

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.

FOREIGN-TRADE ZONE NO. 266
Dane County, Wisconsin

ZONE SCHEDULE

Revised 1/1/2017

FOREIGN-TRADE ZONE NO. 266

Established Under Authority of the United States Foreign-Trade Zones Board

Administered By:

Dane County Regional Airport
4000 International Lane
Madison, Wisconsin 53704

**ZONE SCHEDULE
FTZ No. 266
Dane County, Wisconsin**

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**ZONE SCHEDULE
FTZ No. 266**

I. INTRODUCTION

Foreign-Trade Zone No. 266 (“FTZ No. 266”) was established under the United States Foreign-Trade Zones Act of 1934 and a Grant of Authority issued to Dane County, Wisconsin by the United States Foreign-Trade Zones Board on December 2, 2005. Dane County, Wisconsin (“Dane County” or “Grantee”) is a body politic and municipal corporation organized and existing under Chapter 59 of the Wisconsin Statutes, with authority to establish, operate and maintain a foreign-trade zone granted pursuant to section 185.50 of the Wisconsin Statutes.

Grantee established FTZ No. 266 to promote economic development throughout Dane County and south-central Wisconsin (the “Zone Service Area”) in furtherance of the following objectives:

1. To promote the economic diversification of the Zone Service Area.
2. To provide enhanced job opportunities for the residents of the Zone Service Area.
3. To attract investment, jobs, and commerce to the Zone Service Area by providing an incentive for businesses to locate facilities in the Zone Service Area to take advantage of the benefits offered by FTZ No. 266.

Dane County has adopted and issued this Zone Schedule in compliance with the rules and regulations of the United States Foreign-Trade Zone Board (the “FTZ Board”) and United States Customs and Border Protection (the “CBP”). The Zone Schedule contains information concerning the operation of Zone Sites, insurance requirements, and other general standards and requirements applicable to doing business in FTZ No. 266. Further obligations and responsibilities of Operators are outlined in the Operator Agreement which must be executed by every Operator prior to commencing activities in FTZ No. 266.

The Zone Schedule is subject to amendment or modification at the sole discretion of Dane County upon its determination that such amendment or modification is reasonable and appropriate. Potential users of FTZ No. 266 may stay informed regarding any revisions to the Zone Schedule by requesting the latest Zone Schedule from Grantee. Dane County’s interpretation and application of the provisions of the Zone Schedule are final and the County shall at all times retain authority governing the imposition and waiver of rules and regulations applicable to FTZ No. 266.

FTZ No. 266 is administered by the Dane County Regional Airport, a department of Dane County. The contact for matters involving FTZ No. 266 is:

Airport Counsel
Dane County Regional Airport
4000 International Lane
Madison, Wisconsin 53704

II. FTZ No. 266 Zone Sites

As authorized by the United States Foreign-Trade Zones Board, FTZ No. 266 is comprised of the following six sites (the “Zone Sites”):

Zone Site 1: Dane County Regional Airport, 4000 International Lane, Madison, Wisconsin.

Three parcels consisting of 123 acres

Zone Site 2: Capital Warehousing Corporation, 4461 Duraform Lane, Windsor, Wisconsin

Five parcels, consisting of 47 acres

Zone Site 3: Arlington Prairie Industrial Park, Arlington, Wisconsin

Two parcels, consisting of 213 acres

Zone Site 4: Center for Industry and Commerce, Madison; Wisconsin

Six parcels , consisting of 139 acres.

Zone Site 5: MadCap1 and CapWin19 Industrial Lots, 4355 Duraform Lane, Windsor, Wisconsin

Two parcels, consisting of 126 acres

Subzone 266A: Operated by Cabela’s, Inc., 501 Cliffhaven Road, Prairie du Chien, Wisconsin

One parcel, consisting of 55.75 acres.

III. Definitions of Terms

As used in this Zone Schedule, and with respect to FTZ's generally, the following words and phrases are defined as indicated below.

Activation: Activation is the culmination of the process of applying for and receiving the written approvals as needed from Grantee, the FTZ Board and the CBP for an Operator to commence operations at a Zone Site or Subzone. An Operator must enter into an Operator Agreement with Grantee prior to Activation.

Administrator: The Grantee's representative with respect to oversight, marketing, administration and the provision of information regarding an FTZ. The Administrator of FTZ No. 266 is the Dane County Regional Airport.

Alteration: A change in the boundaries of an activated Zone; the Activation of a site separate from an existing activated Zone Site by an Operator that is active in the existing Zone; or the relocation of an existing activated Zone Site without change in the site Operator.

Applicant: A business organization or person that is applying for the right to become an Operator in a Zone.

Customs or CBP Territory: The areas in which the general tariff laws of the United States apply.

Deactivation: Voluntary discontinuation by a grantee or Operator of the Activation of a Zone, or a portion of a Zone.

Foreign-Trade Zone: A Foreign-Trade Zone (in this Zone Schedule, also referred to as a "Zone," or "FTZ") is composed of one or more restricted-access sites in or adjacent to a CBP Port of Entry operated pursuant to public utility principles under the sponsorship of a public or private entity granted authority by the FTZ Board and acting under supervision of the CBP. Merchandise properly admitted into an FTZ may be subject to favorable treatment with respect to duty assessment.

Foreign-Trade Zones Act: The Foreign-Trade Zones Act (the "Act") is the short title of the federal legislation known as The Foreign-Trade Zones Act of June 18, 1934 (48 Stat. 998-1003; 19 USC 81a-81u), as amended.

Foreign-Trade Zones Board: The Foreign-Trade Zones Board (the "FTZ Board") is the federal agency established to carry out the provisions of the Act. The FTZ Board consists of the Secretary of Commerce, the Secretary of the Treasury, and the Secretary of the Army, or their designees.

Manufacture: The FTZ Board has defined manufacture as any process which results in a change in CBP classification of merchandise involved in Zone activity. The CBP determines what constitutes manufacture on a case-by-case basis and distinguishes the manufacture of merchandise from other operations such as manipulation, processing, production, and blending.

Merchandise: Merchandise includes goods, wares, and chattels of every description that are not proscribed from importation by law or excluded from a Zone or Zone activities by order of the FTZ Board.

Merchandise, Domestic: Generally, Merchandise which has been produced in the United States and not exported, Merchandise imported into CBP Territory on which all applicable duties and taxes have been paid, or Merchandise imported into CBP Territory that is not subject to duty or tax.

Merchandise, Foreign: Generally, Merchandise imported into CBP Territory on which applicable duties and taxes have not been paid.

Operator: A corporation, partnership, or person that operates a Zone or Subzone under the terms of an Operator Agreement. A Grantee may act as its own Operator.

Operator Agreement: An agreement between an Operator and Grantee setting forth the specific terms and conditions under which the Operator may engage in activities in an FTZ. Execution of an Operator Agreement is a condition precedent to Activation and the commencement of activities in FTZ No. 266.

Operator's Bond: Using Customs Form 301, all Operators must submit an Operator's Bond to the CBP to assure compliance with CBP regulations and the bond conditions. The bond conditions are set forth at 19 CFR 113.73. A failure to comply with regulations and the Operator's Bond conditions may result in monetary forfeitures under the bond.

Port Director of CBP Milwaukee, Wisconsin (the Port Director): Under FTZ Board regulations the Port Director of CBP Milwaukee, Wisconsin, is the local representative of the FTZ Board and acts on the FTZ Board's behalf with respect to issues related to operations and activities in FTZ No.266. The Port Director's address is: Port Director of CBP Milwaukee, 4915 S. Howell Avenue, Suite 200, Milwaukee, WI 53207.

Reactivation: Subsequent to deactivation of an area, a reactivation occurs upon the resumption of the area's activated status, without change in Operator or area boundaries.

Subzone: A special-purpose zone established as part of an FTZ for a limited purpose that cannot be accommodated in sites that are part of the existing FTZ. As used in this Zone Schedule, the term "FTZ" includes and applies to subzones associated with a particular FTZ.

Zone Site: A Zone Site is one of the geographical sites, including Subzones, that are part of FTZ No. 266. The Zone Sites that are presently part of FTZ No. 266 are described in Section II above. The number of Zone Sites included as part of FTZ No. 266 may be modified upon approval of the Board.

IV. Benefits of Doing Business in FTZ No. 266

A business enterprise can take advantage of the benefits offered by FTZ No. 266 in a number of ways. A business can itself become a Zone Operator at one of the existing Zone Sites, or it can establish an additional site or a Subzone that can become part of FTZ No. 266 through the available expansion and application procedures. Alternatively, an enterprise may obtain favorable treatment under laws and regulations related to CBP duty assessment by having an existing Operator handle operations related to Merchandise entering the FTZ. The following are examples of uses and related benefits associated with FTZs.

Re-exporting Merchandise: Merchandise which is imported into the United States for admission into an FTZ and later re-exported from the Zone may not be subject to any CBP duties.

Rejecting, Scrapping, and Consuming Merchandise: Imported merchandise which is admitted into a FTZ and then rejected, scrapped, or consumed in the Zone is not assessed duties by the CBP. Duties are also reduced significantly for merchandise which is scrapped through an operation in an FTZ and then sold from the Zone as commercial scrap material.

Zone-to-Zone Transfers: Imported merchandise which is admitted into the Zone and then shipped to another U.S. FTZ can be shipped duty-free to the receiving Zone with the receiving Zone's concurrence. As duty-free transfers, Zone-to-Zone shipments allow operators in both the shipping Zone and the receiving Zone to reduce their duty exposure. Duties are eliminated completely on imported components which are transshipped through several Zones and eventually re-exported.

Duty Deferrals: While duties are eventually assessed on imported merchandise shipped to U.S. locations from a Zone, the payment of duties is deferred from the date of importation into the Zone to the date of shipment from the Zone. The cost-of-money savings on duty deferral can be significant for large-volume distributors or operations with long inventory turnover periods.

Inverted Tariffs: When components are imported and admitted into a Zone and manufactured into new products for re-export or sale in the U.S, significant savings may be realized because the importer is allowed the option of applying the lower of the finished product duty rate or the component duty rate.

V. Principle Federal Laws and Regulations Governing FTZ No. 266

The following are some of the principle federal laws and regulations governing users, uses and activities in FTZ No. 266.

Foreign-Trade Zones Act: FTZ No. 266 is governed by the Foreign-Trade Zones Act, 19 United States Code 81a-81u, as amended.

Foreign-Trade Zones Board Regulations: FTZ No. 266 is regulated by the FTZ Board, Washington, D.C., under the U.S. Code of Federal Regulations, Title 15, Part 400, as amended.

U.S. Customs Service Regulations: FTZ No. 266 is subject to the regulations of the CBP under the U.S. Code of Federal Regulations, Title 19, Part 146, as amended.

VI. FTZ No. 266 Rules and Policies

FTZ No. 266 Zone Schedule: All entities operating within FTZ No. 266 are subject to this Zone Schedule and Grantee's interpretation and administration of the rules, rates, and policies set forth herein. Matters relating to actions by the CBP or other agencies of the United States Government will be determined by the Port Director of Customs as the resident representative of the FTZ Board. A copy of this Zone Schedule will be provided to each Operator. From time to time the Zone Schedule may be revised. Copies of the Zone Schedule are available at the office of the Administrator of FTZ No. 266. The laws and regulations applicable to Zones are numerous and may be subject to amendment and differing interpretations. Therefore, while the information provided in this Zone Schedule is intended to be up-to-date and accurate, it is provided for general informational purposes only. All Operators and potential Operators must obtain their own information regarding application and interpretation of the laws and regulations applicable to activities and operations in FTZ No. 266.

Operator Agreement: Every entity seeking to engage in activities in FTZ No. 266, must enter into an Operator Agreement with Grantee. Each Operator Agreement contains rules and requirements applicable to activities the signatory Operator will conduct under authority of the Operator Agreement. If there is any conflict between this Zone Schedule and a provision in an Operator Agreement, the Operator Agreement shall be controlling to the extent of the conflict.

Uniform Application of Rules, Rates and Charges: The rules, rates and charges applicable to activities and processes related to FTZ No. 266, as such rules, rates and charges may be amended from time to time, shall be applied uniformly to all similarly situated users and potential users of FTZ No. 266. Sites, facilities and services associated with FTZ No. 266 are subject to regulatory and physical limitations and will be made available on a first-come, first-serve basis.

Merchandise Permitted in FTZ No. 266: Foreign and domestic merchandise of every description, except as prohibited or otherwise restricted by law, regulation or rule, may be brought into FTZ No. 266.

Activities Permitted in FTZ No. 266: Upon approval by Grantee, the FTZ Board and the CBP, Merchandise brought into FTZ No. 266 may be stored, sold, exhibited, broken up, repacked, assembled, distributed, sorted, graded, cleaned, mixed with foreign and domestic merchandise, or otherwise manipulated or subjected to manufacture.

Security and Safety Requirements in the Zone: The activities engaged in by each Operator will be reviewed by the CBP to determine what security and safety standards are appropriate to protect the revenue of the United States and the safety and integrity of the Site. Each Operator using FTZ No. 266 is responsible for the security and safety of its Zone activities.

Inventory Control and Record Keeping Systems: All inventory control and record keeping systems employed by Operators within the Zone must comply with requirements established by Grantee, the CBP and the FTZ Board. The CBP has the right to engage in selective examinations of merchandise and spot checks and audits of Zone facilities to assure compliance with its regulation

Residence within Zone: No person will be allowed to reside within FTZ No. 266 except Federal, State, or Municipal officers or agents whose resident presence is deemed necessary by the FTZ Board and approved by Grantee.

Indemnification: All Operators engaging in activities in FTZ No. 266 are required to indemnify, defend and hold harmless Grantee from all claims and demands including, but not limited to, claims and demands for personal injuries, including death, and for property damage and any other loss or claim arising out of or related in any way to the FTZ activities of the Operator, its employees, contractors, agents or invitees.

Insurance: Under the terms of the Operator Agreements under which Operators engage in activities in FTZ No. 266, Operators may be required to maintain the following insurance:

1. Commercial General Liability Insurance covering personal injury, bodily injury (including death), and property damage with per occurrence and annual aggregate coverage limits of not less than \$2,000,000, combined single limit.
2. Comprehensive Automobile Liability Insurance covering owned, non-owned and hired vehicles with per occurrence and annual aggregate coverage limits of not less than \$2,000,000, combined single limit.
3. Pollution Liability Insurance with per occurrence and annual aggregate coverage limits of not less than \$2,000,000, combined single limit.

Specific types of insurance coverage and limits will be as set forth in the Operator Agreement applicable to each Operator's activities in FTZ No. 266.

VII. Schedule of Fees and Charges

Grantee is entitled to charge fees to Operators in order to recoup the direct and indirect costs of Zone administration and operation, including costs associated with the initial formation and approval of the Zone and the accumulation of a reasonable reserve. Grantee has structured the fees and charges under the following schedule with the intent to recoup a portion of its costs and expenses over time, without exceeding industry norms or putting an undue burden on Operators. Payment of fees and charges shall be as provided in the Operator Agreement entered into between Grantee and each Operator engaging in activities in FTZ No. 266. The following schedule of fees and charges is applicable to existing and future Operators conducting activities in FTZ No. 266. Fees and charges payable to Grantee under this Zone Schedule may from time to time be modified by Grantee.

Application Fee

An Applicant applying to become an Operator in FTZ No. 266 or an associated Subzone, or an Operator applying for a Zone boundary modification or making a manufacturing request will be required to pay an application fee when approval of an application to the FTZ Board is requested of Grantee. The fee will cover Grantee's allowable costs and expenses, including those associated with obtaining necessary approvals, providing certifications, document preparation, and legal, consulting and support services. Application fees payable to Grantee are as follows:

\$6,000	Application for operations in FTZ No. 266 or associated Subzone, Manufacturing Request, Expansion Application
\$2,000	Minor Boundary Modification

Application fees may be adjusted and established by Grantee based on the type of application required or requested. The application fee is due and payable upon approval by the FTZ Board of the status or activity that is the subject of the Operator's application. The Operator is responsible for

the payment of all application or filing fees associated with the submittal or processing of the application.

Activation Fee

An Activation Fee of \$3,500 will be charged to an Operator seeking to activate a Zone Site. The Activation Fee covers Grantee's allowable expenses, including those associated with Zone Site activation such as expenses related to the preparation, review and processing of the Operator Agreement, the Grantee concurrence letter, and other documents. The Activation Fee is payable in advance of Grantee's execution of the applicable Operator Agreement. The Operator is responsible for the payment of all application, filing or other fees associated with the submittal or processing of any documents related to its Activation request.

Deactivation Fee

A Deactivation fee of \$2,000 will be charged to an Operator seeking to deactivate a Zone Site.

Annual Fee

The annual fee is intended to recoup Grantee's expenses related to Grantee's initial and ongoing administration of the Zone, including preparation of the Annual Report to the FTZ Board, support services, and legal and consulting fees. Standard annual fees are:

\$12,000	All Subzones
\$ 6,000	General-Purpose Zone Sites/Operators

The annual fee is initially due and payable in advance of Grantee's execution of the applicable Operator Agreement and, during the term of the Operator Agreement, annually thereafter on the anniversary of the effective date of the Operator Agreement.

Charges for Special Zone Staff Services

Upon the approved request of an Operator for the services of Grantee's staff, Granter will provide the services at the hourly rate of \$100.00 per hour or portion thereof.

CBP Fees

Any fees or charges imposed by the CBP for Zone services shall be timely paid directly to the CBP by the Operator of the affected Zone Site. Such fees and charges shall not be the responsibility or liability of Grantee.

FTZ Board Fees

Any fees or charges imposed by the FTZ Board shall be payable by the Operator named in the application or request giving rise to the fee or charge, the Operator of the affected Zone Site, or as apportioned by Grantee among the Zone Sites.

Other Government Agency Fees

Charges for services provided to an Operator or charged or assessed based on an Operator's activities or property shall be paid by such Operator.

Fines and Penalties

Any fine, penalties or assessment levied or assessed by any governmental body or agency with authority to do so shall be timely paid by the Operator whose activities or acts or omission gave rise to the fine, penalty or assessment

Enforcement of Charges and Fees

Fees and charges due Grantee that are not timely paid shall incur interest at a rate equivalent to one and one half percent per month from the due date until paid in full. Grantee reserves the right to terminate any Operator Agreement or otherwise deny any Operator the right to conduct FTZ activities in FTZ No. 266 as a result of the Operator's failure to pay fees or charges due Grantee.

For Further Information Regarding FTZ No. 266 Contact:

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