

## **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).



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FOREIGN-TRADE ZONE NO. 198  
ZONE SCHEDULE  
CHARGES, RATES, RULES, AND REGULATIONS

GOVERNING

FOREIGN-TRADE ZONE NO. 198  
VOLUSIA COUNTY, FLORIDA

OPERATING UNDER GRANTED AUTHORITY  
OF THE UNITED STATES FOREIGN-TRADE ZONES BOARD

TO THE

THE COUNTY OF VOLUSIA,  
FLORIDA

*Issued by:*

Volusia County  
Division of Economic Development  
Daytona Beach International Airport  
700 Catalina Drive, Suite 200  
Daytona Beach, FL 32114

Prepared by Virgil Kimball  
Date: 05/31/2019

# **ADMINISTRATION**

THE COUNTY OF VOLUSIA, FLORIDA  
(Grantee)

VOLUSIA COUNTY  
DIVISION OF ECONOMIC DEVELOPMENT  
(Administrator)

## **VOLUSIA COUNTY COUNCIL MEMBERS**

Ed Kelley  
*County Chair*

Dr. Fred Lowery  
*Vice Chair*  
*District 5 Representative*

Ben Johnson  
*At-Large Representative*

Barbara Girtman  
*District 1 Representative*

Billie Wheeler  
*District 2 Representative*

Deb Denys  
*District 3 Representative*

Heather Post  
*District 4 Representative*

George Recktenwald  
*County Manager*

ADMINISTRATION OFFICE LOCATION &  
CONTACT INFORMATION

Volusia County Division of Economic Development  
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## **DEFINITIONS**

**Act** -- The Foreign Trade Zones Act of 1934, as amended (19 U.S.C. 81a-81u).

**Activated** -- Approved by the Zone Grantee and the CBP Port Director of the Daytona Beach International Airport Port of Entry for the admission and handling of merchandise in Zone Status.

**Alternative Site Framework (ASF)** -- The approach to foreign-trade zone designation and management of foreign-trade zone sites that are located within Volusia County. The Alternative Site Framework was adopted by the U.S. Foreign-Trade Zones 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 U.S. Foreign-Trade Zones Board in November 2010 (75 FR 71069, November 22, 2010) and as may be amended or modified in the future.

**Approved Adjacent Areas** -- The geographical area that is located within a 60-mile radius or 90-minutes driving time from the U.S. Customs and Border Protection (CBP) Port of Entry #1884, Daytona Beach International Airport, which address is listed as, 720 Catalina Drive, Daytona Beach, FL 32114 or a geographical location in which U.S. Customs and Border Protection deems that proper oversight can be accomplished with physical and electronic means.

**ASF Service Area** -- Volusia County.

**Foreign-Trade Zone (FTZ)** -- One or more restricted-access sites (i.e. Magnet Sites, General Purpose Sites, Usage-Driven Sites, and Subzones) in or adjacent (as defined by 15CFR §400.11(b)(2)) to a CBP port of entry, operated as a public utility (within the meaning of 15CFR §400.42) under the sponsorship of a Zone Grantee authorized by the Foreign-trade Zones Board, with zone operations under CBP's supervision.

**FTZ No. 198 Administrator** -- Volusia County Division of Economic Development

**General-Purpose Site** -- A Zone Site intended to serve multiple Zone Operators or Zone Users under the TSF.

**Grantee** -- See Zone Grantee.

**Lapse Provision** -- For Zone Sites located within the Approved Adjacent Areas under the Traditional Site Framework, authority shall lapse unless the Zone Sites are activated, pursuant to 19 CFR §146, and in operation not later than five years from the authorization of the Zone Sites, subject to the provisions of Board Order 849 (61 FR 53305, October 11, 1996).

**Magnet Site** -- A Zone Site intended to serve multiple Zone Operators and/or Zone Users under the ASF.

**Operating Agreement** -- The contractual agreement between the Grantee (FTZ No. 198) and the indicated person that grants authority to serve as the Zone Operator of the indicated Zone Site.

**Person** -- Any individual, corporation, or entity.

**Procedures Manual** -- The document that delineates the Zone Operator's inventory control and record keeping systems for those activities that relate to all activity within the Zone Site.

**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.

**Subzone** -- A Zone Site (or group of Zone Sites) tied to a single Zone Operator or Zone User. The Subzone may be located outside of the Zone Service Area but must be located in an Approved Adjacent Area.

**Sunset Provision** -- For Zone Sites located within the Approved Adjacent Areas under the Alternative Site Framework, FTZ designation will expire and self-remove from a Zone Site if there are not any CBP approved admissions into the Zone Site of foreign non-duty paid material for a bona fide customs purpose within three years of the FTZ designation for the Zone Site. This provision is subject to "resetting" whereby CBP approved activity at a Zone Site during the initial sunset period would serve to push back the sunset date by another three years, at which point the sunset provision would again apply.

**Traditional Site Framework (TSF)** -- The approach to foreign-trade zone designation and management of General Purpose Zone Sites that are within Foreign-Trade Zone No. 198 and are located within either Volusia County.

**The County of Volusia** -- The legal name of the political subdivision in the State of Florida which is governed by Home Rule Charter and is the Grantee of Foreign Trade Zone No. 198.

**U.S. Customs and Border Protection (CBP)** -- The federal authority responsible for enforcement of customs laws relating to merchandise and records pertaining to admission and removal of merchandise from Zone Sites and responsible for approval of Zone Operator's bonds and activation and deactivation of Zone Sites.

**U.S. Foreign-Trade Zones Board (FTZB)** -- The federal regulatory authority that supervises the Foreign-Trade Zones program of the United States of America.

**Usage-Driven Site** -- A Zone Site (or group of Zone Sites) tied to a single Zone Operator or Zone User under the ASF.

**VC-DOED** -- Volusia County Division of Economic Development, Administrator of Foreign Trade Zone No. 198 at the direction of the Zone Grantee.

**Volusia County** -- The Geographic Area of the political subdivision -- The County of Volusia.

**Zone** -- Foreign Trade Zone No. 198.

**Zone Grantee** -- the County of Volusia, Grantee of Foreign Trade Zone No. 198 pursuant to Foreign-Trade Zones Board Order No. 671, and all Board Orders entered subsequent to the date of this agreement. Where used in this Zone Schedule, the term "Grantee" means "Zone Grantee" unless otherwise indicated.

**Zone Operator** -- A person that operates within a Zone Site under the terms of an Operating Agreement with the Zone Grantee (or third party on behalf of the Zone Grantee), with the concurrence of CBP.

**Zone Site** -- The physical location of a facility with FTZ No. 198 zone designation. A Zone 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** -- The customs status of merchandise admitted into designated Zone Sites, i.e. non-privileged foreign, privileged foreign, zone restricted, or domestic.

**Zone User** -- A person using a Zone Site under agreement with a Zone Operator.

## **AUTHORITY**

### **Grantee Authority:**

Foreign-Trade Zone No. 198 was established by FTZB Order No. 671, issued on December 23, 1993 with the County of Volusia, Florida functioning as the Grantee. FTZ No. 198 was established with five General Purpose Zone Sites located in Volusia and Flagler Counties.

Subsequently, Foreign-Trade Zone No. 198 was reorganized under the Alternative Site Framework (ASF) by FTZB Order No. 2064, dated October 25, 2018. The ASF Service Area for FTZ No. 198 is the entire geographic area of Volusia County, Florida.

The following zone schedule (Tariff) of the Grantee (the County of Volusia), and at its direction, the Volusia County Division of Economic Development, has been prepared pursuant to Foreign-Trade Zone (FTZ) regulations 15CFR §400.41 and sets forth (1) Internal Rules and Regulations of the FTZ and (2) A statement of the rates and charges (fees) applicable to Zone Operators and Zone Users.

### **U.S. Customs and Border Protection Authority:**

The rules, rates, and regulations provided in this zone schedule (Tariff) do not supersede U.S. Customs and Border Protection (hereinafter “CBP”) Rules and Regulations. Any new measures, rulings, or determinations made by CBP will apply.

### **Statutory and Regulatory Authority:**

Foreign-Trade Zone Act – 19 U.S.C. 81(a) – 81(u)

Foreign-Trade Zone Regulations – 15CFR §400

U.S. Customs Regulations – 19CFR §146

Florida Statutes – Chapter 288, Sections 288.35 through 288.38

# **LIABILITY**

## **Grantee Liability:**

A Grantee is a public or private corporation to which the privilege of establishing, operating and maintaining a FTZ has been granted. The grant shall not be sold, conveyed, transferred, set over, or assigned (15CFR §400.13(a)(7)). CBP holds the Zone Operator and surety responsible for compliance with the conditions of the Foreign-Trade Zone Operators Bond (19CFR §113.73). However, the execution of the bond by the Zone Operator does not lessen the liability of the Grantee to comply with the Foreign-Trade Zones Act (Act) and the implementing regulations, the Act and CFR (19CFR §146.6(e)). The Grantee is not automatically absolved of all liability when delegating its authority to operate and maintain a Zone Site to another person and does not operate the Zone Site itself. (Hq.Ltr. FOR-1-CO:R:CD:D 218985 dated August 15, 1986, and TD 86-16, 51 FR 5048).

## **Zone Operator Liability:**

Zone Operators agree to terms and conditions set forth within the Zone Operator's agreement that covers the development and exclusive operational management of foreign-trade zone activities at their given Zone Site. Operations will be consistent with the Act and implementing regulations and in accordance with standards of operation required by CBP, the U.S. Foreign-Trade Zones Board, and the Grantee, including matters related to occupancy and use. Zone Operators also agree that operations within Zone Sites will be consistent with the laws of the State of Florida, the rules of the Florida Department of Citrus applicable to citrus fruit and processed citrus products, and applicable laws and regulations regarding security.

## **AUTHORITY GRANTED/ACCEPTED**

### **Authority Granted:**

The Zone Grantee grants Zone Operators and Zone Users the exclusive authority to utilize the Zone Sites as a Foreign-Trade Zone subject to terms, conditions, agreements, and restrictions set within the zone schedule (Tariff), the Zone Operator's Procedure Manual, the Zone Operator's Tariff, and the Operating Agreement between the Zone Grantee and the Zone Operator.

### **Authority Accepted:**

The Zone Operators and Zone Users assume responsibility for the operation and management of Zone Sites in accordance with the terms and conditions of their Operating Agreements during the term set within individual Operating Agreements and any extensions thereof.

### **Authority for Production Activity:**

Production Activity at any Zone Site requires the prior approval of the U.S. Foreign-Trade Zones Board pursuant to 15CFR §400.14 et seq.

### **Operations Within the Zone:**

All persons doing business within FTZ No. 198 and all operations moving merchandise into or out of FTZ No. 198 must strictly conform to the Act, FTZ Regulations, CBP Regulations, this Zone Schedule and all other applicable federal, state and local laws, rules, and regulations.

# **LIST OF FOREIGN-TRADE ZONE NO. 198 DESIGNATED SITES**

## **Magnet Site Organized Under the ASF Framework**

**SITE 1:** Daytona Beach International Airport Property (1,988 acres).  
An exemption from the Sunset Limit has been granted by the FTZB for this site.

**There are No Current Usage Driven Sites or  
Active Zone Operators as of Publishing Date of this Schedule**

## **STATEMENT OF ZONE OPERATING POLICY**

The operating policy of Foreign-Trade Zone No. 198 is as follows:

Volusia County Division of Economic Development administers FTZ No. 198, pursuant to the direction of the County Council of Volusia County, as Grantee.

All contracts with Zone Operators will be reviewed first by the Volusia County Division of Economic Development, submitted to the County Attorney's office and thereafter approved by the County Council of Volusia County.

Volusia County Division of Economic Development handles day-to-day administrative functions and provides general information to existing and potential Zone Operators and Zone Users and collects information for and prepares the Annual Report. At the direction of the Volusia County Council, the Administrator or other designee may also inspect active FTZ locations for compliance with FTZ regulations and maintain a file on each Zone Operator, including copies of Zone Operator contracts, concurrence letters, insurance certificates, Customs Bonds, Zone Operator Procedure Manuals and any other relevant documentation.

To acquaint the regional business community with the benefits of FTZ No. 198, other importing options, and general importing procedures, the Volusia County Division of Economic Development maintains a web site with links to its partners and stakeholders and works with the multiple regional partners to sponsor international trade workshops or seminars.

In regards to the development of the Zone Project, Volusia County Division of Economic Development will periodically hold seminars to promote the benefits of the FTZ No. 198 program, participate in community events to provide information about FTZ No. 198 and will periodically hold educational seminars for the business community.

All operations within FTZ No. 198 Zone Sites are supervised and handled by respective Zone Site Operators.

## **INTERNAL RULES AND REGULATIONS**

The following Internal Rules governing procedures within FTZ No. 198 are issued in conformity with and supplementary to the Act and Regulations and such of the United States Statutes and Regulations relating to the Port of Entry, the Daytona Beach International Airport, that are applicable to FTZ Operations.

The following Internal Rules section of this Zone Schedule supplements but does not supersede the terms and requirements of the Operating Agreement.

### **Qualifications**

All prospective FTZ No. 198 Zone Operators must demonstrate that they are qualified to handle necessary inventory control, customs documentation, and reporting requirements. Each qualified prospective Zone Operator must submit the applicable application to be reviewed by the Volusia County Division of Economic Development (hereinafter "VC-DOED"), and execute an Operating Agreement with the County Council of Volusia County as the Grantee. Each FTZ Operator at FTZ No. 198 (whether Multiple User, Single User, Usage Driven or Subzone) will have an Operating Agreement in place before Activation. Each Operating Agreement shall be renewable annually in January, provided the Zone Operator is current in any payments to Volusia County, has reported required information to the VC-DOED as required, has maintained sufficient security and inventory control, has maintained the necessary customs bond, and has complied with all applicable FTZ regulations and state laws and regulations.

Any new prospective Zone Site Operator must have a sound financial standing and must have all required local, state, and federal licenses and permits before being considered by the VC-DOED.

The VC-DOED will review each proposed Zone Operator Agreement and Request for Modification or Expansion of a Zone Site Applications and will provide letters of concurrence to CBP as appropriate.

Each Zone Operator shall be responsible for obtaining and maintaining security credentials that may be necessary pursuant to state and/or federal law for the purpose of entry to or employment at Zone Sites within the Daytona Beach International Airport.

Each Zone Operator shall submit to CBP a bond to assure compliance with CBP regulations. Each Zone Operator shall provide a copy of the bond and each renewal to the VC-DOED. The bond is submitted on Customs Form (CF) 301. The bond provisions are set forth at 19CFR § 113.73, Customs Regulations. A failure to comply with the regulations may be deemed a "default" by CBP and result in suspension of right to operate and/or assessment of liquidated damages under the bond.

### **Right of Entry**

All Zone Operators under contract with the County of Volusia as the Grantee will be subject to inspection by the VC-DOED, Designated Representatives of the Grantee, FTZB, CBP and other authorized U.S. Government Officers. They shall have the right to enter the Zone Site at any time for the authorized and lawful purpose of examining the Zone Site, conferring with the FTZ Operator, its agents, invitees and employees on the premises, inspecting and checking operations, supplies, equipment and merchandise, and determining whether the business is being conducted in accordance with the Zone Procedures Manual, the Operating Agreement and pursuant to CBP and FTZ Regulations. All such entries shall be in accordance with the established security procedures and with reasonable advance notice to the FTZ Operator to verify compliance with federal laws and regulations and state laws applicable to Foreign-Trade Zones. This right of inspection does not relieve individual Zone Operators of their duty of compliance with all applicable laws, regulations, and reporting requirements. The County of Volusia as the Grantee, does not assume any liability arising from any inspection in the event a Zone Operator is found not in compliance with federal law, FTZ regulations, or state law and the Zone Operator is cited, suspended, or fined by federal or state authorities.

### Application to FTZB

The Grantee shall have the sole ability to file applications with the FTZB requesting Grants of Authority and modifications. Requests to modify Grant may include expansions, boundary modifications, Subzone applications and/or changes in scope of authority.

Each Zone Operator will be required to furnish the VC-DOED with information sufficient for preparation for any reports, including the annual report required by the U.S. Foreign-Trade Zones Board.

Each Zone Operator shall prepare and maintain a Zone Site specific Zone Procedures Manual and shall provide a copy of the Zone Procedures Manual to the VC-DOED and shall make the Procedures Manual available for inspection at the request of the VC-DOED or CBP.

Each Zone Operator shall provide the VC-DOED with a copy of its user fees, list of holidays observed, and contact information for key employees, and shall be responsible for updating all information as changes occur.

Zone Operators are responsible and liable for payment of any and all duties or penalties due any agency of the federal, state, or local government arising from use of the FTZ, including liabilities on merchandise, which is not accounted for to the satisfaction of CBP.

### Prohibited Use

FTZ No. 198 shall not be used to circumvent trade laws and directives of the United States nor shall it be used for any activities that do not comply with other laws and regulations.

No retail trade shall be conducted within any Activated Areas except as approved by the FTZB and CBP with concurrence from the Grantee.

No persons shall reside within any Activated Areas of FTZ No. 198.

### Improvements

Zone Operators agree to construct the improvements and facilities at the Zone Site required by the FTZB and to conform to CBP security requirements for Activation of the Zone Site. The Zone Operator further agrees to commence business as soon as practicable following the completion of such improvements.

Zone Operators agree not to construct any additional Zone Site facility or make any substantial alterations to the improvements referred to above, unless plans and specifications are first concurred with by the Grantee, FTZB, and CBP as required by law.

### Repairs and Maintenance

Zone Operators agree to repair and maintain the premises in a clean and orderly condition consistent with the nature of the operations at the Zone Site.

### Advertising

Zone Operators may advertise that its operations are within a Foreign Trade Zone. However, no designs, advertising signs or forms of publicity referring to the zone shall be used unless approved in writing by the FTZ No. 198 Zone Administrator, as meeting standards which include wording, forms, color, number, location and size. The FTZ No. 198 Zone Administrator may advertise that a Zone Operators operations are within a Foreign Trade Zone. However, the FTZ No. 198 Zone Administrator agrees to consult with the Zone Operator to assure the accuracy of published data concerning the Zone Site. If the Zone Operator fails to approve or disapprove, in writing, any advertising materials within fourteen (14) days after submission, such materials shall be deemed approved.

### Recordkeeping

The Grantee is responsible for preparing and filing with the FTZB an Annual Report summarizing all Zone activity from January 1 through December 31 of each year. The report shall be filed by March 31 of each year pursuant to current requirements of the FTZB. In order for the Grantee to meet its responsibility in this regard, each Zone Operator shall electronically submit its data to the Grantee through the Online FTZ Information System (OFIS) that has been created by the FTZB. Failure of a Zone Operator to timely submit such data may result in penalties assessed by both the Grantee and the FTZB. Zone Operators shall be responsible for preparing a narrative and supplying photographs, as required, for the Annual Report to the FTZB. All financial and operations information concerning zone operations shall be kept confidential except that which is required to be made public by the FTZB. Any and all FTZ operations manuals, computer programs, computer reports and system designs developed by the Zone Operator shall be kept confidential and will not be disclosed to any other entity, except for such information as shall be determined to be public information under federal, state or local laws. Any Late or Incomplete Annual Reports are subject to late charges as denoted in the FTZ No. 198 Fee Schedule.

All financial and accounting records concerning Zone Site operations shall be retained for five (5) years after the act or occurrence recorded or after the merchandise covered by such records has been forwarded from the zone, whichever is longer.

Details of business operations of individual firms operating and using the Zone Site shall be kept confidential except for such information as shall be determined to be public information under federal, state or local laws.

### Administrative Fees & Expenses

Zone Operators agree to pay or cause to be paid all costs, expenses and taxes (if any) incurred by the Zone Site operation including, but not limited to, construction, installation, improvements, security, maintenance, personnel and as otherwise provided herein. The Zone Operator also agrees to pay the Grantee an annual fee. Any late Remittance of Annual Fees are subject to late charges as denoted in the FTZ No. 198 Fee Schedule.

### U.S. Customs & Border Protection (CBP) Administration Expenses

Zone Operators shall pay or cause to be paid the full cost of all CBP administrative fees attributable to the Zone Site operation via direct billing.

### U.S. Customs & Border Protection (CBP) Bond Expense

Zone Operators shall pay the full cost of any CBP Bond required by CBP for operation of the Zone Site and will file directly with the Port Director.

### Indemnification

Zone Operators agree to protect, indemnify and hold harmless the Grantee, its directed Zone Administrator, elected officials, employees and agents from and against any and all loss, damage and liability including attorney fees and costs, whether insured or not, arising out of or incident to the operations of the Zone Operator at the Zone Site. This includes, but is not limited to, FTZ Operator liabilities under the FTZ Operator's Bond, including liquidated damages, as well as all other penalties and/or fines for violations of CBP Regulations governing FTZ activities.

### Insurance

Zone Operators are required to have an insurance policy for the benefit of the Grantee and show the Grantee as an additional insured covering public liability for the Zone Site for bodily injury and property damage liability. The Zone Operator needs to furnish the Grantee certificates of any such insurance.

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## **GRANTEE RATES AND FEE CHARGES**

FTZ Operators shall pay the Zone Grantee for services rendered at the rate published in the following charts. Fees are based upon staff time and services involved and exclude additional out-of-pocket expenses including FTZB application fees, legal expenses, accounting / inventory control expenses, and engineering and/or surveying services.

Each FTZ Operator that has a clause in its FTZ Operating Agreement to provide FTZ services to the public at large shall publish its own schedule of FTZ related services offered with rates and fees to be charged to Users. This Zone Schedule must be made available at the FTZ Operator's Zone Site and at the office of the Zone Grantee's directed Administrator.

### **Magnet Site (MS)**

Fees for each MS and its respective MS Operator that operates on their own behalf will be charged as depicted in the FTZ No. 198 Fee Table.

Fees for each MS and its respective MS Operator that operates under a contractual extension of the Zone Grantee, offering services to the public at large, will be charged as depicted in the FTZ No. 198 Fee Table; The zone schedule for the MS Site Operator that operates under a contractual extension of the Zone Grantee, offering services to the public at large, will be fully described in the individual Zone Operator's contract with the Grantee. Each MS Operator that operates under a contractual extension of the Zone Grantee, offering services to the public at large, shall provide the VC-DOED with an Annual Schedule of Fees charged to individual Zone Users for use of the MS, which will be included in the Zone Schedule for FTZ No. 198 and made available to the general public.

### **Usage-Driven Sites/Subzones (UDS/SZ)**

Fees for each UDS/SZ will be charged to the respective UDS/SZ Operator as depicted in the FTZ No. 198 Fee Table.

### **Production Activity**

The application for production activity or any amendment to an authorized production activity will be charged to the respective applicant as depicted in the FTZ No. 198 Fee Table.

### **Annual Fees**

Annual fees for Zone Operators will be billed on a per Zone Site/Subzone basis. Fees will be based upon a calendar year and will be billed annually in January of the year for which the annual fee is due. For operational changes mid-year, Annual Fees will be pro-rated by calendar months and billed the subsequent month after the operational change. Partial months will be rounded up/down based on fifty (50) percent of the days in the month remaining at the time of the operational change.

Any modification or expansion of the current zone boundaries must be approved by the Zone Administrator. Costs related to any such modification or expansion will be the responsibility of the party or parties requesting the changes. Fees for each boundary modification application or expansion application will be charged as depicted in the FTZ No. 198 Fee Table.

### **Additional Fees**

The Zone Administrator, on behalf of the Grantee, can provide both consultation and research services. Fees associated with both consultation and research services will be charged as depicted in the FTZ No. 198 Fee Table.

The Grantee does not access fees to Zone Users at this time. Fees for Zone Users are allocated, managed, and collected by the respective Zone Operator. Zone User fee schedules for individual Zone Operators are available from the Zone Operators of the various Zone Sites and from the Zone Administrator.

#### Late Fee Assessment

If any payment due is not received by the Grantee within thirty (30) calendar days after its due date will be delinquent. The Zone Operator may be assessed a late payment fine in the amount of \$100.00 a day until the total annual fee plus the late charges are paid in full. Delinquent accounts shall incur (as liquidated damages) one and one-half percent (1-½%) for each month, eighteen percent (18%) per year, simple interest, on any portion of said bill which remains delinquent. 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 Zone Operator to make a payment other than on its due date.

#### Non-Payment of Fees

The Zone Grantee reserves the right to terminate any Operating Agreement or Property Owner Agreement or otherwise deny any Operator or Property Owner the use of FTZ No. 198 as a result of the failure of Operator or Property Owner to pay fees due Zone Grantee.

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

At the time of issue of this Zone Schedule, CBP does not charge any fees for normal FTZ services. Should any fees or charges be imposed in the future, all such fees and charges shall be payable by the Zone Operator of the affected FTZ No. 198 Zone Site. However, CBP does charge for overtime and other special services provided at the request of a Zone Operator. Such fees and charges shall be payable by the Zone Operator of the affected FTZ No. 198 Zone Site. Under no circumstances will the Grantee or the Grantee Administrator be liable for or responsible for any such CBP fees or charges levied against a Zone Operator or Zone User.

#### Fines, Penalties and Liquidated Damages

CBP fines, penalties, or liquidated damage claims affecting FTZ merchandise or FTZ activities shall be paid by the Zone Operator of the affected Zone Site. The same is true of any other fines, penalties, or liquidated damage claims by other state or federal government agencies concerning operations at the Zone Sites. Under no circumstances will the Zone Grantee or the Zone Administrator be liable for or responsible for any fines, penalties, forfeiture, or liquidated damage claims.

The Tariff Schedule commencing on the next page is subject to the foregoing general rules.

## FTZ NO. 198 FEES

<b>Application Fees – Sponsorship to FTZB</b>	
--Magnet Site	\$10,000.00
--Usage-Driven Site	\$1,000.00
--Subzone Establishment	\$5,000.00
--Subzone Expansion	\$2,500.00
--Production Notification / Authority *	\$1,000.00
<b>Sponsorship of Requests to CBP</b>	
--Activation Request	\$1,000.00
--Alteration Request	\$1,000.00
--Deactivation Request	\$1,000.00
<b>Annual Fees</b>	
--Magnet Site Active	\$5,000.00
--Magnet Site Not Active	\$2,500.00
--Usage-Driven Site Active	\$2,500.00
--Usage-Drive Site Not Active	\$1,250.00
--Subzone Active	\$2,500.00
--Subzone Not Active	\$1,250.00
--Late Fee-Annual Report / Annual Fees	\$100.00 / Day
<b>Amendments to Original Application Fees</b>	
--Boundary Modification	\$1,000.00
--Change in Production Activity	\$1,000.00
--Withdrawal of Application	\$1,000.00
<b>Consultation and Research Fees</b>	<b>\$50.00 / Hour</b>

\* Any Production Authority / Production Notification applications  
submitted to the FTZB,  
for Any Production Activity proposed to occur within FTZ No. 198,  
is subject to the FTZ No. 198 Production Notification / Authority Fee

**Additional fees charged by the FTZB are the responsibility of the Applicant**

## **U.S. FOREIGN-TRADE ZONES BOARD FEES**

Any fees or charges imposed by the U.S. Foreign-Trade Zones Board are separate from fees charged by the Grantee of FTZ No. 198, and shall be payable by the Zone Operator of the affected Zone Site, or as apportioned by the FTZ No. 198 Administrator among the Zone Sites when appropriate. Under no circumstances will the Grantee be liable for or responsible for any U.S. Foreign-Trade Zones Board fees or charges.

Fees charged by the U.S. Foreign-Trade Zones Board are published at 15 CFR §400.29. Applications combining requests for more than one type of approval are subject to the fee for each category. U.S. Foreign-Trade Board Fees are currently as follows:

- (1) Additional Magnet Site (§400.21; §400.11(a)(2)) -----\$3,200
  
- (2) Usage-Driven Site (§400.25):
  - (i) No production activity or production activity with fewer than three products -----\$4,000
  - (ii) Production Activity with three or more products -----\$6,500
  
- (3) Expansions (§400.24(b)) ---\_----- \$1,600