

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.

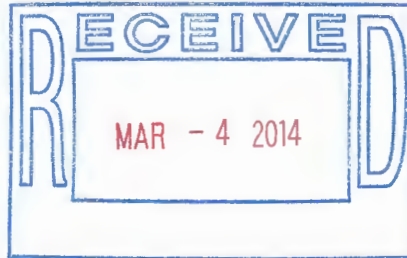
Complaints about a grantee’s compliance with statutory and regulatory requirements related to public utility and uniform treatment – including rate or charge amounts/formulas, a grantee assessing a rate or charge amount/formula that does not appear in its zone schedule, and a grantee not affording uniform 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.

PORT OF HOUSTON AUTHORITY
U.S. FOREIGN TRADE ZONE NO. 84

ZONE SCHEDULE

Zone Schedule



U.S. FOREIGN TRADE ZONE

NO. 84

HARRIS COUNTY, TEXAS

Effective: January 31, 2014

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ZONE SCHEDULE

RULES AND POLICIES

Foreign Trade Zone No. 84 is regulated by the Foreign Trade Zones Board, Washington, D.C. under U.S. Code of Federal Regulations Chapter IV, Part 400. The authority and jurisdiction of the Board is derived from Public Law No. 397, 73rd Congress (48 Stat.998), approved June 18, 1934, as amended by Public Law No. 566, 81st Congress (164 Stat. 246), approved June 17, 1950.

Foreign Trade Zone No. 84 is subject to CBP regulations as defined in U.S. Code of Federal Regulations, Title 19, Customs Duties, Chapter 1, Part 146 – Foreign Trade Zones. Copies of these regulations may be obtained at the local CBP office.

ADMISSION OF MERCHANDISE TO THE ZONE

Before foreign or zone restricted merchandise may be admitted into a zone site, an application on Customs Form 214 must be prepared by the merchandise owner or his agent, then submitted to and approved by the Zone Operator and CBP.

MANIPULATION OR MANUFACTURING IN THE ZONE

Before zone merchandise may be manipulated within the zone, an application on Customs Form 216 must be prepared by the merchandise owner or his agent, then submitted to and approved by the Zone Operator and CBP. Manufacturing may not occur in the zone without prior approval by the Foreign Trade Zones Board for each individual manufacturing operation.

REMOVAL OF MERCHANDISE FROM THE ZONE

Before foreign or zone restricted merchandise may be removed from the zone, the Zone Operator must receive a copy of an entry form approved by CBP for the exact quantity of the merchandise to be removed. The entry must be prepared by the merchandise owner or his agent on the appropriate Customs form.

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TRANSPORTATION OF ZONE MERCHANDISE

Transfer of foreign or inbond merchandise to or from the zone must be made by a Customs bonded cartman or carrier and is subject to all Customs regulations regarding inbond movement of merchandise.

RETAIL TRADE WITHIN THE ZONE

No retail trade shall be conducted within an activated zone site except under permits issued by the grantee and approved by the Foreign Trade Zones Board. Such permittees shall sell no goods except such domestic or duty-paid or duty-free goods as are brought into the zone from Customs territory. Permits which are sent to the Board for approval shall be accompanied by a sworn statement, subscribed to by the applicant before a duly authorized officer to administer oaths, setting forth in detail the nature of the retail trade to be conducted, and containing an agreement that such applicant will sell no goods except the kinds specifically authorized by the Board, which are brought into the zone from Customs territory. 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 the zone is located. If the permittee violates any provision of the regulations in this Section, the permit shall be revoked by the grantee, who shall immediately report such action to the Board.

GRANTEE/TENANT AGREEMENT – GRANTEE/OPERATOR AGREEMENT

Prior to the commencement of operations under zone status, each zone site tenant or operator or subzone operator must enter into a written agreement with the Grantee outlining the rights and obligations of both parties. The Agreement will specify the terms and conditions of zone operations to take place at the zone site or subzone.

SECURITY AND SAFETY REQUIREMENTS IN THE ZONE

All foreign trade zone sites, in order to be activated by CBP, must meet certain security and safety requirements. These requirements may include, but are not limited to, locking warehouse doors, adequate fencing, personnel screening, security guards, proper lighting in warehouses, absence of debris or other safety hazards, etc. Each zone site will be considered separately to determine what CBP may require to protect the revenue of the United States, based on the specific conditions at each zone site. After a zone site has been activated, all security and safety measures required to achieve the initial activation must be maintained at all times.

LIABILITY OF GRANTEE

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The Port of Houston Authority will not be liable and cannot assume any responsibility for any loss or damage to freight, cargo or merchandise or other property at any zone site, 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 premises or of the other portions in or about the Zone, nor for the breakdown of equipment or power service, nor for loss or damage from any cause whatsoever.

VIOLATIONS OF ZONE REGULATIONS

Zone site tenants and operators must comply with all CBP rules and regulations that apply to foreign trade zones and must be certain that all personnel who handle zone merchandise and documentation have sufficient knowledge of proper zone procedures. CBP inspectors conduct unscheduled visits to zone sites and violations of zone regulations may result in fines and penalties assessed against the zone site tenant or operator.

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Rates/Charges Assessed for FTZ 84

USER DRIVEN, MAGNET, SUBZONES AND ZONE SITE OPERATORS

If all requirements have been met and approval has been given by the Port of Houston Authority and CBP, a firm may be authorized as the Zone Operator of a specific zone site. The zone site may be area that is owned by the Port Authority or authorized area that is privately owned. A special purpose subzone must be approved by the Foreign Trade Zones Board for a zone user that cannot be accommodated at the general purpose zone sites. The Zone Operator of a zone site and the Subzone Operator will be required to post an Operator's Bond with CBP and will maintain its own Customs approved inventory control and recordkeeping system. Subzone Operators and Zone Site Operators will be charged an annual fee payable in advance and based on the amount of authorized zone area owned or leased by the Operator. The fee will be determined by the following schedule.

<u>Authorized Area</u>	<u>Annual Fee</u>
Less than one acre	\$5,000
One acre up to 5 acres	\$7,000
Greater than 5 acres	\$9,000

CUSTOMS AND BORDER PROTECTION FEES

All fees charged to U.S. FTZ No. 84 by CBP must be paid by the zone site tenant or zone operator for which the service was rendered. Annual fees, if any, will be portioned to each zone site according to the method CBP uses to determine the total fee.

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DEFINITIONS

FOREIGN TRADE ZONE

An area located within the United States where both foreign and domestic merchandise may be stored, manipulated or manufactured while considered to be outside U.S. Customs territory.

ZONE GRANTEE

A corporation which has been granted the privilege by the Foreign Trade Zones Board to establish and maintain a foreign trade zone. The Port of Houston Authority is the Grantee of U.S. FTZ No. 84 in Harris County.

ZONE OPERATOR

A firm which has been given permission by the Grantee and U.S. Customs and Border Protection to activate zone area and accept responsibility for the security and inventory recordkeeping of zone merchandise.

ZONE SITE TENANT

A firm which is responsible for all activity being conducted and all merchandise stored within a zone site that is activated under the Port Authority's Zone Operator Bond.

ZONE USER

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A firm which holds title to merchandise which is stored, manipulated or manufactured within a zone and is primarily responsible for the payment of duties, taxes and license fees when required.

CUSTOMS AND BORDER PROTECTION (CBP)

U.S. government agency responsible for the protection of the revenue of the United States within a specific area or district.

AUTHORIZED ZONE SITE

An area which has been designated by the Grantee, and approved by the Foreign Trade Zones Board to provide space for conducting zone operations.

ACTIVATED ZONE SITE

An authorized area designated by a Zone Operator and approved by the Grantee and CBP to receive merchandise under zone status for storage, manipulations or manufacturing.

CUSTOMS TERRITORY

The territory of the United States in which the general tariff law of the United States applies, but which does not include activated foreign trade zone areas.

FOREIGN MERCHANDISE

Imported merchandise of every description which has not been properly released from Customs custody into the commerce of the United States.

DOMESTIC MERCHANDISE

U.S. products on which all internal revenue taxes, if applicable, have been paid, previously imported merchandise on which duty and/or taxes have been paid and previously entered merchandise which is free of duty and taxes.

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ZONE RESTRICTED MERCHANDISE

Merchandise admitted to a zone under zone restricted status will be considered, for Customs purposes, as exported. Once zone restricted status is chosen, the merchandise may only be exported or destroyed. It will not be allowed to enter U.S. commerce unless deemed by the Foreign Trade Zones Board to be in the best interest of the public.

INBOND MERCHANDISE

Imported merchandise, not yet released from Customs custody, which is being transported or stored by a firm which has posted a bond with CBP in an amount covering all charges, fines, and penalties that could result from loss or damage to the merchandise.

MANIPULATION

Any activity involving zone merchandise that would not be considered manufacturing including, but not limited to, opening, examining, cleaning, sorting, mixing, labeling, marking and repackaging.

Production

Any substantial transformation that results in a change in tariff classification, value or product use.