

## **IMPORTANT INFORMATION ABOUT ZONE SCHEDULES**

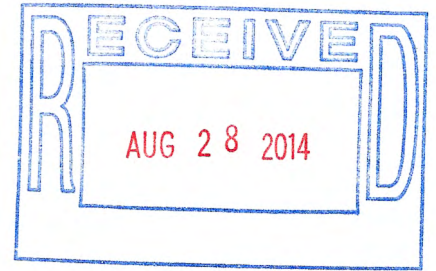
This zone schedule is being made available pursuant to 15 CFR 400.44(e), which states: “The Board shall make copies of zone schedules available on its Web site.”

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 for  
Foreign-Trade Zone 120  
Longview, Washington

Cowlitz Economic Development Council

Effective: August 22, 2014

# Table of Contents

	Page No.
1. Definitions .....	1
2. Rules and Policies of FTZ 120 .....	2-7
3. Rates/Charges Assessed for FTZ 120 .....	8
4. Information on a Public Operator.....	9

# DEFINITIONS

“Act” means the Foreign-Trade Zones Act of June 18, 1934 (48 Stat. § 998-1003; 19 U.S.C. § 81a-81u), as amended from time to time.

“Annual Fee” means service charge paid by the Operator to the Cowlitz Economic Development Council (CEDC) which shall cover the administrative costs and expenses incurred by the CEDC in connection with the maintenance of FTZ No. 120, including the costs incurred in the establishment of the Zone Site, as set forth in the FTZ No. 120 Zone Schedule.

“Annual Report” means such report made by the CEDC to the FTZ Board containing such information as the FTZ Board may require pursuant to 19 U.S.C. §81p(b) and 15 CFR 400.46(d).

“Area Port Director” mean the Area Port Director of the Customs Service in charge of the Customs Port of Entry in which the Zone Site is located.

“CBP” means the United States Customs and Border Protection Service of the Department of the Treasury.

“CBP Correspondence” means any correspondence between the CBP and the Operator related specifically to Zone Site activation, modification to Zone Site or Zone Site activities and Zone Site deactivation.

“Customs Requirements” means any and all requirements imposed now or in the future by the CBP for the operation of the Zone Site as part of Zone No. 120.

“FTZ Board” means the Foreign-Trade Zones Board as referred to in 49 U.S.C. § 81a (a) or the successor of such FTZ Board in functions and duties.

“FTZ 120” means Foreign-Trade Zone No. 120, as authorized by grant from the FTZ Board, as such may be modified from time to time

“FTZ 120 Zone Schedule” means the schedule as required by 15 C.F.R. 40.

“Federal Government” means the Government of the United States of America.

“Governmental Authorities” means the Federal Government, the State of Washington, the City and any agency, department, legislative body, commission, board, bureau, instrumentality or political subdivision of any of the foregoing, now existing or hereafter created.

# **Rules and Policies of FTZ 120**

## ***Zone Schedule***

The Grantee shall maintain a complete and current Zone Schedule, which will include the rules, rates, and charges for the zone project. The Grantee reserves the right to make periodic changes to the Schedule and Fees. The Grantee will submit an electronic and hard copy of the Zone Schedule and any amendments to the Zone Schedule to the Executive Secretary of the FTZB. Copies of the current Zone Schedule, as well as the Zone Schedules for all Zone Operators offering services to the public, will be maintained at the Grantee's offices (15 C.F.R. § 400.44).

## ***Zone Schedule Interpretation***

The rules, regulations, and rates contained herein shall apply at Foreign-Trade Zone 157 unless otherwise provided for. The Zone Grantee/Operator, shall be the sole judge to interpret and determine the applicability of any of the rates, regulations, or services provided for in this Zone Schedule. Where applicable, the Foreign-Trade Zones Board and U.S. Customs & Border Protection (CBP) Regulations shall prevail should any conflict arise with this schedule.

## ***Public Utility Standards***

Pursuant to Foreign-Trade Zones Board Regulation, the zone must be operated as a public utility. All rates and charges for all services or privileges within the zone shall be fair and reasonable, and the Zone Grantee, and any Zone Operator(s) providing services to the general public 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 regardless of whether a zone participant has procured any zone related product or engaged a particular service provider (15 C.F.R. § 400.43).

## ***Uniform Treatment Standard***

Any company that prepares an application to be filed with the Foreign-Trade Zones Board shall be sponsored by the Grantee. Such sponsorship shall not be unreasonably withheld unless that company: is in a business that may be harmful to other domestic companies; is in a business that may be harmful to the local community or would violate local codes; or is determined by the Casper/Natrona County International Airport to not be in the general public interest or in the interest of the Airport. Any Operator providing services to the public must file a Schedule of Rates and Charges with the Grantee. Any amendments to the Operator Schedule of Rates and Charges must be provided to the Grantee for incorporation into the Zone Schedule and submission to the FTZB prior to the amendments taking effect. 5

## ***Right of Entry***

Representatives of the Grantee, FTZB, CBP, and other authorized U.S. Government Officers, shall have the right to enter any Zone Site at any time for: the authorized and lawful purpose of examining the Zone Site; conferring with the FTZ Operator, its agents, invitees, and employees on the premises; inspecting and checking operations, supplies, equipment and merchandise; and determining whether the business is being conducted in accordance with the procedures established in the Procedures Manual, the Operating Agreement, and pursuant to CBP and FTZB regulations. All such entries shall be in accordance with the established security procedures and with reasonable advance notice to the FTZ Operator.

## ***Applications***

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

## ***Activations***

The Grantee shall assist the Operator with the activation process with U.S. Customs and Border Protection. Such assistance shall include the writing and submission of a Letter of Concurrence for all activation requests filed with U.S. Customs (19 C.F.R. § 146.6).

## ***Annual Report***

The Grantee shall request Online FTZ Information System (OFIS) Operator identification and passwords for all Zone Operators from the FTZB. Zone Operators will be required to complete an annual report of zone activity by February 28th each year covering the pervious calendar year's activity. The Grantee shall review all annual report data submitted by Zone Operators and ensure the timely submission of the Annual Report to the FTZB (15 C.F.R. § 400.51(c)(1)).

## ***Zone Records & Reports***

The Grantee shall maintain complete records of the Zone Project, including but not limited to all applications to the FTZ Board, site descriptions, maps and layouts of approved sites, property owner agreements, operator agreements, Board Orders and Administrative Actions, annual reports, and zone schedule (15 C.F.R. § 400.51).

## ***Grantee Knowledge***

The Zone Grantee does not intend to monitor the day-to-day activity of the Foreign-Trade Zone. The Zone Grantee shall have no knowledge, actual or constructive, of the quantity, character, status designation, identification, or time of admission, transfer, or release of goods into or from the Foreign-Trade Zone.

## ***Marketing***

The Grantee will be responsible for marketing the Zone Project.

## ***Hours of Business***

The Grantee offices are generally open Monday through Friday, 8:30 am to 5 pm.

## ***Zone Operator Qualification***

To qualify as an FTZ Operator of FTZ 120, entities must satisfy all requirements imposed by CBP, execute the necessary Operating Agreement with the Grantee, and meet any and all additional laws and regulations imposed by agencies having jurisdiction over their activities.

## ***Insurance***

All Operator/Users shall secure and maintain insurance with requirements and limits as required by State and Federal laws and the Grantee. As appropriate, insurance shall include statutory workmen's compensation, automobile liability, and general liability.

All Operators shall secure and maintain errors and omissions insurance for the benefit of Grantee and with Grantee shown as an additional insured, including an obligation of the insurer to defend Grantee in any action covered by said insurance, covering public liability for the Zone site in an amount not less than \$1,000,000 combined single limit per occurrence and \$3,000,000 aggregate limitation on liability for errors and omissions, bodily injury, and property damage. Upon written request, the Operator shall furnish the Grantee with certificates of such insurance.

## ***Customs Bond***

Any companies that will act as a foreign-trade zone operator must secure a foreign-trade zone operator's bond in the name of their company (19 C.F.R. § 113.73).

## ***Grant Transfer/Assignment & Successor Organizations***

The Foreign-Trade Zone Grant of Authority may not be sold, conveyed, transferred, set over, or assigned (FTZ Act, Section 17; 19 U.S.C. 81q), (15 C.F.R. § 400.13(a)(7)). In the event that an Operator or User is sold, the successor organization must contact the Zone Grantee for Agreement updates, notifications to the FTZB, and any applications to the FTZB to reissue a Grant.

## ***Independent Contractor Status***

Zone Grantee, Zone Operators, and Zone Users are not and shall not be considered as joint venturers, partners, or agents of each other, and none shall have the power to bind or obligate the other except as set forth in any written agreements. Zone Grantee, Zone Operator, and any future Zone User agree not to represent to anyone that they are agents of one another or have any authority to act on behalf of one another except as set forth in any written agreements.

## ***Procedures Manual***

The Operator will provide a copy of its written inventory control and recordkeeping systems procedures manual and any procedure updates. The Operator may authorize a Zone User to maintain its individual inventory control and recordkeeping system and procedures manual; however, the Operator remains responsible and liable under its bond for supervision, defects in, or failures of such a system.

## ***Zone Facilities***

All merchandise stored in the Zone will be stored in a safe and sanitary manner. Trash and waste shall be promptly removed from the zone. All local, state, and federal health laws shall be observed to ensure protection of public safety (19 C.F.R. § 146.4 (f)).

## ***Construction of Zone Facilities***

The Zone Grantee may, with the approval of the Foreign-Trade Zones Board, permit other persons, firms, or corporations to erect buildings and other structures within the zone. All construction should be in accordance with CBP requirements and the building activated by U.S. Customs prior to use. The Foreign-Trade Zones Board must be notified of all such construction in a General Purpose Zone or Subzone that was not approved in the original Application. Advanced notification of the construction is not necessary; notification will occur with the Annual Report to the Board. If production authority is requested, construction notification will occur with a Production Notification Application approved by the Foreign-Trade Zones Board. In a foreign-trade zone site that already has production authority, all such construction not approved in the original Application must be approved by an Application to the Foreign-Trade Zones Board in advance of any zone activity (19 U.S.C. §81m), (15 C.F.R. § 400.13(a)(2)).

## ***Inventory Control and Recordkeeping System (ICRS)***

Each FTZ Operator will maintain an inventory control and recordkeeping system that tracks beginning inventory balance, merchandise receipts, cost or value of merchandise, merchandise zone status, tariff classification, shortages, overages, merchandise disposition (scrap/waste, transfer, manufacture, etc.), and information necessary for entries and transfers. Lot Numbers or Unique Identifiers will be used to track and trace merchandise using an inventory system approved by CBP.

## ***Receipt of merchandise***

Normally, merchandise will only be admitted into the Zone through a uniquely and sequentially numbered CBP Form 214 (Application for Foreign-Trade Zone Admission and/or Status Designation) and the issuance of a permit. Exceptions to the CBP Form 214 requirement are for merchandise temporarily deposited, transiting merchandise, or domestic merchandise admitted without permit.



## ***Admission of Merchandise***

All merchandise will be recorded in a receiving report or document using a zone lot number or unique identifier. All merchandise, except domestic status merchandise for which no permit for admission is required, must be traceable to a CBP Form 214 and accompanying documentation. Quantities received will be reconciled to a receiving report or document, such as an invoice, with any discrepancy reported to the CBP Port Director. The receiving report or document is required to provide sufficient information to identify the merchandise and distinguish it from other merchandise. Merchandise received will be accurately recorded in the ICRS from the receiving report or document using the zone lot number or unique identifier for traceability.

## ***Direct Delivery***

An Operator may qualify for direct delivery if its operations are: predictable and stable over a long term and are relatively fixed in variety; merchandise is not restricted or of a type requiring Customs examination before or on its arrival; CBP has no reason to believe the merchandise will be inaccurately described in admission documents; and when the Operator is the owner or purchaser of the merchandise.

## ***Exclusion of Goods or Treatment***

The FTZB may at any time order the exclusion of any merchandise or process of treatment that in its judgment is detrimental to the public interest, health, or safety. Similarly, the FTZB may place a time limit on an import or treatment process to ascertain the impact of such activity. Usually such exclusions or restrictions occur by issuance of a Board Order.

## ***Manipulation, Production, 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.

Production, involving any change in the HTSUS classification of an item, requires prior approval from the FTZB. Any new production operation beyond the scope authorized by the FTZB requires an application to the FTZB for review and approval (15 C.F.R. 400.14(a)). The FTZB must also be notified of any sourcing changes for an approved production activity involving material subject to quotas, Anti-Dumping/Countervailing Duties, or inverted tariff benefits (15 C.F.R. §400.14(a)).

Prior to manipulation, manufacture, exhibition or destruction of merchandise, the Operator is required to file with the Port Director an application (or blanket application) on CBP Form 216 for permission. After CBP approves the application (or blanket application), the Operator will retain in its recordkeeping system the approved application.

## ***Retail trade***

Retail trade is prohibited within the Zone unless written approval is issued by the FTZB.

## ***Zone-restricted merchandise***

Zone-restricted merchandise may be transferred to the customs territory only for entry for exportation, for entry for transportation and exportation, for warehousing pending exportation, for destruction (except destruction of distilled spirits, wines, and fermented malt liquors), for transfer to another FTZ, or for delivery to a qualified vessel or aircraft or as ground equipment of a qualified aircraft, unless the FTZB has ruled that the return of the merchandise to the customs territory for domestic consumption is in the public interest.

## ***Physical Inventory***

The Operator is required to undertake, at minimum, an annual physical inventory of all merchandise in the Zone (unless continuous cycle counts are taken as part of an ongoing inventory control program) with prior notification of the date(s) given to CBP for any supervision of the inventory deemed necessary.

## ***Transfer of Merchandise***

When merchandise is transferred from one FTZ to another, or from one zone site to another within FTZ 120, the Operator of the transferring zone must provide the Operator of the destination zone with the documented history of the merchandise being transferred.

## ***Removal of Merchandise***

Except domestic status merchandise, no merchandise may be removed from the Zone without a CBP permit on the appropriate entry form or other document as required by pertinent regulations. The CBP Port Director may authorize transfer from the zone without physical supervision or examination by a CBP officer. Upon issuance of a permit, the Port Director will authorize delivery of the merchandise only to the Operator who then may release the merchandise to the importer or carrier.

## ***Rates & Fees***

Each Operator making facilities available to multiple Zone User firms assumes responsibility for maintaining a complete and current Zone Schedule. Each Zone Operator will provide a Fee Schedule of their charges to the Grantee and any changes and/or revisions to the Fee Schedule upon implementation. All rates and charges shall be fair and reasonable and the Operator(s) shall afford all who may apply for the use of the Zone and its facilities uniform treatment under like circumstances. Changes to rates and charges may not take effect until the Operator receives written confirmation from the Grantee that the new rates have been submitted to the FTZB.

## FOREIGN TRADE ZONE 120

### GRANTEE FEES

*Cowlitz Economic Development Council*

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<b>APPLICATION FEE:</b>	Boundary Modification – minor	\$2500.00
	Boundary Modification – major	\$5000.00
	Manufacturing / Processing	\$2500.00
	Sub-Zones	\$5000.00
	Minor Boundary Modification – temporary	\$1250.00
<b>ACTIVATION FEE:</b>	All sites	\$2500.00
<b>DEACTIVATION FEE:</b>	All sites	\$2500.00
<b>ANNUAL ADMINISTRATION FEE:</b>	General-Purpose Site	\$2500.00
	Sub-Zone	\$5000.00

## ***Information on a Public Operator***

At this time there are no Public Operators within FTZ 120.