

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.

ZONE SCHEDULE

CHARGES, RATES, RULES AND REGULATIONS

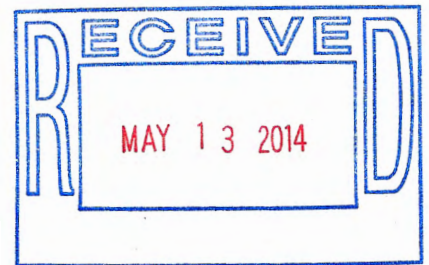
FINAL DRAFT

APPLICABLE AT

**FOREIGN-TRADE ZONE NO. 63
PRINCE GEORGE'S COUNTY, MARYLAND**

**UNDER GRANT OF AUTHORITY OF THE
UNITED STATES FOREIGN-TRADE ZONES BOARD (FTZB)**

PRINCE GEORGE'S COUNTY, MARYLAND



DISCLAIMER: The information and appendices included in this Zone Schedule are for informational purposes only. They reflect laws and regulations in effect at the time of submission of this schedule. Each Operator and/or User is responsible for awareness of and compliance with the laws and regulations currently in effect.

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SECTION I -- ADMINISTRATION DIRECTORY

Grantee Prince George's County, Maryland

Administrator Prince George's County Economic Development Corporation
1100 Mercantile Lane, Suite 115A
Largo, Maryland 20763
Patricia E. Hayes-Parker, Director of FTZ # 63
(301) 583-4650
pparker@pgcedc.com

Operator(s) General-Purpose Zone Site(s):

Subzones:

**U.S. Customs and
Border Protection** Attn: James Engleman
Port Director
40 South Gay St.
Baltimore, MD 21202
(410) 962-2666

Port Code: 1303

SECTION II -- OVERVIEW

Foreign-Trade Zone ("FTZ") No. 63

FTZ No. 63 was granted by the U.S. Foreign-Trade Zones Board ("FTZB") to Prince George's County, Maryland in 1980.

In accordance with the U.S. Foreign-Trade Zones Board 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 Administrator.

The goal of the Prince George's County 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 VIII.

The Prince George's County Economic Development Corporation, as Administrator of the FTZ, is authorized by Prince George's County to charge reasonable fees to reimburse the County for the cost of maintaining a viable FTZ project.

Uniform charges are set forth in Section XIII. Other charges and costs associated with the operation of a specific FTZ operation are the responsibility of the Zone Operator.

Operator Agreement

All Operators of FTZ No. 63 must obtain a letter of concurrence from the Grantee prior to activation with U.S. Customs and Border Protection. Prior to the issuance of the activation concurrence letter, Operators must execute an Operator Agreement.

Property owners in the FTZ that are not Zone Operators must execute a separate Property Owner's Agreement prior to inclusion of land in FTZ No. 63 general-purpose zone boundary modifications or expansions.

SECTION III -- 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 unrestricted weekly (24 hours per day, 7 days per week) based on an estimate approved by Customs before the start of the business week. 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.

To obtain information to conduct a feasibility analysis of FTZ savings, call Patricia Hayes-Parker, Director of FTZ No. 63 at (301) 583-4650.

SECTION IV -- SITE DESCRIPTIONS

Foreign-Trade Zone No. 63 consists of the following sites:

A. General-purpose Zone Sites

<u>Site</u>	<u>Location</u>	<u>Acres</u>
1	Collington Center	77.5

Description:

77.5 acres within County-owned 1,281-acre Collington Center Industrial Park located immediately south of the City of Bowie at the intersection of U.S. Route 301 and Maryland 214 (Central Avenue). Established 10/20/80, FTZB Order No. 167.

2	Expansion Pending	
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Total		77.5
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B. Subzone Sites

No subzones are currently designated as part of FTZ No. 63.

SECTION XIV -- FEE SCHEDULE

Grantee Fees

All Grantee fees, as described herein, are payable to the Prince George's County Economic Development Corporation.

1. Applications to the Foreign-Trade Zone Board for Expansion, Boundary Modification and Subzones

\$5,000 – one-time fee payable upon submission of final draft to Administrator

Fee covers review of draft application, preparation of transmittal letter and resolution and follow up with FTZB as necessary.

2. Activation Fee

An activation fee will be charged to Operators. The fee will cover preparation and execution of an Operator Agreement, Grantee concurrence letter for activation and follow up with Customs as needed. The fee is payable upon presentation of a draft written application for activation to Customs including a copy of the blueprint of area to be activated and the Operator's procedures manual.

\$5,000 – one-time fee payable upon written application for activation to Administrator

Application/Activation Fees for special, extraordinary and/or sophisticated operations are subject to a higher fee and dependent on the complexity of the operation.

3. Deactivation Fee

A deactivation fee of **\$3,000** will be charged to an Operator when seeking to deactivate a Zone Site but will not include temporary deactivation or alteration of a Zone Site or Subzone. The fee is payable upon presentation of a draft written application for deactivation to Customs.

4. Annual Fees

The annual fee for Grantee administration covering zone project maintenance, staffing, training, annual report preparation and filing, marketing, legal expenses and related costs is:

\$5,000	Activated General-Purpose Zone Operators
\$5,000	Subzones

The annual fee is payable January 1 for the upcoming calendar year. Grantee will invoice active general-purpose zone operators and subzones by November 15. Payments received after January 15 are considered late and may result in late charges and/or termination of Grantee sponsorship.

The first year in which General-Purpose Zone Operators are approved for activation or subzones are approved by the FTZB, the annual fee is covered by the activation/application fees until January 1 following written activation approval of general-purpose zone operators or FTZB approval of subzones respectively.

Late Payment Charge

If any payment due is not received by the Grantee within fifteen (15) calendar days after its due date, the Operator shall pay a late payment charge, for each occurrence, equal to five percent (5%) of the amount then due. The existence of the right by the Grantee to receive a late payment charge shall not constitute a grace period or provide any right for the Operator to make a payment other than on its due date.

Operator Fees

General-purpose zone operators are authorized to establish their own schedule of rates and charges (fees) to users based on a standard of reasonableness, fairness and uniformity. Such schedule shall be maintained and kept current with an up to date copy on file with the Grantee.

Going rates and charges for like operations in the area will be considered in determining whether rates are reasonable.

A listing of current General-Purpose Zone Operators and their schedule of rates and charges is included as Appendix A.

Customized services requested by users that are not covered by the standard schedule of rates and charges are to be negotiated between the general-purpose zone operator and users.

U.S. Customs and Border Protection Fees

At the time of issue of this 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.

FTZB 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	\$3,200
(2) Special-Purpose Subzones:	
(i) non-manufacturing/processing or less than three products	\$4,000
(ii) manufacturing/processing three or more products	\$6,500
(3) Expansions	\$1,600

Harbor Maintenance Fees

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. 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 entry when applicable. Payment is due by importer of record upon filing of a consumption entry. The current rate of the Harbor Maintenance Fee is .125% of the value of the commercial cargo.

Merchandise Processing Fees

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 and shall not be less than \$25.

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.