

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.

FOREIGN TRADE ZONE NO. ___

TARIFF NO. 1

ORIGINAL PAGE 1

FOREIGN TRADE ZONE NO. ___

001

STARR COUNTY INDUSTRIAL FOUNDATION

(Grantee/Operator)

TARIFF NO. 1

RULES, REGULATIONS, RATES, AND CHARGES

Applying At

FOREIGN TRADE ZONE NO. ___

**RIO GRANDE CITY
STARR COUNTY, TEXAS**

Operating under a Grant of Authority of the
Government of the United States of America
to the Starr County Industrial Foundation

ISSUED:
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EFFECTIVE:

**STARR COUNTY INDUSTRIAL FOUNDATION,
RIO GRANDE CITY, STARR COUNTY, TEXAS**

ADMINISTRATION

005

FOREIGN TRADE ZONE OFFICE: STARR COUNTY INDUSTRIAL
(Grantee/Operator) FOUNDATION
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Telephone: (512) 487-2709
S. F. Vale - President

U. S. CUSTOMS SERVICE: District Director of Customs
Santa Maria & Mann Road
P. O. Box 3130
Laredo, Texas 78041
Telephone: (512) 723-2956
Joseph Castellano - District Director

Port Director - Rio Grande City
P. O. Box 518
Rio Grande City, Texas 78582
Telephone: (512) 487-3498
Ann Goggans - Port Director

Port Director - Roma
P. O. Box 218
Roma, Texas 78584
Telephone: (512) 849-1818
John Jackson - Port Director

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FOREIGN TRADE ZONE NO. ___

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CHECK SHEET FOR TARIFF CHANGES

010

Pages of this Tariff are effective on the dates shown. Original pages remain in effect until amended by revised pages. Revised pages, as noted below, contain all changes to the original Tariff that are in effect on the issued date of this page. Pages marked by "*" are changes issued with the latest revision.

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ABBREVIATIONS AND SYMBOLS

015

\$	Dollars (U.S.)
%	Percent
Art.	Article
No.	Number
Par.	Paragraph
Sec.	Section
Sq.Ft.	Square Feet/Square Foot
T.S.U.S.A.	Tariff Schedules of the United States Annotated
U.S.	United States
Inc.	Incorporated
viz.	Namely

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DEFINITION OF TERMS

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ACT The Foreign-Trade Zones Act of June 18, 1934 (48 Stat. 998-1003; 19 U.S.C. 81a-91U.S.C. 81a-81u) as amended by Public Law 566, 81st Congress, approved June 17, 1950.

SECRETARY The Secretary of Commerce.

BOARD The Foreign Trade Zones Board created by the ACT to carry out 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.

ZONE A foreign trade zone or Foreign Trade Zone No. ___.

DISTRICT DIRECTOR The District Director of Customs, Laredo, Texas, U.S. Customs Service.

GRANTEE The Starr County Industrial Foundation is the grantee to which the privileges of establishing, operating and maintaining Foreign-Trade Zone No. ___ have been granted.

OPERATOR The grantee is also the operator of Foreign-Trade Zone No. ___.

USER A person or firm utilizing the services and facilities of the zone.

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.

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PORT OF ENTRY A place designated by the U.S. Government at which a customs officer is assigned with authority to accept entries of any and all merchandise, collect all applicable duties and taxes applicable on such merchandise, and to enforce the various provisions of Customs laws.

MERCHANDISE Includes goods, wares, and chattels of every description, except prohibited articles.

FOREIGN MERCHANDISE Imported merchandise which has not been properly released from Customs custody into Customs territory.

DOMESTIC MERCHANDISE That which has been (1) produced in the United States and not exported therefrom, or (2) previously imported into Customs territory and properly released from Customs custody.

For the purposes of return to Customs territory from a zone and freedom from liability for the payment of duties or taxes, it includes only (1) domestic merchandise brought into the zone from Customs territory whose identity has been maintained and (2) the product of manipulation and manufacture in the zone in which only privileged domestic merchandise is mixed or combined; or in which foreign merchandise is so changed in form or enhanced in value as to be considered a product made in the United States, except that duties and taxes are payable only on the quantity of the foreign merchandise contained in the product.

PRIVILEGED FOREIGN MERCHANDISE Foreign merchandise which has not been manipulated or manufactured so as to effect a change in tariff classification shall be given status as privileged foreign merchandise on proper application to the District Director.

PRIVILEGED DOMESTIC MERCHANDISE Privileged domestic status may be granted to merchandise:

- (1) the growth, product or manufacture of the United States on which all internal revenue taxes applicable have been paid.
- (2) previously imported and on which duty and/or tax has been paid; or
- (3) previously admitted free of duty and tax.

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NONPRIVILEGED FOREIGN MERCHANDISE All of the following shall have the status of nonprivileged foreign merchandise:

- (1) foreign merchandise properly in a zone which does not have the status of privileged foreign merchandise or of zone-restricted merchandise;
- (2) waste recovered from any manipulation or manufacture of privileged foreign merchandise in a zone; and
- (3) domestic merchandise in a zone which by reason of noncompliance with Customs regulations has lost its identity as domestic merchandise and will be treated as foreign merchandise if transferred to Customs territory.

NONPRIVILEGED DOMESTIC MERCHANDISE All merchandise which could have obtained the status of privileged domestic merchandise but for which no application for such status has been approved.

ZONE-RESTRICTED MERCHANDISE Articles 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 given zone-restricted status on proper application. Such articles may not be returned to Customs territory for domestic consumption except where the Board deems such return to be in the public interest.

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 the zone and foreign merchandise which, under the laws and regulations of various other Federal agencies having jurisdiction within the zones, is said to be "imported" into foreign trade zones, Customs bonded warehouses, or Customs custody. This latter merchandise, in relation to operations of the zones, is considered to be foreign merchandise until its entry into the commerce of the United States.

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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.

IN-TRANSIT MERCHANDISE The term "in-transit merchandise" includes all foreign merchandise transported 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 time of the original shipment to another foreign country. Its distinctive feature is that it is being transported, from one foreign country through the United States 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.

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.

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 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.

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.

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TRANSSHIPMENT MERCHANDISE Foreign merchandise which enters and leaves the United States through the same port, 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.

ZONE LOT The unit or units of goods for which a separate record and account is to be kept by the zone operator.

ZONE LOT NUMBER The number assigned to a zone lot by Customs.

CONTROL NUMBER The number used on all zone entry and exit forms to identify all merchandise and commodities. The Control Number shall, in all cases, be the same as the Tariff number for that same merchandise described in the Tariff Schedules of the United States of America.

BULK The term used in describing fungibles, which can be poured, scooped, or shoveled, and which generally cannot be counted or identified piece by piece.

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 also is used for manipulation, manufacture, and exhibition of merchandise.

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.

OPEN OR YARD STORAGE The keeping of merchandise on open space within the fenced-in area of the foreign trade zone where merchandise not requiring weather protection may be stored.

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UNIT OF QUANTITY The customary groupings of a commodity as a unit to indicate the medium or method of measure.

QUANTITY The numerical count of the units composing a shipment of a commodity except bulk commodities which must be measured by weight, size, or gallonage.

TON Weight tons of 2,000 pounds, unless otherwise indicated.

MEASUREMENT TON Ton based on a measurement of 40 cubic feet.

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

MANIPULATION Means breaking up, repacking, assembling, distributing, sorting, grading, cleaning, mixing with foreign or domestic merchandise, or other processing which does not constitute a manufacture.

LEASE The document of agreement entered into between the Operator and Tenant for assignment of space within Foreign Trade Zone No. __.

PERSON OF RECORD The person, firm, or corporation in whose name the application to admit merchandise into the zone (CF 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.

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DEFINITION AND PRIVILEGES OF FOREIGN TRADE ZONES

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Under Section 400, Paragraph 101, 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, handling, storage, 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 laws 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, authorized 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, sold, 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

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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 affecting 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 Treasury, and whether mixed or manufactured with domestic merchandise or not, may under regulations prescribed by the Secretary of Treasury, be exported or destroyed, or may be sent into Customs territory upon the payment of such liquidated duties and determined taxes thereon. 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 made for recoverable and irrecoverable waste; and if recoverable waste is sent into Customs territory, it 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:

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"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 reenter 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:

"(a) The draw-back, warehousing, and bonding, or any other provisions of the Tariff Act of 1930, as amended, and the regulations thereunder; and

"(b) The statutes and bonds exacted for the payment of draw-back, refund, or exemption from liability for internal revenue taxes and for the purpose of the internal revenue laws generally and the regulations thereunder.

"Such a transfer may also be considered an exportation for the purpose of other Federal laws insofar as Federal agencies charged with the enforcement of those laws deem it advisable. Such articles may not be refunded 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 1897, 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

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except those operations (other than rectification of distilled spirits and wines, or the manufacture 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, except that articles produced or manufactured in a zone exclusively with the use of domestic merchandise, the identity of which has been maintained in accordance with the second proviso of this section, may, on such importation, be entered as American goods returned."

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RIO GRANDE CITY, STARR COUNTY, TEXAS

DESCRIPTION OF FOREIGN TRADE ZONE NO. ____

030

Pursuant to a grant issued by the Foreign Trade Zones Board, United States Department of Commerce, Washington, D.C. on _____, 1983, to the Starr County Industrial Foundation, under provisions of Public Law No. 397, 73rd Congress, approved June 18, 1934, as amended, Foreign Trade Zone No. ____ has issued the following publication on rules, regulations, and Tariff rates.

Foreign Trade Zone No. ____ is operated by the Starr County Industrial Foundation, the grantee. The Starr County Industrial Foundation is a private, non-profit corporation organized in 1974 under the Non-Profit Act of the State of Texas for the purpose of promoting the economic development of Starr County under the directorship of nine directors.

SITES. Foreign Trade Zone No. ____ is a multi-site zone consisting of three sites all located within Starr County, Texas.

Site No. 1 consists of 8.6 acres of undeveloped industrial land adjacent to U.S. Highway 83 and the port of entry at Roma. This site is designated for use by those clients who wish to develop their own facilities and utilize the port of entry at Roma. The site is owned by Ronaldo E. Guerra, Inc.

Site No. 2 consists of 3.11 acres of land adjacent to U.S. Highway 83 and the port of entry at Roma with an existing U.S. Customs bonded warehouse on site consisting of both yard storage and 20,330 square feet of enclosed space suitable for warehousing, storage, manipulation, assembly, and manufacturing of goods. The site is owned by Ronaldo E. Guerra, Inc.

Site No. 3 consists of 30.0 acres of undeveloped industrial land adjacent to U.S. Highway 83 and served by the Missouri Pacific Rail Line. The site is located near the port of entry at Rio Grande City and is designated for use by those tenants who wish to develop their own facilities and utilize the port of entry at Rio Grande City. The site is owned by the Starr Camargo Bridge Company.

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RIO GRANDE CITY, STARR COUNTY, TEXAS

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Site No. 2 has adequate electric power, gas, water, and sewage services. Sites Nos. 1 and 3 have immediate access to these services when requested.

STARR COUNTY. Starr County is located approximately 150 miles south of Laredo and 100 miles north of the Port of Brownsville. It is also located approximately 100 miles from the Mexican industrial city of Monterrey. Currently, Starr County is served by a rail spur of the Missouri Pacific line that comes from Harlingen/Brownsville area to Rio Grande City. It is also served by a U.S. highway that runs from Laredo through the lower Rio Grande Valley. In terms of transportation in Mexico, there is a rail line that runs to Monterrey from the city of Camargo, which is the sister city to Rio Grande City in Mexico. In regards to highway transportation, there currently exists a secondary highway that runs from Roma to Monterrey and there is a secondary under construction that will link Rio Grande City/Camargo to the main highway from Monterrey to Reynosa/Matamoros. When this secondary is completed, Rio Grande City will be the closest U.S. point to Monterrey. There is no rail bridge at either Rio Grande City or Roma, however, the area does have three vehicular bridges; one at Rio Grande City, one at Roma and one at Falcon Dam.

Starr County offers many advantages to U.S. industry. Among these advantages are abundant lower cost labor with high productivity and the opportunity to take advantage of the twin-plant program with Mexico. Because of its strategic location and ease of access to both the Texas and Mexico markets, Starr County can serve as a distribution center linking Monterrey and other Mexican markets with the Rio Grande Valley and the interior of Texas and the Midwest.

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SECTION I:

APPLICATION OF TARIFF

TARIFF AUTHORITY

105

This tariff is published pursuant to a Grant issued by the Foreign Trade Zones Board, U.S. Department of Commerce, Washington, D.C., on _____ to the Starr County Industrial Foundation under the provisions of Public Law No. 397, 73rd Congress, approved June 18, 1934, as amended. The rules, regulations and rates of this Tariff shall apply at Foreign Trade Zone No. _____ and its sub-zones unless otherwise provided for. The Executive Director is authorized to compile, publish, post and file revisions and amendments to this Tariff.

BOARD REGULATIONS

110

Foreign Trade Zone No. ___ is regulated by the Foreign Trade Zones Board, Washington, D.C. under U.S. Code of Federal Regulations, Title 15, Chapter IV, Part 400. Copies of these regulations are maintained at the Zone office for reference.

U.S. CUSTOMS REGULATIONS

115

Foreign Trade Zone No. ___ is subject to special Customs regulations as defined in U.S. Code of Federal Regulations, Title 19, Chapter 1, U.S. Customs, Part 146-Foreign-Trade Zones. Copies of these regulations are maintained at the Foreign Trade Zone No. ___ office for reference.

ZONE OPERATED AS A PUBLIC UTILITY

120

All rates and charges for services or privileges within the Zone shall be fair and reasonable, the Grantee/Operator 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. (15 CFR, Chapter IV, Part 400, Section 1003a).

INTERPRETATION OF TARIFF

125

The Grantee/Operator shall interpret and determine the applicability of any of the rates, rules, regulations or services provided for in this Tariff. However, any matter involving interpretation of action by U.S. Customs or another agency of the U.S. Government will be determined by the Director of Customs or his duly appointed representative.

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RIO GRANDE CITY, STARR COUNTY, TEXAS

SECTION 2:**OPERATION OF ZONE****OPERATIONS IN ZONE, AND FORMS AND PROCEDURES****205**

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 importation of merchandise exported from a zone, and other operations in a zone authorized by the act, are hereinafter in this part generally described.

PERMISSION OF GRANTEE REQUIRED**210**

Applications for permission to transfer merchandise into a zone, to do anything involving merchandise in a zone, or to remove merchandise from a zone shall show the written concurrence of the grantee, except where the regulations in this part provide for the making of applications by the grantee itself or permit the grantee to file a separate specific or blanket approval.

TRANSPORTATION OF MERCHANDISE TO ZONE**215**

Merchandise of every description, subject to Customs approval, may be transported to the zone:

- (a) From outside Customs territory. Merchandise may be brought directly to a zone from any place outside Customs territory.
- (b) Through Customs territory: foreign merchandise. Foreign merchandise destined to a zone and transported in bond through Customs territory shall be subject to the laws and regulations applicable to other merchandise transported in bond between two places in Customs territory.
- (c) From Customs territory: domestic merchandise. Domestic merchandise may be brought to a zone from Customs territory by any means of transportation which will not interfere with the orderly conduct of business in the zone.

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ACCEPTANCE AND MARKING

220

All merchandise brought into the zone must be truly marked and accompanied or preceded by the necessary supporting documents for preserving the identity of the merchandise. When repacked or labeled in the zone, the goods must be marked to indicate that fact before merchandise will then be permitted to leave the zone.

MERCHANDISE PERMITTED IN ZONE

225

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 the act and the regulations made thereunder, be brought into a zone.

(a) 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 the 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 or morals, such as immoral or subversive literature, obscene articles, or lottery matter, and (2) conditionally admissible merchandise which may be imported under certain conditions, 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. District Directors of Customs 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 collector may permit the temporary deposit of any such merchandise in the 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. Unless otherwise prohibited, over-quota merchandise may be placed in a zone pending its right to transfer to Customs territory pursuant to the applicable quota provisions.

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

DISPOSITION OF MERCHANDISE IN ZONE

230

In general, merchandise lawfully brought into a zone may, in accordance with these and other regulations made under the provisions of the act be exported, destroyed, or sent into Customs territory of the United States therefrom, in the original package or otherwise; but when foreign merchandise and domestic merchandise whose identity has been lost, 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.

MANIPULATION, MANUFACTURE, AND EXHIBITION OF MERCHANDISE

235

In general, merchandise, lawfully brought into a zone may, in accordance with these and other regulations made under the provisions of the act, be stored, sold, exhibited, broken up, repacked, assembled, distributed, sorted, graded, cleaned, mixed with foreign and domestic merchandise, or otherwise manipulated, or be manufactured, except as otherwise provided by the act.

(a) Permission for any manipulation, manufacture, or exhibition in a zone shall be obtained from the District Director of Customs, as the representative of the Board, subject to such application and procedure prescribed by the Secretary of the Treasury for the protection of the revenue.

(b) In the event of the denial of any application by the District Director of Customs for any reason, the applicant, the grantee, or the operator of the zone may appeal the adverse ruling to the Board. If any revenue-protection considerations are involved in such an application, the Board shall be guided by the determinations of the Secretary of the Treasury with respect to them.

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STATUS OF MERCHANDISE IN ZONE

240

(a) For the purposes of the act and the regulations of this part, all merchandise within a zone, except merchandise in transit through a zone as provided in Section 146.14 of Customs regulation, and except merchandise temporarily transferred to a zone for manipulation as provided in paragraph (b) of this section, shall be given a zone status as:

- (1) Privileged foreign merchandise
- (2) Privileged domestic merchandise
- (3) Non-privileged foreign merchandise
- (4) Non-privileged domestic merchandise, or
- (5) Zone-restricted merchandise

in accordance with Sections 146.21, 146.22, 146.23, 146.24 and 146.25 of Customs regulations.

(b) Imported merchandise which has been entered and which has remained in continuous Customs custody may be temporarily transferred to a zone for manipulation under Customs supervision pursuant to section 562, Tariff Act of 1930, as amended, and for return to Customs territory. Any such merchandise shall not be considered within the purview of the Foreign Trade Zones Act but shall be treated in all respects as though remaining in Customs territory. Therefore no zone form or procedure shall be considered applicable, but the merchandise shall remain subject in the zone to such requirements as are necessary for the enforcement of section 562 and other pertinent Customs laws.

USE OF ZONE BY CARRIERS

245

The loading or unloading stations of a zone are intended primarily for the use of vehicles, or aircraft unloading merchandise into the zone or lading merchandise from the zone, and their use for other purposes may be terminated by the Secretary of the Treasury if found to endanger the revenue, or by the Board if found to interfere with the primary uses of the zone.

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SUBSEQUENT IMPORTATION OF ZONE MERCHANDISE

250

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, except that articles produced or manufactured in a zone exclusively with the use of domestic merchandise, the identity of which has been maintained in accordance with the second proviso of Section 3 of the act, as amended, may, on such importation, be entered as American goods returned.

EXCLUSION FROM ZONE OF GOODS OR PROCESS OF TREATMENT

255

When it shall be reported to the Board that any goods or process of treatment is detrimental to the public interest, health, or safety, the Board shall cause such investigation to be made as it may deem necessary. The Board may order the exclusion from the zone of any goods or process of treatment that in its judgment is detrimental to the public interest, health, or safety.

RETAIL TRADE WITHIN ZONE

260

No retail trade shall be conducted within a zone except under permits issued by the grantee and approved by the Board. Such permittees shall sell no goods except such domestic or duty-paid or duty-free goods as are brought into the zone from Customs territory. Permits which are sent to the Board for approval shall be accompanied by a sworn statement, subscribed to by the applicant before a duly authorized officer to administer oaths, setting forth in detail the nature of the retail trade to be conducted, and containing an agreement that such applicant will sell no goods, except of the kinds specifically authorized by that act, which are brought into the zone from Customs territory. No goods shall be offered for sale or sold in a zone which are not of the same kind and quality permitted to be offered for sale or sold in the political jurisdiction in which the zone is located. If the permittee violates any provision of the regulations in this part, his permit shall be revoked by the grantee, who shall immediately report such action to the Board.

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RESIDENCE WITHIN ZONE

263

No person shall be allowed to reside within a zone except Federal, State, or municipal officers or agents whose resident presence is deemed necessary by the Board.

ALL PERSONS ENTERING ZONE BOUND BY REGULATIONS

270

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

HOURS OF BUSINESS AND SERVICE

275

Hours of business and service, for Customs purposes, shall be the same as those prescribed in Customs regulations. The zone shall be available for business activities on a 24-hour basis. Regular or normal business hours will be between the hours of 8 a.m. and 5 p.m., Monday through Friday. The zone may be opened at other times, on an irregular or regular basis upon application and approval of the Operator and Customs.

PAYMENT OF CUSTOMS OFFICERS AND EMPLOYEES

280

- (a) The cost of providing the Customs service in a zone shall be paid monthly by the grantee of such zone to the District Director of Customs.
- (b) Customs officers and employees performing services in a zone at night, or on Sundays and holidays, shall receive extra compensation, to be computed as and under the conditions prescribed by Customs regulations.
- (c) For the purpose of computing extra compensation the word "night" shall be construed to mean the time from 5:00 p.m. to 8:00 a.m. and the word "holiday" shall include only national holidays, viz. January 1, Washington's Birthday, Memorial Day, July 4, the first Monday in September, November 11, the fourth Thursday in November, and December 25, and such other days as may be made national holidays.

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(d) In a zone at a port where customary working hours are other than those herein mentioned, the District Director of Customs is authorized to regulate the hours of Customs officers and employees assigned to the zone so as to agree with prevailing working hours in said port, but nothing herein shall be construed in any manner to affect or alter the length of a working day for Customs officers or employees, or the overtime pay.

ERECTION OF BUILDINGS WITHIN ZONE BY PERSONS
OTHER THAN GRANTEE

285

The grantee may, with the approval of the Board, and under reasonable and uniform regulations for like conditions and circumstances to be prescribed by it, permit other persons, firms, corporations, or associations to erect such buildings and other structure within the zone as will meet their particular requirement: Provided (a) that such permission shall not constitute a vested right as against the United States, nor interfere with the regulation of the grantee or the permittee by the United States nor interfere with or complicate the revocation of the grant by the United States; (b) that in the event of the United States or the grantee desiring to acquire the property of the permittee, no good will shall be considered as accruing from the privilege granted to the zone; and (c) that such permits shall not be granted on terms that conflict with the public use of the zone as set forth in the act; and provided further that accepted sanitary practices be followed in the construction, equipment, and operation of such buildings and other structures.

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SECTION 3:

CUSTOMS AND CHARGING PROCEDURES

PROVISION OF CUSTOMS SERVICE

305

U.S. Customs Service will be provided on an "as needed" basis and arranged for through the Operator. It shall be the responsibility of the Operator to keep accurate records of all Customs Services rendered by individual Zone Users for billing purposes.

CUSTOMS INSPECTION OF MERCHANDISE

310

The Zone User or his agent must be at all times be immediately available to make merchandise ready for inspection as may be required by the U.S. Customs Service. In the case that the User or his agent is not available for inspection, Zone personnel are authorized to open packages and crates for Customs inspection and shall not be liable for any loss or damage to the goods resulting therefrom.

FOREIGN TRADE ZONE FORMS

315

Forms used in the transaction of Foreign Trade Zone business are designated by the U.S. Customs Service. These forms are to be completed by either the Zone User or the Operator of the Zone.

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

Custom Form 215. Application to Constructively Transfer Foreign Trade Zone Merchandise.

Custom Form 216. Application for Foreign Trade Zone Activity Permit.

TRANSACTION ACTIVITY FEE

320

A fee of \$5.00 shall be charged for each transaction completed regarding Customs Forms and Permits. This fee is to cover paperwork handling and the keeping of records for the Zone.

CUSTOMS MANAGEMENT FEE

325

A surcharge of 10% shall be added to the direct cost of Customs Services applicable to User operations. This charge is for Zone staff services for arranging, coordinating, accounting, and paying for the U.S. Customs supervision.

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CHARGES FOR CUSTOMS SERVICE

330

Zone Users shall be billed monthly by the Operator for all Customs services rendered during the billing period.

CHARGES FOR ZONE PERSONNEL

335

Zone personnel will be on hand to permit normal operation of the Zone. All services rendered will be billed directly to the User requesting services of Zone personnel. Applicable billing rates shall be \$10.00 per hour for clerical personnel and \$25.00 per hour for management personnel. The Zone also retains the right to charge a mileage fee of \$.20 per mile to cover Zone personnel travel costs from the Zone Office to the Site requesting Zone services.

CHARGES BY OTHER GOVERNMENT AGENCIES

340

Charges made by government agencies not covered by this Tariff shall be arranged for by the Owner of said merchandise at the expense of and liability of the Owner.

PAYMENT IN ADVANCE

345

All charges on a month to month basis or for other periods of time agreed upon or provided for in this Tariff shall be payable on the first day of the arrival of the merchandise.

WHEN CHARGES ARE PAYABLE

350

Zone charges are due and payable as they accrue.

MERCHANDISE HELD FOR CHARGES

355

The Zone reserves the right to withhold permission to withdraw merchandise from the Zone for Users with unpaid charges for Zone use or unpaid duties and taxes due the U.S. Customs Service.

ENFORCEMENT OF CHARGES

360

For the purpose of enforcing the payment of charges provided for in this Tariff, the Zone may take possession of merchandise, and may remove and store same at the charge, risk and expense of the owner or consignee thereof, and/or may sell their goods by public auction, and/or may avail itself of other such remedies as may be provided by law.

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MINIMUM ACCEPTANCE CHARGES

365

Zone maintains the right of refusal of merchandise or prepayment of charges if the value of the merchandise is less than probable charges.

PENALTY STORAGE CHARGE

370

When merchandise is placed in the Zone contrary to the rules and regulations put forth in this Tariff, a daily penalty charge of \$100 will be incurred. All merchandise will be subject to all Customs, Board, and Tariff regulations upon arrival into the Zone and all necessary Forms and Permits are applicable immediately. After 5 days, the Zone retains the right to seize the merchandise.

DOCUMENTATION

375

The Operator of the Zone does not offer Customs Brokerage Service. These services must be arranged for by the User through licensed brokers throughout the community near the Zone.

CUSTOMS BOND

380

The Zone Operator maintains for Customs purposes a Customs Bond as a guarantee for the payment from the Zone of all duties and taxes on such merchandise as may be removed from the Zone without a proper Customs Permit or otherwise missing from the Zone.

ZONE USER BONDS

385

All Zone Users will be required to maintain individual bonds in favor of the Zone Operator in such amounts as to support the Customs Bond of the Operator.

CUSTOMS PERMIT

390

Merchandise will not be delivered to or through Customs territory unless delivery order is accompanied by Customs Permit.

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SECTION 4:**GENERAL REGULATIONS****RESPONSIBILITY FOR DUTY AND TAXES****405**

Users of the Zone are responsible and liable for payment of any duties, taxes, or penalties due any agency of the Federal, State, or local government arising from use of the Zone, including liabilities of merchandise which is not accounted for to the satisfaction of the U.S. Customs Service. In the event the Grantee/Operator is required to pay any duty or tax to the U.S. Customs Service under conditions of the Customs Bond maintained by the Grantee/Operator, the person responsible for payment of the duty or tax will immediately reimburse the Grantee/Operator for such payments. Such person shall be liable to the Grantee/Operator for all costs, expenses, and attorney fees which may be incurred or sustained by the Grantee/Operator by reason of collection of such duty or taxes. Any sums due the Grantee/Operator under provisions of this paragraph shall constitute a lien against the interest of the User in the Zone and all its property situated in the Zone to the same extent and on the same condition as delinquent rent would constitute a lien on such premises and property.

GOVERNMENTAL LICENSES**410**

Users are responsible to obtain, maintain, and keep current any and all licenses, permits, certificates, or other authorizations required by any Federal, state, or local government that are or may be necessary in the conduct of business in or from the Zone.

REPORTS TO GOVERNMENTAL AGENCIES**415**

The grantee is required to submit periodic reports to the Board and the U.S. Customs Service. Users are required to freely submit all data, statistics, and records to the grantee that the grantee deems necessary.

INSPECTION OF ZONE AREAS**420**

The grantee may inspect any leased or assigned area within the Zone upon notice of the lessee at any and all times to ascertain whether or not the conditions related to its proper use are being observed.

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CONFIDENTIAL RELATIONSHIP

425

The Zone will take precaution to avoid the divulging of confidential information regarding merchandise and services performed within the Zone. Any Zone employee violating this confidential relationship will be suitably disciplined or discharged. The Zone, however, shall assume no liability should the information be divulged by an employee of the Zone.

SITE SECURITY

430

Individual users must provide their own fencing or other suitable barriers for protection of the revenue at their own expense subject to the approval of Customs. In the case of private warehouse operators within the Zone, individual operators must provide adequate barriers for the protection of the revenue as a means of segregating merchandise of Zone status from that merchandise not activated as part of the Zone.

UTILITIES

435

Electricity, gas, and water distribution systems are available at Zone Site No. 2. For those Users locating facilities at Sites Nos. 1 and 3, the User shall make all arrangements with the proper authority for the extension of services required to the area purchased at the User's own cost, risk, and expense, with consumption of such services billed directly to the User.

INVENTORY PROCEDURES

440

Standard physical inventory procedures approved and audited by Customs shall be used. If it is deemed necessary by Customs to change to an Alternative Inventory Control system, appropriate systems will be installed subject to consultation with and approval of the District Director of Customs.

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SECTION 5:

INSURANCE

LIABILITY

505

The responsibility of the Zone, in the absence of written provisions, is the reasonable care and diligence as required by law. All goods which are susceptible to damages through causes incident to general storage, are accepted in general storage only at the risk of the owner for such damage as might result from general storage conditions.

NON-LIABILITY

510

(a) The Starr County Industrial Foundation will not be liable and cannot assume any responsibility for any loss or damage to freight, cargo or merchandise or other property within the Zone, or for any loss or damage arising from acts of commission or omission of co-tenants, or of the occupants, or Users of adjacent or contiguous compartments or of other portions in or about the Zone, nor for the breakdown of power service, nor for loss or damage occasioned by plumbing, electric wires, automatic fire apparatus, nor for any loss or damage from any cause whatsoever.

(b) Zone Users through their use of the Zone agree that Grantee/Operator shall neither be responsible nor liable for any claims for damages or injury (including death) cause by or arising from:

- (1) Acts or negligence of co-Users upon or within the Zone.
- (2) The occupants or Users of adjacent or contiguous premises.
- (3) The breakdown of power service.
- (4) Plumbing, electrical wires, automatic fire or sprinkler apparatus or any facilities upon or about the Zone.
- (5) Water being upon or coming through the roof, skylights or trapdoors.
- (6) Accidents on tracks, roadways or elsewhere upon or within the premises of the Zone.

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(c) The Starr County Industrial Foundation shall never be liable to respond in damages or make indemnity or compensation of any character from any source other than the income and revenues arising from the operation of the property operated by the Starr County Industrial Foundation. The members at the Board of the Starr County Industrial Foundation shall not be personally liable to anyone by reason of, or due to, or caused by the management of the Zone.

WORKERS COMPENSATION

515

All persons employed by Zone Users or contractors within the Zone shall be properly covered by Workman's Compensation Insurance. Proof of coverage must be presented to the Operator before any work whatsoever may be started.

BUSINESS INSURANCE

520

Merchandise stored, manipulated or transferred within the Zone is not insured by the Grantee/Operator and the Zone Tariff rates do not include insurance on merchandise. All persons of firms leasing property or conducting business operations within the Zone shall therefore be required to carry minimum Bodily Injury Liability Insurance and Property Damage Insurance in the amounts determined by the Starr County Industrial Foundation. Such insurance must name the Starr County Industrial Foundation as an additional insured (at no expense to the Foundation) and a certificate of such insurance must be provided to the Zone office.

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SECTION 6:**WAREHOUSING/INDUSTRIAL SITES****WAREHOUSE OPERATIONS IN ZONE****605**

Warehouse storage and handling services may be performed in the Zone by private firms which meet the Zone's requirements regarding protection of public interest.

Private firms offering public warehousing facilities and services within the Zone will, in the public interest, be required to:

- (a) Carry warehouseman's liability insurance in an amount to cover the contents of that operator's warehouse space.
- (b) Provide sufficient materials handling manpower and equipment to provide for an effective and orderly flow of goods.
- (c) Post a bond with the Zone sufficient to cover the contents stored therein to protect the Zone's liability for duties on lost merchandise.

WAREHOUSE STORAGE AND HANDLING RATES**610**

Warehouse space may be leased to Zone Users at rates negotiable with the private warehouse operator located at Site No. 2, Ronaldo E. Guerra, Inc. These storage and handling rates will be negotiable according to weight, bulk, type, and value of the goods in addition to any special handling procedures that may require unusual or additional handling of the merchandise. In accordance with the public utility provision as stated in the Foreign Trade Zones Board Regulations (400.1003), rates quoted on specific commodities of like weight, bulk, type, and value shall be the same for all Zone Users under like circumstances.

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INDUSTRIAL PARK SITES

615

- (a) Landowners will sell land for the purpose of constructing private buildings and facilities subject to the rates, rules and regulations published in this Tariff.
- (b) Land purchases and terms will be negotiated considering the location of the land purchased, size and configuration of the property, and other factors.
- (c) Information in regards to land purchases can be obtained through the landowners of the sites. Names of the landowners involved are available at the Zone Office upon request.

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