

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.

Sioux Falls, South Dakota

Zone Schedule

Foreign-Trade Zone

No. 220

ZONE POLICY

SCHEDULE AUTHORITY

This schedule is published pursuant to a Grant issued by the Foreign-Trade Zones Board, U.S. Department of Commerce, Washington, D.C. on April 8, 1997 to the Governor's Office of Economic Development, State of South Dakota under provisions of Public Law No. 397, 73rd Congress, approved June 18, 1934, as amended. The Zone policy, rules, regulations, rates and charges of this schedule shall apply at Foreign-Trade Zone No. 220 unless otherwise provided for.

ZONE OPERATED AS A PUBLIC UTILITY

The rates and charges for space, facilities and services within a Zone shall be fair and reasonable, and the Grantee shall afford uniform treatment under like conditions to all users. The Board shall determine whether the rates and charges are fair and reasonable.

BOARD REGULATIONS

Foreign-Trade Zone No. 220 is regulated by the Foreign-Trade Zones Board, Washington, D.C. under U.S. Code of Federal Regulations; Title 15, Chapter IV, Part 400. Copies of these regulations are maintained at the Foreign-Trade Zone No. 220 office for reference.

U.S. CUSTOMS REGULATIONS

Foreign-Trade Zone No. 220 is subject to special Customs Regulations as defined in U.S. Code of Federal Regulations, Title 19, Chapter I, U.S. Customs, Part 146 – Foreign-Trade Zones; and the "U.S. Customs Service Foreign-Trade Zones Operations Manual". Copies of these publications are maintained at the Foreign-Trade Zone No. 220 office for reference.

INTERPRETATION OF SCHEDULE

The Grantee Administrator shall interpret and determine the applicability of any rates, rules, regulations or services provided for in this schedule. However, any matter involving interpretation or action by U.S. Customs or another agency of the U.S. Government will be determined by the Port Director of Customs or his duly appointed representative.

PRIVILEGES OF FOREIGN-TRADE ZONES

Section 3 of the Act, as amended, authorized the following privileges:

Foreign and domestic merchandise of every description except such as prohibited by law, may, without being subject to Customs laws of the United States, except as otherwise provided in this Act, be brought into a Zone and may be stored, sold, exhibited, broken-up, repacked, assembled, sorted, graded, manipulated, except as otherwise provided in the Act, and be exported, destroyed, or sent into Customs territory of the United States, there from, in the original package or otherwise; but when foreign merchandise is so sent from a Zone into Customs territory of the United States it shall

be subject to the laws and regulations of the United States affecting imported merchandise:

Provided that whenever the privilege shall be requested there has been no manipulation affecting a change in tariff classification, the collector of Customs shall take under supervision and regulations prescribed by the Secretary of the Treasury, may under regulations prescribed by the Secretary of the Treasury, be exported or destroyed or may be sent into Customs territory upon the payment of such liquidated duties and determined taxes thereon. Allowance shall be made for recoverable and irrecoverable waste; and if recoverable waste is sent into Customs territory, it shall be dutiable and taxable in its condition and quantity and at its weight at the time of entry.

Provided further that subject to such regulations respecting identify and the safeguarding of the revenue as the Secretary of the Treasury may deem necessary, articles, the growth, product or manufacture of the United States on which all internal revenue taxes have been paid or which have been admitted free of duty and tax, may be taken into a Zone from the Customs territory of the United States, placed under the supervision of the collector and whether or not they have been combined with or made part while in such Zone, or other articles may be brought back thereto free of quotas, duty or tax:

Provided further that if the opinion of the Secretary of the Treasury their identity has been lost, such articles not entitled to free entry by reason of noncompliance with the requirements made hereunder by the Secretary of the Treasury shall be treated, when they re-enter Customs territory of the United States, as foreign merchandise under the provisions of the tariff and internal revenue laws in force at that time:

Provided further that under the rules and regulations of the controlling Federal agencies, articles which have been taken into a Zone from customs territory for the sole purpose of exportation, destruction, (except destruction of distilled spirits, wines and fermented malt liquors), or storage shall be considered to be exported for the purpose of:

- (1) The drawback, warehousing and bonding, or any other provisions of the Tariff Act of 1930, as amended, and the regulations there under; and
- (2) The statutes and bonds exacted for the payment of drawback, refund or exemption from liability of internal revenue taxes and for the purposes of the internal revenue laws generally and the regulations there under.

Such a transfer may also be considered exportation for the purposes of the Federal laws insofar as Federal agencies charged with the enforcement of these laws deem it advisable. Such articles may not be returned to Customs territory for domestic consumption except where the Foreign-Trade Zones Board deem such return to be in the public interest, in which event, the article shall be subject to the provisions of the Paragraph 1615(F) of the Tariff Act of 1930, as amended:

Provided further that no operation involving any foreign or domestic merchandise brought into a Zone which operation would be subject to any provision or provisions of Section 1807, Chapter 15, Chapter 16, Chapter 17, Chapter 21, Chapter 23, Chapter 24, Chapter 25, Chapter 26, or Chapter 32 of the Internal Revenue Code if performed in customs territory or involving the manufacture of any article provided for in Paragraph 367 or Paragraph 368 of the Tariff Act of 1930, shall be permitted in a Zone except those operations, (other than rectification of distilled spirits and wines, or the manufacture of production of alcoholic products unfit for beverage uses), which were permissible under this Act prior to July 1, 1949.

USE OF ZONE FACILITIES

Zone facilities will be used for the sole purpose of receipt, storage, handling, exhibition, manipulation, and shipment of foreign merchandise and domestic merchandise as considered necessary to the conduct of a User's normal business in conjunction with foreign merchandise. Users shall not use or permit the Zone to be used for any other purpose without the proper written consent of the Grantee Administrator. Users shall not do or permit anything to be done on or about the Zone which will in any way obstruct or interfere with the rights of other Users or occupants if the Zone or injure or annoy them.

INSPECTION OF ZONE AREA

The Grantee may inspect any leased or assigned area at any and all reasonable times to ascertain whether or not the conditions related to its proper use are being observed.

GRANTEE RATES AND CHARGES

Operators within the General Purpose and Special Purpose zone sites of Foreign Trade Zone #220 are currently not subject to a user fee.

OPERATOR RATES AND CHARGES

Nordica Warehouses, Inc. (see attached)

RULES AND REGULATIONS

Nordica Warehouses, Inc. Foreign Trade Zone Procedures Manual (see attached)

FOREIGN TRADE ZONE #220 SITES DESCRIPTIONS

Site 1 – Joe Foss Field	129.9 acres
Site 2 – Sioux Falls Development Park III	123.2 acres
Site 3 – Sioux Falls Development Park IV	9.8 acres
Site 4A – Burns Moving and Storage	50,000 sq. ft.
Site 4B - Undeveloped	3.16 acres
Site 5A - Building	96,000 sq. ft.
Site 5B - 3.3 acres containing a 20,700 sq. ft. building	

* Site 3 – Sioux Falls Development Park IV was relocated via “modified boundary change” to Nordica Warehouse, Inc., 801 South 6th Avenue, Sioux Falls, SD 57104.

A copy of the Zone Schedule, Procedures Manual and the Operator's Rates and Charges and Rules and Regulations for Nordica Warehouse, Inc. General Purpose Foreign Trade Zone Site is on file at the Sioux Falls Development Foundation, Inc., 200 North Phillips Avenue, Sioux Falls, SD 57104.



Foreign Trade Zone Procedures Manual

Nordica Warehouses, Inc. will be operating as a Foreign Trade Zone General Purpose Operator under Foreign Trade Zone #220.

Nordica Warehouses, Inc. is a public warehouse serving the needs of a variety of importers. The warehouse is located at 801 South 6th Avenue, Sioux Falls, South Dakota 57104. Attached is a floor plan of the buildings at this location.

Contacts

Nordica Warehouses, Inc.
605-336-9152

Dan Afdahl - President
Dave Lyng - Vice President

Zone Admissions

A Customs Form 214 (CF214) with supporting documents is required by Customs to admit merchandise into foreign trade zone status. Nordica Warehouses, Inc. will maintain a file of uniquely and sequentially numbered CF214s. Attached to each CF214 will be copies of the supporting documents that were provided at the time of admission to the zone by the freight forwarder/customs broker for Nordica Warehouses, Inc. Nordica Warehouses, Inc., or its broker, will submit the CF214 to Customs for authorization to enter merchandise into the zone.

Nordica Warehouses, Inc. will be liable for the quantities admitted on the CF214 and will provide Customs with a discrepancy report when overages or shortages occur. Zone merchandise at Nordica Warehouses, Inc. will be labeled and identified by its inventory lot number. It will be the unique lot identifier number.

Nordica Warehouses, Inc. requests to be able to receive direct delivery of "in bond" merchandise and requests to break and affix U. S. Customs seals.



Control of Zone Merchandise and Material

No finished goods or raw material in zone status will be manipulated, destroyed or transferred from the zone except under the provisions detailed in the permits issued by the U. S. Customs Service.

Nordica Warehouses, Inc. will report in writing to the Port Director any theft or suspected tampering of zone merchandise immediately upon detection. A written report will also be made if overages or shortages occur during the annual physical inventory that exceed 1% or more of the quantity of the merchandise covered by a unique identifier (inventory lot number), or if the missing merchandise would have been subject to duties and taxes of \$100 or more. The shortages must meet both the 1% and \$100 criteria before it is necessary for Nordica Warehouses, Inc. to report a shortage to the Port Director.

Nordica Warehouses, Inc. will maintain its zone merchandise in a first-in, first-out (FIFO) inventory control method. Nordica Warehouses, Inc. will provide Customs, upon request, an inventory report that will identify the number of zone items in inventory.

Inventory Control System

The inventory record keeping for the Nordica Warehouses, Inc. foreign trade zone operation will be done under the first-in, first-out accounting method. Under this method, material is withdrawn from stock beginning with the oldest inventory first.

Nordica Warehouses, Inc. will maintain the zone admissions, activity permits and zone withdrawal records in a manual system. The company will also maintain an automated inventory control and record keeping system. Upon request, Nordica Warehouses, Inc. will provide Customs with a written copy of its inventory control and record keeping systems that is currently automated.

Nordica Warehouses, Inc. will prepare a reconciliation report within 90 days after the end of the zone year unless the Port Director authorizes an extension for reasonable cause. The report will contain a description of merchandise, for each zone lot identifier, showing zone status, quantity on hand at the beginning of the year, cumulative receipts and transfers (by unit), quantity on hand at the end of the year and cumulative positive and negative adjustments (by unit) made during the year.

Nordica Warehouses, Inc. will take a complete physical inventory of all imported merchandise prior to the activation of the foreign trade Foreign Trade Zone and submit it



to the Port Director to determine the complete inventory of imported merchandise. The inventory control system will identify overages and shortages of merchandise in the zone in sufficient detail to determine the quantity, description, tariff classification, zone status and value of the missing or excess merchandise. It will provide all the information necessary to make entry for the merchandise being transferred to the Customs territory including, but not limited to, quantities, descriptions, values, HTS classifications and status. In addition, it will provide an audit trail to Customs from admissions, through storage and transfer from the zone.

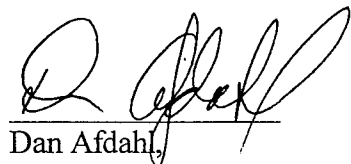
This system will maintain the information necessary to account for all materials designated as having zone status.

All records will be capable of being produced for Customs review in the Zone within 4 hours of demand by a Customs officer. All hard copy records pertaining to the goods will be maintained for five years following the withdrawal of the material from the zone.

Foreign Trade Zone Transfers

All trade zone materials transferred out of the zone will be accurately recorded with the Nordica Warehouses, Inc. inventory control and record keeping system. The records will consist of all the consumption entries and their supporting documents for merchandise entered into the United States, as well as transfers from the zone for exportation. Each transfer of merchandise to the Customs territory for transportation and exportation will be made under an entry for transportation and exportation on Customs Form 7512 and shippers export declaration. If the need arises for a shippers export declaration, Nordica Warehouses, Inc., will provide such to Customs.

This procedures manual is an explanation describing the inventory control and record keeping system that will be used in the zone. I certify that this will meet the requirements of sub-part B of part 146 Customs Regulations.


Dan Afdahl,
President

OPERATOR RATES AND CHARGES

Nordica Warehouses, Inc. charges its customers a fee for storing and handling their product. These fees are generally based on a standard 40"x48" pallet or on a per pound basis.

The following are current storage and handling rates for products of the type that are stored in the Foreign Trade Zone:

USE OF FOREIGN TRADE ZONE	100.00 PER MONTH
PUMP/MOTOR PICKING	11.00 PER ITEM
SEAL KIT/SPARE PARTS PICKING	2.00 PER ITEM
UPS/FED EX/DHL/USPS ORDER PROCCESING	3.00 PER ORDER

Nordica Warehouses, Inc. passes on at its cost all freight charges incurred if it receives the outbound freight charges on behalf of its customers(s). All handling charges are incurred when each item leaves the Foreign Trade Zone.

OPERATOR RATES AND CHARGES

Nordica Warehouses, Inc. charges its FTZ customer(s) a fee for storing and handling their product. These fees are generally based on a standard 40"x48" pallet or on a per pound basis.

The following are current storage and handling rates for products of the type that are stored in the Foreign Trade Zone:

USE OF FOREIGN TRADE ZONE	\$100.00 PER MONTH
PUMP/MOTOR PICKING	\$11.00 PER ITEM
SEAL KIT/SPARE PARTS PICKING	\$2.00 PER ITEM
UPS/FED EX/DHL/USPS ORDER PROPROCESSING	\$3.00 PER ORDER

Nordica Warehouses, Inc. passes on, at its cost, all freight charges incurred if it receives the outbound freight charges on behalf of its customers(s). All handling charges are incurred when each item leaves the Foreign Trade Zone.