

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.

Zone Schedule

Foreign-Trade Zone 204

Tri-Cities, TN/VA

Member Communities

Tri-Cities Regional Airport

Sullivan County, TN

Washington County, TN

Bristol, VA

Bristol, TN

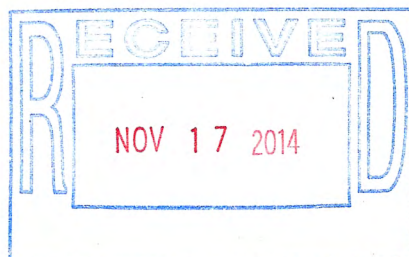
Johnson City, TN

Kingsport, TN

Hamblen County, TN

Tri-Cities Airport Authority

Effective: August 1, 2014



Foreign-Trade Zone No. 204, organized under the Alternate Site Framework (ASF) with a service area which includes the Counties of Sullivan, Hawkins, Greene, Washington, Unicoi, Carter, Hamblen and Johnson, Tennessee and the Counties of Buchanan, Dickenson, Wise, Lee, Russell, Scott and Washington, Virginia and the Cities of Norton and Bristol, Virginia, within and adjacent to the Tri-Cities Customs and Border Protection port of entry, is a multiple government-operated and supported project. All rates and charges for all services or privileges within the Zone shall be fair and reasonable and the operators 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.

Copies of this zone schedule are on file with the Foreign-Trade Zones Board, Washington, D.C., and are available at the general offices of Foreign-Trade Zone No. 204 upon request at a price of \$ 10.00 per copy.

Table of Contents

Rules and Policies of FTZ 204	Page 3
Rates/Charges Assessed for FTZ 204	Page 7
Appendix A: Definitions.....	Page 11

Rules and Policies of FTZ 204

ZONE REGULATIONS. - The following rules governing procedures within Foreign-Trade Zone No. 204 are issued in conformity with and supplementary to the Foreign-Trade-Zones Board's regulations and such of the United States laws and regulations relating to the Port of Entry as are applicable to Foreign-Trade Zone operations.

GENERAL REGULATIONS. - All persons and merchandise of every description entering or leaving Zone No. 204 for any purpose whatsoever shall be bound by the lawful regulations of the Foreign-Trade Zones Board and by the Zone regulations issued thereunder.

GOVERNMENT AGENCIES. - All lawful regulations regarding government agencies in or about ports of entry must be complied with insofar as they are not in conflict with Public Law 397 of the 73rd Congress and the Regulations issued thereunder.

COMPENSATION INSURANCE. — Every person employed by contractors or customers in the Zone shall be properly covered by Workman's Compensation Insurance. Proof of this shall be furnished before any work is initiated with Zone, or release of liability must be given to the Operator.

PUBLIC INTEREST, HEALTH AND SAFETY. - No operation or process of treatment will be permitted in the Zone that, in the judgment of the Grantee, is detrimental to the public interest, health and safety.

CONFIDENTIAL RELATIONSHIP. - The Grantee/Administrative Operator will take precaution to avoid the divulging of confidential information regarding merchandise and services thereon performed in the Zone. Any Zone employee violating this confidential relationship will be discharged immediately.

ADMITTANCE OF PERSONS. - Persons desiring admittance to the Zone shall make application to a representative of the Operator. The pass issued must be worn or shown upon request. Upon leaving the Zone, any temporary pass must be surrendered and any permanent pass must be shown to the representative of the Operator. All persons having business in the Zone will enter and leave at the prescribed entrance.

CHARGES BY GOVERNMENT AGENCIES. - Charges made by government agencies other than the Foreign-Trade Zone Operator are not included in this Tariff and should be arranged by the owner or its agent with the government bureau concerned.

WHEN CHARGES ARE PAYABLE. - Zone charges are due and payable as they accrue.

MERCHANDISE HELD FOR CHARGES. - The Zone Operator reserves the right to withhold permission to withdraw merchandise from the Zone for users with unpaid charges for zone use.

CHARGES ENFORCED. — For the purpose of enforcing the payment of charges named in this Tariff on merchandise handed over, stored, or manipulated on the Zone facilities, the Zone may take possession of such merchandise and may remove and store some at the charge, risk, and expense of the

owner or consignee thereof and/or may sell the goods by public auction and/or pursue such other remedies as may be provided by law. Zone operator also reserves the right, in his discretion, to deny the use of zone facilities and/or services to any user until all outstanding delinquent charges have been paid.

SERVICE CHARGE. — A service charge of 1.5% may be charged on all accounts receivable of 30 days age. No pro-ration will be made and 1.5% will be charged every anniversary date thereafter.

No fees are charged for deactivation or reactivation by the Bureau but fees may be assessed by the Zone Operator.

CHARGES FOR SPECIAL ZONE STAFF SERVICES. - The Grantee maintains at the Zone a staff of employees to assist in the normal operations of the Zone during regular business hours set forth in this Tariff.

Zone staff services rendered during National holidays, Saturdays and Sundays or during overtime hours at the specific request of the user of zone facilities for such purpose, will be charged to the user of such services.

CHARGES, RATES, RULES AND REGULATIONS APPLICABLE TO GRANTEE'S SUBZONES AND ANNEXES. — The Grantee, Operator and all persons and entities doing business within a subzone established by the Grantee must comply with provisions of the Foreign-Trade Zone Act, as amended; with the lawful and effective Rules, Regulations and Procedures of Foreign-Trade Zones Board; with such of the laws and lawful regulations of the United States, the States, or the subdivision and agencies thereof as may be applicable to operators, occupants, their employees and invitees, and users of subzones; and with such of the provisions of this Tariff and subsequent issues and modifications thereof as may be applicable to the operations conducted in the subzone.

Where applicant desires to have subzone located within Grantee's jurisdiction and Grantee has no site available for its location or where sites available are not suited for proposed operations, the applicant must arrange for the acquisition of a suitable and available site. The Grantee will provide cooperation with all State or local industrial development agencies, public or private, to assist applicants to the fullest extent possible in securing a suitable location.

All persons and entities who request the Grantee to apply for authority to establish a sub-zone must first enter into an agreement with the Grantee governing the proposed subzone operations. This agreement will contain provisions including, but not limited to, those relating to costs incident to the preparation of the application and any subsequent amendment or modification thereof; costs incident to public hearings and legal proceedings; charges for any required Customs Zone activation, relocation, alteration, audit or spot check. Applicants for the establishment of a subzone will bear application costs and charges of preparing and filing of application by Grantee whether or not the application is favorably acted upon by the Foreign- Trade Zones Board.

INSPECTION. — The Zone Grantee may inspect the assigned area at any and all reasonable times to ascertain whether or not the covenants or conditions related to its proper use are being observed.

INSURANCE. — Insurance is carried by the Grantee on its own property only and does not include insurance on the contents stored therein. Lessee is obligated to put nothing within the Zone which will cause the cancellation or forfeiture of the insurance or affect the premium rate thereof on the building or

buildings of which the leased premises forms a part. Insurance on commodities or other property stored on the leased premises, if desired, must be carried by and at the expense of Lessee or owner of the commodities or other properties.

INSURANCE ON MERCHANDISE IN WAREHOUSE. - Merchandise stored, manipulated or transferred within the Zone is not insured by the Grantee and the Zone Tariff rates do not include insurance on merchandise.

SPECIAL RULES PERTAINING TO MERCHANDISE

WAREHOUSE RECEIPTS. — The Zone is prepared to furnish non-negotiable warehouse receipts on merchandise stored under Zone supervision and control.

HAZARDOUS COMMODITIES. - The Zone will not be required to accept for storage any commodity that will affect the rate of insurance on other merchandise in storage. Where reference is made hereto, a product will not be stored except in locations or areas that are not restricted in the acceptance of any commodity for storage under the insurance rate established on contents stored therein.

SCHEDULE OF RATES AND CHARGES

FOREIGN-TRADE ZONE ACTIVITY SURCHARGE - The operator is authorized to impose up to a \$50.00 surcharge on all Foreign-Trade Zone transactions to cover the cost of U. S. Customs audit/inspection activities.

FOREIGN-TRADE ZONE NO. 204 TRANSFER FEE SCHEDULE - Costs will be applied where Foreign-Trade Zone No. 204 sponsored a General Purpose Foreign-Trade Zone or Foreign-Trade Subzone into existence. The fee for transfer will be paid by the beneficiary Foreign-Trade Zone or the transferring Foreign-Trade Zone Operator, and will be remitted to the Tri-Cities Airport Authority.

Transfer During First Year of FTZ Operation: 4 years annual fee

Transfer During Second Year of FTZ Operation: 3 years annual fee

Transfer During Third Year of FTZ Operation: 2 years annual fee

Transfer During Fourth Year of FTZ Operation: 1 year of annual fee

Example: If a company with subzone status wished to transfer to another Zone authority in the third year, the calculation and cost would be as follows:

Subzone (\$13,000 annual fee x 2 years = \$26,000)

Example: If a company with General Purpose status wished to transfer to another Zone Authority in the second year, the calculation and cost would be as follows:

General Purpose (\$13,000 annual fee x 3 = \$39,000)

* The dollar figures are merely representations for explanation purpose.

Rates/Charges Assessed for FTZ 204

Application and Legal Review Fee(s)

For preparation of Foreign-Trade Zone applications, the Grantee may charge Zone Users a fee of **\$200.00 per hour**, negotiable due to varying degrees of staff work and preparation time, costs associated with such work is as follows:

Users may develop their own applications if they choose. In this situation, the application must be submitted to the Tri-Cities Airport Authority as Grantee of Foreign-Trade Zone No. 204 for administrative and legal review. The associated fee for administrative and legal processing is **\$2,500.00**

b. Each proposed site operator or user shall be expected to pay all fees associated with the submission of an application, as charged by the U.S. Department of Commerce. The current application fee schedule as established by the U.S. Department of Commerce is a follows:

Applications fees are established within CFR, Section 400.29, of the Foreign-Trade Zones Board regulations. There is no application fee for the initial zone project at a Customs port of entry or for minor modification requests. The following graduated fee schedule establishes fees for certain types of applications and requests for authority based on their average processing time. Applications combining requests for more than one type of approval are subject to the fee for each category.

Additional general-purpose zones (Sec. 400.24; Sec.400.21 (a) (2))...**\$3,200.00**

Special-purpose subzones (Sec. 400.25):

(i) Non-manufacturing/processing or less than three products **\$4,000.00**

(ii) Manufacturing/processing—three or more products **\$6,500.00**

(3) Expansions (Sec. 400.26(b)) **\$1,600.00**

Customs Activation Fee

At the time of activation, users will pay the Tri-Cities Airport Authority an activation fee of **\$1000.00** This fee may be waived at the discretion of the Grantee.

The Foreign-Trade Zone user will provide a letter holding the Tri-Cities Airport Authority harmless from any liability claims or punitive measures imposed by the Bureau of Customs and Border Protection.

ZONE OPERATOR ANNUAL FEE

The Grantee of Foreign-Trade Zone 204 can charge Operators a fee according to operational definition Section 562 of the Tariff Act.

The associated annual fee for zone Operators is **\$5,000.00.**

The Zone Tariff Schedule for Foreign-Trade Zone No. 204 shall be reviewed periodically by the Tri-Cities Airport Authority.

APPLICATION OF ZONE SCHEDULE

APPLICATION OF FOREIGN-TRADE ZONE NO. 204 ZONE SCHEDULE. - The rates, rules and regulations of this Zone Schedule shall apply at Foreign-Trade Zone No. 204, its Subzones and Annexes unless otherwise provided for.

GENERAL REGULATIONS. - Foreign-Trade Zone No. 204 is regulated by the Foreign-Trade Zones Board, Washington, D.C. under U.S. Code of Federal Regulations, Book 15, Part 400. Copies of these regulations are maintained at the Foreign-Trade Zone No. 204 office for reference.

UNITED STATES CUSTOMS REGULATIONS. - Foreign-Trade Zone No. 204 is subject to special Customs regulations as defined in U.S. Code of Federal Regulations, Chapter 1, U.S. Customs, Part 146 — Foreign-Trade Zones. Copies of these regulations are maintained at the office of Foreign-Trade Zone No. 204 for reference of all persons and entities doing business with it.

APPLICATION AND INTERPRETATION OF ZONE SCHEDULE. - The Operator shall be the sole judge to interpret and determine the applicability of any of the rates, rules, regulations or services provided for in this Zone Schedule. However, any matter involving interpretation or action by the Bureau of Customs & Border Protection or any other agency of the U.S. Government will be determined by the Director of Field Operations for Customs Port No. 2027 or his duly appointed representative.

OPERATION OF ZONE

OPERATIONS, FORMS AND PROCEDURES - GENERAL. - The merchandise and operations permitted in a zone, the disposition of merchandise in a zone, the zone status of the merchandise and special provisions applicable to each status, the subsequent export-importation of merchandise removed from a zone, and other operations in a zone authorized by the Act, are hereinafter in this Section generally described. The Customs Forms required for such activities are available upon request from the Zone Operator.

MERCHANDISE PERMITTED IN A ZONE. - Foreign and domestic merchandise of every description, except as is specifically prohibited by law, may, without being subject to the Customs laws of the United States, except as otherwise provided in the Act and the regulations made thereunder, be brought into a zone.

Merchandise which is specifically and absolutely prohibited by law shall not be admitted into a zone. Any merchandise so prohibited by law which is found within a zone shall be disposed of in the manner provided for in laws and regulations applicable to such merchandise. A distinction is made between (1) merchandise which is specifically and absolutely prohibited by law on the grounds of policy and morals, such as immoral or subversive literature, obscene articles, or lottery matter, and (2) merchandise which is subject to conditional prohibition only, for example, articles which are subject to permits or licenses for the protection of economic or national security or which may be reconditioned to bring them into compliance with the laws administered by various Federal agencies. Customs officials are required to exclude the first class of articles and may not permit them to be transferred to a zone if they are aware of their prohibited status, except that the Director of Field Operations - Atlanta may permit the temporary deposit of any such

merchandise in a zone pending final determination of its status. The transfer of articles of the second class to a zone is subject to any requirements of the Federal agency concerned. There is no prohibition against placing over-quota merchandise in a zone pending its right to transfer to Customs territory pursuant to the applicable quota provisions.

The application for the admission of merchandise into a zone shall be approved or disapproved by the Director as the representative of the Board, where the merchandise is not excluded by any other Federal agency having jurisdiction over the merchandise.



APPENDIX A: DEFINITIONS

ACT. - The Foreign-Trade Zones Act of June 19, 1984 (48 Stat. 998-1003; 19 U.S.C. 81a-81u), as amended by Public Law 566, 81st Congress, approved June 17, 1950.

BOARD. — The Foreign-Trade Zones Board created by the Act to carry out the provisions thereof. The Board shall consist of the Secretary of Commerce, who shall be the chairman and executive officer, the Secretary of the Treasury and the Secretary of the Army.

BULK. — In trade, a product, or a mass (of a product) which is not packaged, bundled, bottled or otherwise packed, so that it is designated as bulk or bulk merchandise.

CONDITIONALLY ADMISSIBLE MERCHANDISE. - Merchandise which may be imported into the United States under certain conditions. Merchandise which is subject to permits or licenses or which may be reconditioned to bring it into compliance with the laws administered by various Federal agencies is an example of conditionally admissible merchandise.

CUSTOMS TERRITORY. - The territory of the United States in which the general tariff law of the United States applies but which is not included in any foreign-trade zone.

DIRECTOR, FIELD OPERATIONS. - The District Field Operations, Atlanta, Louisiana - Bureau of Customs & Border Protection.

DOMESTIC EXPORTS. - Domestic merchandise exported from the United States and particularly such merchandise exported through a foreign-trade zone. It includes merchandise of every description (except articles specifically and absolutely prohibited by statute) which has been (1) grown, produced or manufactured in the United States and not-exported therefrom, or (2) previously imported into Customs territory and properly released from Customs custody.

DOMESTIC MERCHANDISE. - Merchandise of every description (except articles specifically and absolutely prohibited by statute) which has been (1) grown, produced, or manufactured in the United States and on which all internal taxes have been paid or (2) previously imported into Customs territory and properly released from Customs custody on which duty and tax has been paid or which was previously entered free of duty and tax.

For the purposes of marking and labeling, it includes (1) the product of manipulation or manufacture in a zone in which only privileged domestic merchandise is used, (2) the product of manipulation or manufacture in a zone in which there is a mixture of foreign and domestic merchandise which results in a change in form or nature of the commodities, and in which the domestic merchandise consists of a component part or parts or a substantial portion of the finished product, and (3) foreign merchandise which by manipulation or manufacture in a zone has been so changed in form and nature or enhanced in value that the product is deemed to be one of domestic manufacture.

FOREIGN MERCHANDISE. - Imported merchandise of every description (except articles specifically and absolutely prohibited by statute), which has not been properly released from Customs custody into Customs territory.

Generally, it includes all merchandise of foreign origin which has not been so manipulated or manufactured as to be deemed a product of the United States and which has not been released from Customs custody into Customs territory.

GRANTEE. - Tri-Cities Airport Authority, Tennessee to which the privileges of establishing, operating and maintaining Foreign-Trade Zone No. 204 have been granted.

IMPORTS. — Foreign merchandise of every description (except articles specifically and absolutely prohibited by statute) entered into Customs territory to become a part of the domestic supply for the purpose of domestic commerce or consumption, and particularly that which is entered into Customs territory through a zone and foreign merchandise which, under the laws and regulations of various other Federal agencies having jurisdiction within a zone, is said to be "imported" into a foreign-trade zone, Customs bonded warehouse, or Customs custody. This latter merchandise, in relation to operation of a zone, is considered to be foreign merchandise until its entry into the commerce of the United States.

IN-TRANSIT MERCHANDISE. - The term "in-transit merchandise" includes all foreign merchandise imported into and out of the United States, whether in and out of the same port or across the country to another port, with or without transshipment, warehousing, breaking bulk, or change in mode of transportation, which originated in one foreign country and is destined at the same time of the original shipment to another foreign country, under a through bill of lading or other documentation for a completed journey. The term is particularly applied to foreign merchandise shipped in-transit through a foreign-trade zone.

It includes privileged, non-privileged, or zone-restricted foreign merchandise which (1) is in the same condition as when transported into the United States, or (2) has been manipulated without any change in its form or nature, or (3) has been manipulated or processed in such manner as to change its form, whether or not mixed with domestic merchandise, provided the domestic merchandise is not a component part or substantial ingredient thereof.

LEASE. — The document of agreement entered into between the Operator and User/Client for assignment of space within Foreign-Trade Zone No. 204.

MANIPULATION. — As defined in Section 562 of the Tariff Act, processing wherein merchandise is packed, unpacked, repacked, cleaned, sorted, graded or otherwise changed in condition. The precise distinction between manipulation and manufacturing is subject to interpretation and enjoys a long history of case law.

MANUFACTURING. - The Bureau of Customs & Border Protection determines what constitutes manufacturing on a case-by-case basis, distinguishing it from other such operations as manipulation, processing, production and blending. The FTZ Board has defined it as any process that results in a change in customs classification of the merchandise, and therefore, requires prior clearance from the Board pursuant to the manufacturing conditions in specific foreign-trade zone grants.

NON-PRIVILEGED FOREIGN MERCHANDISE. -- (1) Foreign merchandise properly in a zone which does not have the status of (a) privileged foreign merchandise or (b) zone restricted merchandise; (2) waste recovered from any manipulation or manufacture of privileged foreign merchandise; or (3) domestic merchandise in a zone which by reason of noncompliance with the regulations has lost its identity as domestic merchandise.

PERSON OF RECORD. - The person, firm or corporation in whose name the application to admit merchandise into the Zone (Customs Form 214) is made, recognized by the Zone grantee as having the legal right to make the application. Evidence of this right of the applicant is the same as would be required to establish the right to apply for release of the merchandise from Customs custody at the end of its transit through Customs territory, and usually consists of an original bill of lading in the name of the applicant, an original bill of lading endorsed to him, or a carrier's certificate.

PRIVILEGED FOREIGN MERCHANDISE. - Foreign merchandise which has not been manipulated or manufactured so as to effect a change in tariff classification and which is subject to tariff classification according to its character condition and quantity at the rate of duty and tax in force on the date of filing application on Customs Form 214. Privileged foreign status may not be abandoned and remains applicable even if the merchandise is changed in form by manipulation or manufacture.

PROHIBITED MERCHANDISE. - Merchandise, the importation of which is prohibited by law on grounds of public policy or morals, or any merchandise which is excluded from a zone by order of the Board. Books urging treason or insurrection against the United States, obscene pictures, and lottery tickets are examples of prohibited merchandise.

QUANTITY. — Means the numerical count of the units composing a shipment of commodity.

RE-EXPORTS OR RESHIPMENTS. - Merchandise from one foreign country initially destined to the United States which, after being unladen, stored and/or manipulated or manufactured in this country, is transported under a new bill of lading or other new documentation to another foreign country. The term is particularly applied to re-exports or reshipments through a foreign trade zone.

SECRETARY. — The term "Secretary" means the Secretary of Commerce.

STORAGE. — The keeping of merchandise in or upon the premises within the foreign-trade zone. Covered storage means keeping within a covered and enclosed structure affording weather protection. The term "storage," without other designation, ordinarily implies covered storage.

SUBZONE. - The term "Subzone" means a special purpose zone established as part of a zone project for a limited purpose, which cannot be accommodated within the existing zone.

TON. — Means weight ton of 2,000 pounds, unless otherwise indicated, and measurement ton of 40 cubic feet

TRANSSHIPMENT MERCHANDISE. - Foreign merchandise which enters and leaves the United States through the same port legally, being transferred from one vessel to another directly, or by way of a foreign-trade zone or Customs bonded warehouse. The term is particularly applied to such merchandise transferred through a foreign-trade zone.

UNIQUE IDENTIFIER. - The numbers, letters, or combination of numbers and letters that identify merchandise admitted to a zone with zone status.

UNIT OF QUANTITY. - Means the customary grouping of a commodity as a unit to indicate the medium or method of measure.

UNITED STATES. - The several States, the District of Columbia, and Puerto Rico. The term "United States" includes all territories and possessions of the United States, except the Virgin Islands, American Samoa, Wake Island, Midway Islands, Kingman Reef, and the Island of Guam.

USER/CLIENT. — An individual, company or corporation utilizing the services and facilities of Foreign-Trade Zone No. 204.

WAREHOUSE. — A covered and enclosed structure, affording weather protection, used primarily for short or long-term storage of merchandise, and often containing business offices. In a foreign-trade zone, it may also be used for manipulation, manufacture, and exhibition of merchandise.

WEIGHT. — Means the gross weight of the merchandise including container, except as noted to the contrary.

ZONE LOT NUMBER. — The sequential controlled number assigned to a zone lot

ZONE LOT. — A unit or units of merchandise maintained under an inventory control method based on specific identification of merchandise admitted to a zone by lot.

ZONE OPERATOR. - The Tri-Cities Airport Authority and Grantee of Foreign-Trade Zone No. 204 is the administrative zone operator.

ZONE RESTRICTED MERCHANDISE. - Foreign or domestic merchandise taken into a zone for the sole purpose of exportation, destruction (except destruction of distilled spirits, wines and fermented malt liquors), or storage prior to exportation or destruction. Zone restricted status may be requested at the time of admittance to a zone or at any time thereafter, but may not be abandoned once granted. Zone restricted merchandise may only be resumed to Customs territory for domestic consumption where the Board determines the return to be in the public interest.

ZONE STATUS. — That designation applied for on Customs Form 214 for merchandise admitted to a zone, i.e. non-privileged foreign, privileged foreign, zone restricted or domestic. Zone status determines the manner in which merchandise shall be classified, appraised and handled.

ZONE. — The term "Zone" means a "foreign-trade zone" and/or Foreign-Trade Zone No. 204.

FOREIGN-TRADE ZONE CUSTOMS FORMS. -

Customs Form 214 - Application for Foreign-Trade Zone Admission and/or Status Designation.

Customs Form 214A - Bureau of Census statistical copy.

Customs Form 216 - Application for Foreign-Trade Zone Activity Permit Required for any activity which in any way alters merchandise in a zone, including but not limited to manipulation, manufacture, destruction or exhibition.

Foreign-Trade Zone No. 204 Form 215 - a form which may be required by the zone operator for zone withdrawal and control purposes.

HOLIDAYS.— Those legal holidays during which the Zone is closed for regular business:

◆New Years Day	1 st of January
◆Martin Luther King Jr. Day	3rd Monday in January
◆Washington's Birthday	3rd Monday in February (Presidents Day)
◆Memorial Day	Last Monday in May
◆Independence Day	4th of July
◆Labor Day	1st Monday in September
◆Columbus Day	2nd Monday in October
◆Veteran's Day	11th of November
◆Thanksgiving Day	4th Thursday in November
◆Christmas	25th of December

◆Federal Holidays observed by the Bureau of Customs & Border Protection

Note: These designated days are subject to change.

DEFINITION AND PRIVILEGES OF FOREIGN-TRADE ZONES

Under the U.S. Code of Federal Regulations, Book 15, Part 400, the Regulations governing the establishment, operation, maintenance, and administration of Foreign-Trade Zones in the United States, the term "Zone" means a "foreign-trade zone." It is an isolated, enclosed and policed area, operated as a public utility, in or adjacent to a port of entry, furnished with facilities for lading, unloading, handling, storing, manipulating, manufacturing, and exhibiting goods, and for reshipping them by land, water or air. Any foreign and domestic merchandise, except such as is prohibited by law or such as the Board may order to be excluded as detrimental to the public interest, health, or safety, may be brought into a zone without being subject to the Customs laws of the United States governing the entry of goods or the payment of duty thereon; and such merchandise permitted in a zone may be stored, exhibited, manufactured, mixed or manipulated in any manner, except as provided in the Act and other applicable laws or regulations. The merchandise may be exported, destroyed, or sent into Customs territory from the Zone, in the original package or otherwise. It is subject to Customs duties if sent into Customs territory, but not if reshipped to foreign points.

Section 3 of the Act, Public Law 397, 73rd Congress, approved June 18, 1934, as amended by Public Law 566, 81st Congress, approved June 17, 1950, authorizes the following privileges:

"Foreign and domestic merchandise of every description except such as is prohibited by law, may, without being subject to the Customs laws of the United States, except as otherwise provided in this Act, be brought into a zone and may be stored, exhibited, broken up, repacked, assembled, distributed, sorted, graded, cleaned, mixed with foreign or domestic merchandise, or otherwise manipulated, or be manufactured except as otherwise provided in this Act, and be exported, destroyed, or sent into Customs territory of the United States therefrom, in the original package or otherwise; but when foreign merchandise is so sent from a zone into Customs territory of the United States it shall be subject to the laws and regulations of the United States affecting imported merchandise;

Provided, that whenever the privilege shall be requested and there has been no manipulation or manufacture effecting a change in tariff classification, the collector of customs shall take under supervision any lot or part of a lot of duties liquidated thereon. Merchandise so taken under supervision may be stored, manipulated or manufactured under the supervision and regulations prescribed by the Secretary of the Treasury, be exported or destroyed, or may be sent into Customs territory upon the payment of such liquidated duties and determined taxes there on.

If merchandise so taken under supervision has been manipulated or manufactured, such duties and taxes shall be payable on the quantity of such foreign merchandise used in the manipulation or manufacture of the entered article. Allowance shall be dutiable and taxable in its condition and quantity and at its weight at the time of entry. Where two or more products result from the manipulation or manufacture of merchandise in a zone, the liquidated duties and determined taxes shall be distributed to the several products in accordance with their relative value at the time of separation with due allowance for waste as provided for above;

Provided further, that subject to such regulations respecting identity and the safeguarding of the revenue as the Secretary of the Treasury may deem necessary, articles, the growth, product, or manufacture of the United States, on which all internal revenue taxes have been paid, or which have been admitted free of duty and tax, may be taken into a zone from the Customs territory of the United States, placed under the supervision of the collector, and whether or not they have been combined with or made part, while in such zone, of other articles, may be brought back thereto free of quotas, duty, or tax;

Provided further, that if in the opinion of the Secretary of the Treasury, their identity has been lost, such articles not entitled to free entry by reason of noncompliance with the requirements made hereunder by the Secretary of the Treasury shall be treated when they re-enter Customs territory of the United States as foreign merchandise under the provisions of the tariff and internal revenue laws in force at that time;

Provided further, that under the rules and regulations of the controlling Federal agencies, articles which have been taken into a zone from Customs territory for the sole purpose of exportation, destruction (except destruction of distilled spirits, wines and fermented malt liquors), or storage shall be considered to be exported for the purpose of:

the drawback, warehousing and bonding, or any other provisions of the Tariff Act of 1930, as amended, and the regulations thereunder, and

the statutes and bonds exacted for the payment of draw-back, refund or exemption from liability for internal revenue taxes and for the purposes of the internal revenue laws generally and the regulations thereunder.

Such transfer may also be considered an exportation for the purposes of other Federal laws insofar as Federal agencies charged with the enforcement of those laws deem it advisable. Such articles may not be returned to Customs territory for domestic consumption except where the Foreign-Trade Zones Board deems such return to be in the public interest, in which event the article shall be subject to the provisions of paragraph 1615 (F) of the Tariff Act of 1930 as amended;

Provided further, that no operation involving any foreign or domestic merchandise brought into a zone which operation would be subject to any provision or provisions of section 1807, chapter 15, chapter 16, chapter 17, chapter 21, chapter 23, chapter 24, chapter 25, chapter 26 or chapter 32 of the Internal Revenue Code if performed in Customs territory, or involving the manufacture of any article provided for in paragraph 367 or paragraph 368 of the Tariff Act of 1930, shall be permitted in a zone except those operations (other than rectification of distilled spirits and wines, or the manufacturer or production of alcoholic products unfit for beverage purposes) which were permissible under this Act prior to July 1, 1949;

Provided further, that articles produced or manufactured in a zone and exported therefrom shall on subsequent importation into the Customs territory of the United States be subject to the import laws applicable to like articles manufactured in a foreign country with the use of domestic merchandise, the identity of which has been maintained in accordance with the second provision of this section, may, on such importation, be entered as American goods returned." Bureau of Customs & Border Protection that all due and appropriate duties will be paid on merchandise which leaves the secured area. Evidence of the bond must be provided to the Zone operator, which is the Tri-Cities Airport Authority

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers.

TRI-CITIES AIRPORT AUTHORITY

Chairman, James F. Rector



Executive Director, Patrick W. Wilson

Notice Address:

Tri-Cities Airport Authority

2525 Highway 75

Blountville, TN 37617