

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.

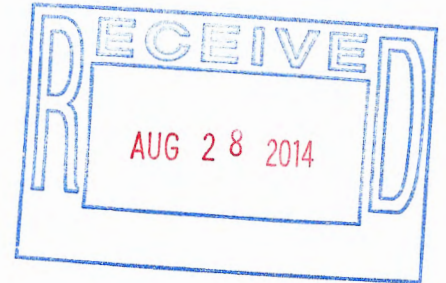
Pursuant to 15 CFR 400.44(b)(4), a grantee may not assess any specific rate or charge for which the amount – or formula for calculating the amount – does not appear in the zone schedule that the grantee has submitted to the FTZ Board.

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.

**THE PEASE DEVELOPMENT AUTHORITY
DIVISION OF PORTS AND HARBORS**

**ZONE SCHEDULE FOR
FOREIGN TRADE ZONE NO. 81**



Effective Date: 08/22/2014

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INTRODUCTION

This Zone Schedule ("Schedule") has been adopted by the Board of Directors of the Pease Development Authority and its Division of Ports and Harbors ("PDA-DPH" or "Grantee"). PDA-DPH is an agency of the State of New Hampshire and sponsor of Foreign Trade Zone No. 81 (the Zone) in the State of New Hampshire, by the authority conferred upon it in accordance with Revised Statute Annotated (RSA) 12-G:38. Acting in its capacity as Grantee, PDA-DPH has adopted the following schedule which shall govern all operations taking place within Foreign Trade Zone No. 81.

I. ZONE SCHEDULE

1.01 Schedule Content: This Schedule has been promulgated and adopted by the Grantee and contains the internal rules and regulations governing the use of Foreign Trade Zone No. 81 by Operators, Users, Participants, and all other persons or entities. The Schedule also includes the Rates and Charges applicable to the use of the Zone. This Schedule is intended to conform with and supplement the Foreign Trade Zones Act (AAct@) and the rules and regulations of the Foreign Trade Zone Board ("FTZ Board") and United States Customs and Border Protection (AUSCBP@). The effective date of this Schedule is set forth on the cover page.

1.02 Amendment and Interpretation: Subject only to the requirements of the Act and the FTZ Regulations, this Schedule may be modified, amended or replaced by PDA-DPA at any time, if PDA-DPH determines it to be necessary or appropriate to do so. PDA-DPH shall, in its sole discretion, interpret the provisions of this Schedule and determine the applicability of any of its provisions. PDA-DPH shall also have complete authority governing the imposition of the Rates and Charges provided for herein, including a decision to waive any such rate or charge in whole or in part.

II. AUTHORITY

The Zone has been established pursuant to the Grant subject to oversight by the Grantee and all activities within the Zone. All persons doing business within the Zone and all operations moving merchandise into or out of the Zone must strictly conform to the Act, the Regulations, this Schedule and all other applicable federal, state and local laws, rules and regulations.

III. ZONE TO BE OPERATED IN THE PUBLIC INTEREST

3.01 Uniform Treatment: The Grantee shall have the responsibility of ensuring that the needs of the business community utilizing the port of entry for the Zone are reasonably served and that the Zone is being operated in the public interest affording uniform treatment to all Operators, Users, and Participants operating under like circumstances. The Grantee will ensure that rates and charges imposed according to this Schedule will be fair and reasonable taking into account the costs and expenses of the Grantee.

3.02 Potential Detriment to Public Interest: In accordance with the FTZ Regulations, the FTZ Board may restrict or prohibit any operation in the Zone that the FTZ Board deems detrimental to public interest, health, and/or safety. Any party that is concerned that it is or may be adversely

affected by any Zone operation may submit written comments to the FTZ Board relative to these concerns, if the Grantee is unable to resolve the party's concerns. Comments must stipulate how the activity in question is or would be detrimental to the public interest, health, and/or safety.

IV. ZONE REGULATIONS, RULES AND POLICIES

4.01 General Policy: It is the policy of PDA-DPH to promote the use of the U.S. Foreign Trade Zone program and the Zone. PDA-DPH shall encourage companies that can benefit from the activities allowed under the Act to invest resources and create jobs for the purpose of increasing international commerce.

4.02 Qualifications: Persons and business entities may qualify as Operators, Users, or Participants of the Zone provided that they have:

- A Satisfied any requirements imposed by the USCBP.
- B. Executed the necessary Operating Agreement with the Grantee.
- C. Conformed with all federal, state and municipal statutes and regulations, including but not limited to, the USCBP Regulations.
- D. Have filed a schedule of rates and charges with the Grantee, if applicable.

4.03 Non-Reliance: Users contemplating the utilization of an Operator's services should not rely solely upon the schedule for that Operator that is on file with the Grantee. The User should always contact that Operator directly for current quotes of rates and rules relating to the User's cargo to be handled by that Operator.

4.04 Operators Not Filing a Schedule: Any Operator that does not file a Schedule with the Grantee is restricted to handling only its own merchandise.

4.05 Local Requirements: Operators, Users, and Participants whether operating on or off of property owned by the Grantee, shall comply with all requirements of applicable local laws, including the provisions of local zoning ordinances.

4.06 Other Requirements: Operators, Users, and Participants shall comply with agencies of such legislation, rules or regulations promulgated by agencies having jurisdiction of certain import and/or exports, including but not limited to, the Food and Drug Administration, Fish and Wildlife Commission, Environmental Protection Agency, Department of Defense, Import Administration, Export Administration, U.S. Census Bureau, Alcohol, Tobacco & Firearms, and any other agencies related to the import and export of merchandise. Operators, Users, and Participants shall cooperate fully with all such agencies.

4.07 Availability of Approved Facilities: In the event there are no facilities available in the approved areas of the Zone that meet the Operator=s, User=s, or Participant=s requirements, the Grantee shall use its best efforts to obtain approved status for an area located outside of the Zone to accommodate such facilities on a first-come, first-to-be-served basis.

4.08 Application to the FTZ Board: The Grantee shall have the primary responsibility for filing applications with the FTZ Board requesting modifications to the Grant. Requests for modification to the Grant may include expansion of the Zone, minor Zone modifications, Subzone or Usage-Driven Site applications and/or changes in the scope of authority. However, a potential Operator, User, or Participant may file an application directly with the FTZ Board subject to the approval of the Grantee and the Port Director evidenced by a letter of concurrence from each when required.

4.09 Interpretation of This Schedule: Whenever interpretation of the provisions of this Schedule become necessary, such interpretation shall be made by the Grantee in accordance with the Regulations and the laws of the State of New Hampshire, as the same apply to the Operator's activities in the Zone.

V. PAYMENT OF FEES AND CHARGES

5.01 Rates: Operators and Users shall pay PDA-DPH for services rendered at the rates published on Appendix A attached to this Schedule.

5.02 Fees, Fines, and Penalties Payable to the Grantee: A late fee assessment of one and one-half percent (1-1/2%) per month, will be imposed on all past due amounts not made within ten (10) days of the due date and shall be assessed for as long as said amount remains delinquent. This provision shall not preclude PDA-DPH from terminating any Agreement(s) as provided herein or from exercising any other remedy contained herein or as provided by law.

5.03 Non-Payment of Fees: PDA-DPH reserves the right to terminate any Operating Agreement or otherwise deny any Operator, User, or Participant the use of the Zone as a result of the Operator, User, or Participant's failure to pay fees due the Grantee, as provided for in this Schedule.

5.04 Fees Assessed by Operators: Any Operator providing services to the public, unless listed under Section 5.04, shall publish its own schedule of services offered and fees to be charged to Users. Such schedule must be available at the Operator's Zone Site and at the office of the Grantee. Such fees shall be uniform and reasonable, but shall not preclude any Operator from entering into agreements with Users based on time, volumes and other considerations.

5.05 Fees, Fines, and Penalties Payable to the Foreign Trade Zone Board: All Operators, Users, and Participants should familiarize themselves with the fees, fines, and penalties set forth in 15 CFR Part 400 - FTZ Regulations, including articles 400.29 and 400.62.

VI. OPERATORS WITH A PDA-DPH AGREEMENT TO OFFER SERVICES TO THE PUBLIC

6.01 Fees for operator's administrative charges are set forth in the most current Tariff issued by each operator and may be amended from time to time. Tariff schedules are subject to review by the FTZ Board and by the Grantee. Tariffs are submitted to the FTZ Board and made available to the public.

APPENDIX

APPENDIX A: RATES AND FEES

Annual Operator	\$2,000.00
Annual Manufacturing Zone Operator Fee:	\$5,000.00

APPENDIX B: DEFINITIONS

"**Act**" means the Foreign-Trade Zones Act of June 18, 1934 (48 Stat. 998-1003; 19 USC 81 81a-81u), as amended.

"**Activated Area**" means a Zone Site or a Subzone or any portion thereof that has been activated pursuant to the Act.

"**CBPF**" means the Customs and Border Protection Form as used in the Regulations, which will have a specific number used by USCBP to stipulate the use of the form.

"**Customs Territory**" means the territories of the U.S. in which general U.S. Tariff laws apply including all U.S. States, the District of Columbia and Puerto Rico minus any areas within the boundaries of any Foreign-Trade Zone.

"**Domestic Merchandise**" means any merchandise which has been (1) produced in the United States and not exported, or (2) previously imported into a Customs Territory of the United States and properly released from USCBP custody. Foreign merchandise on which all necessary and applicable duties and taxes have been paid, and upon which no drawback has been claimed, is considered Domestic Merchandise when admitted into a Foreign-Trade Zone.

"**Executive Secretary**" means the Executive Secretary to the Foreign-Trade Zones Board.

"**FTZ**" means Foreign-Trade Zone as defined by the Act.

"**FTZ Board**" means the U.S. Foreign-Trade Zones Board of the United States Department of Commerce, as established by the Act.

"**FTZ Regulations**" means Title 15, Code of Federal Regulations (CFR), Part 400, as amended.

"**General Purpose Zone**" means those portions of a Zone used for general zone use, including but not limited to import, storage and distribution of merchandise and do not include manufacturing or processing.

"**Grant**" means the authorization granted on January 20, 1983, as amended, issued to the Grantee, the Pease Development Authority Division of Ports and Harbors, to establish and maintain Foreign-Trade Zone #81.

"Grantee" means the Pease Development Authority Division of Ports and Harbors as the recipient of the Grant, approved January 20, 1983.

"Manufacturing Zone Operator" means a company which has sought and received the approval of the FTZ Board and the Pease Development Authority - Division of Ports and Harbors to operate in the Foreign Trade Zone 81.

"Minor Boundary Modification" means a proposed change to a zone that may be approved by the Executive Secretary to the Foreign-Trade Zones Board.

"Operator" means any company or other entity which executes an Operating Agreement with the Grantee and that assumes responsibilities enumerated by the Operating Agreement and 19 CFR 146.

"Operating Agreement" means any written agreement between the Grantee and any Operator or Operator/User utilizing the Zone that establishes the rules, regulations, procedures and requirements for the Operator's use of the Zone.

"Operating Procedures" means the inventory control and record keeping procedures that will be used in the Zone as specified and certified in writing by the Operator, submitted to USCBP and the Grantee and meet the requirements of Subpart B of 19 CFR 146.

"PDA Board" means the Pease Development Authority Board of Directors, as established by New Hampshire General Law RSA 12-G.

"Port Director" means the USCBP Port Director with jurisdiction over the U. S. Customs Port of Entry, Portsmouth, NH, including Kittery, Me.

"Regulations" means the regulations as set forth in 15 CFR 400 and 19 CFR 146.

"Schedule" means this schedule or rules, regulations and fees issued and promulgated by the Grantee as required under 15 CFR 400.44.

"Subzone" means a special purpose zone established for a limited use that cannot be accommodated as a general purpose within the Zone. .

"USCBP" means the United States Customs and Boarder Protection Service.

"USCBP Regulations" means 19 CFR 146 that governs the activities of Operators within the Zone; admission, manipulation, manufacture or exhibition of merchandise within the Zone; the transfer of merchandise from one zone to another and the transfer of merchandise from the Zone into the USCBP Territory.

"User" means those persons utilizing the services of any Zone Operator. "Zone" means the aggregate of all Zone Sites within FTZ #81.

"Zone" means the aggregate of all Zone Sites within FTZ 81.

"Zone Site" means each separate area comprising the Zone including buildings and facilities located within a particular area that is utilized by an Operator while exercising the rights and privileges granted pursuant its Operating Agreement with the Grantee.

"Zone Status" means the status of merchandise that is brought into the Zone or any of its Subzones. Merchandise shall be identified according to the type of status. The four (4) types of Zone Status are:

A. "Privileged Foreign Status" is the status that will be given to foreign merchandise or non-tax-paid domestic merchandise upon which the duty and the applicable taxes have been determined at the time the status is approved according to a CBPF 214. Once they have been determined, the duty rate and taxes are not subject to future fluctuation. Once established, the Privileged Foreign Status given to the merchandise cannot be changed. If merchandise has already been admitted into the Zone and given Non-Privileged Foreign Status, Privileged Foreign Status for that merchandise may be requested by filing CBPF 214, CBOF 7502 and related documents. Application for Privileged Foreign Status must be filed prior to manipulation or manufacture of any merchandise.

B. "Non-Privileged Foreign Status" is the status that will be given to foreign merchandise or non-tax paid domestic merchandise upon which the duty and applicable taxes will be determined at the time the merchandise enters the Customs Territory from the Zone for consumption.

C. "Domestic Status" is the status that will be given to merchandise that is comprised of (1) U.S. products on which all internal revenue taxes have been paid; or (2) imported merchandise on which all duty and/or taxes have been paid; or (3) imported merchandise which is free of duty and tax.

D. "Zone Restricted Status" is the status that will be given to merchandise entering the Zone for the purpose of exportation or destruction (other than alcoholic spirits or beverages). Merchandise with Zone Restricted status may not be returned to any geographic area under USCBP jurisdiction for domestic consumption except as approved by the Board.

EXHIBIT C:
AMENDMENTS TO ZONE SCHEDULE

Amendment No.

Date

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