

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.

CITY OF SAULT STE. MARIE, MICHIGAN

(Grantee and Operator)

Tariff No. 1

RATES, CHARGES, RULES AND REGULATIONS

Applying at

FOREIGN-TRADE ZONE NO. 16

Port of Sault Ste. Marie, Michigan

**Operating under granted authority of the
United States Foreign-Trade Zones Board
to the City of Sault Ste. Marie**

ADMINISTRATIVE ORGANIZATION

FOREIGN-TRADE ZONE NO. 16

TARIFF NO. 1

CITY OF SAULT STE. MARIE, MICHIGAN

(Grantee and Operator)

LOCATED AT:

GRANTEE OFFICE

Robin Troyer, Acting City Manager
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Sault Ste. Marie, Michigan 49783
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FOREIGN TRADE ZONE

Sault Industrial Park
Sault Ste. Marie, Michigan 49783

POLICY

FOREIGN-TRADE ZONE NO. 16

Foreign-Trade Zone No. 16, located in the Sault Industrial Park, Sault Ste. Marie, Michigan, is a City-operated public utility. All rates and charges for all services or privileges within the Zone shall be fair and reasonable and the operators shall afford to all who may apply for the use of the Zone and its facilities and appurtenances uniform treatment under like conditions, subject to such treaties or commercial conventions as are now in force or may hereafter be made from time to time by the United States with foreign governments.

Copies of this tariff are on file with the Foreign-Trade Zones Board, Washington, D.C., and are available at the general offices of Foreign-Trade Zone No. 16 upon request at a price of \$5.00 per copy.

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ABBREVIATIONS AND SYMBOLS

¢	Cents (U.S.)
\$	Dollars (U.S.)
#	Change, clarification, reword
#+	.....	Change, increase
#-	.....	Change, reduction
+	.....	New Item
-	.....	Deletion
R	.....	Reissued matter
%	.....	Percent
Art	.....	Article
Bbl	.....	Barrel
Bdle	.....	Bundle
C/L	.....	Carload
C.O.D.	.....	Cash on Delivery
Crt	.....	Crate
Cs.	.....	Case
Ctn.	.....	Carton
Cu. Ft.	.....	Cubic feet or cubic foot
Cwt.	.....	100 pounds
Ea.	.....	Each
E.g.	.....	For example
Etc.	.....	Et cetera
F.F.	.....	Folded flat
Gal.	.....	Gallon
Incl.	.....	Inclusive
K.D.	.....	Knocked down
Lbs.	.....	Pounds
L.C.L.	.....	Less-than-Carload
L.T.L.	.....	Less-than-Truckload
No.	.....	Number
N.O.S.	.....	Not Otherwise Specified
N.S.P.F.	.....	Not Specifically Provided For
Par.	.....	Paragraph
Pc.	.....	Piece
Pkg.	.....	Package
Qt.	.....	Quart
Sec.	.....	Section
Sq. Ft	.....	Square feet or square foot
SU.	.....	Set up
T/L	.....	Truckload
T.S.U.S.	.....	Tariff Schedules of the United States Annotated
U.S.	.....	United States
Yd.	.....	Yard

DEFINITION OF TERMS

ACT. -- The Foreign-Trade Zones Act of 1934, as amended, concerning the authorization and regulation of foreign trade zones and zone activity in the United States.

SECRETARY. -- The term "Secretary" means the Secretary of Commerce.

BOARD. -- The Foreign-Trade Zones Board created by the ACT to carry out the provisions thereof. The Board shall consist of the Secretary of Commerce, who shall be the chairman and executive officer and the Secretary of the Treasury.

ZONE. -- The term "Zone" means a "foreign trade zone" and/or Foreign Trade Zone No. 16.

SUBZONE. -- The term "Subzone" means a special purpose zone established as part of a zone project for a limited purpose, that cannot be accommodated within the existing zone.

PORT DIRECTOR. -- The Port Director of the U.S. Customs Service Port of Sault Ste. Marie.

GRANTEE. -- The City of Sault Ste. Marie, Michigan, to which the privileges of establishing, operating and maintaining Foreign-Trade Zone No. 16 have been granted.

ZONE OPERATOR. -- The City of Sault Ste. Marie, Michigan.

USER/CLIENT. -- An individual, company or corporation utilizing the services and facilities of Foreign-Trade Zone No. 16.

CUSTOMS TERRITORY. -- The territory of the United States in which the general tariff law of the United States applies but which is not included in any foreign-trade zone.

UNITED STATES. -- The several States, the District of Columbia, and Puerto Rico. The term "United States" includes all territories and possessions of the United States, except the Virgin Islands, American Samoa, Wake Island, Midway Islands, Kingman Reef, and the Island of Guam.

FOREIGN MERCHANDISE. -- Imported merchandise of every description (except articles specifically and absolutely prohibited by statute) which has not been properly released from Customs custody into Customs territory.

DOMESTIC MERCHANDISE. -- Merchandise of every description (except articles specifically and absolutely prohibited by statute) which has been (1) grown, produced, or manufactured in the United States and on which all internal taxes have been paid or (2) previously imported into Customs territory and properly released from Customs custody on which duty and tax has been paid or which was previously entered free of duty and tax.

CONDITIONALLY ADMISSIBLE MERCHANDISE. -- Merchandise which may be imported into the United States under certain conditions. Merchandise which is subject to permits or licenses, or which may be reconditioned to bring it into compliance with the laws administered by various Federal agencies is an example of conditionally admissible merchandise.

PROHIBITED MERCHANDISE. -- Merchandise, the importation of which, is prohibited by law on

grounds of public policy or morals, or any merchandise which is excluded from a zone by order of the Board. Books urging treason or insurrection against the United States, obscene pictures, and lottery tickets are examples of prohibited merchandise.

ZONE STATUS. -- That designation applied for on Customs Form 214 for merchandise admitted to a zone, i.e. non-privileged foreign, privileged foreign, zone restricted or domestic. Zone status determines the manner in which merchandise shall be classified, appraised and handled.

PRIVILEGED FOREIGN MERCHANDISE. -- Foreign merchandise which has not been manipulated or manufactured so as to effect a change in tariff classification and which is subject to tariff classification according to its character, condition and quantity at the rate of duty and tax in force on the date of filing application on Customs Form 214. Privileged foreign status may not be abandoned and remains applicable even if the merchandise is changed in form by manipulation or manufacture.

ZONE RESTRICTED MERCHANDISE. -- Foreign or domestic merchandise taken into a zone for the sole purpose of exportation, destruction (except destruction of distilled spirits, wines and fermented malt liquors), or storage prior to exportation or destruction. Zone restricted status may be requested at the time of admittance to a zone or at any time thereafter, but may not be abandoned once granted. Zone restricted merchandise may only be returned to Customs territory for domestic consumption where the Board determines the return to be in the public interest.

NON-PRIVILEGED FOREIGN MERCHANDISE. -- (1) Foreign merchandise properly in a zone which does not have the status of (a) privileged foreign merchandise or (b) zone restricted merchandise; (2) waste recovered from any manipulation or manufacture of privileged foreign merchandise; or (3) domestic merchandise in a zone which by reason of noncompliance with the regulations has lost its identity as domestic merchandise.

IMPORTS. -- Foreign merchandise of every description (except articles specifically and absolutely prohibited by statute) entered into Customs territory to become a part of the domestic supply for the purpose of domestic commerce or consumption, and particularly that which is entered into Customs territory through a zone and foreign merchandise which, under the laws and regulations of various other Federal agencies having jurisdiction within a zone, is said to be "imported" into a foreign-trade zone, Customs bonded warehouse, or Customs custody. This latter merchandise, in relation to operation of a zone, is considered to be foreign merchandise until its entry into the commerce of the United States.

DOMESTIC EXPORTS. -- Domestic merchandise exported from the United States and particularly such merchandise exported through a foreign-trade zone. It includes merchandise of every description (except articles specifically and absolutely prohibited by statute) which has been (1) grown, produced or manufactured in the United States and not exported therefrom, or (2) previously imported into Customs territory and properly released from Customs custody.

For the purposes of marking and labeling, it includes (1) the product of manipulation or manufacture in a zone in which only privileged domestic merchandise is used, (2) the product of manipulation or manufacture in a zone in which there is a mixture of foreign and domestic merchandise which results in a change in form or nature of the commodities, and in which the domestic merchandise consists of a component part or parts or a substantial portion of the finished product, and (3) foreign merchandise which by manipulation or manufacture in a zone has been so changed in form and nature or enhanced in value that the product is deemed to be one of domestic manufacture.

IN-TRANSIT MERCHANDISE. -- The term "in-transit merchandise" includes all foreign merchandise transported into and out of the United States, whether in and out of the same port or across the country to another port, with or without transshipment, warehousing, breaking bulk, or change in mode of transportation, which originated in one foreign country and is destined at the same time of the original shipment to another

foreign country, under a through bill of lading or other documentation for a completed journey. The term is particularly applied to foreign merchandise shipped intransit through a foreign-trade zone.

RE-EXPORTS OR RESHIPMENTS. -- Merchandise from one foreign country initially destined to the United States which, after being unladen, stored and/or manipulated or manufactured in this country, is transported under a new bill of lading or other new documentation to another foreign country. The term is particularly applied to re-exports or reshipments through a foreign trade zone.

It includes privileged, non-privileged, or zone-restricted foreign merchandise which (1) is in the same condition as when transported into the United States, or (2) has been manipulated without any change in its form or nature, or (3) has been manipulated or processed in such manner as to change its form, whether or not mixed with domestic merchandise, provided the domestic merchandise is not a component part or substantial ingredient thereof.

Generally, it includes all merchandise of foreign origin which has not been so manipulated or manufactured as to be deemed a product of the United States and which has not been released from Customs custody into Customs territory.

TRANSSHIPMENT MERCHANDISE. -- Foreign merchandise which enters and leaves the United States through the same port, being transferred from one vessel to another directly, or by way of a foreign-trade zone or Customs bonded warehouse. The term is particularly applied to such merchandise transferred through a foreign-trade zone.

ZONE LOT. -- A unit or units of merchandise maintained under an inventory control method based on specific identification of merchandise admitted to a zone by lot.

ZONE LOT NUMBER. -- The sequential controlled number assigned to a zone lot.

UNIQUE IDENTIFIER -- The numbers, letters, or combination of numbers and letters that identify merchandise admitted to a zone with zone status.

BULK. -- In trade, a product, or a mass (of a product) which is not packaged, bundled, bottled or otherwise packed, so that it is designated as bulk or bulk merchandise.

WAREHOUSE. -- A covered and enclosed structure, affording weather protection, used primarily for short-or long-term storage of merchandise, and often containing business offices. In a foreign-trade zone it also is used for manipulation, manufacture, and exhibition of merchandise.

STORAGE. -- The keeping of merchandise in or upon the premises within the foreign-trade zone. Covered storage means keeping within a covered and enclosed structure affording weather protection. The term "storage," without other designation, ordinarily implies covered storage.

OPEN OR YARD STORAGE. -- The keeping of merchandise on open space within the fenced-in area of the foreign trade zone where merchandise not needing weather protection may be stored.

UNIT OF QUANTITY. -- Means the customary grouping of a commodity as a unit to indicate the medium or method of measure.

QUANTITY. -- Means the numerical count of the units composing a shipment of commodity.

TON. -- Means weight ton of 2,000 pounds, unless otherwise indicated, measurement ton 40 cubic feet.

WEIGHT. -- Means the gross weight of the merchandise including container, except as noted to the contrary.

MANIPULATION. -- Means breaking up, repacking, assembling, distributing, sorting, grading, cleaning, mixing with foreign or domestic merchandise, or other processing which does not constitute a manufacture.

LEASE. -- The document of agreement entered into between the Operator and User/Client for assignment of space within Foreign-Trade Zone No. 16.

PERSON OF RECORD. -- The person, firm or corporation in whose name the application to admit merchandise into the Zone (Customs Form 214) is made, recognized by the Zone grantee as having the legal right to make the application. Evidence of this right of the applicant is the same as would be required to establish the right to apply for release of the merchandise from Customs custody at the end of its transit through Customs territory, and usually consists of an original bill of lading in the name of the applicant, an original bill of lading endorsed to him, or a carrier's certificate.

FOREIGN-TRADE ZONE CUSTOMS FORMS. --

Customs Form 214 - Application for Foreign-Trade Zone Admission and/or Status Designation.

Customs Form 214A - Bureau of Census statistical copy.

Customs Form 216 - Application for Foreign-Trade Zone Activity Permit. Required for any activity which in any way alters merchandise in a zone, including but not limited to manipulation, manufacture, destruction or exhibition.

Customs Form 7512 - Transportation Entry & Manifest of Goods.

Customs Form 7512C - Transportation Entry & Manifest of Goods Control Card.

Customs Form 7501 - Consumption Entry.

Customs Form 3461 - Entry/Immediate Delivery.

Customs Form 5931 - Discrepancy Report and Declaration.

HOLIDAYS. -- Those legal holidays during which the Zone is closed for regular business:

* New Year's Day	1st of January
* Memorial Day	Last Monday in May
* Independence Day	4th of July
* Labor Day	1st Monday in September
* Veteran's Day	11th of November
Thanksgiving Day	4th Thursday in November
Friday after Thanksgiving	4th Friday in November
Christmas Eve	24th of December
* Christmas	25th of December

*Holidays falling on a Saturday shall be observed on Friday; Holidays falling on a Sunday shall be observed on Monday.

DEFINITION AND PRIVILEGES OF FOREIGN-TRADE ZONES

Under Section 400, Paragraph 101, Regulations Governing the establishment, operation, maintenance, and administration of Foreign-Trade Zones in the United States, the term "Zone" means a "foreign-trade zone." It is an isolated, enclosed and policed area, operated as a public utility, in or adjacent to a port of entry, furnished with facilities for lading, unloading, handling, storing, manipulating, manufacturing, and exhibiting goods, and for reshipping them by land, water or air. Any foreign and domestic merchandise, except such as is prohibited by law or such as the Board may order to be excluded as detrimental to the public interest, health, or safety, may be brought into a zone without being subject to the Customs laws of the United States governing the entry of goods or the payment of duty thereon; and such merchandise permitted in a zone may be stored, exhibited, manufactured, mixed or manipulated in any manner, except as provided in the Act and other applicable laws or regulations. The merchandise may be exported, destroyed, or sent into Customs territory from the Zone, in the original package or otherwise. It is subject to Customs duties if sent into Customs territory, but not if reshipped to foreign points.

Section 3 of the Act, Public Law 397, 73rd Congress, approved June 18, 1934, as amended by Public Law 566, 81st Congress, approved June 17, 1950, authorizes the following privileges:

"Foreign and domestic merchandise of every description except such as is prohibited by law, may, without being subject to the Customs laws of the United States, except as otherwise provided in this Act, be brought into a zone and may be stored, exhibited, broken up, repacked, assembled, distributed, sorted, graded, cleaned, mixed with foreign or domestic merchandise, or otherwise manipulated, or be manufactured except as otherwise provided in this Act, and be exported, destroyed, or sent into Customs territory of the United States therefrom, 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 and there has been no manipulation or manufacture effecting a change in tariff classification, the collector of customs shall take under supervision any lot or part of a lot of duties liquidated thereon. Merchandise so taken under supervision may be stored, manipulated or manufactured under the supervision and 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 there on;

If merchandise so taken under supervision has been manipulated or manufactured, such duties and taxes shall be payable on the quantity of such foreign merchandise used in the manipulation or manufacture of the entered article. Allowance shall be dutiable and taxable in its condition and quantity and at its weight at the time of entry. Where two or more products result from the manipulation or manufacture of merchandise in a zone, the liquidated duties and determined taxes shall be distributed to the several products in accordance with their relative value at the time of separation with due allowance for waste as provided for above;

Provided further, that subject to such regulations respecting identity 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, of other articles, may be brought back thereto free of quotas, duty, or tax;

Provided further, that if in 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:

(a) the draw-back, warehousing and bonding, or any other provisions of the Tariff Act of 1930, as amended, and the regulations thereunder; and

(b) the statutes and bonds exacted for the payment of draw-back, refund or exemption from liability for internal revenue taxes and for the purposes of the internal revenue laws generally and the regulations thereunder.

Such transfer may also be considered an exportation for the purposes of other Federal laws insofar as Federal agencies charged with the enforcement of those laws deem it advisable. Such articles may not be returned to Customs territory for domestic consumption except where the Foreign-Trade Zones Board deems such return to be in the public interest, in which event the article shall be subject to the provisions of 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 or production of alcoholic products unfit for beverage purposes) which were permissible under this Act prior to July 1, 1949;

Provided further, that articles produced or manufactured in a zone and exported therefrom shall on subsequent importation into the Customs territory of the United States be subject to the import laws applicable to like articles manufactured in a foreign country with the use of domestic merchandise, the identity of which has been maintained in accordance with the second provision of this section, may, on such importation, be entered as American goods returned."

DESCRIPTION OF FOREIGN-TRADE ZONE NO. 16

Pursuant to a Grant of Authority originally issued by the Foreign-Trade Zones Board, United States Department of Commerce, Washington, D.C. on June 11, 1973, to the Michigan Department of Commerce, under Provisions of Public Law No. 397, 73rd Congress, approved June 19, 1934, as amended, and subsequently reissued to the City of Sault Ste. Marie on September 4, 1994 Foreign-Trade Zone No. 16 has issued the following publication on rules, regulations and Tariff rates.

Foreign-Trade Zone No. 16 is the property of the City of Sault Ste. Marie and is operated by the City and managed by its instrumentality, the Sault Ste. Marie Economic Development Corporation, a non-profit corporation, as a public utility under Foreign-Trade Zones Board Regulations.

Foreign-Trade Zone No. 16 encompasses 16 acres, nearly all the usable land in Sault Industrial Park, Sault Ste. Marie, Michigan. The Zone has adequate electric, gas, water, waste disposal, communications and access to all modes of transportation.

The Zone is within a half mile of Interstate 75, the International Bridge to Sault Ste. Marie, Ontario, Canada. Rail service is nearby, and air service is available at the Sault Ste. Marie Municipal Airport, with a 5,200 foot runway. The Chippewa County International Airport is 25 miles south of the zone near I-75.

Foreign Trade Zone 16 is a general purpose zone, which currently permits outside storage for warehousing and inspection. A building is available in the zone for repackaging, relabelling, inspections, demonstrations, exhibitions, and assembly. Companies interested in manufacturing under zone procedures apply for a special purpose Foreign Trade Zone or a subzone.

In order to comply with the terms of the grant and the requirements of the United States Customs Service, companies wishing to operate under zone procedures should be prepared to do the following:

1. Install a system of security control. There are no uniform standards as to what security control systems should be, however, the applicant company should be prepared to demonstrate to U.S. Customs that intrusions into the secured area will be detected and handled.

a) companies should prepare a list of employees who would have access to the area as U.S. Customs will wish to run background checks on such employees. Although some interpretation and flexibility is afforded U.S. Customs in such matter, current U.S. Customs regulations indicate that a customhouse broker, bonded carrier, bonded warehouse operator, and Foreign Trade Zone operator may not station convicted felons in secured areas.

2. Be able to demonstrate an adequate system of inventory control to U.S. Customs. Companies should be prepared to show the Customs Service how they can and will account for materials which will eventually enter the Customs territory. A system of electronic interface may be required by the U.S. Customs Service. If a company has capability to do so initially, it would be well-advised to do so. Companies should be prepared to demonstrate to Customs the inventory control system, prior to activation of the zone status, and during subsequent, unannounced visits by Customs.

3. Secure a bond from an Insurance provider. Companies must obtain a bond adequate enough to cover the value to the merchandise in the secured area at all times. Basically, the bond will commit to the U.S. Customs Service that all due and appropriate duties will be paid on merchandise which leaves the secured area. Evidence of the bond will be provided to the zone operator, and to Customs if requested to do so.

RATES AND CHARGES FOR FOREIGN TRADE ZONE USE

Consistent with regulatory requirements that all charges and services within the zone shall be fair and reasonable, and the Grantee and Operator shall afford to all who may use the zone or its facilities uniform treatment under similar circumstances, the following rates and charges shall apply.

PREPARATION OF APPLICATION: Cost is negotiable due to varying degrees of staff work and preparation time. Companies may develop their own applications if they choose.

ACTIVATION FEE: At the time of activation, users will pay the City of Sault Ste. Marie an activation fee of \$500.00.

SUB-ZONES: For Sub-zones within the City of Sault Ste. Marie or Chippewa County, Michigan, a fee of \$10,000.00 per year. For Sub-zones within the service area of the Sault Ste. Marie Port and U.S. Customs jurisdiction, but outside of Chippewa County, a fee of \$20,000 per year.

SUB-ZONE: ACTIVATED BUT WITH NO FOREIGN-SOURCED GOODS ADMITTED INTO FTZ STATUS FOR A PERIOD OF NOT LESS THAN ONE YEAR AND NOT EXCEEDING 5 YEARS, shall be assessed a Subzone fee of 25% of the applicable Sub-zone fee published in this tariff. Non-use of FTZ status in a Subzone for a period of less than one year shall be invoiced the published fee. Sub-zones not in use for a period of 5 years or more shall discuss de-activation of the Sub-zone with the Zone Grantee, or designated Administrator. Failure of the Subzone operator to notify the Zone Grantee of such changes in use shall be considered a violation of the contractual agreement between the Sub-zone operator and the Zone Grantee.

APPLICATION OF TARIFF

APPLICATION OF FOREIGN-TRADE ZONE NO. 16 TARIFF. -- The rates, rules and regulations of this Tariff shall apply at Foreign-Trade Zone No. 16, its Sub-Zones and Annexes unless otherwise provided for.

GENERAL REGULATIONS. -- Foreign-Trade Zone No. 16 is regulated by the Foreign-Trade Zones Board, Washington, D.C. under Code of Federal Regulations, Chapter IV, Part 400. Copies of these regulations are maintained at the Foreign-Trade Zone No. 16 office for reference.

UNITED STATES CUSTOMS REGULATIONS. -- Foreign-Trade Zone No. 16 is subject to special Customs regulations as defined in U.S. Code of Federal Regulations, Chapter I, U.S. Customs, Part 146 - Foreign-Trade Zones. Copies of these regulations are maintained at the office of Foreign-Trade Zone No. 16 for reference of all persons and entities doing business with it.

APPLICATION AND INTERPRETATION OF TARIFF. -- The Operator shall be the sole judge to interpret and determine the applicability of any of the rates, rules, regulations or services provided for in this Tariff. However, any matter involving interpretation or action by U.S. Customs or any other agency of the U.S. Government will be determined by the Port Director or his duly appointed representative.

SECTION I. -- OPERATION OF ZONE

OPERATIONS, FORMS AND PROCEDURES - GENERAL. -- The merchandise and operations permitted in a zone, the disposition of merchandise in a zone, the zone status of the merchandise and special provisions applicable to each status, the subsequent export-importation of merchandise removed from a zone, and other operations in a zone authorized by the Act, are hereinafter in this Section generally described. The Customs Forms required for such activities are available upon request from the Zone Operator.

MERCHANDISE PERMITTED IN A ZONE. -- Foreign and domestic merchandise of every description, except as is specifically prohibited by law, may, without being subject to the Customs laws of the United States, except as otherwise provided in the Act and the regulations made thereunder, be brought into a zone.

(a) Merchandise which is specifically and absolutely prohibited by law shall not be admitted into a zone. Any merchandise so prohibited by law which is found within a zone shall be disposed of in the manner provided for in laws and regulations applicable to such merchandise. A distinction is made between (1) merchandise which is specifically and absolutely prohibited by law on the grounds of policy and morals, such as immoral or subversive literature, obscene articles, or lottery matter, and (2) merchandise which is subject to conditional prohibition only, for example, articles which are subject to permits or licenses for the protection of economic or national security or which may be reconditioned to bring them into compliance with the laws administered by various Federal agencies. Port Director is required to exclude the first class of articles and may not permit them to be transferred to a zone if they are aware of their prohibited status, except that the Director may permit the temporary deposit of any such merchandise in a zone pending final determination of its status. The transfer of articles of the second class to a zone is subject to any requirements of the Federal agency concerned. There is no prohibition against placing over-quota merchandise in a zone pending its right to transfer to Customs territory pursuant to the applicable quota provisions.

(b) The application for the admission of merchandise, into a zone shall be approved or disapproved by the Director as the representative of the Board, where the merchandise is not excluded by any other Federal agency having jurisdiction over the merchandise.

APPLICATION AND PERMIT FOR ADMISSION OF MERCHANDISE. -- Merchandise may only be admitted to a zone upon application on a Customs Form 214 by the applicant having right to make entry and the issuance of a permit from the Port Director. Exceptions to this requirement are for merchandise temporarily deposited in a zone or transiting a zone. Domestic status merchandise, including packing and repair material may be admitted to a zone without application or permit except: (1) when it is mixed or combined with merchandise in another zone status, or (2) upon order of the Commissioner of Customs.

DISPOSITION OF MERCHANDISE IN A ZONE.-- In general, merchandise lawfully brought into a zone may, in accordance with these and other regulations made under the provisions of the Act, be exported, destroyed, or sent into Customs territory of the United States there from, in the original package or otherwise; but when foreign merchandise, and domestic merchandise whose identity has been lost, is so sent from a zone into Customs territory of the United States it will be treated as foreign merchandise. Any domestic merchandise will be considered to have lost its identity if the Port Director determines that it cannot be identified positively by a Customs officer as domestic merchandise on the basis of an examination of the articles or consideration of any proof that may be submitted by a party-in-interest.

MANIPULATION, MANUFACTURE, EXHIBITION, DESTRUCTION OF MERCHANDISE. -- In general, merchandise lawfully brought into a zone may, in accordance with these and other regulations made under the provisions of the Act, be stored, sold, exhibited, broken up, repacked, assembled, distributed, sorted, graded, cleaned, mixed with foreign and domestic merchandise, or otherwise manipulated, or be manufactured, or destroyed except as otherwise provided by the Act.

(a) Permission for any manipulation, manufacture, exhibition or destruction in a zone shall be obtained from the Port Director. Destruction of merchandise may be permitted outside a zone, in whole or in part and

under such conditions necessary to protect the revenues, if proper destruction cannot be accomplished within the zone.

(b) The Port Director shall approve the application unless (1) the proposed operation would be in violation of law or regulation; (2) the place designated for the operation is not suitable for the preservation of identity or status of the merchandise, or safeguarding the revenues; (3) the Port Director is not satisfied that the destruction will be effective; or (4) the Executive Secretary of the Board has not granted approval of a new manufacturing operation.

(c) If an approved application is subsequently rescinded by the Port Director for any reason, the applicant or grantee may appeal the adverse ruling and request a hearing pursuant to Section 146.82(b)(2).

(d) The Port Director may approve a blanket application for a period of up to one year for a continuous or repetitive operation.

STATUS OF MERCHANDISE IN A ZONE. -- For the purposes of the Act and the regulations of this Section all merchandise within a zone shall be given a zone status as:

- (1) privileged foreign merchandise,
- (2) non-privileged foreign merchandise,
- (3) domestic merchandise,
- (4) zone-restricted merchandise,

in accordance with Subpart C of Customs regulations.

USE OF ZONE BY CARRIERS. -- The docking facilities and loading or unloading stations of a zone are intended primarily for the use of vehicles, for unloading merchandise into the zone or loading merchandise from the zone, and their use for other purposes may be terminated by the Secretary of the Treasury if found to endanger the revenue or by the Board if found to interfere with the primary uses of the zone.

SUBSEQUENT IMPORTATION OF ZONE MERCHANDISE. -- Articles produced or manufactured in a zone and exported therefrom shall, on subsequent importation into the Customs territory of the United States, be subject to the import laws applicable to like articles manufactured in a foreign country, except that articles produced or manufactured in a zone exclusively with the use of domestic merchandise, the identity of which has been maintained in accordance with the Second Proviso of Section 3 of the Act, as amended, may on such importation, be entered as American goods returned.

EXCLUSION FROM ZONE OF GOODS OR PROCESS OF TREATMENT. -- When it shall be reported to the Board that any goods or process of treatment is detrimental to the public interest, health, or safety, the Board shall cause such investigation to be made as it may deem necessary. The Board may order the exclusion from a zone of any goods or process of treatment that in its judgement is detrimental to the public interest, health or safety.

RETAIL TRADE WITHIN ZONE. -- No retail trade; sales or offers to sell goods or services to individuals for personal use, shall be conducted within a zone except under permits issued by the grantee and approved by the Board. Such permittees shall sell no goods except such domestic or duty paid or duty-free goods as are brought into a zone from Customs territory. Permits which are sent to the Board for approval shall be accompanied by a sworn statement, as specified in 15 CFR part 400, Foreign-Trade Zone Regulations or as provided in 19 U.S.C. 810 (d). No goods shall be offered for sale or sold in a zone which are not of the same kind and quality permitted to be offered for sale or sold in the political jurisdiction in which a zone is located. If the permittee violates any provisions of the regulations in this Section, his permit shall be revoked by the grantee, who shall immediately report such action to the Board. The Port Director may assess a fine of up to \$1,000 for each violation.

ERECTION OF BUILDINGS WITHIN ZONE. -- The grantee may, with the approval of the Board, and under reasonable and uniform regulations for like conditions and circumstances to be prescribed by it, permit

other persons, firms, corporations or associations to erect such buildings and other structures within the Zone as will meet their particular requirements, provided: (a) that such permissions shall not constitute a vested right as against the United States, nor interfere with or complicate the revocation of the grant by the United States; (b) that in the event of the United States or the grantee desiring to acquire the property of the permittee, no good will shall be considered as accruing from the privilege granted to the Zone; and (c) that such permits shall not be granted on terms that conflict with the public use of the Zone as set forth in the Act; and provided further, that accepted sanitary practices be followed in the construction, equipment and operation of such buildings and other structures.

RESIDENCE WITHIN ZONE. -- No person shall be allowed to reside within a zone except Federal, State or municipal officers or agents whose resident presence is deemed necessary by the Board.

HOURS OF BUSINESS AND SERVICE. -- Hours of business and service, for Customs purposes, shall be the same as those prescribed in Customs regulations. Regular or normal business hours shall be between the hours of 8:00 a.m. and 4:30 p.m., Monday through Friday.

The Zone may be opened at other times, on an irregular or regular basis, upon application and with approval of the Operator and Customs Officials.

EMPLOYEES AND PERSONS ENTERING AND LEAVING ZONE. -- Employees and other persons entering or leaving the Zone shall pass through the designated entrances to the Zone. Employees and other persons shall be subject to such examination upon entering and leaving a zone as the Port Director may deem necessary for the protection of the revenue.

ALL PERSONS ENTERING ZONE BOUND BY REGULATIONS. -- All persons entering the Zone for any reason whatsoever shall be bound by the regulations promulgated by the Board, Customs and by the Operator of the Zone.

IDENTIFICATION OF EMPLOYEES WITHIN ZONE. -- Every employee within the Zone shall be required while within the Zone to carry identification cards or wear appropriate identification badges to be provided by the Operator of the Zone.

IDENTIFICATION OF VISITORS AND NON-EMPLOYEE PERSONNEL WITHIN THE ZONE. -- All persons having business within the Zone, but not possessing appropriate Zone-issued badges, passes or other approval to enter the Zone, shall apply for the appropriate approval and entry identification at the Zone Operator Office.

SECTION II. -- GENERAL RULES AND REGULATIONS

ZONE REGULATIONS. -- The following rules governing procedures within Foreign-Trade Zone No. 16 are issued in conformity with and supplementary to the Foreign-Trade-Zones Board's regulations and such of the United States laws and regulations relating to the Port of Entry as are applicable to Foreign-Trade Zone operations.

GENERAL REGULATIONS. -- All persons and merchandise of every description entering or leaving Zone No. 16 for any purpose whatsoever shall be bound by the lawful regulations of the Foreign-Trade Zones Board and by the Zone regulations issued thereunder.

GOVERNMENT AGENCIES. -- All lawful regulations regarding government agencies in or about ports of entry must be complied with insofar as they are not in conflict with Public Law 397 of the 73rd Congress and the Regulations issued thereunder.

COMPENSATION INSURANCE. -- Every person employed by contractors or customers in the Zone shall be properly covered by Workmen's Compensation Insurance. Proof of this shall be furnished before any work may be started, or release of liability must be given to the Zone.

PUBLIC INTEREST, HEALTH AND SAFETY. -- No operation or process of treatment will be permitted in the Zone that, in the judgement of the Operator, is detrimental to the public interest, health and safety.

CONFIDENTIAL RELATIONSHIP. -- The Operator will take precaution to avoid the divulging of confidential information regarding merchandise and services thereon performed in the Zone. Any Zone employee violating this confidential relationship will be discharged immediately.

ADMITTANCE OF PERSONS. -- Persons desiring admittance to the Zone shall make application to a representative of the Operator. The pass issued must be worn or shown upon request. Upon leaving the Zone, any temporary pass must be surrendered, and any permanent pass must be shown to the representative of the Operator. All persons having business in the Zone will enter and leave at the prescribed entrance.

CHARGES BY GOVERNMENT AGENCIES. -- Charges made by government agencies other than the Foreign-Trade Zone Operator are not included in this Tariff and should be arranged by the owner or his agent with the government bureau concerned.

MERCHANDISE ARRIVING AFTER HOURS. -- Merchandise arriving after regular business hours may, by special arrangements with the Zone Operator, be placed in a designated location and received subject to special charges.

WHEN CHARGES ARE PAYABLE. -- Zone charges are due and payable as they accrue.

MERCHANDISE HELD FOR CHARGES. -- The Zone Operator reserves the right to withhold permission to withdraw merchandise from the Zone for users with unpaid charges for zone use.

CHARGES, HOW ENFORCED. -- For the purpose of enforcing the payment of charges named in this Tariff on merchandise handled over, stored, or manipulated on the Zone facilities, the Zone may take possession of such merchandise and may remove and store some at the charge, risk, and expense of the owner or consignee thereof and/or may sell the goods by public auction and/or pursue such other remedies as may be provided by law. Zone operator also reserves the right, in his discretion, to deny the use of zone facilities and/or services to any user until all outstanding delinquent charges have been paid.

SPECIAL SERVICES. -- Users of zone facilities requiring services not being furnished to all users at the zone must request same in writing to the Operator, who shall clear the possibility of furnishing such services with Customs. If service is established, it will be made available under similar circumstances to all users on the same basis. All cost for such services will be borne by the zone users.

SERVICE CHARGE. -- A service charge of 2% may be charged on all accounts receivable of 30 days age. No proration will be made and 2% will be charged every anniversary date thereafter.

CHARGES FOR SPECIAL CUSTOMS SERVICES. -- U.S. Customs Service charges special fees for the activation of a new foreign-trade zone or subzone, for zone relocation and for zone boundary alterations. When such fees are assessed as a result of a specific request by a zone user, the Operator may require that user to bear the expense thereof.

No fees are charged for deactivation or reactivation.

CHARGES, RATES, RULES AND REGULATIONS APPLICABLE TO GRANTEE'S SUB-ZONES AND ANNEXES. -- The Grantee, Operator and all persons and entities doing business within a sub-zone established by the Grantee must comply with provisions of the Foreign-Trade Zone Act, as amended; with the lawful and effective Rules, Regulations and Procedures of Foreign-Trade Zones Board; with such of the laws and lawful regulations of the United States, the States, or the subdivision and agencies thereof as may be applicable to operators, occupants, their employees and invitees, and users of subzones; and with such of the provisions of this Tariff and subsequent issues and modifications thereof as may be applicable to the operations conducted in the subzone.

Where applicant desires to have subzone located within Grantee's jurisdiction and Grantee has no site available for its location or where sites available are not suited for proposed operations, the applicant must arrange for the acquisition of a suitable and available site. The Grantee will provide cooperation with all State or local industrial development agencies, public or private, to assist applicants to the fullest extent possible in securing a suitable location.

All persons and entities who request the Grantee to apply for authority to establish a sub-zone must first enter into an agreement with the Grantee governing the proposed sub-zone operations. This agreement will contain provisions including, but not limited to, those relating to costs incident to the preparation of the application and any subsequent amendment or modification thereof; costs incident to public hearings and legal proceedings; charges for any required Customs Zone activation, relocation, alteration, audit or spot check; and charges for Grantee's special services not provided in this Tariff. Applicants for the establishment of a sub-zone will bear application costs and charges of preparing and filing of application by Grantee whether or not the application is favorably acted upon by the Foreign-Trade Zones Board.

INSPECTION. -- The Zone Operator may inspect the assigned area at any and all reasonable times to ascertain whether or not the covenants or conditions related to its proper use are being observed.

INSURANCE. -- Insurance is carried by the Grantee on its own property only and does not include insurance on the contents stored therein. Lessee is obligated to put nothing within the Zone which will cause the cancellation or forfeiture of the insurance or affect the premium rate thereof on the building or buildings of which the leased premises forms a part. Insurance on commodities or other property stored on the leased premises, if desired, must be carried by and at the expense of Lessee or owner of the commodities or other properties.

INSURANCE ON MERCHANDISE IN WAREHOUSE. -- Merchandise stored, manipulated or transferred within the Zone is not insured by the Grantee and the Zone Tariff rates do not include insurance on merchandise.

LIMIT OF LIABILITY. -- Neither the Operator nor the Grantee, nor any of its agents, will be responsible for loss or damage to freight, cargo or merchandise or other property upon the leased premises, or for any loss or damage arising from acts of commission or omission of co-tenants, or of the occupants, or

users of adjacent or contiguous compartments or of other portions in or about the Zone, not for the breakdown of cranes or power service, not for loss or damage occasioned by plumbing, electric wires, automatic fire apparatus, not for any loss or damage from any cause whatsoever.

The Zone will not be responsible for loss or damage caused by fire, heat, dampness, leakage, the elements, evaporation, natural shrinkage, wastage or decay; animals, rats, mice or other rodents; moths, weevils or other insects, collapse of buildings or structures, breakdown of plant equipment or machinery, Act of God, the Public Enemy, the inherent nature of the merchandise itself; nor will it be answerable for any loss, damage, or delay arising from the insufficient notification, or from war, insurrection, shortage of labor, combinations, riots or strikes of any persons in its employ or in the service of others or from any consequences arising therefrom.

In performing the service of checking, the Zone will accept no responsibility for concealed damage nor for the condition of contents of packages, cases or other containers, whether or not receipts issued so state.

The Operator will not be responsible for and loss or damage arising from or occasioned by any misunderstanding of orders or instructions received or taken by telephone from the Zone user to the Operator.

CUSTOMS BOND. -- The Grantee maintains, for Customs purposes, a Foreign-Trade Zone Operator's Bond as a guarantee for the payment of all duties, taxes and charges pursuant to the conditions of 19 CFR 113.73. The Grantee may, if deemed appropriate, require a zone or subzone user to also obtain an individual Customs Bond.

SECTION III. -- SPECIAL RULES PERTAINING TO MERCHANDISE

U.S. CUSTOMS BOND: A zone user shall obtain and maintain a Customs Bond no less than the total value of all freight on hand at any given time. The Foreign Trade Zone user will provide a letter holding the City of Sault Ste. Marie, its agents and administrative contractors harmless from any liability claims or punitive measures imposed by the U.S. Customs Service.

ZONE ACCOMMODATIONS. -- Before merchandise may be entered into the Zone, applications on Customs Form 214 must be completed by zone user or his agent, filed and approved by the Zone Operator and with the authorized Customs personnel. The application shall describe the merchandise fully, in terms of the Tariff Schedules of the United States Annotated, and be accompanied by an examination invoice and any additional information or documentation requested by the Port Director.

WAREHOUSE RECEIPTS. -- The Zone is prepared to furnish non-negotiable warehouse receipts on merchandise stored under zone supervision and control.

PERMISSION TO MANIPULATE. -- Before merchandise may be manipulated within the Zone, application on Customs Form 216 must be presented to the Operator for concurrence by the Zone. The Operator will then forward the application to the Port Director through the Customs officer on duty at the Zone. On approval by the Director, the contemplated manipulation will then be permitted.

TENDER FOR ACCEPTANCE. -- All merchandise for zone acceptance shall be delivered at designated points properly marked and packed and accompanied or preceded by the necessary documents for preserving the identity of such merchandise..

CLEARING MERCHANDISE AND TRAFFIC. -- Merchandise, land carriers and other users of the Zone, both incoming and outgoing, must obtain clearance through the Zone office.

CUSTOMS PERMIT. -- Merchandise will not be delivered to or through Customs territory unless delivery order is accompanied by Customs permit.

IMPROPER PACKING. -- Merchandise not suitably packed for ordinary handling may, at the discretion of the Zone, be rejected or repacked at the expense of the shipper, consignee or their agent.

HAZARDOUS COMMODITIES. -- The Zone will not be required to accept for storage any commodity that will affect the rate of insurance on other merchandise in storage.

MARKING. -- All merchandise handled in the Zone, before entry to Customs territory, must be truly marked in accordance with Customs regulations as to the country of origin and in accordance with all other government regulations, and no merchandise will be permitted to leave the Zone for any purpose that carries any false or misleading label or mark. When repacked or labeled in the Zone, the goods should, when possible, be marked to indicate the fact.

TRUCKING AND LIGHTERAGE. -- Transfer of foreign merchandise through Customs territory to the Zone must be made by Customs bonded trucks or other carriers and is subject to Customs regulations. Likewise, the transfer of merchandise from zone to zone, from bonded warehouse to zone or from zone to port of export must be made by Customs bonded trucks or other carriers and be subject to Customs regulations. Domestic merchandise may be admitted to the Zone by any means of transportation.

CUSTOMS INSPECTION OF MERCHANDISE WHILE IN ZONE. -- The consignee or zone user, or his agent, shall at all times be immediately available to make the merchandise subject to inspection required by the United States Customs Service and shall have the sole responsibility of opening crates and packages, handling the merchandise and securing the crates and packages following the inspection. In the event that

the consignee or his agent is not immediately available for the inspections, then zone personnel shall be authorized to open such packages for the Customs Service and shall not be liable for any loss or damage for any reason whatsoever to the goods. The cost of any resultant need for repackaging or recouping shall be borne by the zone user.

DOCUMENTATION. – The Zone does not offer Customs Brokerage services. These services are available from licensed Customs Brokers in the community. A list of these is available from the Zone operator.

SECTION IV. -- SCHEDULE OF RATES AND CHARGES

GENERAL PURPOSE ZONE WAREHOUSE SPACE: -- Grantee will lease space for the storage of general merchandise, or for handling, processing, manipulation and manufacture of goods, calculated at a base rate of \$0.35 per square foot per month, commodity, use of space and volume. This rate shall include minimum heat and basic Customs service (during regular business hours). All leases are subject to the approval of the Grantee. Leases for the purpose of processing, manipulation and manufacture of goods shall have a minimum term of one (1) year.

Lease forms containing the terms and conditions of leasing such space are available upon request to the Operator of the Zone.

SPECIAL ALTERATIONS. -- Lessee/User will be responsible for the cost of any special alterations for the installation of machinery and equipment, partitioning and related construction required for their operation. At termination or end of lease period permanent alterations will become the property of the building owner or the premises restored to original condition at the expense of the lessee.

UTILITIES. -- If more than minimum heat is required Lessee/User shall be responsible for cost estimated at \$0.64PSF/A. Cost of unusual heat and/or electrical requirements, beyond basic lighting, will be the responsibility of Lessee/User.

OPEN OR YARD STORAGE SPACE: -- Grantee will lease open yard or storage space in the general purpose zone calculated at base rate of \$0.02 per square foot per month.

TRAILER/CONTAINER STORAGE: -- Cargo laden containers or trailers may be parked within the Zone in designated areas for the purposes of bonded storage. All trailers/containers must be sealed by Customs and will also be sealed by the Foreign Trade Zone before entry into the Zone. A charge will be made to offset the cost of seals provided by the Zone. Containers/trailers, cargo laden, entering the zone for the purposes of temporary storage only, will be subject to a charge of \$10.00 per day.

STANDARD SERVICE CHARGES: -- When service or handling is furnished by the Operator in caring for merchandise, the person or firm that requires such service will be billed at the rates set forth below:

a.	Order processing charge	\$5.00	per document
b.	Warehouse receipts	25.00	per receipt
c.	Physical inventory	35.00	per man hour
d.	Checking or recording code numbers, serial numbers, markings, etc.	35.00	per man hour
e.	Warehouse In charge	35.00	per man hour
f.	Warehouse out charge	35.00	per man hour
g.	Bills of lading	10.00	each
h.	Packing slips	10.00	each
i.	Marking and Tagging of shipments	35.00	peer man hour
j.	Other services		Negotiable

ACCESS TO STORAGE. -- Access to storage lots shall require at least 24 hours prior notice and will be subject to a labor charge of \$35.00 per man hour between the hours of 8:00 a.m. and 4:30 p.m. Monday through Friday (Holidays excepted.)

Access to storage outside regular hours shall be subject to a \$60.00 warehouse opening charge and a labor charge of \$52.00 per man hour (minimum 1 hour).

STORAGE CHARGES. -- First Of The Month Balance System shall be used and storage rates

charged in accordance with the following:

(a) Merchandise arriving on the first, up to and including the fifteenth, day of the month shall be assessed a full month's storage charge.

(b) Merchandise arriving on the sixteenth, up to and including the last day of the month, except as provided in sub-paragraph (c), shall be assessed one-half the normal storage charge.

(c) Merchandise arriving on the last two business days of the month and remaining in storage as of the first of the following month shall be assessed no storage charge, but shall become subject to the charge named in sub-paragraph (d) of this Section.

(d) Merchandise in storage on the first day of the month shall be assessed a full month's storage charge.

MAN-HOUR RATES AND EQUIPMENT RENTAL. -- Man-hour rates plus charges for equipment rental shall be charged for all services not specifically provided for in this Schedule at rates established by providers of the service and authorized to engage in such services in the Zone.

ADMINISTRATIVE SERVICES. -- When special services are requested of the Operator involving inventory reports, statistical reports, document duplication and special projects, such services shall be provided at a rate of \$35.00 per staff hour (1 hour minimum).

FOREIGN TRADE ZONE ACTIVITY SURCHARGE -- The operator is authorized to impose up to a \$5.00 surcharge on all Foreign Trade Zone transactions to cover the cost of U.S. Customs audit/inspection activities.

FOREIGN TRADE ZONE 16 TRANSFER FEE SCHEDULE - Costs will be applied where a General Purpose Foreign Trade Zone or Foreign Trade Subzone was sponsored into existence by Foreign Trade Zone 16 of Sault Ste. Marie. The fee for transfer will be paid by the beneficiary Foreign Trade Zone and will be remitted to the City of Sault Ste. Marie.

Transfer During First Year of FTZ Operation: 4 years annual fee

Transfer During Second Year of FTZ Operation: 3 years annual fee

Transfer During Third Year of FTZ Operation: 2 years annual fee

Transfer During Fourth Year of FTZ Operation: 1 year of annual fee

Example: If a company with subzone status wished to transfer to another Zone authority in the third year, the calculation and cost would be as follows:

In-County Subzone (\$10,000 annual fee * 2 years = \$20,000)

Example: If a company with General Purpose status, occupying 5,000 sf wished to transfer to another Zone Authority in the second year, the calculation and cost would be as follows:

General Purpose (5,000 sf * \$.35/sf/month* 12 months=\$21,000 annual fee) * 3 years = \$63,000)

INVALIDATION OF OUTSTANDING GRANTS OF AUTHORITY FOR SUBZONES, BOUNDARY MODIFICATIONS, ANNEXES, OR BOUNDARY EXPANSIONS OF FOREIGN TRADE ZONE 16.

Pursuant to 400.28 (a)(5) of the Foreign Trade Zones Act, grants of authority not activated within 5 years of approval, will be invalidated by the Foreign Trade Zones Board. Upon retirement of inactive subzones, boundary modifications, annexes, or boundary expansions, one-year fees apply as set forth above.