

## 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).



## **Foreign Trade Zone No. 260**

Zone Schedule No. 4

City of Lubbock, Grantee  
in Agreement with  
Market Lubbock Economic Development Corporation  
Lubbock, Texas

Operating under the authority granted by the Foreign-Trade Zones  
Board

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# Foreign Trade Zone No. 260

Zone Schedule No. 4

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# I. General Zone Information

## A. Definition and Purpose of a Foreign Trade Zone

The U.S. Foreign-Trade Zone program seeks to encourage, facilitate, and expedite U.S. participation in international trade. In addition to encouraging and facilitating exports, the program seeks to attract offshore activity to the United States and encourage retention of domestic activity. Most importantly within these objectives is the goal of creating and maintaining U.S. jobs and fostering economic development.

Foreign Trade Zones (FTZ's) are industrial parks and sites in the United States authorized by the Department of Commerce Foreign Trade Zones Board and overseen by U.S. Customs and Border Protection (CBP) that provide substantial benefits to international businesses. Foreign Trade Zone status gives businesses located in the United States a competitive advantage when dealing with foreign competition.

FTZ businesses use special customs procedures that help encourage U.S. activity and value added by allowing domestic activity involving foreign items to take place prior to formal customs entry. Duty-free treatment is accorded items that are re-exported and duty payment is deferred on items sold in the U.S. market, thus offsetting customs advantages available to overseas competition.

A site which has been granted zone status by the Foreign-Trade Zones Board may not be used for zone activity until the site has been separately approved for FTZ activation by local U.S. Customs and Border Protection (CBP) officials, and the zone activity remains under the supervision of CBP. FTZ sites and facilities remain within the jurisdiction of local, state or federal governments or agencies.

The legal authority and requirements governing FTZ's include the FTZ Act of 1934 (19 U.S.C. 81a-81u), the FTZ Board regulations (15 CFR Part 400), and Custom's regulations regarding FTZs (19 CFR Part 146).

## B. Types of Zone Sites

### Traditional Site Framework

- **General-Purpose Zones** are typically a single warehouse available to multiple users or an industrial park site. Traditionally, a zone site has been available to more than one company, and was typically used for warehousing. Zone sites must be located within 60 miles or 90 minutes driving time from the outer limits of a CBP port of entry.

- **Special-Purpose Subzones** are sites that have foreign-trade zone status for their own existing plant or facility. Subzone status is “delivered” to the user’s existing site, as opposed to having to relocate to a pre-existing zone site.

#### Alternative Site Framework

- **Magnet Sites** are usually located at ports or industrial parks. They must be opened to multiple zone users. Although manufacturing is permitted within magnet sites, the most common activity use is for warehouse and distribution activity.
- **Subzones/Usage-driven Sites** are special-purpose zones, usually at manufacturing plants. A subzone or usage-driven site can be approved if the company is unable to relocate existing facilities into a magnet zone site. These sites are approved for use by one company for a specific activity. Applications for subzone or usage-driven site status must demonstrate a significant public benefit for approval.

### C. Benefits to a Zone User

- **Duty Exemption.** No duties on or quota charges on re-exports.
- **Duty Deferral.** Customs duties and federal excise tax deferred on imports.
- **Inverted Tariff.** In situations where zone manufacturing results in a finished product that has a lower duty rate than the rates on foreign inputs (inverted tariff), the finished products may be entered at the duty rate that applies to its condition as it leaves the zone -- subject to public interest considerations.
- **Logistical Benefits.** Companies using FTZ procedures may have access to streamlined customs procedures (e.g. "weekly entry" or "direct delivery"). Special direct delivery procedures expedite the receipt of merchandise in company facilities, reducing inventory cycle time.
- **Improved Cash Flow.** With FTZ status, merchandise can be held in inventory or transferred to another FTZ without paying U.S. Customs duties until the imported merchandise is shipped into U.S. Customs territory.
- **Weekly Customs Entries:** By consolidating multiple customs entries into one per week, customs brokerage fees and merchandise processing fees are reduced.
- **Waste/Defects/Damage/Obsolescence:** FTZ status allows the reduction or elimination of U.S. Customs duties on scrapped merchandise.
- **U.S. Quota Management:** Most merchandise may be held in a FTZ, even if it is subject to U.S. quota restrictions. When the quota opens, the merchandise may be immediately shipped into U.S. Customs territory.
- **Other Benefits.** Foreign goods and domestic goods held for export are exempt from state/local inventory taxes. FTZ status may also make a site eligible for state/local benefits which are unrelated to the FTZ Act.

#### **D. Public Benefits**

- Help facilitate and expedite international trade.
- Provide special customs procedures as a public service to help firms conduct international trade related operations in competition with foreign plants.
- Encourage and facilitate exports.
- Help attract offshore activity and encourage retention of domestic activity.
- Assist state/local economic development efforts.
- Help create employment opportunities.

#### **E. Foreign Trade Zones Board**

The Foreign-Trade Zones Board is comprised of the Secretary of Commerce and the Secretary of the Treasury. The Board is chaired by the Secretary of Commerce. The Commissioner of U.S. Customs and Border Protection also plays a key role, as it did prior to its recent move from Treasury to the Department of Homeland Security, providing a position during the FTZ Board voting process with respect to customs security, control, and resource matters. The Board has delegated action authority on most matters to a Committee of Alternates, which is composed of the Assistant Secretary of Commerce for Import Administration and the Deputy Assistant Secretary of the Treasury for Tax, Trade, and Tariff Policy.

#### **F. CBP Involvement**

CBP (U.S. Customs and Border Protection) handles the day-to-day monitoring of zone activity. Merchandise is brought into a zone (admitted) on CBP form 214 and is removed from the zone through CBP entry or transportation under bond procedures. CBP is consulted on every application for a zone or zone activity. Merchandise in a zone is under customs control and merchandise and zone records are subject to spot check and other verifications at any time.

After a zone or subzone has been approved by the FTZ Board, the zone operator must activate with CBP.

#### **G. Activity Permitted in a Zone**

- Merchandise in a zone may be assembled, exhibited, cleaned, manipulated, manufactured, mixed, processed, relabeled, repackaged, repaired, salvaged, sampled, stored, tested, displayed and destroyed.
- Production activity must be specifically authorized by the FTZ Board. (Production activity is defined as activity involving the substantial transformation of a foreign

article 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.)

- Retail trade is prohibited in zones.
- Any merchandise that is not prohibited from entry into the territory of the U.S. may be admitted to a zone.
- If applicable, import licenses or permits from other government agencies may still be required to bring the merchandise into the zone.

## **H. Zone Locations**

Zone sites must be within or adjacent to a U.S. Customs and Border Protection (CBP) port of entry. The adjacency requirement can be satisfied if one of the following factors is met:

- The zone or subzone site is within the limits of a Customs port of entry.
- The zone or subzone site is within 60 statute miles of the outer limits of a CBP port of entry.
- The zone or subzone site is within 90 minutes' driving time from the outer limits of a CBP port of entry as verified by the CBP Service Port Director.
- For subzones only: subzone sites that are outside the 60 miles/90 minutes driving time from the outer limits of the CBP port of entry may alternatively qualify to be considered adjacent if they work with the CBP Port Director to ensure that proper oversight measures are in place.

## **II. Lubbock FTZ-260 Information**

### **A. Lubbock FTZ-260**

Foreign Trade Zone 260 was authorized by the United States Department of Commerce Foreign Trade Zones Board on January 14, 2004 and covers approximately 700 acres on the Lubbock International Airport. The Lubbock Preston Smith International Airport (LBB) is the region's Customs and Border Protection (CBP) designated international port of entry. A resident CBP Port Director offices at the airport.

Foreign Trade Zone 260 is strategically located in the South Plains Texas area in order to provide a central United States location for businesses looking to meet increasing trade demands. FTZ-260 is located 1,450 miles from the west coast and 1,545 miles from the east coast of the United States. In addition, it is ideally centered between Canadian and Mexican market/business centers.

## B. FTZ-260 Structure

On February 23<sup>rd</sup>, 2010, the United States Department of Commerce Foreign Trade Zones Board granted FTZ-260 the authority to reorganize under the Alternative Site Framework (ASF). ASF is a general-purpose zone site management strategy adopted by the FTZ Board in 2009 that assigns a specific service area to a participating Grantee. Under ASF, Grantees may designate general-purpose zone sites as needed through minor boundary modifications. The service areas for FTZ-260 are Garza, Hale, Hockley, Lubbock and Terry Counties, Texas. Under this framework, the FTZ-260 zone sites are organized as follows:

Site 01	Lubbock International Airport	Magnet Site	693 acres
Site 04	FTZ Activated Site	Usage-Driven Site	.735 acres
Site 05	FTZ Activated Site	Usage-Driven Site	.114 acres
Site 07	FTZ Activated Site	Usage-Driven Site	1.145 acres

## C. Marketing FTZ-260

On February 9<sup>th</sup>, 2006, the City of Lubbock passed Resolution Number 2006-R0061, which authorized the execution of a management agreement between the City of Lubbock and Market Lubbock, Inc. for the purpose of managing FTZ-260. Market Lubbock, Inc. was created in 1995 for the purpose of promoting, assisting and enhancing economic development in the City of Lubbock. It is a component unit of the City of Lubbock, and performs the Grantee functions under this management agreement.

Market Lubbock, Inc. strengthens the local economy and community by leveraging resources to make Lubbock the choice for businesses. FTZ-260 is a marketing tool used to promote local economic growth. Foreign Trade Zone status gives businesses located in the United States a competitive advantage when dealing with foreign competition. Zone businesses can increase their cash flow, save on taxes, and improve their inventory control systems and the overall security of their facilities. This in turn allows businesses to retain and create jobs, invest in capital improvements and improve Lubbock's quality of life.

Market Lubbock, Inc. develops relationships with existing local businesses, as well as businesses considering moving to Lubbock in order to determine whether they would benefit from operating as a zone or need other economic development services. Through its office, Market Lubbock, Inc. provides site selection assistance, preparation of proposals, development and coordination of partnerships with the business community, government officials, site selectors and others. Knowledge of regional resources, industry clusters and the business community help Lubbock businesses remain competitive within the market. Information regarding FTZ-260 is provided in response to proposals from the Governor's Office and site selection consultants.



### III. The Application and Activation Process

#### A. Application Process

The application process for interested companies is a multi-step process. The first step is gaining authorization from the FTZ Board to establish, operate and maintain a zone. The types of authority that can be applied for include:

- **Expansions or reorganizations of the zone:** Includes reorganizations under the Alternative Site Framework (ASF) or expansions to add new sites. This process generally takes 7.5 months for ASF reorganizations and 10 months from the time the application is "docketed" for other expansions/reorganizations.
- **Subzones/usage-driven sites:** For one company/use. Under the ASF, subzone/usage-driven sites can be designated in a simple 30-day process.
- **Production:** Any substantial transformation, change in the HTSUS classification of an imported article (at the 6-digit level) or change in the condition of an article which results in a change in its eligibility for entry for consumption

The second step is gaining approval from CBP for activation to allow merchandise to be admitted to the zone in FTZ status. Only after the approval of activation will users gain the benefits available under the Foreign Trade Zone Act.

#### B. Application Requirements

A company seeking zone status must submit an application to the FTZ Board. The application will be submitted by the Grantee for FTZ-260, on behalf of the company. The processing time for zone applications vary from application to application type.

A description of the various FTZ application requirements are detailed in the FTZ regulations and outlined on the United States Foreign Trade Zones Board's website at <http://enforcement.trade.gov/ftzpage/applications.html>. This website also addresses the application processing time, adjacency requirements, and other helpful information regarding the application process.

Meetings between the proposed zone participant and the Grantee are required prior to both the preparation and submission of any zone application. The Grantee will assist with the application process, but is not responsible for compiling the application documents and does not guarantee that the FTZ Board will approve the application. Third-party assistance may be recommended for consultation on legal issues, feasibility analysis and zone savings projections. The Grantee is not responsible for third-party assistance costs.

The Grantee will tour the proposed zone participant's facility in order to receive assurance

that proper inventory control and recordkeeping systems will be used in the zone. The proposed zone participant will identify staff that will be properly trained in the day-to-day administrative requirements/operations of the zone.

The Grantee will review all applications submitted for zone authorization before submission to the FTZ board. Appropriateness for zone operation depends upon many factors. Some factors considered when evaluating proposed FTZs include:

- How the zone fits into the overall economic development plan of the community
- The adequacy of operational and financial plans
- The suitability of the proposed site and facility
- The extent of the local support for the project and its economic effect

Applications received that are deemed harmful to other domestic companies, that include information that is detrimental to the community, or that are not deemed to be in the interest of the general public, will not be submitted to the FTZ Board.

Once the completed application is reviewed and screened by the Grantee, it will be forwarded to the Foreign-Trade Zones Board. If the application is approved, the FTZ Board will issue a grant of authority to the applicant and will establish the activation limit of the FTZ zone site. A grant of authority will lapse in five years unless the zone is activated by Customs and is considered in operation.

### **C. Activation Process**

Activation is handled locally under the supervision of the CBP Port Director and involves a review of zone procedures, inventory control and recordkeeping systems and security. The detailed activation requirements are outlined in 19 CFR 146.6. The Grantee will assist with the process, but is not responsible for compiling the activation documents for any Operator. CBP will not initiate the activation process until the Grantee has issued a letter of concurrence. This letter is issued once the Grantee receives assurance that proper inventory control and recordkeeping systems will be used in the zone and that staff will be properly trained in the day-to-day administrative requirements/operations of the zone.

### **D. Request for Activation**

The request for activation must be accompanied by the following supporting documents:

- A blueprint of the area approved by the Board to be activated showing area measurements, including all openings and buildings; and all outlets, inlets, and pipelines to any tank for the storage of liquid or similar product, that portion of the blueprint certified to be correct by the operator of the tank;

- A gauge table, when appropriate, showing the capacity, in the appropriate unit, of any tank, certified to be correct by the operator of the tank;
- A procedures manual describing the inventory control and recordkeeping system that will be used in the zone, certified by the operator or Grantee to meet the requirements necessary to operate the zone.
- The written concurrence of the Grantee, when the operator applies for activation, in the requested zone activation.

As a condition of activation approval, the CBP Port Director may order an inquiry into the qualifications, character, and experience of an operator, as well as the security of the facility. Background checks will be performed on officers, principals, and other key staff who will have access to records and inventory pertaining to the zone.

#### **E. Activation Requirements**

On approval of the request for activation, the following documents will need to be submitted:

- A Foreign Trade Zone Operator's Bond executed on Customs Form 301
- Power of Attorney, if needed
- Annual zone activity permit CF 216 – Approved by CBP
- Procedures Manual
- Insurance Certificate
- Payment of FTZ Activation Fees; FTZ-260 fee schedule is included in Section VIII of this Zone Schedule

Upon the CBP Port Director's approval of the application and acceptance of the executed bond, the zone or zone site will be considered activated; and merchandise may be admitted to the zone in any of the following status types: Domestic Status (D), Non-privileged Foreign Status (NPF), Privileged Foreign Status (PF), and Zone Restriction (ZR).

## **IV. Operator Agreement**

All Zone Operators will be required to enter into an agreement with the Grantee to carry out the objectives of the zone program, identify roles and responsibilities, and provide indemnification to the Grantee. Operating Agreements are crucial to ensure that the goals of the Operator, the Grantee and the community will be met.

In this agreement, the Operator will agree to protect, indemnify, defend and hold harmless the Grantee, its Directors, employees and agents from and against any and all cost, expense, damage or loss of whatever nature, including, but not limited to any and

all damages, duties, fines, penalties, tax charges or liquidated damages, interest, attorney's fees and other costs of litigation which are directly resulting from, arising out of, in connection with, or related to the Zone Operator's failure of performance of its obligation as an Operator.

The Grantee and the Zone Operator are not considered as joint ventures, partners, or agents of each other, and neither parties have the power to bind or obligate the other except as set forth in the Agreement. The Grantee has no liability to any person for any debts incurred by the Operator or by business conducted.

## **V. Annual Reporting Requirements**

The Annual Report is a compilation of data required by the FTZ Board from each FTZ in the country covering the calendar year (January 1 through December 31). The annual report monitors the effectiveness of the FTZ program in terms of economic growth and development in the U.S. economy. The Grantee is responsible for collecting the information from their Zone Operators. Zone Operators are required to submit their annual report information to the Grantee by the last day in February each year, so that the Grantee has sufficient time to consolidate and verify the information to be submitted on behalf of FTZ-260.

## **VI. Zone Access**

Representatives for Grantee, the FTZ Board, Customs, and other authorized U.S. government officers, shall have the right to enter the FTZ site for the authorized and lawful purpose of examining same, conferring with the FTZ Zone Operator or owner, its agents, invitees, and employees on such premises, inspecting and checking operations, supplies, equipment and merchandise, and determining whether the business is being conducted in accordance with the procedures established for the operation and management of the FTZ site.

## **VII. Foreign-Trade Zone Privileges**

The Grantee makes no representations or warranties as to the particular privileges and benefits which may accrue to the FTZ Zone Operator or owner from foreign-trade zone site operations, as those privileges and benefits may vary as a result of changes in federal law, determinations of the Board and Customs, and operational decisions of the Zone Operator. The Grantee is in no way liable for any costs or losses sustained by the Zone Operator as a result of FTZ status.

## VIII. FTZ-260 Fee Schedule

Under the Alternative Site Framework System, FTZ-260's fee schedule is based on the following:

		<b>Application Fee</b>	<b>Activation Fee</b>	<b>Annual Fee</b> <small>paid monthly or annually up-front</small>
Zone Type 1	0 – 10,000 sf gross facility space	Fee waived	\$2,000.00	\$1,500.00
Zone Type 2	10,001 – 25,000 sf gross facility space	Fee waived	\$2,500.00	\$2,500.00
Zone Type 3	25,001 – 40,000 sf gross facility space	Fee waived	\$3,000.00	\$5,000.00
Zone Type 4	40,001 + sf gross facility space	Fee waived	\$4,000.00	\$7,500.00

Pursuant to Section 14 of the FTZ Act, each zone shall be operated as a public utility, and all rates and charges for all services or privileges within the zone shall be fair and reasonable. All fees are used to recover costs incurred by the Grantee as it performance its Grantee function.

The Activation Fee covers the Grantee's expenses for preparation and processing of the Operations Agreement, providing the Grantee Concurrence Letter to Customs, and any necessary Grantee support required in the Customs Activation process. The annual fee is paid for the services (and expenses related to such services) of the Grantee for maintaining the grant of Foreign-Trade Zone 260.

In the event the Zone Operator fails, or refuses to pay any fee due and payable to the Grantee pursuant to their Agreement, the Grantee may terminate their Operator Agreement upon thirty (30) days written notice to Operator.

Proposed Zone Operators located outside of the FTZ-260 service delivery area fall under the Traditional Site Framework. There are certain applications under the Traditional Site Framework that do require application fees, which are paid to the U.S. Department of Commerce. The activation and annual fees remain the same as noted above and are paid to FTZ-260. Charges made by other government agencies that are not included in this Schedule should be arranged for and paid by the Zone Operator.

## IX. FTZ Definitions

**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 generally includes steps such as background checks, a written procedures manual, posting a bond with CBP, as well as a review of the security of the site(s) and the inventory control methods.

**Activation Limit** - The size of the physical area of a particular zone or subzone authorized by the Board to be simultaneously in activated status with CBP pursuant to 19 CFR 146.6. The activation limit for a particular zone/subzone is a figure explicitly specified by the Board in authorizing the zone (commonly 2,000 acres) or subzone or, in the absence of a specified figure, the total of the sizes of the approved sites of the zone/subzone.

**Adjacency** - According to Section 400.21, general-purpose zone sites must be within 60 miles or 90 minutes driving time of a U.S. Customs and Border Protection Port of Entry.

**Admit, Admission** - The U.S. Customs and Border Protection terms describing the shipment of merchandise **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 allowing greater flexibility and responsiveness to serve single-operator/user locations. The ASF was adopted by the 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 Board in November 2010 (75 FR 71069, November 22, 2010).

**Board** - See [Foreign-Trade Zones Board](#)

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

**Domestic 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.

**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 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-Trade Zones Operator's Bond** – A bond submitted to CBP, on CBP Form 301, to assure compliance with the Customs Regulations as set forth at 19 CFR 113.73.

**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** - A document issued by the 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. The authority to establish a zone includes the responsibility to manage it.

**Grantee** - See [Zone Grantee](#)

**HTSUS** – The Harmonized Tariff Schedule of the United States (HTSUS) is the primary resource for determining tariff classifications for goods imported into the United States. The U.S. Harmonized Tariff Schedule classifies a good based on its name, use, and/or the material used in its construction and assigns it a ten-digit number. There are over 17,000 unique ten-digit HTS classification code numbers.

**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 Board order.

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

**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 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.

**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.

**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 grant of authority for a zone project. The term "Grantee" means "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 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 the 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 the 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.

## X. FTZ Contact Information

### FTZ Grantee Contact Information

<u>NAME &amp; TITLE</u>	<u>ADDRESS &amp; EMAIL</u>	<u>PHONE NUMBER</u>
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