

FOREIGN TRADE ZONE 57



Charlotte Regional Business Alliance
“Grantee”
(Effective November 1, 2014)

Foreign Trade Zone Grantee Schedule
US FTZ Board Fee Schedule
Operating under the authority granted by the
Foreign-Trade Zones Board,
United States Department of Commerce
Board Order 1613, Dated April 24, 2009

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Charlotte Regional Business Alliance
(“Grantee”)
POLICIES
(November 1, 2014)

A. General.

The following policies, procedures and rules (the **“Policies”**) have been adopted by the Charlotte Regional Business Alliance (the **“Grantee”**), and its authorized committees and officers, for application in the management and operation of Foreign Trade Zone #57 (**“FTZ #57”**). All previous versions of the Policies are hereby superseded by this version and are of no further force or effect. The Grantee reserves the right to modify and amend the Policies, in any and all respects, without advance notice to owners, operators and applicants in FTZ #57 (**“Zone Participants”**), however, the Grantee will provide notice of such modifications or amendments to applicable Zone Participants as soon as practicable following their adoption. All interpretations and applications of the Policies shall be made by the Grantee, in good faith, but in its sole discretion.

B. Application Process.

1. A description of the various Foreign Trade Zone (**“FTZ”**) application requirements are detailed in FTZ Regulations and outlined on the United States Foreign Trade Zones Board (the **“US FTZ Board”**) website www.trade.gov/ftz. Click on **“How to Apply.”**
2. Meetings between the Zone Participant and the Grantee are required prior to both the preparation and submission of any zone application.
3. Preparation of all applications, and supporting materials, is the responsibility of the applicable Zone Participant. Grantee assistance with respect to the same may be provided by the Grantee to the Zone Participant, on such terms and subject to such charges, as agreed to by the Grantee and the Zone Participant.
4. The Grantee will participate, with the Zone Participant, in communication and resolution of issues with the US FTZ Board.
5. The Grantee must be involved in the preparation and posting of legal notices. The cost of legal notices shall be paid by the applicable Zone Participant.
6. The Grantee cannot guarantee approval of any submission to the US FTZ Board.

A. Customs Interaction.

The Grantee will make introductions for Zone Participants to appropriate officials of US Customs and Border Protection at the Port of Charlotte (“**Customs**”) and provide basic information on the requirements for the operator’s procedures manual, required FTZ signage, referral to experts on FTZ information systems and NAFTAZ and other training opportunities.

B. Fees.

1. Fees payable to the Grantee are set forth in the applicable fee schedule of the Grantee, which may be modified or amended from time to time.
2. Fees payable to the US FTZ Board are set forth in Federal Regulations § 400.29 (and listed on the US FTZ Board website and briefly on page 11).
3. All fees must be paid by the applicable Zone Participant, when and as due, as a condition to any continuing rights of the Zone Participant in FTZ #57.
4. Annual fees may be pro-rated based on timing of approval by the US FTZ Board but are due in conjunction with annual reports or status letters, no later than February 15th.

C. Zone Participant Agreements.

1. All applicable Zone Participants will be required to enter agreements at such time, or times, as are determined by the Grantee (“**Zone Participant Agreements**”).
2. The Zone Participant Agreements will set forth the relationship between the Grantee and the Zone Participant and their respective rights, duties and obligations. The Zone Participant Agreements will generally include provisions covering the following:
 - Acknowledgment that the Grantee will not (and does not) participate in the day-to-day operations of the subject site.
 - That the applicable Zone Participant will indemnify and hold the Grantee harmless from any liability, costs and damages resulting from the application process and the activation and operation of the subject site, including providing insurance coverage and bonding (as required).
 - Requiring periodic reports regarding operations of the subject site and such backup and explanatory materials as may be requested by the Grantee.
 - Annual reports or status letters are due February 15th.
 - Permitting access to the subject site for the Grantee, Customs, the US FTZ Board and other appropriate state and federal governmental officials, in accordance with procedures determined by the Grantee.

- Acknowledgment by the applicable Zone Participant that privileges, benefits and obligations of FTZ site operations may be altered, modified or terminated at any time, and from time to time, in accordance with circumstances described in the Zone Participant Agreement or by order of US Customs and Border Protection.

D. **Miscellaneous.**

1. In accordance with applicable Zone Participant Agreements, Zone Participants will pay, or cause to be paid, legal expenses and costs incurred by the Grantee in conjunction with matters in which the Grantee requires legal assistance.
2. In accordance with applicable Zone Participant Agreements, the Grantee reserves the right to cancel the rights of an applicable Zone Participant under specified circumstances, which generally would include the following:
 - The subject property not being activated within the time limits set by the US FTZ Board. (or such other “sunset” provision specified by the US FTZ Board.)
 - Default in a Zone Participant Agreement or the recommendation of US Customs & Border Protection.
 - The subject site property being used for residential purposes, retail sales or any other use or development that is inappropriate for FTZ #57 purposes.
 - Failure to pay any charges or fees associated with FTZ status.

**Charlotte Regional Business Alliance
("Grantee")**

**USAGE DRIVEN and MAGNET SITES
APPLICATION AND ACTIVATION FEES
(November 1, 2014)**

Application Requirements. A description of the various Foreign Trade Zone ("FTZ") application requirements are detailed in FTZ Regulations and outlined on the United States Foreign Trade Zones Board (the "US FTZ Board") website www.trade.gov/ftz. Click on "How to Apply."

Usage Driven and Magnet Site Grantee Fees. The following are fees payable to the Grantee, on a per parcel or site basis. These are in addition to any fees that may be due or payable to the U.S. FTZ Board or to U.S. Customs. FTZ Board fees are listed separately in this schedule on page #10.

These fees are per parcel or site as defined by the US FTZ Board.

USAGE DRIVEN SITE FEES

Site Application Fees

- a. Production Authority - \$7,500
- b. Non-Production Authority - \$5,000

This non-refundable fee covers the expenses and services of the Grantee in conjunction with the application for zone designation, including reviewing and commenting on the application for a new site, coordinating the necessary approvals and resolutions for the site, submission of the application to the US FTZ Board and any necessary and reasonable support required in the application process. The fee is due prior to the Grantee officially submitting the application to the US FTZ Board. **The Grantee does not prepare or compile the actual application documents or operator's manuals, those being the responsibility of the Applicant and/or their consultant.**

Activation Fees (\$3,000).

This non-refundable fee covers Grantee expenses and services for preparation, processing and implementation of the agreement with the operator of the site (the "**Operator**"), providing a Grantee concurrence letter to U.S. Customs and Border Protection ("**Customs**") and any necessary and reasonable Grantee support required in the Customs activation process. Payment is due upon approval by Customs of the activation.

Active Site Annual Fees

These non-refundable fees cover Grantee expenses and services for oversight of the Zone and review and submission of the Operator's annual report. The Active Site Annual Fees, billed by the Grantee in January, are due at the same time as the annual report to be submitted to the US FTZ Board but no later than February 15 of each year.

- a. Production Authority - \$7,500
- b. Non-Production Authority - \$5,000

Inactive Site Annual Fees (\$2,000).

The Inactive Site Annual Fees are non-refundable and cover Grantee expenses and services for oversight of the Zone. The Grantee will bill the Operator in January, with payment due no later than February 15 of each year.

MAGNET SITE

Site Application Fees.

- a. 50 – 250 acres - \$4,500
- b. 251 – 600 acres - \$7,500
- c. Production Authority - \$7,500

This non-refundable fee covers the expenses and services of the Grantee in conjunction with the application for zone designation, including reviewing and commenting on the application for a new site, coordinating the necessary approvals and resolutions for the site, submission of the application to the US FTZ Board and any necessary and reasonable support required in the application process. The fee is due prior to the Grantee officially submitting the application to the US FTZ Board.

The Grantee does not prepare or compile the actual application documents or operator's manuals, those being the responsibility of the Applicant and/or their consultant.

Activation Fees (\$3,000).

This non-refundable fee covers Grantee expenses and services for preparation, processing and implementation of the agreement with the operator of the site (the "**Operator**"), providing a Grantee concurrence letter to U.S. Customs and Border Protection ("**Customs**") and any necessary and reasonable Grantee support required in the Customs activation process. Payment is due upon approval by Customs of the activation.

Active Site Annual Fees

- a. Production Authority - \$7,500
- b. Non-Production Authority - \$5,000

These non-refundable fees cover Grantee expenses and services for oversight of the Zone and review and submission of the Operator's annual report. The Active Site Annual Fees, billed by the Grantee in January, are due at the same time as the annual report to be submitted to the US FTZ Board but no later than February 15 of each year.

Inactive Site Annual Fees (\$3,000)

The Inactive Site Annual Fees are non-refundable and cover Grantee expenses and services for oversight of the Zone. The Grantee will bill the Operator in January, with payment due no later than February 15 of each year.

Additional Fees

The following fees may be imposed, in addition to those listed above, in conjunction with the activities or initiatives indicated:

- a. Production Authority Application - \$7,500
- b. Request for Change in Scope of Authority - \$1,000
- c. Request for Minor Modification - \$1,000

**Charlotte Regional Business Alliance.
("Grantee")
SUBZONES**

**OPERATOR/FACILITY/SITE
APPLICATION AND ACTIVATION FEES
(November 1, 2014)**

- E. **Application Requirements.** A description of the various Foreign Trade Zone ("FTZ") Subzone application requirements are detailed in FTZ Regulations and outlined on the United States Foreign Trade Zones Board (the "US FTZ Board") website www.trade.gov/ftz. Click on "How to Apply."
- F. **Subzone Fees.**
1. **Site Application Processing Fee (\$10,000).**
This non-refundable fee covers the expenses and services of the Grantee in conjunction with the application for zone designation, including reviewing and commenting on the application for a new site, coordinating the necessary approvals and resolutions for the Subzone, submission of the application to the US FTZ Board and any necessary and reasonable support required in the application process. These are in addition to any fees that may be due or payable to the U.S. FTZ Board or to U.S. Customs. FTZ Board fees are listed separately in this schedule on page #10.

Three Thousand Dollars (\$3,000) of this fee is due upon submission of the draft application to the Grantee as required, for review by all or part of the FTZ #57 Advisory Committee, by the applicant (the "Applicant"), with the balance of the fee due when the application is officially submitted by the Grantee to the US FTZ Board.

The Grantee does not prepare or compile any Subzone applications or operator's manuals, those being the responsibility of the Applicant and/or their consultant.
 2. **Activation Processing Fee (\$10,000).**
This non-refundable fee covers Grantee expenses and services for preparation, processing and implementation of the Subzone agreement with the operator of the site (the "Operator"), providing a Grantee concurrence letter to U.S. Customs and Border Protection ("Customs") and any necessary and reasonable Grantee support required in the Customs activation process. Payment is due upon approval by Customs of the activation.

3. **Active Site Annual Fees (\$10,000).**

These non-refundable fees cover Grantee expenses and services for oversight of the Subzone and review and submission of the Operator's annual report. The Active Site Annual Fees, payable annually, are due at the same time as the annual report to be submitted to the US FTZ Board but no later than February 15 of each year.

4. **Inactive Site Annual Fees (\$4,000).**

These non-refundable fees are applicable once a site has been approved by Customs for "activation" and the agreement with the Operator is in place, but before the site is "activated". Further, a Subzone operator may make request to the Grantee for a reduction to the "inactive fee level" if there is to be an extended time period that the site is not utilizing the FTZ Program. The Inactive Site Annual Fees cover Grantee expenses and services for oversight of the Subzone and submission of a "status letter" and related documentation. The Grantee will bill the Operator in January, with payment due no later than February 15 of each year.

5. **Additional Fees.**

The following fees may be imposed, in addition to those listed above, in conjunction with the activities or initiatives indicated:

- a. Processing application for production authority if not part of the existing Subzone grant - \$7,500
- b. Processing of application to expand or reconfigure Subzone geographic area or scope of operations - \$4,500
- c. Amendments to any expansion application, following initial submittal – up to \$2,000
- d. Processing application for temporary manufacturing/operator processing authority - \$4,500
- e. Processing minor boundary modifications - \$1,000

**U.S. FOREIGN-TRADE ZONES BOARD FEE SCHEDULE
PER REGULATIONS
2008**

Sec. 400.29 Application fees.

(a) In general. This section sets forth a uniform system of charges in the form of fees to recover some costs incurred by the Foreign-Trade Zones staff of the Department of Commerce in processing the applications listed in paragraph (b) of this section. The legal authority for the fees is 31 U.S.C. 9701, which provides for the collection of user fees by agencies of the Federal Government.

(b) Uniform system of user fee charges. 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.

- (1) Additional general-purpose zones (Sec. 400.24; Sec. 400.21(a)(2)) \$3,200
- (2) Special-purpose subzones (Sec. 400.25):
 - (i) Non-manufacturing/processing or less than three products\$4,000
 - (ii) Manufacturing/processing--three or more products \$6,500
- (3) Expansions (Sec. 400.26(b))..... \$1,600

(c) Applications submitted to the Board shall include a check drawn on a national or state bank or trust company of the United States or Puerto Rico in the amount called for in paragraph (b) of this section. Uncertified checks must be acceptable for deposit by a Federal Reserve bank or branch.

(d) Applicants shall make their checks payable to the U.S. Department of Commerce ITA. The checks will be deposited by ITA into the Treasury receipts account. If applications are found deficient under Sec. 400.27(b)(1), or withdrawn by applicants prior to formal filing, refunds will be made.

Appendix – Definitions

Activation – Once a zone or subzone site is approved by the FTZ Board, an application must be made to the local CBP office, with the concurrence of the FTZ grantee, to operate the zone/subzone site (or portion thereof) under FTZ procedures. This CBP process is known as activation generally includes steps such as background checks, a written procedures manual, posting a bond with CBP, as well as a review of the security of the site(s) and the inventory control methods.

Alternative Site Framework or ASF – An optional approach to designation and management of zone sites allowing greater flexibility and responsiveness to serve single-operator/user locations. The ASF was adopted by the Board as a matter of practice in December 2008 (74 FR 1170, January 12, 2009; correction 27 FR 3987, January 22, 2009) and modified by the Board in November 2010 (75 FR 71069, November 22, 2010). FTZ #57 was approved for ASF status by Board Order 1944, July 17, 2014.

Board or Foreign-Trade Zones Board – Consists of the Secretary of Commerce (chairman) and the Secretary of Treasury, or their designated alternates.

Board Order – A type of document that indicates a final decision of the Board. Board Orders are generally published in the Federal Register after issuance.

CPB or Customs - U.S. customs and Border Protection of the Department of Homeland Security

Executive Secretary – The Executive Secretary of the U.S. Foreign-Trade Zones Board.

Foreign Trade Zone – Foreign Trade Zone, FTZ, or Z(z) one includes one or more restricted-access sites, including subzones, in or adjacent (as defined by Sec. 400.11(b)(2)) to a CBP port of entry, operated as a public utility (within the meaning of Sec. 400.42) under the sponsorship of a zone grantee authorized by the Board, with zone operations under the supervision of CBP.

Grant or Grant of Authority – A document issued by the Board that authorizes a zone grantee to establish, operate and maintain a zone, subject to limitations and conditions specified in this part and in 19 CFR Part 146. The austerity to establish a zone includes the responsibility to manage it.

Grantee - The Charlotte Regional Partnership, Inc., as the recipient of the Grant, approved pursuant to Board Order No. 1613, dated April 24, 2009.

NAFTZ – National Association of Foreign Trade Zones

Inactive – A general-purpose zone or subzone site that has been approved by the FTZ Board, but is not “activated” with CBP. No activity under FTZ procedures is occurring at an inactive site.

Magnet Site – A site intended to serve or attract multiple operators or users under the ASF.

Modification – A major modification is a proposed change to a zone that requires action by the FTZ board; a minor modification is a proposed change to a zone that may be authorized by the Executive Secretary.

Production – Activity involving the substantial transformation of a foreign article resulting in a new and different article having a different name, character, and use, or activity involving a change in the condition of the article which results in a change in the customs classification of the article or in its eligibility for entry for consumption.

Subzone – A site (or group of sites) established for a specific use.

Usage Driven Site – A site tied to a single operator or user under the ASF

Zone Participant – A party who engages in Zone activity with the Grantee.