

# ZONE SCHEDULE

## FOREIGN-TRADE ZONE 169

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Palmetto, Florida

**MANATEE COUNTY PORT AUTHORITY**

Effective March 2023

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GRANTEE:

**Manatee County Port Authority**

## **RULES, REGULATIONS AND POLICIES OF**

**FOREIGN TRADE ZONE #169**

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**DATE: March 10, 2023**

## **PREFACE**

The following system is designed to meet the requirements of the U.S. Customs Service Regulations (T.D. 86 -16) for Audit – Inspection Procedures in Foreign Trade Zones. Under the Regulations, the Operator is ultimately responsible for maintaining inventory records. The U.S. Customs Service is relieved of the duty of actually keeping the records but maintains assurance of the Systems 'accuracy by selective examinations of merchandise, and spot checks and audits of the Zone facilities. This System is capable of producing the following required results:

1. Accounting for all merchandise, including domestic status merchandise, temporarily deposited, admitted, exhibited, manipulated, manufactured, destroyed, transferred, and/or removed from the Zone.
2. Producing accurate and timely reports and documents required by the Customs Regulations:
3. Identifying shortages and overages of merchandise in the Zone, in sufficient detail to determine the quantity, description, tariff classification, zone status, and value of the missing or excess merchandise:
4. Providing all the information necessary to make an entry for merchandise being transferred to the Customs territory:
5. Providing an audit trail of  
Customs forms from admission through manipulation, manufacture, destruction or transfer of merchandise from the Zone by a Customs authorized inventory method; and
6. Every Zone User shall have on file with the Operator a letter outlining that User's Zone inventory keeping method(s). It will be the responsibility of the User to maintain for Customs inspection adequate documents for five (5) years after completion of a transaction. The Operator may request a copy of the documents when necessary to comply with Customs requirements. The Grantee reserves the right at any time to request copies of the Operator's and/or User's documents.

**DISTRIBUTION LIST**

MANATEE COUNTY PORT AUTHORITY

FTZ #169

PROCEDURAL MANUAL

Seaport Manatee Port Director, Customs and Border Protection

Any additional Customs and Border Protection as requested.

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## I GENERAL MATTERS

### Definitions

1. **Grantee:** Manatee County Port Authority, a public corporation to which the privilege of establishing, operating, and maintaining a foreign trade zone has been granted by the Foreign Trade Zones Board.
2. **Operator:** The Manatee County Port Authority is the operator of FTZ #169 unless otherwise designated by the Grantee under separate agreement by the Manatee County Port Authority. The FTZ Operator is responsible to Customs and the Grantee and is liable under its own bond for supervision, defects in, or failures of the Systems. The Grantee may require the Operator to post its own bond.
3. **User:** A person or firm using a zone for storage, handling or processing of merchandise. The Operator may authorize a User to maintain its individual inventory Control and Record keeping Systems and procedures manual. The User may be required to have its own bond.
4. **Merchandise:** Merchandise includes goods, wares, and chattels of every description, except prohibited merchandise. (Building material, production equipment and supplies for use in the operation of a zone may not be considered “merchandise”.)
5. **Prohibited Merchandise/Operations:** 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 Foreign Trade Zones Board. Books urging treason or insurrection against the U.S., obscene pictures, and lottery tickets are examples of Prohibited Merchandise. For a current list of merchandise that is prohibited by Federal Law, please refer to Exhibit A.
6. **Domestic Merchandise:** Merchandise which has either:
  - a. Been produced in the United States and not been exported therefrom; or
  - b. Been previously imported into the Customs territory of the United States and properly released from Customs custody.

This means imported merchandise on which all necessary duties and taxes, if applicable, have been paid, and upon which no drawback has been claimed, is considered domestic merchandise when admitted to a foreign trade zone.
7. **Foreign Merchandise:** Imported merchandise which has not been released from Customs custody into the Customs territory of the United States. This includes imported merchandise upon which duty and taxes, if applicable, have not been collected.
8. **Prohibited Activities:** Activities that are considered prohibited include, but are not limited to the following:
  - a. The destruction of distilled spirits, wines and fermented malt liquors:
  - b. The rectification of spirits and wines; and
  - c. The manufacture of production of alcoholic products unfit for beverage purposes. Any activities determined by federal state or local authorities to be detrimental to the public health and safety and retail trade are not permitted in a zone.

9. **Mixed Status Merchandise:** Foreign Merchandise which has been combined with Domestic Merchandise in the zone is sometimes referred to as Mixed Status Merchandise.
10. **Conditionally Admissible Merchandise:** Merchandise which may be imported into the U.S. under certain conditions; for example, merchandise which is subject to permits or licenses, or which must be reconditioned to bring it into compliance with the laws administered by various federal agencies.
11. **Restricted Merchandise/Operations:** Merchandise which may not be authorized for delivery from Customs custody without a special permit, or a waiver thereof, by an agency of the U.S. Government. Also, the foreign Trade Zones Board and U.S. Customs Service have restricted certain operations involving, but not limited to, the following products: steel, textiles, television tubes and sugar. Operations involving orange juice may be restricted. The restrictions may vary on a case-by-case basis.
12. **Fungible Merchandise:** Merchandise which, for commercial purposes, is identical and interchangeable in all situations; for example, a box of ball bearings being homogeneous in nature not being individually tagged with serial numbers or sequence numbers for identification.
13. **Audit-Inspection Procedures:** These procedures are designed to meet the requirements of the U.S. Customs Service Regulations (T.D. 86-16) for Audit-Inspection Procedures in Foreign Trade Zones. Under the Regulations, the Operator ultimately maintains the inventory records; however, the Grantee reserves the right to review any and all such records. The U.S. Customs Service is relieved of the duty of actually keeping the records, but maintains assurance of the Systems' accuracy by selective examinations of merchandise, a spot checks and audits of zone facilities.
14. **Anti-dumping Duties (ADD):** Are assessed on imported merchandise of a class or kind that is sold to purchasers in the U.S. at a price less than the fair market value, where fair market value is the price at which it is normally sold on the home market. Anti-dumping duties are calculated by using one of the following:
  - a. the date the privilege is requested in the case of privileged foreign merchandise; or
  - b. the date of entry for consumption or warehouse in the case of non-privileged foreign merchandise.
15. **Countervailing Duties (CVD):** Are assessed to counter the effects of subsidies provided by foreign governments to merchandise that is exported to the U.S. These subsidies cause the price of such merchandise to be artificially low to American importers and their customers. Countervailing duties are calculated by using one of the following:
  - a. the date the privilege is requested in the case of privileged foreign merchandise; or
  - b. the date of entry for consumption or warehouse in the case of non-privileged foreign merchandise.
16. **Zone Status:** The legal status of goods in a Foreign Trade Zone:
  - a. **Privileged Foreign (PF):** Foreign merchandise or non-tax-paid domestic merchandise upon which the duty and applicable taxes have been determined at the time this

status is approved. The determined duty rate and taxes are not subject to future fluctuation. Once established, privileged foreign status cannot be changed. If merchandise has already been admitted into a zone, in non-privileged foreign status, privileged foreign status may be obtained by filing a CF 214. Application for this status, however, must be filed prior to manipulation or manufacture. Privileged foreign merchandise is not subject to either ADD or CVD types of duty or bonding requirement unless an anti-dumping or countervailing duty order is in effect for such merchandise on the date the application for privilege is filed in complete and proper form:

- b. **Non-privileged Foreign (NPF)**: Foreign merchandise or non-tax-paid domestic merchandise upon which the duty and applicable taxes will be determined at the time the merchandise enters the Customs territory of the United States from a foreign trade zone. The treatment of non-privileged foreign merchandise with ADD or CVD duties depends on whether such merchandise is substantially transformed while in a zone. If not transformed, non-privileged foreign merchandise is not subject to either type of duty except in the case of anti-dumping duties for merchandise transformed by a party in a zone who is related to the foreign manufacturer:
  - c. **Domestic (D)**: Merchandise produced in the U.S., not exported therefrom, and on which all internal revenue taxes, if applicable, have been paid; or imported merchandise properly released from Customs custody on which all applicable duties and terms have been paid; and
  - d. **Zone Restricted (ZR)**: Merchandise entered into a zone for the purpose of exportation or destruction. Merchandise with ZR status may not be returned to U.S. Customs territory for domestic consumption except as approved by the Foreign Trade Zones Board.
17. **Constructive Transfer**: A legal fiction which allows Customs to consider that the merchandise has been transferred to the Customs territory without physical removal from a zone. Goods are considered imported into Customs territory at the time of constructive transfer and therefore subject to entry procedures.
18. **Marking**: If an imported article undergoes a substantial transformation while in a foreign trade zoned, that is, such processing that the resultant product is one having a name, character or use differing from that of the article which was entered into a foreign trade zone, the final product would no longer be considered to be of foreign origin. Authorization of the use of the legend "Made in USA" is beyond the scope of the U.S. Customs Service but is within the jurisdiction of the Federal Trade Commission and must be approved accordingly. If no transformation occurs, the requirements of Section 304 of the Tariff Act must be met upon entry of the merchandise into the Customs territory.
19. **Zone Site**: The physical location of a zone or subzone.
20. **Authorized Inventory Method**: A Customs authorized inventory method other than a lot system (specific identification of merchandise) is to be used, e.g., First-In First-Out (FIFO).

No lot file is required but the Operator shall maintain a file of all Customs Form 214s in sequential order. [Customs Regulations 146.37 (2)].

21. **Examination Invoice:** A commercial invoice sign by the seller or shipper (or his agent) which includes information about the shipment, such as: description of the merchandise, quantity, measure, port of entry, currency, charges, country of origin, etc. The User shall give a copy of the examination invoice to the person making entry to transfer the merchandise from the zone upon request of that person or the District Director. [Customs Regulations 146.37 (2b)].
22. **Control Number/UIN:** A sequentially numbered system for each CF 214 which serves as the Unique Identification Number (UIN) for each shipment arriving at a zone. The Control Number is used on all Customs and Foreign Trade Zone forms. Every zone User has a separate block of control numbers which identifies that User and may have an individual UIN for commercially fungible merchandise.
23. **Secured Holding Area:** A temporary holding area within the activated zone site for goods requiring further action.
24. **Admission Suspense Account:** A temporary imaginary holding account for merchandise received without the proper documents for backup. The merchandise is held in this account until the proper documents arrive and the merchandise is considered arrived in the Zone.
25. **Definition and Privileges of Foreign-Trade Zones:** Under Section 15 CFR Part 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, 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, 73<sup>rd</sup> Congress, approved June 18, 1934, as amended by Public Law 566, 81<sup>st</sup> 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, 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 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 foreign merchandise in a Zone, cause it to be appraised and taxes determined, and 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, and whether mixed or manufactured with domestic merchandise or not, may under 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 thereon. If merchandise so taken under supervision has been manipulated or manufactured, 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 of 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, if subject thereto, and articles previously imported on which duty and/or tax has 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, or 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 requirement 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 for 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 statues 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 a transfer may also be considered 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 the domestic consumption except where the Foreign-Trade Zones Board deems such return to be in the public interest, in which event the articles 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 the Tariff Act of 1930, shall be permitted in a Zone 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 Customs territory of the United States be subject to the import laws applicable to like 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”.

26. **Exclusion from Zone of Goods or Process of Treatment:** 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 the bade 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.
27. **Foreign-Trade Zone Board General Regulations:** Foreign-Trade Zone No. 169 is regulated by the Foreign-Trade Zones, Washington, D.C., under U.S. Code of Federal Regulations, Chapter IV, Part 400. Copies of these regulations are maintained at the foreign-Trade Zone No. 169 office for reference.
28. **General Regulations:** All persons and merchandise of every description entering or leaving F.T.Z. No. 169 for any purpose whatsoever, shall be bound by the lawful regulations of the Foreign-Trade Zones Board and by the Zone regulations issued thereunder.

29. **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 73<sup>rd</sup> Congress and the Regulations issued thereunder.
30. **Indemnification:** Each user shall indemnify and save harmless the Grantee/Operator from and against any and all loss, cost (including attorney's fees), damages, expense and liability (including statutory liability and liability under Worker's Compensation Laws) in connection with claims for damages as a result of injury or death of any person(s) which arise from or in any manner grow out of any act or neglect on or about the zone by User, User's partners, agents, employees, customers, invitees, contractors, and sub-contractors.
31. **Insurance:** Insurance is carried by Grantee on its own property only and does not include insurance on the contents stored therein. Users are not allowed to place materials 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, of user or owner of the commodities or other properties. 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.
32. **Liability:** The responsibility of the Zone, in the absence of written provisions, is the reasonable care and diligence required by law. Perishable goods, or goods which are susceptible to damage through temperature changes or other causes incident to general storage only at the risk of the Person of Record for such damage as might result from general storage conditions.
33. **Merchandise Held for Charges:** The Zone Manager reserves the right to withhold permission to withdraw merchandise from the Zone for tenants with unpaid Zone charges.
34. **Non-Liability:** The Manatee County Port Authority 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-users, 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 cranes or 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.
35. **Payment of Customs Penalties:** U.S. Customs Service penalties resulting from inventory discrepancies, operational infraction or other occurrences for which the user is responsible will be paid by the penalized user.
36. **Residence within Zone:** 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.
37. **Retail Trade within Zone:** 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 the 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 provisions of the regulations in this Section, his permit shall be revoked by the Grantee, who shall immediately report such action to the Board.

38. **Subsequent Importation of Zone Merchandise:** 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.
39. **Subzones Regulations:** A foreign-trade subzone is a special purpose, non-continuous portion of a foreign-trade zone, so located because the operation located therein is too large, complicated, unwieldy, expensive, or otherwise infeasible to move within the boundaries of the zone. It is usually distinguished by the fact that its space is not owned or leased by the grantee, but rather by a firm under contract to the grantee. A subzone may be established for one or more of the specialized purposes of storing, manipulating, manufacturing, or exhibiting merchandise, if authorized by the Foreign-Trade Zones Board after a finding that the existing zone will not adequately serve the convenience of commerce with respect to the proposed purposes.
40. **Tariff in Compliance with Foreign-Trade Zones Board's Instructions:** Foreign –Trade Zone No. 169 Tariff No. 1 is issued in compliance with Foreign-Trade Zone's Board's instructions and is on file with same.
41. **Tender for Acceptance:** All merchandise for Zone acceptance shall be delivered at designated points properly marked and packed and accompanied or preceded by the necessary documents for preserving the identity of such merchandise.
42. **Warehouse Operating Requirements:** Private firms offering public warehousing facilities and services within the Zone will be required to comply with the following minimum criteria: (a) Provide insurance coverage to protect the merchandise in the care, custody, and control of the warehouse firm. (b) Provide indemnity bond or other security payable to the Grantee to assure payment of Customs duty and taxes on merchandise in the care, custody and control of the warehouse firm, and additional costs to the Zone such as overtime charges for Customs and Zone personnel incurred for the account of the merchandise in the warehouse. (c) Restrict use of warehouse space to clients with a bonified use of the Zone. This will normally involve only merchandise having a prior or subsequent movement in international trade involving supervision and control by the U.S. Customs Service.

**II U.S. CUSTOMS SERVICE FORMS:** These forms are processed by the User's or Operator's Customs House Broker. A copy of the Customs forms used, instructions or their completion and the distribution list for copies can be found in Appendix A.

1. **CF 214 – Application for Foreign Trade Zone Admission and/or Status Designation:** This form is used as an application for zone status and to admit merchandise into the Zone. A CF 214 may also be used to report shortages at the point of unloading, on arrival at the Zone, or in the Zone if signed jointly by the Operator and the carrier, and if discovered within fifteen (15) days after admission to the zone; the CF 214 must be filed with Customs within two (2) working days thereafter.
2. **CF 216 – Application for Foreign Trade Zone Activity Permit:** This form is used as an application for manipulation, manufacture, exhibition or destruction of Foreign Trade Zone merchandise. A blanket, yearly CF216 may be used. In the case of a new manufacturing activity, prior concurrence from the Foreign Trade Zones Board is required.
3. **CF 301 – Customs Bond:** All Customs bonds utilize this form. The foreign Trade Zone Operator's Bond provisions are set forth at 19 CFR 113.73.
4. **CF 3171 – Application for Permit for Special License, Unloading/Lading Overtime Services:** Permit to unload cargo is filed before anything is done to the merchandise and should be filed before each shipment, unless an annual CF 3171 is used.
5. **CF 3461 – Immediate Deliver Application:** Used for entry of foreign or mixed status merchandise into U.S. Customs territory. Duties and taxes are payable on filing of the CF 7501 within ten (10) working days of release of merchandise. An estimated CF 3461 may be used if the User operates under Estimated Production Procedures for Consumption (CR 146.63c)
6. **CF 6043 – Deliver Ticket:** Used to move cargo within the Port/FTZ. It is used primarily for tracking purposes.
7. **CF 7501 – Consumption Entry:** Entry for foreign or mixed status merchandise into the Customs territory of the United States. Duties and taxes must be paid at the time of filing this form. Consumption entries must be supported by an entry bond.
8. **CF 7505 – Warehouse Withdrawal for Consumption:** Application for entry of privileged foreign merchandise into U.S. Customs territory. Duties and taxes are paid according to the appraisement and classification indicated on CF 7501.
9. **CF 7505-A Permit for Warehouse Withdrawal for Consumption:** This permit accompanies the 7505 Warehouse Withdrawal for Consumption.
10. **CF 7512 – Transportation Entry and Manifest of Goods Subject to Customs Inspection and Permit:** This form is used to establish the responsibility of bond for the transfer of foreign or mixed status merchandise from:

- a. the port of unloading to a zone (unless the zone is located in the port of unloading which requires the use of a CF 214, CF 3171 or CF 6043);
- b. from the zone to the port of exportation:
- c. from one zone to another zone site:
- d. from a zone to a bonded warehouse; and
- e. for other transfer purposes.

**11. CF 7512-C Transportation Entry and Manifest of Goods Control Card:** Is also required for controlling shipments of merchandise when transferred on a CF 7512.

**12. Commerce Form 7525-V Shippers Export Declaration or alt.- Export Declaration Form:**

Required to be filed for any merchandise exported that exceeds \$2500. Consult U.S. Customs for any exceptions to this rule.

**III FOREIGN TRADE ZONE FORMS:** The Foreign Trade Zone forms, are other forms used to keep proper inventory and record keeping in the Zone and are specifically for use at FTZ #169.

Contact Customs & Border Protection for all correct forms due for reporting.

#### **IV SECURITY PROCEDURES**

1. **Identification of Employees within the Zone Site:** All persons entering Zone #169 are bound by the foreign trade zone regulations. All persons entering the Zone for any reason whatsoever shall be bound by the regulations promulgated by the Foreign Trade Zones Board, the Grantee and by the Operator. All persons on duty within, and in connection with the operation of the Zone, with the exception of Federal employees and uniformed employees of the Zone, shall be required while within the Zone, shall be required to carry identification cards or wear appropriate identification cards or wear appropriate identification badges to be provided by the Operator of the Zone. (Foreign Trade Zones Board 400.811, 400.812) The operator will maintain a record of all identification badges and the following will be maintained on a current basis:
  - a. employer's name
  - b. employee's name
  - c. employee's social security numbers and/or passport numbers
  - d. date issued.
  - e. date returned.
  - f. any other pertinent information, i.e.: lost badges, replacements, etc.

The U.S. Customs Service may conduct a background investigation of any employee before issuance of an identification badge. The Grantee reserves the right of similar action.

2. **Employees and Other Persons Entering or Leaving the Zone Site:** Employees and other persons entering or leaving the Zone shall pass through the designated entrances and exits in the enclosure surrounding the Zone, except those exceptions sited in Foreign Trade Zones Board 400.810. Employees and other persons shall be subject to such examination upon entering and leaving the zone as the Grantee, Operator, District Director or U.S. Customs may deem necessary for the protection of the Zone. Anyone entering the Zone for whatever reason shall adhere to the Foreign Trade Zones Board regulations, Customs regulations and the rules and regulation, Customs regulations and the rules and regulations issued by the Grantee or the Operator of the Zone. See Exhibit B for a listing of authorized Port employees authorized to enter Foreign Trade Zone # 169.

3. **Visitors:** Visitors to the zone will be granted entrance by means of a visitor's pass issued by the Operator/Zone Security Guard after the need to enter the Zone is verified. A specific reason and/or person to be visited in the Zone must be stated and the person to be visited must be contacted before a visitor's pass is issued. A gate Entry/Exit Log will be maintained by the Operator/Zone Security Guard and will contain the following information for each visitor permitted to enter the Zone:
  - a. date
  - b. name
  - c. firm
  - d. person to be visited/reason.
  - e. visitor's pass number
  - f. time in and time out
4. **Signs:** Signs will be placed at strategic points which will read:
 

WARNING

THIS IS A U.S. FOREIGN TRADE ZONE. WHOEVER MAICIOUSLY ENTERS WITH INTENT TO REMOVE THEREFROM ANY MERCHANDISE, OR UNLAWFULLY REMOVES MERCHANDISE FROM U.S. CUSTOMS SERVICE CUSTODY OR CONTROL SHALL BE GUILTY OF A FEDERAL CRIME AND FINED NOT MORE THAN \$5,000.00 OR IMPRISONED NOT MORE THAN TWO (2) YEARS, OR BOTH. (18 U.S.C. 549).
5. **Physical security:** Building plans will be submitted to Customs and the Grantee prior to the activation of each Zone operation. All security procedures will be approved by Customs.
6. **Physical Facilities and Material Management:** All merchandise stored in the Zone will be stored in a safe and sanitary manner. Aisles will be established in storage areas and may be changed from time to time. All entrances should be left unblocked. Trash and waster should be promptly removed from the Zone. All Port regulations as stated in Port Tariffs as well as all local, State and Federal Health Laws should be observed to endure the protection of public safety.
7. **Confidential Relationship between Zone and Tenant:** The Zone Manager will take precaution to avoid the divulging of confidential information regarding merchandise and services thereon performed in the Zone, insomuch as allowable by law. Any Zone employee violating this confidential relationship will be suitable disciplined or discharged.

## **V INVENTORY CONTROL AND RECORD KEEPING SYSTEMS**

- A. **General:** The Systems are designed to meet the requirements of the U.S. Customs Service Regulations (T.D. 86-16) for Audit-Inspection Procedures in Foreign Trade Zones. Under the Regulations, the Operator maintains the inventory records. The U.S. Customs Service is relieved of the duty of actually keeping the records but maintains assurance of the Systems' accuracy by selective examinations of merchandise, spot checks and audits of the Zone facilities. This system can produce the following required results:
  1. **Merchandise Detail:** Accounting for all merchandise, including domestic status merchandise, temporarily deposited, admitted, granted a zone status and/or status change, stored, exhibited, manipulated, manufactured, destroyed, transferred, and/or removed from the Zone:

2. Reports: Producing accurate and timely reports and documents as required by the Customs Regulations:
3. Identification of Discrepancies: Identifying shortages and overages of merchandise in the Zone in sufficient detail to determine the quantity, description, tariff classification, zone status, and value of the missing or excess merchandise:
4. Audit Trail: Providing an audit trail of Customs forms from admission through manipulation, manufacture, destruction or transfer of merchandise from the Zone by a Customs authorized inventory method; and
5. Other Information: Providing all the information necessary to make entry for merchandise being transferred to the Customs territory.

Every Zone User shall have on file with the Grantee and the Operator a letter outlining that User's Zone inventory keeping methods. It will be the responsibility of the User to maintain for Customs inspection adequate documents for five (5) years after the completion of a transaction. The Grantee and/or Operator may request a copy of the documents when necessary to comply with Customs requirements. The Grantee and/or Operator reserves the right to conduct audits on Users periodically. The User is subject to fines compatible to those imposed by the U.S. Customs.

- B. **Proprietary Information**: The Operator will take precaution to avoid the divulging of confidential information regarding merchandise and services performed thereon in the Zone. Any Zone employee violating this confidential relationship may be suitably disciplined, denied access, or discharged.

All proprietary information contained on a Customs form or in the Inventory Control and Record keeping Systems will not be disclosed to unauthorized persons, in accordance with U.S. Customs Laws. The above information is available to U.S. Customs for review Monday through Friday from 8:30 a.m. until 5:00 p.m. at the offices of the Manatee County Port Authority, FTZ #169. Some supporting documents may be kept at any Zone Operator's or User's main office at the Zone site.

- C. **User's System/Manual**: Each User is allowed to use its own Inventory Control and Record keeping System(s) provided that the following criteria are met:
1. General Requirements: The System(s) satisfies the requirements set forth in Item V – A above:
  2. Pass Examination: The System(s) is examined and approved by the Grantee and the Operator; and
  3. Provide Descriptive Manual: A description of each User system is included in this Manual as an addendum.

The System is subject to regular spot checks and audits conducted by the Operator. The Operator may keep or request copies of documents for the Operator files as outlined in the Customs Regulations for audit guidelines, see Section D below.

- D. **Systems' Description**: A unique identifier "Control Number" (UIN) system will be used for the control and accountability of merchandise in the Zone. Each User will have a block of Control Numbers (assigned by the Grantee) which will serve to identify a specific Zone User. Control Files shall be made for each Control Number. Each Control File shall contain Merchandise Ledgers along with the source documents pertaining to transactions involved with that File. The source documents in each foreign Control File shall include commercial invoices, a CF 214, CF 216's, Applications to Constructively Transfer Merchandise, Tally Ins., and Tally Outs. A Control Number Log is maintained to ensure that each Control Number is in sequence. A CF 214 File is maintained.

- E. **Record Retention:** Records will be retained by the User for five (5) years after the merchandise is removed from the Zone. Records will be readily available for Customs and/or Grantee's review at the Zone site(s).
- F. **Input Quality Control Program:** The Operator has established and will maintain a continuing input quality control program to ensure that information concerning the merchandise in admission documents, verified or corrected by counts and checks which may be periodically performed by the Operator or Grantee, is accurately recorded in its inventory control and record keeping systems (and any independent systems maintained by it users). Quantities recorded in the system, after allowance by Customs for any discrepancies, will be the quantities of merchandise for which the User will be held liable through its bond to the Operator. The Operator, in turn through its bond will be held liable to the Grantee. Methods used to ensure the data integrity may include:
1. **Source Documents:** Utilizing independent source documents (inbound, vendor shipping, invoices, etc.), to verify that quantities, unit values and descriptions of materials received are properly recorded in the Zone inventory control system. Utilizing independent source documents (Customs, entries, in-bond documents, miscellaneous shipping documents, etc.), to verify and reconcile inventory records, quantities, descriptions, zone status and values of merchandise claimed to have been transferred from the Zone.
  2. **Inventory Records:** Utilizing Zone inventory receiving records to trace selected receipts back to admission documents. Review Suspense Activity for adequate documentation and proper disposition (e.g.: lack of complete documentation for admission). Determine whether status changes have occurred and if so, whether they were properly reported to Customs and recorded in the inventory control systems appropriately and timely:
  3. **Document Discrepancies:** Verify that receipt overages and shortages are documented and properly reported to Customs. Verify that scrap, damaged and obsolete goods, if applicable, are properly documented and recorded in the inventory control systems, and the physical condition of the merchandise on transfer from the zone:
  4. **Zone Status:** Verify that Zone status is properly documented and supported:
  5. **Cycle Counts:** Verify that cycle counts, or spot checks are being performed, reported and recorded properly:
  6. **Flow of Merchandise:** Observe the physical flow of merchandise including, where applicable, manipulation, manufacturing processes, etc.
  7. **Annual Physical Inventory:** Review most recent annual physical inventory to determine whether proper inventory methodology was used, and all adjustments were properly recorded in the inventory control systems and reported to Customs.
  8. **Verify Procedures:** Select shipments from inventory records and verify that proper Customs entry procedures were followed:
  9. **Export Products:** Perform necessary verification to determine that products transferred from the Zone for export have been exported; and
  10. **Business Methods:** The Operator will attempt to ensure that prudent business methods are employed in the operations of inventory records, shipments and receipts.

#### **VI PROCEDURES FOR RECEIPT OF MERCHANDISE AT ZONE**

- A. **Delivery of Merchandise:** Upon arrival at the first U.S. port of unloading, the User, Operator or Custom House Broker will arrange for foreign merchandise to be



transferred in-bond on a CF 7512 and CF 7512-C to the zone. If the Zone is located at the first port of unloading, a CF 3171, CF 6043 or CF 214 will be used for delivery of the merchandise to the Zone.

- B. Forms:** The User, Operator, or Custom House Broker prepares for the arrival of foreign merchandise by completing a uniquely and sequentially numbered CF 214 which is transmitted to Customs (CR 141, 81. et seq.) with the evidence of right to be entered into the Zone (CR 141.11 & .12). Customs may require additional information if needed to conduct an examination of the merchandise under Customs selective entry processing criteria or to determine whether the merchandise is admissible to the Zone. The Operator will sign the CR 214 and forward it to Customs. Customs will sign the CF 214 and return copies to the Operator, thereby permitting the merchandise to be admitted to the Zone.
- C. File Control:** The Control Number File will contain source documents pertinent to transactions involving that merchandise, and all CF 214's will be maintained in a file in sequential order.
- D. Other Information:** Statistical information required by the Census Bureau will be furnished on a CF 214 and transmitted to Customs with each CF 214.
- E. Use of Zone by Carriers:** The docking facilities and loading or unloading stations of a Zone are intended primarily for the use of vehicles, for unloading 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.
- F. Zone Services Subject to Physical Limitations:** The Operator shall see that all Zone facilities shall be administered fairly and reasonable as state above in Item 20. In addition, the availability of all said services and facilities is subject to the physical limitations of Foreign Trade Zone No. 169, with said services and facilities available on a first come, first served basis.

#### **VII PROCEDURES FOR REPORTING DAMAGED, OVERAGE/SHORTAGE OR THEFT OF MERCHANDISE**

- A. Notification of Discrepancy:** Whenever merchandise is found to be broken or otherwise damaged or missing from the Zone following the filing of the CF 214, it is the responsibility of the User to notify the Operator who, in turn, will notify the Customs Inspector. In the case of damaged merchandise, as soon as the merchandise is inspected by the Customs Inspector, permission will be requested from the Inspector to take whatever emergency measures might be necessary to prevent continuing damage to adjacent good merchandise. If the nature of the damage is evident and all the damaged merchandise is physically present in the Zone, then permission may be requested to destroy the damaged merchandise under Customs supervision using a CF 216 or for exporting it. Thefts or suspected thefts of any merchandise shall be reported in writing through the Operator or the Grantee and the District Director of Customs upon discovery. Every effort shall be made to determine the facts and assist Customs and other federal or local agencies in any investigation and prosecution for theft.
- B. Forms:** The Operator may submit a discrepancy report for discrepancies noted after admission. The inventory amount shall be adjusted to honor such claims if they are allowed by Customs under Part 158, Subpart A, Customs Regulations. Inventory amounts may also be adjusted as provided hereafter in this Section. In a Blanket CF 214 procedure, the merchandise may be admitted to the Zone under blanket

application upon presentation to Customs of a CF 214 covering more than one (1) shipment of merchandise, i.e.: multiple shipments which arrive under one (1) CF 7512, or multiple shipments destined to the same Zone applicant on a single day if:

1. Transmission of Data to the Census Bureau: Arrangements have been made with Customs for direct transmittal of statistical information to the Census Bureau; and
2. Employ a Unique Identifier System: A unique identifier system is employed to trace the examination invoices to the carrier manifest and User's or Operator's Inventory Control and Record keeping Systems.

**C. Domestic Discrepancies:** A discrepancy report is to be made on discrepancies in domestic merchandise; however, U.S. Customs does not require a copy. Appropriate adjustments should be made in the inventory records for such discrepancies, and any shortages, from theft or suspected theft shall be reported to the Operator.

**D. Inventory Corrections:** An inventory reconciliation-cycle count (FTZ169-9) will be made by each Operator at the end of each month. Any adjustments will be made at that time to the inventory records. If all foreign merchandise in the Zone is accounted for, any positive adjustments will be considered domestic and will be entered in the inventory records on an Application for FTZ Admission of Domestic Cargo (FTZ169-8) noting the inventory adjustments. The District Director will be made aware of any negative adjustments and an entry will be made on the merchandise as if the merchandise were brought into the commerce of the United States.

The Operator shall be informed of any cycle count or physical inventory in sufficient time to allow the Operator to attend said inventory count or be able to conduct a separate inventory at the Operator's discretion. The Operator may elect to invite Customs to participate. The Grantee shall receive a copy of the completed reconciliation and month end cycle count of the User from the Operator.

The inventory Control and Record keeping Systems shall record all inventory overages and shortages of any damaged merchandise (NPF, PF and D) and report same as follows:

1. Overage, Shortage or Damage of Domestic Merchandise: Domestic Status merchandise not admitted to the Zone on a CF 214 need not be the subject of any report (nor in the Annual Reconciliation) to the U.S. Customs Service because of any overage, shortage or damage.
2. Overage of Foreign Merchandise: Overage or excess Foreign Status merchandise not properly admitted to the Zone shall be admitted to the Zone on a CF 214 or Customs Entry shall be made. The CF 214 or Customs Entry shall be filed with Customs along with a written report to the District Director of Customs within five (5) days after identification. (Failure to complete this report may result in the merchandise being sent to General Order., or the imposition of liquidated damages, penalties, suspension or revocation);
3. Shortage of Foreign Merchandise: Shortages of one (1) percent or more of the quantity of Foreign Status merchandise in a Zone Control File/UIN, where the missing merchandise would be subject to duties and taxes of \$100 or more upon entry to the Customs territory, shall be reported in writing through the Operator to the Grantee and the District Director upon

identification. Upon discovery of a shortage, entry shall be made submitting all duties and taxes owed. Merchandise shortages shall be reported by filing an amended CF 214 and a letter of explanation directed to the Entry Divisions' s attention a periodic FTZ Adjustment Report, or be recorded in the Zone Inventory Control and Record keeping Systems and be accounted for in the Annual Reconciliation; and

4. Disposal of damaged merchandise: Damaged merchandise may be disposed of as set forth in Section VIII, E.

If overages and shortages of merchandise have been identified and recorded in the Zone Inventory Control System, but it is later determined that the identification was erroneous, the Operator shall notify Customs that accurate Zone inventory accounting necessitates netting pursuant to generally accepted accounting principles. Concurrence of Customs shall be secured of the error prior to the netting procedure.

- E. **File Control:** The Operator will prepare a Tally in which contains the following information:

1. Date
2. Name of importer
3. Merchandise control number
4. Merchandise description
5. Vehicle and/or container number
6. Quantity received.
7. Variance

- F. **Incomplete Documentation:** Merchandise received with incomplete Customs documentation, or which is unacceptable to the Inventory Control and Record keeping Systems will be recorded in the Admission Suspense Account on the Suspense Merchandise Ledger by the Operator. The merchandise need not be physically segregated. When sufficient information or documentation becomes available, the Operator will complete the admission procedures above and relieve the Admission Suspense Account accordingly. The Suspense Account will be completely documented to explain what has occurred and the corrections made.

#### **VIII PROCEDURES FOR STORAGE, CHANGE IN ZONE STATUS, MANIPULATION, MANUFACTURE, EXHIBITION, OR DESTRUCTION OF MERCHANDISE AT ZONE**

- A. **Storage:** Merchandise may be stored for an unlimited period of time in the Zone. Merchandise may be shipped in the same condition as received at the Zone. Merchandise controlled under a unique identifier system does not need to be physically segregated or marked with unique identifier numbers (UIN).
- B. **Change in Zone Status:** The zone status of merchandise may be changed to PF status if done prior to manipulation or manufacture effecting a change in tariff classification of the merchandise PF status may not be changed to ZR status. The following applies to changes in zone status:
  1. **Forms:** The User, Operator or Custom House Broker will prepare a CF 214 for a zone status change. After signing the CF 214 the Operator will forward the document to Customs for approval and execution. A request for PF status must be accompanied by an invoice showing tariff classification and dutiable value. Copies of the CF 214 should be distributed to the

appropriate parties. A copy must be placed in the Zone Control File and in the Zone CF 214 File.

- C. Manipulation and Manufacture:** Virtually any type of manipulation or manufacture is permitted in the Zone except for Prohibited Operations (Section I--5, page 10 this document) or Restricted Operations, (Section I—11, page 11. This document must be approved by the Foreign Trade Zones Board. What constitutes a manipulation or manufacture is a complex legal issue and any questions should be directed through the Grantee to the FTZ Board. The following applies to the manipulation and manufacturing operations:
1. Forms: A yearly, blanket CF 216 may be prepared and filed with Customs prior to manipulation or manufacture. The document will thoroughly describe the activity. Otherwise, the User, Operator or Custom House Broker will prepare a CF 216 detailing the specifics of the proposed manipulation or manufacture. The Operator signs all of the copies of the CF 216 and forwards them to Customs. Customs approves the CF 216 and returns the copies to the appropriate parties. A copy must be placed in the appropriate Zone Control File and in the Zone CF 216 File.
  2. Begin Manipulation: The manipulation may then occur after the CF 216 is fully executed. The Operator must maintain an accurate record and audit trail of the activity authorized in the zone inventory system:
  3. Scrap and Waste Products: If FTZ operations generate merchandise scrap or waster on an ongoing basis, a Tally Out and Customs Entry for scrap would be prepared that accumulates the data for a given time. A clear audit trail must be evident for scrap produced by manufacturing processes. (See VII-C, below).
- D. Exhibition:** Any merchandise admitted to the Zone may be exhibited; however, retail sales are not permitted. Wholesale sales are permitted. The following applies to the exhibition of merchandise:
1. Forms: If a yearly, blanket CF 216 has been previously approved by Customs, not further approvals are necessary to perform such exhibition. Otherwise, the User, Operator or Custom House Broker will prepare a CF 216 detailing the specifics of the proposed exhibition. The Operator signs all copies of the CF 216 and forwards them to Customs. Customs approves and returns the copies to the appropriate parties. A copy must be the appropriate parties. A copy must be placed in the appropriate Zone Control File and in the Zone CF 216 File:
  2. Begin Exhibition: The exhibition may occur. The Operator must maintain an accurate record of the activity authorized in the Zone Inventory Systems:  
and
  3. End Exhibition: Once the exhibition is completed (except where a yearly, blanket CF 216 is used), the Operator will notify Customs so that Customs may complete the CF 216 to close out the activity file.
- E. Destruction:** Whenever zone status merchandise is discovered, damaged, or merchandise is considered waste or scrap, it shall be physically segregated, marked and otherwise secured to preserve its identity. Such merchandise may be held for return to the vendor, or for destruction, or Customs entry made. The following applies to the destruction of merchandise:

1. Return of Merchandise: If the merchandise is to be returned to a foreign vendor, refer to Section XI, "Procedures for Export", (page 31 this document). If domestic merchandise is to be returned to a domestic vendor, notation shall be made in the Inventory and Record keeping Systems, but no Customs documentation is required.
2. Consumption of Merchandise: If the merchandise is to be entered for consumption, refer to Section X "procedures for Transfer to Customs territory" (page 30 this document). An allowance in dutiable value may be made by Customs for damage, deterioration or casualty while the merchandise is in the Zone:
3. Destruction of Merchandise: If the merchandise is to be destroyed:
  - a. If a yearly, blanket CF 216 has been previously approved by Customs, no further approvals are necessary to perform such destruction.
  - b. Otherwise, the User, Operator or Custom House Broker will prepare a CF 216 detailing the specifics of the proposed destruction. The Operator signs all copies of the CF 216 and returns copies to the appropriate parties. A copy must be placed in the appropriate Zone Control File and in the Zone CF 216 File:
  - c. Unless Customs decides to physically supervise the destruction to, The destruction may then occur. Customs may permit destruction to be performed outside the Zone, in whole or in part at the risk and expense of the User and/or Operator and under such conditions as are necessary to protect the revenue, if proper destruction cannot be accomplished in the Zone.
  - d. Any residue from the destruction within a Zone may be removed to Customs territory on a CF 3461 and or/ CF 7501. Some residues may be dutiable.
  - e. All merchandise destroyed shall be recorded in the Zone Inventory Systems; and
  - f. Once the destruction is completed (Except where a yearly, blanket CF 216 is used), the Operator will notify Customs so that Customs may complete the CF 216 to close out the activity file.

#### **IX PROCEDURES TO CORRECT FIFO (FIRST IN FIRST OUT) INVENTORY DISCREPANCY**

- A. **Research Discrepancy:** Upon finding a possible discrepancy in the FIFO inventory, the discrepancy will be researched thoroughly by the User and/or Operator.
- B. **Notification:** After verification that a discrepancy has occurred, the Operator will notify the Grantee and the U.S. Customs service and provide a written account of the discrepancy and its correction on a discrepancy report. The Operator shall provide a letter of explanation for the discrepancy to U.S. Customs Service.
- C. **Forms and Other Documents:** Correction of FIFO discrepancies shall be as follows with completion of the appropriate U.S. Customs and Zone documents:
  1. Foreign Merchandise:
    - a. A CF 214 and Tally shall be prepared on the FIFO discrepancy merchandise to bring it back into the FIFO inventory in a new Control File as domestic merchandise as of the date corrections are made:

- b. Entry shall be made on the same merchandise from the correct FIFO layer. Duty shall be paid at the same time the entry is presented to Customs; and
- c. An Application to Constructively Transfer Merchandise and Tally Out shall be prepared on the corrected merchandise to relieve FIFO inventory.

NOTE: All documents shall bear the date on which correction documents are actually prepared.

2. Domestic Merchandise:

- a. An Application for FTZ Admission of Domestic Cargo and Tally In shall be prepared on the FIFO discrepancy merchandise to erring it back into the FIFO inventory in a new Control File as domestic merchandise as of the date the corrections are made; and
- b. An Application to Constructively Transfer Merchandise and Tally Out shall be prepared on the corrected merchandise to relieve FIFO inventory.

NOTE: All documents shall bear the date on which correction documents are actually prepared.

**X PRECEDURES FOR TRANSFER TO CUSTOMS TERRITORY**

**A. Shipments of Domestic Status Merchandise**

- 1. Forms: The Operator prepares an Application to Constructively Transfer Merchandise detailing the domestic merchandise to be shipped from the Zone. The Operator determines that a sufficient quantity of such merchandise is available for transfer then signs the document. The Operator checks for accuracy of the document and then signs the application. Copies of the form are distributed to the appropriate parties. Copy must be delivered to the security guard as authorization to release the merchandise to the carrier, and a copy must be placed in the appropriate Zone C control file.

The Operator shall prepare a Tally Out indicating shipments of merchandise from the Zone. The Operator checks for accuracy of the document and then signs the document. Copies are distributed to the appropriate parties. A copy must be placed in the appropriate Zone Control File and the Zone Tally Out File; and

- 2. Inventory Control: Quantities shipped shall be recorded in the inventory systems so that an appropriate audit trail is established. Copies of shipping documentation shall be attached to the FTZ169 application in the Zone Control File. Domestic status merchandise shall be deemed transferred from the Zone when it is recorded in the Inventory Control and Record keeping Systems as having been transferred and/or physically removed from the Zone.

**B. Shipments of Zone Restricted Status Merchandise**

- 1. Request Permission: Merchandise in Zone Restricted Status may not be transferred to Customs territory without the specific approval of the Foreign

Trade Zones Board and subsequently endorsed by the District Director. (Normally, zone restricted merchandise is received in the FTZ only for the purposed of exportation, destruction or transfer to another zone); and

2. Forms: If so approved, the entry procedures set out in Section X- C below, will be followed. Customs must note on the entry documentation the authority under which transfer is authorized and that the merchandise is subject to the provisions of Schedule 8, Part 1, TSUS. Entry of valuable waster from destroyed merchandise that was in zone restricted status may be made as approved by the Foreign Trade Zones Board. (Foreign Trade Zones Board #158, June 4, 1980.

**C. Shipments Containing Foreign (NPF or PF) Status Merchandise**

1. Forms: An Application to Constructively Transfer Merchandise is prepared detailing the quantity, weight and value of the merchandise to be shipped from the Zone. The User's or Operator's Custom House Broker prepares a CF 3461 and/or CF 7501 with supporting entry documentation and invoices based upon the information. Customs may waive presentation of supporting documentation and invoices if satisfied that presentation would be impractical, and the Operator maintains the documents in its records for later examination by Customs. The Operator determines that a sufficient quantity of the merchandise is available for shipment and signs all copies. The Operator checks for accuracy of the document, signs all copies and forwards all documentation to the U.S. Customs Service.

The U.S Customs Service reviews each form and determines eligibility of the merchandise for Zone transfer, signs the forms and forwards them to the Operator. The Operator may then release the merchandise.

2. Discrepancies: Any discrepancy may be adjusted by a discrepancy report signed by the Operator within fifteen (15) days after transfer or the merchandise and delivered to Customs within ten (10) working days thereafter.
3. Removal of Merchandise: Merchandise must be physically removed from the Zone within five (5) days period under appropriate circumstances. Merchandise awaiting removal will not be further manipulated or manufactured in the Zone but will be segregated or otherwise identified by the User or Operator as constructively transferred merchandise.
4. Forms: The Operator shall prepare a Tally Out. indicating shipment of merchandise from the Zone. The Operator checks for accuracy of the document and then signs the document. Copies are distributed to the appropriate parties. A copy must be placed in the appropriate Zone Control File and the Zone Tally Out File; an
5. Duties and Taxes: All duties and taxes are due with the filing of the entry summary (CF 7501) within ten (10) working days after release of the merchandise on a CF 3461. If the declared value of merchandise is predicated on estimates or estimated costs, the person making entry must provide a clear written statement to that effect when the CF 3461 or CF 7501 is filed.

**D. Return of Merchandise**

1. Exceed 5 day for Removal: When an entry of any kind has been filed for merchandise in the Zone, but the merchandise has not been physically removed within the five (5) day time limit (or any extension thereof), the merchandise

shall be considered constructively transferred back to the Zone in its previous zone status and the entry shall be cancelled, **except** as noted in Item 2 below.

2. Exception: When an entry of any kind has been filed for merchandise in the Zone, but the merchandise has not been physically removed within the five (5) daytime limit (or any extension thereof), due to the need to rework or repair the merchandise, it will be recorded in the Transfer Suspense Account. The merchandise need not be physically segregated. When the rework or repair is completed, the Transfer Suspense Account will be relieved accordingly. The Transfer Suspense Account will be completely documented to explain what has occurred and the corrections made.
3. Re-entry of Merchandise into a Zone: When an entry of any kind has been filed on merchandise in the Zone and the merchandise has been physically removed, but is returned to the Zone or placed in another Zone, **extreme caution must be taken** because:
  - a. If Customs determines that the merchandise has not “entered the commerce of the United States”, the original entry may be cancelled, and the merchandise is considered constructively transferred back to the Zone it its previous zone status.
  - b. A determination whether merchandise had “entered the commerce of the United States” shall be made by the District Director on a case-by-case basis considering factors such as the following: (Par 177, Customs Regulation)
    - (1) the length of time the merchandise was outside of the Zone before its return to a Zone.
    - (2) whether return of the merchandise was made by the importer of record or his agent, or by a person acting in collusion with the importer of record.
    - (3) credible evidence that there was an intent by the importer or others, at the time of entry, to return the merchandise to the Zone.
    - (4) if the merchandise would avoid a higher rate of duty or an import restriction by being admitted in domestic status.
    - (5) if the merchandise was not used or was not the subject of a bona fide sale by the importer after entry; and
    - (6) if the merchandise was not further processed or manufactured outside the Zone, or such processing or manufacture was minimal or cosmetic in nature.

## **XI PROCEDURES FOR EXPORT**

### **A. Shipments of Domestic Status Merchandise**

1. Forms: The Operator prepares an Application to Constructively Transfer Merchandise detailing domestic merchandise to be shipped from the Zone. The Operator determines that a sufficient quantity of such merchandise is available for transfer, then signs the application. The Operator checks for accuracy of the document then signs the application. Copies are distributed to the appropriate parties One (1) copy must be



delivered to the security guard as authorization to release the merchandise to the carrier, and a copy must be placed in the appropriate Zone Control File.

The Operator shall prepare a Tally Out, indicating shipment of merchandise from the Zone. The Operator checks for accuracy of the document and then signs the document. The proper copies are distributed. A copy must be placed in the appropriate Zone Control File and the Zone Tally Out File; and

2. Inventory Control: Quantities shipped shall be recorded in the inventory systems so that an appropriate audit trail is established. Copies of shipping documentation shall be attached to the application in the Zone Control File. Domestic status merchandise shall be deemed transferred from the Zone when it is recorded in the Inventory Control and Recordkeeping Systems as having been transferred, and/or physically removed from the Zone.

**B. Shipments Containing Foreign Status Merchandise (NPF< PF< ZR)**

1. Forms: An Application to Constructively Transfer Merchandise is prepared detailing the merchandise to be shipped from the Zone. An Export Declaration is prepared, and CF 7512 and CF 7512-C will be prepared by the User's or Operator's Custom House Broker for all export shipments based upon the information. The forms shall indicate that the merchandise is FTZ merchandise and show the zone number and zone status of the merchandise. If the Zone is located at the port of export, a CF 6043 will be used instead of the CF 7512 and CF 7512-C.
2. Seals: Customs may authorize the Operator to affix Customs seals for bonded Export shipments.
3. Verification of Merchandise: The Operator checks for accuracy of the CF 7512 and CF 7512-C. The Operator determines that a sufficient quantity of the merchandise is physically available for shipment.
4. Custom Review/Approval: These documents will be presented to Customs along with an Export bond on a CF 301 for the appropriate review and signature prior to the release of the merchandise from the Zone. Customs reviews each application of proper format and determines eligibility of the merchandise for Zone transfer and distributes copies of the appropriate forms to the parties involved. Upon receipt of Customs approval, the merchandise will be turned over to the User or carrier and a receipt obtained.
5. Discrepancies: Any discrepancy may be adjusted by the Operator and the carrier or importer within fifteen (15) days after the transfer of the merchandise, and delivered to Customs within ten (10) working days thereafter;
6. Removal of Merchandise: Merchandise must be physically removed from the Zone within five (5) working days of approval of the entry. Customs may authorize an extension of the five (5) day period under appropriate circumstances. Merchandise awaiting removal will not be further manipulated or manufactured in the Zone but will be segregated or otherwise identified by the Operator as constructively transferred merchandise.
7. Forms: A copy of the CF 7512 and the original copy of the CF 7512-C will be received by Customs by the end of the next working day after the carrier has receipted for the merchandise. The Operator shall prepare a Tally Out indicating shipment of merchandise from the Zone. The Operator checks for accuracy of the document, then signs the document, and distributes copies to the appropriate parties. A copy must be placed in the appropriate Zone Control File and the Zone Tally Out File; and

8. Inventory Control: The inventory systems shall be updated to reflect all shipments from the Zone.

## **XII PROCEDURES FOR ZONE TO ZONE TRANSFERS**

### **A. Transferring from Zone of Origin**

1. Forms: An application to Constructively Transfer Merchandise is prepared detailing the merchandise to be shipped from the zone. The User's or Operator's Custom House Broker prepares a CF 7512 and CF 7152-C. All copies of the Cr 7512 will bear the notation "Transfer of Merchandise from FTZ # \_\_\_ to FTZ # \_\_\_" in box 28. A transfer of merchandise between zone sites at the same port and having the same Operator may be made on a CF 6043 or other local control system acceptable to Customs.
2. Verification of Merchandise: The Operator checks to determine that a sufficient quantity of the merchandise is available for shipment. The Operator checks for accuracy of the document, signs all copies, and forwards all documentation to the U.S. Customs Service.
3. Approval: The U.S. Customs Service reviews each form and determines eligibility of the merchandise for zone transfer, signs the forms and forwards them to the Operator. Upon receipt of Customs approval, the merchandise will be turned over to the User and a receipt obtained. All transfers must be made via a bonded carrier or cartman. The Operator may be authorized to affix Customs seals and shall obtain the carrier/cartman's receipt on the CF 7512.
4. Discrepancies: Any discrepancy may be adjusted by a discrepancy report signed by the Operator and the carrier or importer within fifteen (15) days after transfer of the merchandise and delivered to Customs within ten (10) working days thereafter.
5. Removal of Merchandise: Merchandise must be physically removed from the Zone within five (5) working days of approval of the entry. Customs may authorize an extension of the five (5) days period under appropriate circumstances. Merchandise awaiting removal will not be further manipulated or manufactured in the Zone but will be segregated or otherwise identified by the Operator as constructively transferred merchandise.
6. Forms: A copy of the Cr 7512 and the original copy of the CF 7512-C must be received by Customs by the end of the next working day after the carrier has receipted for the merchandise. A copy must be placed in the appropriate Zone Control File and the Zone Tally Out File.
7. Inventory Control: The Inventory System(s) shall be updated to reflect all shipments from the Zone; and
8. Transference of Merchandise History: The Operator shall transmit historical data on the merchandise to the destination zone within ten (10) working days after delivery of the merchandise to the bonded carrier/cartman. The data shall reference the CF 7512 number covering the merchandise whereby the UIN Inventory Control will provide the following:
  - a. Copies of the following documents:
    - (1) a copy of the original CF 214 with accompanying invoices for admission of the merchandise and all components thereof.
    - (2) a copy of any CF 214 subsequently files to change zone status; and

(3) a copy of any CF 216 to manipulate or manufacture the merchandise.

b. A statement to include:

- (1) total zone value (if required by Customs)
- (2) dutiable value
- (3) quantity
- (4) description
- (5) HTSUS
- (6) UIN
- (7) zone status of all merchandise and components thereof
- (8) whether merchandise has been manipulated or manufactured to effect a change in tariff classification
- (9) certification stating that “the information contained herein is true, and accurately reflects the information contained in the zone Inventory Control and Record keeping System” and signed by the Operator.

#### **B. Destination Zone**

1. Admission of Merchandise: Normal admission procedures will be followed as set out in Section VI, page 23 this document) except that no invoice or Customs examination will be required; and
2. Generation of Control File: on receipt of the historical data from the transferring zone, the information will be included in the proper control number file or used to update the UIN Inventory Control System.

### **XIII PROCEDURE FOR TRANSFER TO BONDED WAREHOUSE:**

- A. Qualifications for Transfer:** Non-Privileged foreign status (NPF) merchandise may be transferred to a bonded warehouse (O.R.R. 76-0067). Privileged foreign status (PF) merchandise may not be transferred to a bonded warehouse for export only (T.D. 83-139). Merchandise in a bonded warehouse may not be transferred to a foreign trade zone, other than in Zone Restricted (ZR) status (C.S.D. 79-204, C.S.D. 81-88).
- B. Forms:** An Application to Constructively Transfer Merchandise is prepared detailing the merchandise to be shipped from the Zone. The User’s or Operator’s Custom House Broker prepares a CF 7512 and CF 7512-C. All copies of the CF 7512 will bear the notation “Transfer of Merchandise from FTZ #\_\_\_ to BW #\_\_\_”, in box 28. Since merchandise can remain in a bonded warehouse for not more than five (5) years from the date of importation (i.e., the date of original unloading at the first port of arrival in the U.S.), the preparer should make a notation on the CF 7512 the date of original arrival/unloading in the United States of the merchandise. In many instances this information will not be available or will not be necessary for Customs, but arrangements will be made in advance with Customs on this issue.
- C. Verification of Merchandise:** The Operator determines that a sufficient quantity of the merchandise is available for shipment. The Operator checks for accuracy of the document, signs all copies and forwards all documentation to the U.S. Customs Service.

- D. Approval:** The U.S. Customs Service reviews each form and determines eligibility of the merchandise for zone transfer, signs the forms and forwards them to the Operator. Upon receipt of Customs approval, the merchandise will be turned over to the User.
- E. Removal of Merchandise from Zone:** All transfers must be made via a bonded carrier or cartman. The Operator may be authorized to affix Customs seals, if required, and shall obtain the carrier /cartman's receipt on the CF 7512. Merchandise must be physically removed from the Zone within five (5) working days of approval of the entry. Merchandise awaiting removal will not be further manipulated or manufactured in the Zone but will be segregated or otherwise identified by the Operator as constructively transferred merchandise.
- F. Discrepancies:** Any discrepancy may be adjusted by a discrepancy report signed by the Operator and the carrier or importer within fifteen (15) days after transfer of the merchandise, and delivered to Customs within ten (10) working days thereafter.
- G. Forms:** A copy of the CF 7512 and the original copy of the CF 7512-C will be forwarded to Customs. The Operator shall prepare a Tally Out indicating shipment of merchandise from the Zone. The Operator checks for accuracy of the document, then signs the document and distributes the copies. A copy must be placed in the appropriate Zone Control File and the Zone.  
Tally Broker or the bonded warehouse proprietor shall prepare and submit a CF 7501, warehouse entry, to all data and documentation required by Customs for admission of the merchandise to the bonded warehouse.
- H. Inventory Control:** The FTZ Inventory Record shall be updated to reflect shipments from the Zone.

**XIV PROCEDURES FOR ANNUAL RECONCILIATION**

- A. Inventory Verification:** The Operator will conduct an annual physical inventory of all merchandise in the Zone unless cycle counts are taken as part of an ongoing inventory control program. Customs will be given prior notification of the date(s) performed so that Customs may participate if deemed necessary. Discrepancies will be reported per the Customs Regulations and this Procedures Manual.
- B. Preparing Reconciliation:** Within ninety (90) days of the end of the Zone year, the Operator will prepare an Annual Reconciliation. The Annual Reconciliation need not be just one document but may be an accumulation of documents or computer information capable of being printed out and it does not need to be furnished to Customs unless requested. An extension of the ninety (90) day period can be obtained from Customs for reasonable cause. The Annual Reconciliation shall contain the following:
  - 1. Description of merchandise for each ZCN/UIN.
  - 2. Zone status
  - 3. Quality on hand at the beginning of the year.
  - 4. Cumulative receipts (admission) by units.
  - 5. Cumulative transfers by unit:
  - 6. Quantity on hand at the end of the year; and
  - 7. Cumulative positive and negative adjustments by unit to inventory with explanation.
- C. Review of Internal Control Files/Procedures:** The Operator shall also perform an Annual Internal Review of the Inventory Control and Record keeping Systems under its supervision and shall report to the Grantee whereby the Grantee will report to the District Director of Customs any deficiency discovered and corrective action taken to ensure that the systems meet the requirements of the Customs Regulations. Any such deficiencies with corrective

action should be reported in the Annual letter to the District Director as required by Subparagraph D below.

- D. **Submittal of Reconciliation:** The Operator shall submit to the Grantee whereby the Grantee will report to the District Director within ten (10) working days thereafter, a letter declaring that the Annual Reconciliation has been prepared, is available for Customs review, and is accurate. The letter shall also contain any reporting of shortages and overages and a list of any system deficiencies with corrective action taken, the name and street address of the Grantee, where the required records are available for Customs review, and the name, title and telephone number of the person having custody of the records.
- E. **Foreign-Trade Zones Board and Annual Report:** The Grantee is responsible for preparing and filing with the Foreign Trade Zones Board an Annual Report summarizing all Zone activity as of March 31 of each year. By February 28<sup>th</sup> of each year the Operator must complete their annual reconciliation and submit it to the Grantee accordingly. The final annual FTZ169 Report shall be filed by March 31 of each year pursuant to current requirements and criteria of the Foreign Trade Zones Board.

- F. **Exhibit A:** Current List of Merchandise Prohibited by Federal Law  
(Check with CBP for current list)

G. **Exhibit B: List of Authorized Port Employees for FTZ #169**

- 1. Carlos Buqueras, Executive Port Director
- 2. David Sanford, Deputy Executive Director
- 3. Malcolm Edwards, Senior Manager of Trade Development
- 4. David St. Pierre, Director of Operations and Security

H. **Appendix A**

U.S. Customs Service Forms

Customs Form 214

Application for Foreign Trade Zone Admission and/or Status Designation

The following denotes any special instructions necessary for filing out this form:

None at this time

I. **Appendix B**

The following represents the distribution of copies necessary:

None at this time

**XV LEASE/RATES/CHARGES PROCEDURES**

- 1. Foreign Trade Zone #169
- 2. Application and Interpretation of Tariff

The Foreign-Trade Zone Manager shall be the sole judge to interpret and

determine the applicability of any of the rates, rules, regulations, or services provided in this Tariff. However, any matter involving interpretation or action by U.S. Customs or other agency of the U.S. Government will be determined by the District Director of Customs or his duly appointed representative. The Foreign-Trade Zone Manager has the right to quote special rates.

One (1) copy of this Tariff will be provided to each user's their agreement with the FTZ Operator. Each user will be required to sign a receipt verifying acceptance of this Tariff. Updates will be provided as revisions occur.

Utilization of FTZ 169 denotes acceptance of this Tariff, with following use of the zone, constitutes agreement to the terms and conditions as set forth in this Tariff.

3. Basis for Warehouse Lease

Warehouse space may be used for manufacturing, manipulation, exhibition, destruction and storage of foreign or domestic merchandise under supervision of the U.S. Customs Service. Warehouse space may also be used as office space when utilized in support of Zone operations.

4. Cargo Handling Charges

The Foreign-Trade Zone Operator shall have the right to quote special handling charges as dictated by individual circumstances.

5. Charges Rates, Rules and Regulations

The Granted Operators and all persons and entities doing business with a subzone established by the Grantee must comply with the provisions of the Foreign-Trade Zones Act, as amended with the lawful and effective Rules , Regulations and Procedures of the 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 the operations conducted in the subzone.

Where applicant desire 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 and 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 subzone must first enter into an agreement with the Grantee governing 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 providing required Customs services; and charges for Grantee's special services not provided I this Tariff. 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 favorable acted upon by the Foreign-Trade Zones Board. All user applicants shall remit to the Grantee an initial non-refundable deposit of \$2,000.00.

All persons and/or entities who request that the Grantee apply for authority to establish a subzone are responsible for obtaining any necessary zoning, permit or consent for such subzone from the local authorities having jurisdiction in the area in which the proposed subzone is to be located.

Grantee shall apply the rates and charges set forth in this Tariff and applicable to the subzone operation uniformly to all subzone occupants or users. Where such rates and charges are not applicable to the subzone operation, it is intended that the provisions of the agreement between the user applicant and The Grantee will govern. Said agreement shall be filed by Grantee as an exhibit to its applications for subzone status, and the costs shall thereafter be applied uniformly to all subsequent user applicants under identical circumstances for identical services. Contingencies not covered by this Tariff or by application agreements shall be subject to agreements amending or supplementing the primary application agreements.

Amending or supplementing agreements as well as all practices that may develop and be permitted in subzone operations shall be applied uniformly to subsequent user applicants under identical circumstances for identical services. Prior to activation of the site, a user and/or operator agreement will be negotiated indicating the amount of annual fees which subzone user must pay to the Grantee.

6. Commodity Rates

Articles to be published herein as they become identified.

7. Enforcement of Charges

For the purpose of enforcing payment of charges on merchandise handled, stored, or manipulated on the Zone facilities, the Zone may take possession of such merchandise, and may remove and store same at the risk and expense of the owner or consignee thereof, and/or may sell the goods by public auction, and/or such other remedies as may be provided by law.

8. Lease Space Rates

As lease space requirements for covered or open storage becomes identified, rates will be negotiated depending upon size of the space, type of commodity, lease term period, modifications, and other pertinent terms of the lease.

9. Operation of Zone to be Fair and Equitable

All rates and charges for all services and privileges within the zone shall be fair and reasonable, and the Grantee 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 not enforce or may hereafter be made from time to time by the United States with foreign governments. (15 CFR, Chapter IV, Part 400, Section 1003a).

10. Service Charges

A service fee of \$35.00 per check will be charged for a check returned due to "insufficient funds" in an account.

11. Subzone Operations

Upon approval by the Foreign Trade Zones Board, U.S. Department of Commerce, subzone operations through the Manatee County Port Authority as grantee of Foreign Trade Zone #169 will be assessed an annual fee of \$14,000.00 from subzone operators. All subzone operations will be conducted

in accordance with a separate agreement between the subzone operator and the Manatee County Port Authority.

#### **XVI PROCEDURES OTHER**

1. Compensation Insurance

Every person employed by contractors or customers in the Zone shall be properly covered by Worker's Compensation Insurance. Proof of this shall be furnished to the grantee before any work may be started or a release of liability must be given to F.T. Z. No. 169.

2. Holidays

Holidays are approved by the Manatee County Port Authority as prescribed in Port Manatee Terminal Tariff No. 3, F.M.C.T. –No 3, as amended.

3. Hours of Business and Service

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 shall be between the hours of 8:00 and 5:00 p.m., Monday through Friday, except on holidays.

This Zone may be opened at other times, on an irregular or regular basis, upon application and with approval of the Zone Manager and Customs officials.