

## **IMPORTANT INFORMATION ABOUT ZONE SCHEDULES**

This zone schedule is being made available pursuant to 15 CFR 400.44(e), which states: “The Board shall make copies of zone schedules available on its Web site.”

Availability of this zone schedule on the FTZ Board’s website does not imply that the FTZ Board has approved any rate/charge, policy or other content of this zone schedule. In particular, while the FTZ Board staff intends to conduct spot checks over time, zone schedules are not reviewed for compliance with the public utility requirement (19 U.S.C. 81n, 15 CFR 400.42) prior to making the zone schedules available via the Board’s website.

Pursuant to 15 CFR 400.44(b)(4), a grantee may not assess any specific rate or charge for which the amount – or formula for calculating the amount – does not appear in the zone schedule that the grantee has submitted to the FTZ Board.

Complaints about a grantee’s compliance with statutory and regulatory requirements related to public utility and uniform treatment – including rate or charge amounts/formulas, a grantee assessing a rate or charge amount/formula that does not appear in its zone schedule, and a grantee not affording uniform treatment under like conditions – may be presented to the FTZ Board under 15 CFR 400.45 (which also allows for complaints to be made on a confidential basis, if necessary).

Questions or concerns may be addressed to the FTZ Board staff at (202) 482-2862 or [ftz@trade.gov](mailto:ftz@trade.gov).

# Zone Schedule

Foreign-Trade Zone #72

Effective: October 23, 2018

Copies are available at:

INzone (FTZ Administrator) for the Indianapolis Airport Authority (Grantee – FTZ #72)

2745 South Hoffman Drive, Gate #35

Indianapolis, IN 46241

Phone: 317.487.7200

Hours: M–F, 8–5 EST (closed on holidays)

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## Introduction

The Indianapolis Airport Authority (IAA) is the Grantee of Foreign–Trade Zone #72 and supports the Foreign–Trade Zone (FTZ) program, which is designed to stimulate global economic development activity within its defined service area.

The Greater Indianapolis Foreign Trade Zone, Inc. (doing business as INzone) administrates the FTZ program on behalf of the IAA.

The FTZ program is operated under the FTZ Board regulations and is operated as a public utility. All Users and Operators are subject to uniform treatment. The program is accessible to companies that demonstrate a business need for foreign–trade zone activity and a commitment to regulatory compliant operations.

FTZ #72 sites are determined based on:

- **Location:** Within 41 county service area in central Indiana (reflected on a map at [www.inzone.org](http://www.inzone.org))
- **Need:**
  - Commitment of current or future manufacturing or distribution through an FTZ.
  - Economic justification for consent of the Grantee to designate the site and FTZ Operator.
  - Execution of an FTZ Operating Agreement with the grantee, coordinated through its administrator.

## I. Grant of Authority

The IAA holds the *Grant of Authority* for Foreign–Trade Zone #72, which serves central Indiana. This Zone was established through Foreign–Trade Zones Board Order 179 on September 28, 1981. The Zone project was reorganized under the Alternative Site Framework through Foreign–Trade Zones Board Order 1747 on March 3, 2011 as amended by Foreign–Trade Zones Board Order 1855 on March 5, 2013.

This *Grant of Authority* was provided by the Foreign–Trade Zones Board, consisting of the U.S. Secretary of Commerce and the U.S. Secretary of the Treasury and chaired by the Secretary of Commerce. U.S. Customs and Border Protection oversees customs security, control and resource issues, as FTZs are located in or adjacent to customs ports of entry.

## **2. Zone Regulations, Rules and Policies**

- a. This Zone Schedule is published in accordance with 15 C.F.R. 400.44. The Zone policy, rules, regulations, rates and charges of this schedule shall apply at Foreign–Trade Zone #72, unless otherwise provided for.
- b. Pursuant to 15 C.F.R. 400.42 and 400.43, the rates and charges for services within the Zone shall be fair and reasonable, and the Grantee shall afford uniform treatment under like conditions to all users. The Foreign–Trade Zones Board shall determine whether the rates and charges are fair and reasonable.
- c. All persons and entities who request the Grantee to apply for authority to establish a Usage–Driven or Subzone site must first enter into an FTZ Operating Agreement with the Grantee governing the proposed operations at the site.
- d. All requests for Usage–Driven or Subzone designation will be reviewed by the Grantee and all entities will be afforded uniform treatment with respect to the handling of the request by the Grantee. Should the Grantee determine to sponsor the Usage Driven or Subzone site application, it will be the obligation of the applicant for the new site to prepare the application and bear all costs associated with the preparation and filing of the application, including any filing fees assessed by the Foreign–Trade Zones Board.
- e. All requests for the establishment of a new Magnet Site will be reviewed by the Grantee and all entities will be afforded uniform treatment with respect to the handling of the request by the Grantee. Should the Grantee determine

to sponsor the expansion application, it will be the obligation of the applicant for the new Magnet Site to prepare the expansion application and bear all costs associated with the preparation and filing of the application, including any filing fees assessed by the Foreign–Trade Zones Board.

- f. Since the focus of the Alternate Site Framework (ASF) is the expeditious and cost effective establishment of Usage–Driven Sites for individual entities, any entity that seeks Magnet Site designation must demonstrate a compelling need for said designation and shall provide letters of commitment to activate parcels within the requested Magnet Site from multiple Operators.
- g. All requests and applications to the Foreign–Trade Zones Board by Operators and Users of FTZ #72 shall either be submitted by the Grantee or shall include a letter of transmittal or concurrence from the Grantee. Such requests include, but are not limited to, applications for production authority, subzone applications, minor boundary modifications, determinations of or expansions of previously approved scope of authority for Zone procedures. All requests to Custom & Border Protection by Operators of FTZ #72 shall include a letter of transmittal or concurrence from the Grantee. Such requests include, but are not limited to, activation, deactivation, or alteration of zone areas.
- h. All FTZ Operators will submit their required Annual Report data and narrative through the Online FTZ Information System (OFIS), by the due date.
- i. Pursuant to 19 U.S.C 81o(c), no merchandise, operation or process of treatment will be permitted in the Zone that is detrimental to the public interest, health and safety.
- j. All persons conducting business within FTZ #72 and all operations moving merchandise into or out of FTZ #72 must strictly conform to the Foreign–Trade Zones Act (FTZA), Foreign–Trade Zones Board Regulations, Customs Regulations, this Zone Schedule and all other applicable federal, state and

local laws, rules, and regulations. This Zone Schedule may be modified, amended or replaced by Grantee at any time if it is determined to be necessary or appropriate to do so. Grantee shall, in its sole discretion, interpret the provisions of this Zone Schedule and determine the applicability of any of its provisions. Grantee reserves the right to waive or prorate any fee, if it is for the greater prosperity of the Zone.

- k. Operators shall allow authorized representatives of the Foreign–Trade Zones Board, U.S. Customs and Border Protection, the United States government, and authorized representatives from the Grantee to enter the site at any time during normal hours of operation.
- l. Operators and FTZ site owners will provide Grantee and the Greater Indianapolis Foreign Trade Zone, Inc. d/b/a INzone, indemnification as set forth in the FTZ Operator or FTZ Site Owner Agreement

### **3: Fee Schedule**

All fees are non–refundable and to be paid within 30 days of submission request. The FTZ Operator or requesting party is responsible for obtaining and preparing all associated application documents.

#### **Grantee Fees for FTZ Operators (prepaid each month)**

<u>Active FTZ Square Feet</u>	<u>Grantee Fee</u>
1 – 25,000 sq.’	\$2,000 per Month
25,001 – 130,000 sq.’	\$2,500 per Month
130,001 – 200,000 sq.’	\$3,000 per Month
200,001 – 250,000 sq.	\$3,500 per Month
250,001 – 1,500,000 sq.’	\$4,000 per Month
1,500,001 – 2,000,000 sq.’	\$4,500 per Month
2,000,001 + sq.’	\$5,000 per Month

## **IMC Domestic “Flex” Warehouse Space & Domestic Container Yard**

Access and use of the IMC Domestic “Flex” Warehouse Space and Domestic Container Yard (located at 2745 South Hoffman Drive, Indianapolis, IN 46241) may be granted to customers to store merchandise and commercial tractors and trailers. Storage is subject to availability and defined areas may be assigned.

Rental rate for the IMC Domestic “Flex” Warehouse Space is \$10.00 per square foot annually and the container yard is .45 cents per square foot annually. Users may store these items at their sole risk and liability. No bailment is created between the customer and INzone (Grantee administrator) or the Indianapolis Airport Authority (Grantee). A security plan and authorized badging is required for use of the IMC Domestic “Flex” Warehouse Space.

## **Individual Private Property Owner Fees Located within Magnet Sites**

Individual private property owners shall pay \$4.50 per acre, per month, for a maximum of 24 months, upon approval from FTZ Board. This fee will be waived upon the activation of any portion of acreage.

## **Business Park Owned Property Fees within Magnet Sites**

Business Park Owners shall solely bare the cost of fees associated with any designation as a Magnet Site and shall be charge \$4,500 per month upon approval from the FTZ Board, regardless of acreage, until one or more FTZ Operators located at a designated site activates a portion of the acreage. This fee is waived upon the activation of any portion of the designated acreage owned by that specific commercial developer.



**Usage-Driven Site**

A. Application for Usage Driven Site (ASF Minor Boundary Modifications).....\$0.00

B. Application for Manufacturing/Production Authority within Usage Driven Site...\$0.00

C. Grantee Activation  
Concurrence.....\$0.00

**Magnet Site**

A. Application for ASF Reorganization of Zone (New Magnet Site).....  
\$0.00

B. Application for Manufacturing/Production Authority per Operator/User within Magnet  
Site.....\$0.00

C. Grantee Activation  
Concurrence.....\$0.00

**Subzone Site**

A. Application for Subzone Site Sponsorship  
.....\$0.00

B. Application for Manufacturing/Production Authority within  
Subzone.....\$0.00

C. Grantee Activation Concurrence  
.....\$0.00

#### **4. Glossary of Terms**

**Activation:** Once a Zone or Subzone site is approved by the FTZ Board, an application must be made to the local CBP office, with the concurrence of the FTZ Grantee, to operate the Zone/Subzone site (or portion thereof) under FTZ procedures. This CBP process is known as “activation.” It includes background checks, a written procedures manual, bond posting with CBP, a review of site security, and inventory control methods.

**Activation Limit:** The physical area of a board–authorized Zone or Subzone simultaneously in activated status with CBP pursuant to 19 CFR 146.6. The activation limit for a particular Zone/Subzone is a figure specified by the Board when authorizing the Zone (commonly 2,000 acres) or Subzone or, in the absence of a specified figure, the size totals of approved Zone/Subzone sites.

**Adjacency:** According to 15 CFR Section 400.11, General–Purpose Zone (GPZ) sites must be within 60 statute miles or 90 minutes' driving time from the outer limits of a port of entry boundary.

**Admit, Admission:** The U.S. Customs and Border Protection terms describing merchandise shipment into U.S. foreign–trade zones under CBP supervision (19 CFR 146.1).

**Alternative Site Framework (ASF):** An optional approach to designation and management of Zone sites that allows greater flexibility and responsiveness in serving single–operator/user locations. The ASF was adopted by the FTZ Board as a matter of practice in December 2008 (74 FR 1170, January 12, 2009; correction 74 FR 3987, January 22, 2009) and modified in November 2010 (75 FR 71069, November 22, 2010).

**Articles Consumed:** Interpretation of the FTZ Act holds that all materials to be consumed in manufacturing or processing operations within a Zone must first be entered for consumption with duties paid.

**Board:** See Foreign–Trade Zones Board

**CBP:** U.S. Customs and Border Protection of the Department of Homeland Security

**Deactivation:** A previously activated General–Purpose Zone or Subzone site, which no longer has local CBP authorization for activity under FTZ procedures.

**Deleted:** A site or portion of a site that once held Zone status, but has been removed from the Zone through an administrative minor modification by the FTZ Board staff or an FTZ Board application process.

**Domestic origin/duty paid:** Describes merchandise that is mainly of domestic origin but also includes foreign-origin merchandise on which customs entry and duty payments have been made prior to admission to the Zone site.

**Domestic (D) status:** Used synonymously with domestic origin/duty paid (see above). Domestic status is the customs status (19 CFR 146.43) for domestic origin and duty paid foreign origin Zone merchandise.

**Entry for Consumption:** The term that describes the general customs process of filing appropriate CBP documents (including duty evaluation) that allows merchandise to be brought into the commerce of the United States (19 CFR 141). With respect to foreign-trade zones, this process occurs when merchandise is shipped from the Zone into U.S. commerce.

**Exports:** The category of merchandise that is forwarded from Zone sites to destinations in foreign countries.

**Foreign-Trade Zone, (FTZ or Zone):** includes one or more restricted-access sites, including Subzones:

- In or adjacent (as defined by Sec. 400.11(b)(2)) to a CBP port of entry
- Operated as a public utility (within the meaning of Sec. 400.42) under the sponsorship of a Zone Grantee authorized by the FTZ Board
- With Zone operations under the supervision of CBP

**Foreign-Trade Zones Board:** Consists of the Secretary of Commerce (Chairman) and the Secretary of Treasury, or their designated alternates.

**Foreign Status:** Describes Zone merchandise admitted to a Zone site under CBP supervision that is normally of foreign origin. Such merchandise is admitted to

Zone sites without being subject to formal customs entry procedures and payment of duties, unless and until the foreign merchandise enters customs territory for domestic consumption. Foreign status merchandise is further categorized by CBP as either Non-Privileged Foreign or Privileged Foreign.

**Forwarded:** The category of merchandise that is shipped from or forwarded from Zone sites after release by CBP. This category includes merchandise that is forwarded to destinations in the U.S. market as well as merchandise that is exported--that is, forwarded to markets in foreign countries.

**Grant of Authority:** The authority to establish a Zone includes the responsibility to manage it. Also, a document issued by the FTZ Board that authorizes a Zone Grantee to establish, operate and maintain a Zone, subject to limitations and conditions specified in this part and in 19 CFR part 146.

**Grantee:** See Zone Grantee

**Inactive:** A General-Purpose Zone or Subzone site that has been approved by the FTZ Board, but is not activated with CBP. No activity under FTZ procedures is occurring at an inactive site.

**Lapse Provision:** A grant of authority for a Zone or a Subzone shall lapse unless the Zone project, or Subzone facility, is activated, pursuant to 19 CFR Part 146, and in operation not later than five years from the date of the FTZ Board order.

**Magnet site:** A site intended to serve or attract multiple operators or users under the ASF.

**Merchandise Received:** Involves merchandise received into activated FTZ space under FTZ procedures by Zones and Subzones. It includes foreign status merchandise and domestic status merchandise.

**Modification:** A major modification is a proposed change to a Zone that requires action by the FTZ Board; a minor modification is a proposed change to a Zone that may be authorized by the executive secretary.

**Non-Privileged Foreign (NPF) Status:** One of the customs categories of foreign status merchandise (See 19 CFR 146.42). Such merchandise is evaluated based on its condition at the time it is shipped from the Zone to the U.S. market and entered for consumption by CBP.

**Operator:** See Zone Operator

**Person:** Includes any individual, corporation, or entity.

**Port of Entry:** A port of entry in the United States, as defined by part 101 of the regulations of U.S. Customs and Border Protection (19 CFR part 101), or a user fee airport authorized under 19 U.S.C. 58b and listed in part 122 of the regulations of CBP (19 CFR part 122).

**Privileged Foreign (PF) Status:** One of the customs categories of foreign status merchandise (See 19 CFR 146.41). Such merchandise maintains its status based on its condition when it was admitted to the Zone. Thus, when the merchandise is shipped from the Zone to the U.S. market and entered for consumption by CBP, it is evaluated based on the time-of-admission condition even though it may have undergone a transformation in the Zone.

**Production:** Activity involving the substantial transformation of a foreign article, resulting in a new and different article with a different name, character and use, or activity that changes the article condition, resulting in a changed customs classification or consumption eligibility.

**Service Area:** The jurisdiction(s) within which a Grantee proposes to be able to designate sites via minor boundary modifications under the ASF.

**Subzone:** A site (or group of sites) established for a specific use.

**Terminated:** If a General-Purpose Zone or Subzone is no longer needed, the Grantee can request that the FTZ Board remove Zone/Subzone designation. Upon such action by the FTZ Board, the Zone or Subzone is then considered terminated.

**Usage-Driven Site:** A site tied to a single operator or user under the ASF.

**User:** See Zone User.

**Zone:** A foreign-trade zone (see above) established under the provisions of the FTZ Act and regulations. The term also includes subzones, unless the context indicates otherwise.

**Zone Grantee:** The corporate recipient of a Zone grant of authority. The term Grantee refers to Zone Grantee unless otherwise indicated.

**Zone Operator:** A corporation, partnership or person that operates a Zone or Subzone under the terms of an agreement with the Zone Grantee (or third party on behalf of the Grantee) with the concurrence of the Port Director of CBP.

**Zone Restricted (ZR) Status:** Merchandise in this status is to be exported or destroyed. Zone-restricted status merchandise can be entered into U.S. customs territory only if the FTZ Board finds that entry would be in the public interest.

**Zone Schedule:** To be kept by the Zone Grantee, the Zone Schedule includes the internal rules and regulations of the Zone, as well as a statement of rates and fees charged to Zone Users.

**Zone Site (Site):** A physical location of a Zone or Subzone. A site is composed of one or more generally contiguous parcels of land organized and functioning as an integrated unit, such as all or part of an industrial park or airport facility.

**Zone Status:** Merchandise can enter the Zone in either domestic or foreign status:

- Domestic status can include foreign status goods where the duty has been paid and goods entered for consumption.
- Foreign status includes privileged foreign, non-privileged foreign and zone-restricted status.

**Zone User:** A party using a Zone under agreement with a Zone Operator.

**Source:** Foreign-Trade Zones Board "Glossary of FTZ Terms."