.C. 1401a. The fee charged shall not exceed \$485 per entry and shall not be less than \$25 per entry.

### **Other Government Agency Fees**

Charges for services of other government agencies should be arranged for and paid by the operator who requires the use of such services. Under no circumstances will the grantee be liable or responsible for any other government agencies' fees or charges.

### **Fines, Penalties and Liquidated Damages**

The grantee will not be involved in the day-to-day operations of the zone project. U.S. Customs and Border Protection fines, penalties, or liquidated damage claims affecting zone merchandise or zone activities will be paid by the operator of the affected zone site. The same is true of any other fines, penalties, or liquidated damage claims by other government agencies concerning operations at the zone site. Under no circumstances will the grantee be liable or responsible for any fines, penalties, forfeiture, or liquidated damage claims.

## **Definitions**

- **Activation** - Once a zone or subzone site is approved by the FTZ Board, an application must be made to the local CBP office, with the concurrence of the FTZ grantee, to operate the zone/subzone site (or portion thereof) under FTZ procedures. This CBP

process is known as activation generally includes steps such as background checks, a written procedures manual, posting a bond with CBP, as well as a review of the security of the site(s) and the inventory control methods.

- **Activation Limit** - The size of the physical area of a particular zone or subzone authorized by the Board to be simultaneously in activated status with CBP pursuant to 19 CFR 146.6. The activation limit for a particular zone/subzone is a figure explicitly specified by the Board in authorizing the zone (commonly 2,000 acres) or subzone or, in the absence of a specified figure, the total of the sizes of the approved sites of the zone/subzone.
- **Adjacency** - According to Section 400.21, general-purpose zone sites must be within 60 miles or 90 minutes driving time of a U.S. Customs and Border Protection Port of Entry.
- **Admit, Admission** - The U.S. Customs and Border Protection terms describing the shipment of merchandise **into** U.S. foreign-trade zones under CBP supervision (19 CFR 146.1).
- **Alternative site framework (ASF)** - An optional approach to designation and management of zone sites allowing greater flexibility and responsiveness to serve single-operator/user locations. The ASF was adopted by the Board as a matter of practice in December 2008 (74 FR 1170, January 12, 2009; correction 74 FR 3987, January 22, 2009) and modified by the Board in November 2010 (75 FR 71069, November 22, 2010).
- ~~**Articles Consumed** - Interpretation of the FTZ Act holds that all materials to be consumed in manufacturing or processing operations within a zone must first be entered for consumption with duties paid.~~
- **Board** - See Foreign-Trade Zones Board
- **CBP** - U.S. Customs and Border Protection of the Department of Homeland Security
- **Deactivation** - A previously activated general purpose zone or subzone site which no longer has local CBP authorization for activity under FTZ procedures.
- **Deleted** - A site or portion of a site that once held zone status, but has been removed from the zone through an administrative minor modification by the FTZ Board staff or an FTZ Board application process.
- **Domestic origin/duty paid** - Describes merchandise that is mainly of domestic origin but also includes foreign-origin merchandise on which customs entry and duty payments have been made prior to admission to the zone site.
- **Domestic status** - Used synonymously with Domestic origin/duty paid (see above). Domestic status is the customs status (19 CFR 146.43) for domestic origin and duty paid foreign origin zone merchandise.
- **Entry for Consumption** - The term that describes the general customs process of filing the appropriate CBP documents (including duty evaluation) that allows merchandise to be brought into the commerce of the U.S. (19 CFR 141). With respect to foreign-trade

zones, this process occurs when merchandise is shipped from the zone into U.S. commerce.

- **Exports** - The category of merchandise that is forwarded from zone sites to destinations in foreign countries.
- **Foreign-Trade Zone** - (FTZ or zone) includes one or more restricted-access sites, including subzones, in or adjacent (as defined by Sec. 400.11(b)(2)) to a CBP port of entry, operated as a public utility (within the meaning of Sec. 400.42) under the sponsorship of a zone grantee authorized by the Board, with zone operations under the supervision of CBP.
- **Foreign-Trade Zones Board** - Consists of the Secretary of Commerce (chairman) and the Secretary of Treasury, or their designated alternates.
- **Foreign Status** - Describes zone merchandise admitted to a zone site under CBP supervision that is normally of foreign origin. Such merchandise is admitted to zone sites without being subject to formal customs entry procedures and payment of duties, unless and until the foreign merchandise enters customs territory for domestic consumption. Foreign status merchandise is further categorized by CBP as either Non-Privileged Foreign or Privileged Foreign
- **Forwarded** - The category of merchandise that is shipped from or forwarded from zone sites after release by CBP. This category includes merchandise that is forwarded to destinations in the U.S. market as well as merchandise that is exported--that is, ~~forwarded-to-markets-in-foreign-countries.~~
- **Grant of Authority** - A document issued by the Board that authorizes a zone grantee to establish, operate and maintain a zone, subject to limitations and conditions specified in this part and in 19 CFR part 146. The authority to establish a zone includes the responsibility to manage it.
- **Grantee** - See Zone Grantee
- **Inactive** - A general-purpose zone or subzone site that has been approved by the FTZ Board, but is not "activated" with CBP. No activity under FTZ procedures is occurring at an inactive site.
- **Lapse Provision** - A grant of authority for a zone or a subzone shall lapse unless the zone project, or subzone facility, is activated, pursuant to 19 CFR Part 146, and in operation not later than five years from the date of the Board order.
- **Magnet site** - A site intended to serve or attract multiple operators or users under the ASF.
- **Merchandise Received** - Involves merchandise received into activated FTZ space under FTZ procedures by foreign-trade zones and subzones. It includes foreign status merchandise and domestic status merchandise.

- **Modification** - A major modification is a proposed change to a zone that requires action by the FTZ Board; a minor modification is a proposed change to a zone that may be authorized by the Executive Secretary.
- **Non-Privileged Foreign (NPF) Status** - One of the customs categories of foreign status merchandise (See 19 CFR 146.42). Such merchandise is evaluated based on its condition at the time it is shipped from the zone to the U.S. market and entered for consumption by CBP.
- **Operator** - See Zone Operator
- **Person** - Includes any individual, corporation, or entity.
- **Port of Entry** - A port of entry in the United States, as defined by part 101 of the regulations of U.S. Customs and Border Protection (19 CFR part 101), or a user fee airport authorized under 19 U.S.C. 58b and listed in part 122 of the regulations of CBP (19 CFR part 122).
- **Privileged Foreign (PF) Status** - One of the customs categories of foreign status merchandise (See 19 CFR 146.41). Such merchandise maintains its status based on its condition when it was admitted to the zone. Thus, when the merchandise is shipped from the zone to the U.S. market and entered for consumption by CBP, it is evaluated based on the time-of-admission condition even though it may have undergone a transformation in the zone.
- **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 article which results in a change in the customs classification of the article or in its eligibility for entry for consumption.~~
- **Service Area** - The jurisdiction(s) within which a grantee proposes to be able to designate sites via minor boundary modifications under the ASF.
- **Subzone** - A site (or group of sites) established for a specific use.
- **Terminated** - If a general purpose zone or subzone is no longer needed, the grantee can request that the FTZ Board remove zone/subzone designation. Upon such action by the FTZ Board, the zone or subzone is then considered terminated.
- **Usage-Driven Site** - A site tied to a single operator or user under the ASF.
- **User** - See Zone User
- **Zone** - A foreign-trade zone (see above) established under the provisions of the FTZ Act and regulations. The term also includes subzones, unless the context indicates otherwise.
- **Zone Grantee** - The corporate recipient of a grant of authority for a zone project. The term "grantee" means "zone grantee" unless otherwise indicated.

- **Zone Operator** - A corporation, partnership, or person that operates a zone or subzone under the terms of an agreement with the zone grantee (or third party on behalf of the grantee) with the concurrence of the Port Director of CBP.
- **Zone Restricted Status** - Merchandise in this status is to be exported or destroyed. Zone-restricted status merchandise can be entered into U.S. customs territory only if the FTZ Board finds that entry would be in the public interest.
- **Zone Schedule** - To be kept by the zone grantee, the zone schedule includes the internal rules and regulations of the zone, as well as a statement of the rates and fees charged to zone users.
- **Zone Site (Site)** - A physical location of a zone or subzone. A site is composed of one or more generally contiguous parcels of land organized and functioning as an integrated unit, such as all or part of an industrial park or airport facility.
- **Zone Status** - Merchandise can enter the zone in either domestic or foreign status. Domestic status can include foreign status goods where the duty has been paid and the goods entered for consumption. Foreign status includes privileged foreign, non-privileged foreign and zone-restricted status.
- **Zone User** - A party using a zone under agreement with a zone operator.