

## 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 123

### Denver, CO

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Effective: February 2014

Copies of the Zone Schedule are on file with the Foreign-Trade Zones Board, Washington, D.C., and are available at the Denver Office of Economic Development (address listed above)

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## Rules and Policies of FTZ 123

The rules and regulations of this Zone Schedule shall apply to subzones, magnet sites, usage-driven sites and all other involved parties within Foreign-Trade Zone No. 123 ("FTZ No. 123"). The effective date of this schedule is set forth on the cover page.

The City & County of Denver ("Grantee" or "Zone Grantee") shall, in its sole discretion and pursuant to 19 U.S.C. § 81n of the United States Foreign Trade Zones Act ("FTZA"), interpret the rates, regulations or services of this schedule and determine the applicability of any of its provisions. The Grantee reserves the right to waive or prorate any fee, if it is for the greater prosperity of the zone.

### **3.01 Foreign-Trade Zone Board Regulations**

FTZ No. 123 is subject to the FTZA, 19 U.S.C. §§ 81a-81u and to the regulations of the Foreign-Trade Zone Board, as defined in 15 CFR Part 400.

### **3.02 U.S. Customs and Border Protection Regulations**

FTZ No. 123 is also subject to the regulations of the U.S. Customs and Board Protection, as defined in 19 CFR Part 146.

### **3.03 Application**

In accordance with the Foreign-Trade Zones Board Regulations at 15 CFR Part 400, the Grantee must submit requests to modify the existing structure of FTZ No. 123 to the Foreign-Trade Zones Board. In addition, the Grantee must sponsor applications for production notifications.

### **3.04 Operator Agreements**

The Grantee may select one or more Operator(s) to operate within FTZ No. 123. Each Operator and the Grantee will enter into an "Operator Agreement," (or, "Agreement") which will indicate the Operator's acceptance of the duties described therein. The Agreement will also indicate the Operator's assumption of all responsibility for the operation, management, and maintenance of the Operator's Site.

### **3.05 Landowner Agreements**

Before an application for site designation is sent to the Foreign-Trade Zones Board, landowners will be required to sign a landowner/developer agreement. By signing this agreement, the landowner/developer will indicate their acceptance of all of the responsibilities needed to maintain FTZ designation.

### **3.06 Activation**

Operator agrees to seek and obtain approval of activation of the Site pursuant to U.S. Customs and Border Protection Regulations at 19 CFR Part 14, no later than one (1) year after the execution of the Operator Agreement, and prior to initiating any foreign-trade zone related operations. Operator shall give the Grantee written notice prior to submitting the application for activation. Operator shall also furnish the Grantee with a copy of Customs' letter or notice activating the site.

### **3.07 Right of Entry**

Operator shall allow authorized representatives of the Foreign-Trade Zones Board, U.S. Customs and Border Protection, authorized United States government officials, the Grantee's staff, and any authorized representative of the Grantee to enter the site at any time during Operator's normal hours of operation.

### **3.08 Indemnification**

FTZ site owners/operators agree to protect, unconditionally indemnify and hold harmless the Grantee, its Commissioners, employees, and agents from and against all liabilities, judgments, claims, losses, expenses and damages of whatever nature, including, but not limited to, any and all damages, duties, fines, penalties, taxes, charges or liquidated damages (incurred or paid by Grantee to the U. S. Customs and Border Protection, or other regulatory agencies), interest, attorney's fees and other costs of litigation, whether absolute or contingent, whether directly or indirectly resulting from, arising out of, in connection with, or related to the operation of the Foreign-Trade Zone upon the Site and/or the performance by the operator of its duties and obligations as a Site Operator or pursuant to the Operator Agreement.

### **3.09 Annual Reports**

Operator agrees to use the Online FTZ Information System ("OFIS"), as required by the FTZ Board, for submitting annual report data. The data in the annual report should be for the previous calendar year ending December 31st. The report must be submitted at least thirty (30) days prior to the date Grantee's annual report to the Board, which is due on March 31st.

## Rates/Charges Assessed for FTZ 123

Currently, the Grantee assesses no fees for operating within FTZ 123. \*

\* Other fees and costs may be incurred as required by other government agencies or by your selection of service providers.

## Grantee Agreement with Operators That Offer Services to the Public

As of February 2014 (the effective date of this Zone Schedule) the City and County of Denver has entered, or will enter, into the following agreements with Operators who offer services to the public:

### **Aspen Distribution, GP Site 01 (Active)**

11075 E 40<sup>th</sup> Ave, Denver, Colorado 80239

6 acres

#### *2013 - 2014 Schedule of Rates*

*Effective October 1, 2013*

Warehouse Activity	Handling Rate	Storage Rate
Standard Pallet In/Pallet Out	\$10.00 to \$18.00 per pallet	
Unstackable		\$18.00 to \$24.00 per pallet
Stacking 2 high		\$12.00 to \$15.00 per pallet
Stacking 3 high		\$11.00 to \$14.00 per pallet
Loose Case In/Loose Case Out	\$0.85 to \$3.00 per carton	
Under 2 cubic feet/case		\$0.55 to \$0.75 per carton
2 cu. ft. to 6 cu. ft./case		\$0.75 to \$1.55 per carton
Over 6 cubic feet/case		\$1.55 to \$2.65 per carton
Palletized In/Loose Case Out		
Surcharge	\$0.85 to \$3.00 per carton	
FTZ Activity (Entry/Removal)	\$300.00 initial fee (Covers first 10 transactions) \$30.00 each additional transaction over 10	

### **Accessorial Charges (only where applicable)**

*Bills of Lading (for each order)	\$8.00 each
*Minimum Warehouse Receipt	\$35.00 per receipt
*Minimum Monthly Storage	\$600.00 per month
Expediting (Rush Orders)	\$30.00 per order
Pallets	\$8.00 per pallet
Stretch-Wrapping	\$3.00 per pallet
Extra Labor	
Warehouse Labor Only	\$45.00 per hour
Warehouse & Equipment	\$65.00 per hour

\*Indicates a usual charge in the course of daily business. All others require prior customer approval.

**Worldport @ DIA, General Purpose Site 02 (Inactive)**

Denver International Airport, East 75th Ave, Denver CO 80249

7 acres

**Great Western Industrial Park, General Purpose Site 03 (Inactive)**

Eastman Park Drive and County Rd 23, Windsor CO 80550

766 Acres



## Appendix A: Glossary of Terms

**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).

**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.

**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.

**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.

**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.

**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.

Source: U.S. Foreign-Trade Zones Board, "Glossary of FTZ Terms," *available at* <http://enforcement.trade.gov/FTZpage/index.html> (October 2013).