

## **IMPORTANT INFORMATION ABOUT ZONE SCHEDULES**

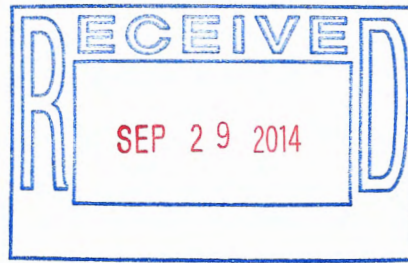
This zone schedule is being made available pursuant to 15 CFR 400.44(e), which states: “The Board shall make copies of zone schedules available on its Web site.”

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 No. 73**  
**Maryland department of transportation**  
**Maryland Aviation Administration**  
Baltimore/Washington International Thurgood Marshall Airport  
Third Floor, Airport Terminal Building  
P.O. Box 8766  
BWI Airport MD 21240-0766

Effective:            October 1, 2014

**TABLE OF CONTENTS**

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**SECTION I – INTRODUCTION, HISTORY, AND GRANT OF AUTHORITY**

Introduction..... 1  
History & Grant of Authority.....1  
Authority..... 2  
Definitions..... 3

**SECTION II – ZONE POLICES, RULES, AND REGULATIONS**

Zone Regulations..... 9  
Internal Rules & Regulations..... 10

**SECTION III – ZONE RATES, CHARGES, AND FEES**

Grantee Rates and Charges..... 16

## SECTION 1: INTRODUCTION, HISTORY & GRANT OF AUTHORITY

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### INTRODUCTION

Foreign-Trade Zones (zones) are restricted-access sites in or adjacent to a Customs port of entry, which are licensed by the Foreign-Trade Zones Board (hereinafter referred to as “the Board”), an executive secretariat of the U.S. Department of Commerce, and operated under the supervision of the U.S. Customs and Border Protection (hereinafter referred to as “CBP”). Zones have as their public policy objective the creation and maintenance of employment through the encouragement of operations in the United States which, for Customs reasons, might otherwise have been conducted abroad.

Foreign and domestic merchandise may be moved into zones for operations not otherwise prohibited by law involving storage, exhibition, assembly, manufacture or other processing. The usual formal Customs entry procedure and payment of duties is not required on the foreign merchandise unless and until it enters Customs territory for domestic consumption, in which case the importer ordinarily has a choice of paying duties either on the original foreign material or on the finished product. Quota restrictions do not normally apply to foreign goods stored in zones, but the Board can limit or deny zone use in specific cases on public interest grounds. Domestic goods moved into a zone for export may be considered exported upon admittance to the zone for purposes of excise tax rebates and drawback. Goods in a zone for a *bona fide* Customs reason are exempt from state and local taxes.

The purpose of this Schedule is to set forth internal rules, regulations and general administrative procedures including rates and charges of Foreign-Trade Zone No.73 (hereinafter referred to as “FTZ No.73”). Some portions of this Schedule are taken directly from the Foreign-Trade Zones Act, the Foreign-Trade Zones Board Regulations, the U.S. Customs Regulations and Foreign-Trade Zone Manual, and other sources. This schedule is not intended to interpret or represent FTZ requirements other than those implemented by the Maryland Department of Transportation as grantee. The rules, regulations and rates of this Zone Schedule shall apply to subzones, general purpose sites and all other involved parties within FTZ No. 73.

### HISTORY & GRANT OF AUTHORITY

The principal statute governing foreign-trade zones is the Foreign-Trade Zones Act of 1934, as amended, (hereinafter referred to as “FTZA”), which has been

codified in the United States Code as Title 19, Sections 81a through 81u, inclusive. The FTZA generally covers how and where zones are established, how they are administered, and what may and may not be done in them. The FTZA is administered through two sets of regulations, the Foreign-Trade Zones Board Regulations (15 Code of Federal Regulation (CFR) Part 400) and the U.S. Customs Service Regulations (19 CFR Part 146).

Pursuant to a grant issued on November 19, 1981 by the Foreign-Trade Zones Board, as Board Order No. 180 the Maryland Department of Transportation was granted the privilege to establish, operate, and maintain a Foreign-Trade Zone at Baltimore/Washington International Airport, Maryland, under the provisions of the Foreign-Trade Zones Act (19 U.S.C. 81a-81u).

## **AUTHORITY**

### **U.S. Customs and Border Protection Authority**

The Board is responsible for the establishment, maintenance, and administration of foreign-trade zones under the FTZA. The Board consists of the U.S. Secretary of Commerce and the Secretary of the Treasury.

The rules, rates, and regulations provided in this zone schedule do not supersede CBP Rules and Regulations. Any new measures, rulings, or determinations made by CBP will apply

### **Grantee Authority**

The Maryland Department of Transportation's role as grantee shall be limited to general oversight responsibility to ensure that the reasonable needs of the business community are served by Foreign-Trade Zone (FTZ) No.73. Operation of zone sites shall be delegated to the operator(s) who will assume responsibility for compliance with all regulations of the CBP, the Foreign-Trade Zones Board and other relevant government agencies. Inquires regarding the administration of FTZ No. 73 may be referred to:

**Morris E. Williams, III, Manager**  
**Division of Commercial Business Activities**  
**Office of Commercial Management**  
**Maryland Aviation Administration**  
**Third Floor, Terminal Building**  
**P. O. Box 8766**  
**BWI Airport MD 21240-0766**  
**Phone: 410-859-7036**  
**Email: [mwilliams8@bwiairport.com](mailto:mwilliams8@bwiairport.com)**

## **DEFINITIONS**

### **Act.**

The Foreign Trade Zones Act of 1934, as amended (19U.S.C. 81a-81u).

### **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, zones sites must be within sixty (60) miles or ninety (90) minutes driving time of a U.S. Customs and Border Protection Port of Entry, Non-ASF subzones located 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 the applicant works with the CBP Port Director to ensure that proper oversight measures are in place.

### **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).

**Annual Fee.**

Covers Grantee expenses for oversight of the Subzone project and submission of the Annual Report to the Board.

**Annual Reports.**

Each operator's report to its zone's grantee is due by the deadline set by the grantee, March 1 (with the grantee then submitting its report to the FTZ Board by March 31). The FTZ Zone Site Operator must submit to the Grantee an annual report for the calendar year ending December 31<sup>st</sup> containing data required by the Board and the CBP. All such statements shall be signed by appropriate officials, certifying the accuracy of the reports. All reports will need to be submitted via the Online FTZ Information System (hereinafter referred to as "OFIS"). Operators can indicate if their data are considered "business proprietary," in which case any public reports generated based on that data will only indicate ranges into which the data fall.

**Application Fee.**

Covers Grantee expenses for obtaining the necessary approvals and resolutions for the zone, submission of the zone Application to the Foreign-Trade Zone Board, preparation and processing of the Operations Agreement and any necessary support required in the Application process.

**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 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 the appropriate CBP documents (including duty evaluation) that allows merchandise to be brought into the commerce of the U.S. (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 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.



**Merchandise Received.**

Involves merchandise received into activated FTZ space under FTZ procedures by foreign-trade 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 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.

**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.

**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.

## SECTION 2: ZONE POLICES, RULES, AND REGULATIONS

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### ZONE POLICES

#### *Foreign-Trade Zones Board Regulations*

The Foreign-Trade Zones Board Regulations (15 CFR part 400) provide regulations and procedures on how Zones are established and modified; how they are managed and administered by zone grantees and operators; and how the Foreign-Trade Zones Board conducts business.

#### *U.S. Customs Service*

The U.S. Customs Service carries out most of the duties and responsibilities of the Secretary of the Treasury under the FTZA, however, the Customs Service does not represent the Secretary of the Treasury in any matter pertaining to Zones which is of a policy making nature for which authority has not been delegated to the Commissioner of Customs; or within the authority of another agency of the Department of the Treasury, such as the Bureau of Alcohol, Tobacco, and Firearms or the Internal Revenue Service. The principal interest and concern of Customs in Zones is control of merchandise moving to and from the zone, to see that all revenue is collected properly, and that there is no evasion of U.S. laws and regulations governing the merchandise. In addition to the duties as an officer of the U.S. Customs Service, the District Director is in charge of the Foreign-Trade Zone as the resident representative of the Foreign-Trade Zones Board and conducts general oversight of the zone's activities.

#### *Customs Laws and Regulations*

The Secretary of the Treasury has authority to promulgate rules and regulations for zones concerning revenue protection. This authority has been implemented through Customs Regulations (19 CFR Part 146). Thus, although Customs laws are not usually applicable in zones, Customs Regulations, through specific provisions in the FTZA, are applicable in zones. Zones shall be operated, maintained, and administered by the grantee and/or operator under the regulations of the Customs Service for the protection of the revenue, and any other law, regulation, or instruction the Customs Service is required or authorized to enforce.

#### *Other Federal Laws*

Since the FTZA specifically excludes, under certain circumstances, only the application of customs laws, most other federal laws are applicable in zones, such as those affecting public health, immigration, labor, welfare, and income tax. Zone operators and users may expect to deal with a number of

agencies, other than the U.S. Customs Service such as the Corps of Engineers, the Environmental Protection Agency and/or the U.S. Food and Drug Administration.

### **State and Local Laws and Regulations**

Generally, state and local laws are applicable in zones, except to the extent they are preempted by Federal laws or the constitution. The Board is directed to cooperate with the state, subdivision, and municipality in which a zone is located in the exercise of their police, sanitary, and other powers in connection with the zone.

## **INTERNAL RULES & REGULATIONS**

In order for FTZ No. 73 to evaluate and determine if a potential Operator satisfies Grantee's Technical Information requirements, the potential Operator must submit at minimum the following:

- 1.** Provide the exact legal name of the entity that would be entering into a Contract with the Grantee.
- 2.** Provide the full name, business address, web address, telephone number, fax (facsimile) number, Federal Identification Number of the entity, and state of incorporation, if a corporate entity, and a certificate of good standing from that state. If not a Maryland Corporation, advise whether or not the entity is registered with the Maryland Department of Assessments and Taxation and authorized to do business in the State of Maryland. Further, advise if the entity is a resident business in the State of Maryland. A "resident business" is defined as a business enterprise that has a Maryland address, is registered to do business in the State of Maryland, employs Maryland residents, and regularly conducts business within the State. The term includes subsidiaries, divisions and branches of business headquartered outside of the State of Maryland.
- 3.** A statement advising whether the potential Operator is a sole proprietorship, partnership, corporation, limited liability company, or joint venture:
  - a.** If a sole proprietorship, state the name of the individual doing business and his or her experience as an Operator within a FTZ.
  - b.** If a partnership, state the full name, address and other occupation (if any) of each and every partner; whether each partner is full time or part time; whether each partner is a general or limited partner; each partner's business experience and history as an Operator within a FTZ; and the proportionate share of the business owned by each partner, and provide a copy of the partnership agreement.

- c.** If a joint venture or limited liability company, state the names of the firms and/or individuals participating in the joint venture or limited liability company, and the principal officers in each firm or the members of the limited liability company; and indicate each joint venturer's or limited liability company member's experience in operating within a FTZ; and the proportionate share of the business owned by each joint venture partner or limited liability company participant. Provide a copy of the joint venture agreement or limited liability company operating agreement and articles of organization.
  - d.** If a corporation, indicate in which state the corporation is incorporated, provide a copy of the articles of incorporation, and state the full name and title of each corporate officer and each officer's experience in operating within a FTZ.
- 4.** The names and locations of FTZ Zones which the potential Operator or its controlling owner(s) operates or operated commercial hangar space; state the number of years the potential Operator or its controlling owner(s) has operated within a FTZ at each location; and provide the names, addresses, and telephone numbers of references familiar with the potential Operator's or its controlling owners' current experience and past performance.
- 5.** A complete and comprehensive document clearly setting forth the potential Operator's or its controlling owner(s)' qualifications in terms of experience and necessary certification(s), describing the organizational structure of the proposed operation, and demonstrating competency to undertake and operate this enterprise in the manner proposed.
- 6.** Please provide a complete and detailed narrative description of the ability to handle necessary inventory control.
- 7.** At least two (2) written business references, dated within the past six (6) months, that provide positive recommendations for the potential Operator's or its controlling owner(s)' experience.
- 8.** The names, locations, and dates of all of the potential Operator's contracts that have been terminated, either voluntarily or involuntarily, prior to the expiration of their terms within the past five (5) years, and the reasons for termination. For the same period of time, list any judgment or any other litigation, including those that are pending, that has or could materially affect the potential Operator's undertaking and/or operation of this proposed enterprise or other activity operated by the potential Operator, by any entity that has a direct or indirect controlling interest in the potential Operator, by any subsidiary entity in which Windward Aviation has a controlling interest, or by any other affiliate of the potential Operator. If there is such litigation, please provide details including name(s) of court(s) and case number(s), and description of issues before the court.

9. If the potential Operator, its controlling owner(s), or any of their principals, officers, directors, or managers have been involved in any bankruptcy proceedings in the past seven (7) years, information or documentation as to the current status of any such bankruptcy.
10. If the potential Operator, its controlling owner(s), or any of their principals, officers, directors, or managers have ever been barred, disqualified, or suspended from bidding on any government (federal, state, county, or municipal) contract, the current status of any and all such proceeding(s) and the reasons for debarment, disqualification, or suspension, regardless of the status of the such proceeding(s).
11. Affirmation that the potential Operator currently is not delinquent in filing any tax returns to the State of Maryland, or in payment of any taxes due to the State of Maryland.

#### **Application of Foreign-Trade Zone No. 73**

The rules, regulations, and rates and charges of the zone schedule shall apply to Foreign-Trade Zone No 73, its subzones and annexes unless otherwise provided for. Users are subject to specific rules, rates, and charges of Zone site operators. All rates and charges for services or privileges within the Zone shall be fair and reasonable, and the operator shall afford to all who may apply for 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 thereafter be made from time to time by the United States government with foreign governments.

#### **All Persons Entering Zone Bound by Regulations**

All persons entering a zone for any reason whatsoever shall be bound by the regulations promulgated by the Board, the CBP, the grantee and operator of the Zone.

#### **Abandonment, Bankruptcy, and Absconding**

- (a) Abandonment - If merchandise is abandoned, in writing, by its owner to the operator, the operator has the right to authorize the exportation, destruction, or sale of the merchandise. The operator may dispose of the merchandise in its own name on the proper form in accordance with pertinent laws and regulations. If the merchandise is to be entered for consumption the owner or purchaser will be held liable for any duties, taxes, and deficiencies due. Auction sales will be conducted by the zone operator, or representative thereof, and not by Customs or a Customs

contractor.

- (b) Insolvency, Absconding, or Arrearage - If merchandise has not been abandoned in writing to the operator, but the owner or the person in whose account the merchandise is held in the zone apparently has absconded, is insolvent, or is in serious arrears in payments owed to the operator, the operator may not dispose of the merchandise without first obtaining legal authority.
- (c) Bankruptcy - If the owner or person in whose account the merchandise is held in the zone declares bankruptcy, the merchandise will be disposed of according to the applicable bankruptcy law.

**Recordkeeping and Reporting Responsibilities –**

All records pertaining to zone merchandise shall be maintained for five (5) years after the merchandise is removed from the zone. In the case of merchandise which has been transferred from a zone to customs territory or is otherwise not exempt from the customs laws, records pertaining to importation which are required or made shall be kept for five (5) years after the date of entry of the merchandise. The operator must maintain an inventory and recordkeeping system which meets CBP requirements and may authorize a zone user to maintain its individual inventory control and recordkeeping system. However, the operator remains liable for compliance to the CBP under its bond, for supervision, defects in, or failures of a system.

**Foreign Trade Zone Operator Bond Conditions**

If the principal is authorized to operate a foreign trade zone or subzone:

- (a) ***Receipt, Handling, and Disposition of Merchandise.*** The principal agrees to comply with:
  - (1) The law and Customs Regulations relating to the receipt (including merchandise received and receipted for transport to his zone), admission, status, handling, transfer, and removal of merchandise from the foreign trade zone or subzone, and
  - (2) The Customs Regulations concerning the maintenance of inventory control and recordkeeping systems covering merchandise in the foreign trade zone or subzone. If the principal defaults and the default involves merchandise other than domestic merchandise for which no permit for admission is required, the obligors (principal and surety, jointly and severally) agree to pay liquidated damages equal to the value of the merchandise involved in the default, or three times the value of the merchandise involved in the default if



the merchandise is restricted or prohibited merchandise or alcoholic beverages, or such other amount as may be authorized by law or regulation. It is understood and agreed that whether the default involves merchandise is a determination made by Customs, that the amount to be collected under this condition shall be based upon the quantity and value of the merchandise as determined by Customs, and that value as used in these provisions means value as determined under [19 U.S.C. 1401a](#). If the principal defaults and the default does not involve merchandise, the obligors agree to pay liquidated damages of \$1,000 for each default, or such other amount as may be authorized by law or regulations.

- (b) ***Agreement to Pay Duties, Taxes, and Charges.*** The obligors agree to pay any duties, taxes, and charges found to be due on any merchandise, properly admitted to the foreign trade zone or subzone, which is found to be missing from the zone or cannot be accounted for in the zone, it being expressly understood and agreed that the amount of said duties, taxes, and charges shall be determined solely by Customs.
- (c) ***Agreement to comply with Importer Security Filing requirements.*** The principal agrees to comply with all Importer Security Filing requirements set forth in part [149 of this chapter](#) including but not limited to providing security filing information the CBP in the manner and in the time period prescribed by regulation. If the principal defaults with regard to any obligation, the principal and surety (jointly and severally) agree to pay liquidated damages of \$5,000 for each violation.
- (d) ***Reimbursement and Exoneration of the United States.*** The obligors agree to:
  - (1) Exonerate the United States and its officers from any risk, loss, or expense arising from the principal's operation of the foreign trade zone or subzone;
  - (2) Pay the compensation and expenses of any Customs officer, as required by law or regulations.
- (e) ***Payment of Annual Fee.*** The principal agrees to pay timely any annual fee or fees as provided in the Customs Regulations. If the principal defaults, the obligors agree to pay liquidated damages equal to the amount of the annual fee due but not paid and an amount equal to one percent of the annual fee for each of the first seven days the annual fee is in arrears, two percent of the annual fee for each of the succeeding seven days the annual fee is in arrears, and three percent of the annual fee for each day thereafter in which the annual fee is in arrears.

**Insurance**

Operator shall not do or permit to be done anything, either by act or failure to act, that shall cause the cancellation or violation of the provisions, or any part thereof, of any policy of insurance for the Grantee, or that shall cause a hazardous condition so as to increase the risks normally attendant upon operations permitted by this Contract. If Operator does or permits to be done any act not permitted under the Contract, or fails to do any act required under this Contract, regardless of whether such act shall constitute a breach of this Contract, which act or failure, in and of itself, causes an increase in Grantee's insurance premiums, Operator shall immediately remedy such actions and pay the increase in premiums, plus a twenty-five percent (25%) administrative fee, upon prior written notice from Administration to do so.

## SECTION 3: ZONE RATES, CHARGES, AND FEES

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### RATES, CHARGES AND FEES

All fees are non-refundable and are to be paid prior to the Grantee's sponsorship or submission of request. The Operator/User is responsible for obtaining and preparing all required documents associated with said request.

#### I. Usage Driven Site

- a. Application for User Driven Site (ASF Minor Boundary Modification) .....\$ 2,500.00  
Fee covers the cost associated with the Grantee's review of the prepared application (fee does not cover the development of the application).
- b. Application for Manufacturing/Production Authority within Usage Driven Site.....\$ 2,500.00  
Fees covers the cost associated with the Grantee's review of the prepared application (fee does not cover the development of the application).
- c. Grantee Activation Concurrence.....\$ 1,000.00  
Fees covers the Grantee's expenses for the preparation and processing of the Operator Agreement, concurrence letter to U.S. Customs Service, and necessary support required in the activation process.

#### II. Magnet Site

- a. Application for ASF Reorganization of Zone (New Magnet Site) .....\$ 5,000.00  
Fee covers the cost associated with the Grantee's review of the prepared application (fee does not cover the development of the application).
- b. Application for Manufacturing/Production Authority per Operator/User within Magnet Site.....\$ 2,500.00  
Fees covers the cost associated with the Grantee's review of the prepared application (fee does not cover the development of the application).

- c. Grantee Activation Concurrence.....\$ 1,000.00  
Fees covers the Grantee’s expenses for the preparation and processing of the Operator Agreement, concurrence letter to U.S. Customs Service, and necessary support required in the activation process.

**III. Subzone Site**

- a. Application for Subzone Site Sponsorship.....\$ 2,500.00  
Fee covers the cost associated with the Grantee’s review of the prepared application (fee does not cover the development of the application).
- b. Application for Manufacturing/Production Authority within Subzone.....\$ 2,500.00  
Fees covers the cost associated with the Grantee’s review of the prepared application (fee does not cover the development of the application).
- c. Grantee Activation Concurrence.....\$ 1,000.00  
Fees covers the Grantee’s expenses for the preparation and processing of the Operator Agreement, concurrence letter to U.S. Customs Service, and necessary support required in the activation process.

**IV. Annual Fees**

Applied on a per designated Zone Site basis. The primary and/or largest Zone Site is priced the full respective annual fee as stated below. Each subsequent Zone Site will be priced at fifty (50) percent of its respective annual fee.

- a. Magnet Site Active
  - 0 – 10 Acres.....\$ 2,500.00
  - 10 – 20 Acres.....\$ 5,000.00
  - 20 – 35 Acres.....\$ 7,500.00
  - 35 – 50 Acres.....\$ 10,000.00
  - 50+ Acres.....\$ 12,500.00

- b. Magnet Site not Active.....50% of Respective Annual Fee
  
- c. General Purpose Site Active
  - 0 – 10 Acres.....\$ 2,500.00
  - 10 – 20 Acres.....\$ 5,000.00
  - 20 – 35 Acres.....\$ 7,500.00
  - 35 – 50 Acres.....\$ 10,000.00
  - 50+ Acres.....\$ 12,500.00
  
- d. General Purpose Site Not Active.....50% of Respective Annual Fee
  
- e. Subzone Active
  - 1-2 sites.....\$ 2,500.00
  - 3-4 sites.....\$ 5,000.00
  - 5-6 sites.....\$ 7,500.00
  - 7-8 sites.....\$ 10,000.00
  - over 8 sites.....\$ 1,000.00
  - plus
  - \$1,000.00 for
  - each site over
  - 8 sites
  
- f. Subzone Not Active.....50% of Respective Annual Fee
  
- g. Usage Driven Site Active
  - 0 – 10 Acres.....\$ 2,500.00
  - 10 – 20 Acres.....\$ 5,000.00
  - 20 – 35 Acres.....\$ 7,500.00
  - 35 – 50 Acres.....\$ 10,000.00
  - 50+ Acres.....\$ 12,500.00
  
- h. Usage Driven Site Not Active.....50% of Respective Annual Fee

**V. Late Annual Fee Payment**

- a. Late Fee.....\$ 100.00 per  
Calendar Day

**VI. Amendments to Original Application Fees**

- a. Boundary Modification.....\$ 1,000.00
- b. Change in Production Activity.....\$ 1,000.00
- c. Deactivation.....\$ 1,000.00

Air Cargo Complex Buildings A, B, and C at Baltimore/Washington International Airport are designated for Foreign-Trade Zone use, subject to limited availability.

**GRANTEE**

**Maryland Department of Transportation**

Maryland Aviation Administration

P.O. Box 8766

BWI Airport, Maryland 21240-0766

Phone: 410-859-7002

Fax: 410-850-4127

**GENERAL PURPOSE ZONE OPERATORS:**

**Belt's Distribution Services**

6925 San Tomas Road

Elkridge MD 21075

Phone: 410 796-7920

Fax: 410 796-7168

**SUBZONE OPERATOR(S)**

**Northrop Grumman Corporation**

7323 Aviation Boulevard

Linthicum MD 21090

Phone: 410-993-5110

Fax: 410-981-5566

**IKEA Wholesale Inc.**

100 Ikea Way

Perryville, MD

Phone: 410-642-6280

Fax: 410-642-2795