

FOREIGN-TRADE ZONE NO. 176
ZONE SCHEDULE NO. 5

Cancels: _____

TITLE PAGE

GREATER ROCKFORD AIRPORT AUTHORITY

TARIFF NO. 5

CHARGES, RATES, RULES AND REGULATIONS

APPLICABLE AT

FOREIGN-TRADE ZONE NO. 176

ROCKFORD, ILLINOIS

**OPERATING UNDER GRANT OF AUTHORITY
OF THE UNITED STATES FOREIGN-TRADE ZONES BOARD**

TO THE

GREATER ROCKFORD AIRPORT AUTHORITY

ISSUED
May 31, 2012

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Greater Rockford Airport Authority
Foreign-Trade Zone #176 Grantee
60 Airport Drive
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ADMINISTRATION PAGE

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METRIC CONVERSION TABLE

The following table is published for convenience and as a guide for measurement conversion when necessary.

<u>To Find</u>	<u>Given</u>	<u>Multiply</u>
Metric Tons	Short Tons	Short Tons by 0.907
Short Tons	Metric Tons	Metric Tons by 1.102
Metric Tons	Long Tons	Long Tons by 1.016
Long Tons	Metric Tons	Metric Tons by 0.984
Kilos	Pounds	Pounds by 0.4536
Pounds	Kilos	Kilos by 2.2046
Cubic Meters	Measurement Tons (40 cubic feet)	Measurement Tons by 1.333
Measurement Tons (40 cubic feet)	Cubic Meter	Cubic Meters by 0.883
Cubic Meters	MBdFt	MBdFt by 2.36
MBdFt	Cubic Meters	Cubic Meters by 0.424

Metric Equivalents

1 Kilo	2.2046 Pounds
1 Metric Ton	1,000 Kilos
1 Pound	0.4536 Kilos
1 CWT (US - 100 Pounds).....	45.359 Kilos or 0.04536 Metric Tons
1 CWT (British - 112 Pounds).....	50.802 Kilos or 0.0508 Metric Tons
1 Bushel Grain (US).....	60 Pounds 27.216 Kilos
1 Cubic Meter	35.315 Cubic Feet
1 Cubic Foot	0.0283 Cubic Meters
1,000 MBdFt.....	83.33 Cubic Feet
1 Cubic Meter	423.792 MBdFt
1 Barrel (US, petroleum - 42 Gallons).....	158.987 Liters

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ABBREVIATIONS AND SYMBOLS

\$	Dollars (US)	K.D.	Knocked Down
%	Percent	Lbs.	Pounds
Art.	Article	LCL	Less-than Carload
B.M.	Board Measure	No.	Number
Bbl.	Barrel	N.O.S.	Not Otherwise Specified
Bdle.	Bundle	NSPF	Not Specifically Provided For
CFR	Code of Federal Regulations	Par.	Paragraph
C/L	Carload	Pc.	Piece
Cl.	Coil	Pkg.	Package
COD	Cash on Delivery	Qt.	Quart
Crt.	Crate	Sec.	Section
Cs.	Case	Sq. Ft.	Square Feet of Square Foot
Ctn.	Carton	SU	Set Up
Cu. Ft.	Cubic Feet or Cubic Foot	T/L	Truckload
Cwt.	100 Pounds	U.S.	United States
Doz.	Dozen	Yd.	Yard
Ea.	Each		
E.g.	For Example		
Etc.	Et Cetera		
F.F.	Folded Flat		
FTZ	Foreign-Trade Zone		
Gal.	Gallon		
HTSUSA	Harmonized Tariff Schedule of the United States Annotated		
Incl.	Inclusive		

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Under 15 CFR Part 400, Regulations of the Foreign-Trade Zones Board, the term “zone” means a “foreign-trade zone”.

A foreign-trade zone is a designated site licensed by the Foreign-Trade Zones (FTZ) Board at which special customs procedures may be used. These procedures allow domestic activity involving foreign items to take place prior to formal customs entry. Duty-free treatment is accorded items that are re-exported and duty payment is deferred on items sold in the U.S. market, thus offsetting customs advantages available to overseas producers who compete with producers located in the United States. A Subzone is a site (or group of sites) established for a specific use. A site which has been granted zone status may not be used for zone activity until the site has been separately approved for FTZ activation by local U.S. Customs and Border Protection (CBP) officials, and the zone activity remains under the supervision of CBP. FTZ sites and facilities remain within the jurisdiction of local, state or federal governments or agencies.

The FTZ Act authorizes the handling of merchandise brought into a zone as described below:

“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 chapter, 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 chapter, 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 appropriate customs officer 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

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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, such duties and taxes shall be payable on the quantity of such foreign merchandise used in the manipulation or manufacture of the entered article. Allowance shall be made for recoverable and irrecoverable waste; and if recoverable waste is sent into customs territory, it shall be dutiable and taxable in its condition and quantity and at its weight at the time of entry. Where two or more products result from the manipulation or manufacture of merchandise in a zone the liquidated duties and determined taxes shall be distributed to the several products in accordance with their relative value at the time of separation with due allowance for waste as provided for above:

“Provided further, That subject to such regulations respecting identity and the safeguarding of the revenue as the Secretary of the Treasury may deem necessary, articles, the growth, product, or manufacture of the United States, on which all internal-revenue taxes have been paid, 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 appropriate customs officer, and whether or not they have been combined with or made part, while in such zone, of other articles, may be brought back thereto free of quotas, duty, or tax:

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

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

“(1) the draw-back, warehousing, and bonding, or any other provisions of the Tariff Act of

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1930, as amended, and the regulations thereunder; and

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

“Such a transfer may also be considered an exportation for the purposes of other Federal laws insofar as Federal agencies charged with the enforcement of those laws deem it advisable. Such articles may not be returned to customs territory for domestic consumption except where the Foreign-Trade Zones Board deems such return to be in the public interest, in which event the articles shall be subject to the provisions of paragraph 1615(f) of section 1201 of this title:

“Provided further, That no operation involving any foreign or domestic merchandise brought into a zone which operation would be subject to any provision or provisions of section 1807, chapter 15, chapter 16, chapter 17, chapter 21, chapter 23, chapter 24, chapter 25, chapter 26, or chapter 32 of the Internal Revenue Code if performed in customs territory, or involving the manufacture of any article provided for in paragraphs 367 or 368 of section 1001 of this title, 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 chapter prior to July 1, 1949:

“Provided further, That articles produced or manufactured in a zone and exported therefrom shall on subsequent importation into the customs territory of the United States be subject to the import laws applicable to like articles manufactured in a foreign country, except that articles produced or manufactured in a zone exclusively with the use of domestic merchandise, the identity of which has been maintained in accordance with the second proviso of this section may, on such importation, be entered as American goods returned:

“Provided, further, That no merchandise that consists of goods subject to NAFTA drawback, as defined in section 3333(a) of this title, that is manufactured or otherwise changed in condition shall be exported to a NAFTA country, as defined in section 3301(4) of this title, without an assessment of a duty on the merchandise in its condition and quantity, and at its weight, at the time of its exportation (or if the privilege in the first proviso to this subsection

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was requested, an assessment of a duty on the merchandise in its condition and quantity, and at its weight, at the time of its admission into the zone) and the payment of the assessed duty before the 61st day after the date of exportation of the article, except that upon the presentation, before such 61st day, of satisfactory evidence of the amount of any customs duties paid or owed to the NAFTA country on the article, the customs duty may be waived or reduced (subject to section 508(b)(2)(B) of the Tariff Act of 1930 (19 U.S.C. 1508(b)(2)(B))) in an amount that does not exceed the lesser of (1) the total amount of customs duties paid or owed on the merchandise on importation into the United States, or (2) the total amount of customs duties paid on the article to the NAFTA country:

“Provided, further, that, if Canada ceases to be a NAFTA country and the suspension of the operation of the United States-Canada Free-Trade Agreement thereafter terminates, with the exception of drawback eligible goods under section 204(a) of the United States-Canada Free-Trade Agreement Implementation Act of 1988, no article manufactured or otherwise changed in condition (except a change by cleaning, testing or repacking) shall be exported to Canada during the period such Agreement is in operation without the payment of a duty that shall be payable on the article in its condition and quantity, and at its weight, at the time of its exportation to Canada unless the privilege in the first proviso to this subsection was requested.

“Provided further, That no merchandise that consists of goods subject to Chile FTA drawback, as defined in section 203(a) of the United States-Chile Free Trade Agreement Implementation Act, that is manufactured or otherwise changed in condition shall be exported to Chile without an assessment of a duty on the merchandise in its condition and quantity, and at its weight, at the time of its exportation (or if the privilege in the first proviso to this subsection was requested, an assessment of a duty on the merchandise in its condition and quantity, and at its weight, at the time of its admission into the zone) and the payment of the assessed duty before the 61st day after the date of exportation of the article, except that the customs duty may be waived or reduced by (1) 100 percent during the 8-year period beginning on January 1, 2004; (2) 75 percent during the 1-year period beginning on January 1, 2012; (3) 50 percent during the 1- year period beginning on January 1, 2013; and (4) 25 percent during the 1-year period beginning on January 1, 2014.”

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Act - The Foreign-Trade Zones Act of June 18, 1934 (48 Stat. 998-1003; 19 USC. 81a-81u), as amended by Public Law 566, 81st Congress, approved June 17, 1950 and all lawful amendments.

Activation – Approval by the grantee and the U.S. Customs and Border Protection Port Director permitting operations to begin which allow the admission and handling of merchandise in zone status.

Administrator – The Rockford Area Economic Development Corporation is the Grantee Administrator, acting on behalf of and in coordination with the Greater Rockford Airport Authority, Grantee of FTZ #176.

Admission To Zone - The physical arrival of goods into a zone in a specified zone status with the appropriate approvals of the zone grantee and the U.S. Customs and Border Protection. The term “admission” is used instead of “entry” to avoid confusion with Customs entry processes under Parts 141-144 of the Customs Regulations.

Alteration – A change in the boundaries of an activated zone or subzone; activation of a separate site of an already-activated zone or subzone with the same operator at the same port; or the relocation of an already-activated site with the same operator.

Alternative Site Framework (ASF) - The “framework” to manage FTZ sites that gives much greater flexibility to use simple minor boundary modifications (instead of more complicated and time-consuming procedures) to bring FTZ designation to locations where a company is ready to pursue using FTZ procedures. Greater Rockford Airport Authority maintains and operates FTZ No. 176 under the ASF.

Annual Report – The Board shall submit an annual report to Congress. Grantee shall submit a complete and accurate annual report to the Board within 90 days after the end of the reporting period. Each zone operator of an activated site or subzone shall post to OFIS a complete and accurate annual report by February 15 of each year covering activity from the previous year. Each non-activated site or subzone partner shall submit a complete and accurate annual report, which is due in the form of a status letter to the Grantee Administrator

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by February 15 each year covering activity for the previous calendar year. Zone Operators failing to submit timely reports may incur a fine of \$1,000 per day.

Audit-Inspection Procedures – Procedures that are designed to meet the requirements of the U.S. Customs and Border Protection Regulations (T.D. 86-16) for Audit-Inspection Procedures in Foreign-Trade Zones. Under the Regulations, the Operator maintains the inventory records. U.S. Customs and Border Protection 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 zone facilities.

Board - The Foreign-Trade Zones Board (FTZB) was created by the Act to carry out provisions thereof. The Board consists of the Secretary of Commerce, who is the chairman and executive officer, and the Secretary of the Treasury, or their designated alternates. The Foreign-Trade Zones Board Staff is responsible for administering the FTZ program on behalf of the FTZB. The Executive Secretary of the FTZB Staff represents the Board in administrative, regulatory, operational, and public affairs matters. The Executive Secretary serves as the director of the staff which is situated in the U.S. Department of Commerce within the Import Administration.

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

Constructive Transfer - A legal fiction that permits acceptance of a Customs entry for merchandise in a [foreign-trade] zone before its physical transfer to the Customs territory. If the entry is thereafter rejected or cancelled, the merchandise will be considered at that time to be constructively transferred back into the zone in its previous zone status.

Customs Form 214 - Application and permit to admit merchandise into a Foreign-Trade Zone, permit to transfer merchandise through the Customs territory to Zone and Customs officer's return thereon, and Customs report of merchandise received at Zone.

Customs Form 216 - Application and permit for the manipulation, manufacture, exhibition or destruction of merchandise within a Foreign-Trade Zone and Customs officer's return.

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Customs Territory - The territory of the U.S. in which the general tariff laws of the U.S. apply. "Customs territory of the United States" includes only the States, the District of Columbia, and Puerto Rico.

Domestic Status Merchandise (D) - Merchandise that has been (i) grown, produced or manufactured in the U.S. and not exported therefrom, (ii) previously entered into the commerce of the United States as duty and tax free, or (iii) previously imported into Customs territory 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. No application or permit is required for the manipulation, manufacture, exhibition, destruction, or transfer to Customs territory of domestic status merchandise (including packing and repair materials) except when it is mixed or combined with merchandise in another zone status or upon order of the Commissioner of Customs. All domestic status merchandise in a zone must be accounted for under the procedures of 19 CFR Part 146 Subpart B.

Exhibition - Upon application pursuant to section 19 CFR 146.52 and approval by the port director of Customs, the showing of merchandise in the zone is permitted. This application and approval may be submitted and obtained on a case by case basis or blanket basis.

Foreign Status Merchandise - Imported merchandise, which has not been released from Customs custody into the Customs territory of the United States. This means imported merchandise upon which duty and taxes, if applicable, have not been collected.

Foreign-Trade Zone Forms - Forms used in the transaction of Foreign-Trade Zone business are designated by the U.S. Customs & Border Protection. As such, these forms may be completed by the Zone Tenant (person of record), its duly assigned Customs Broker, or the Zone Operator. The Foreign-Trade Zone forms utilized by FTZ #176 are as follows:

Customs Form 214 - Application for Foreign-Trade Zone Admission and/or Status Designation (electronic submission of the CBPF 214 data is referred to as an *e*-CBPF 214 or *e*-214)

Customs Form 216 - Application for Foreign-Trade Zone Activity Permit

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Fungible Merchandise - Merchandise that for commercial purposes is identical and interchangeable in all situations. In an FTZ, fungible merchandise may be identified by an inventory method authorized by Customs, which is consistently applied, such as First-In-First-Out (FIFO) and using a unique identifier.

General-Purpose Zone - A multi-use zone designed for use by multiple tenants engaged in multiple activities that may include storage, distribution, testing, repackaging and repair. Manufacturing may take place in a general-purpose zone with prior permission by the Foreign-Trade Zones Board.

Grantee - A Grantee is a public or private corporation to which the privilege of establishing, operating, or maintaining a foreign-trade zone has been given. The privileges of establishing, operating, and maintaining Foreign-Trade Zone #176 have been granted to the Greater Rockford Airport Authority.

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

In-bond - A Customs program that provides for transporting cargo (other than explosives and merchandise, the importation of which is prohibited) via bonded carrier from one port to another under a Customs bond.

Imported merchandise, including that imported in mail shipments, being transported to and from foreign-trade zones through the Customs territory must be transported in bond under the provisions of 19 CFR Parts 18, 112, and 125. (19 CFR 146.11 and 144.37(g)). Domestic goods transported to a zone or goods removed from a zone comprised wholly of domestic status products need not be transported in bond.

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In-Transit Merchandise - The term "in-transit merchandise" includes all foreign merchandise transported into and out of the United States, whether in and out of the same port or across the country to another port, with or without transshipment, warehousing, breaking bulk, or change in mode of transportation, which originated in one foreign country and is destined at the time of the original shipment to another foreign country.

Its distinctive feature is that it is being transported from one foreign country through the United States to another foreign country under a through bill of lading or other documentation for a completed journey. The term is particularly applied to foreign merchandise shipped in-transit through a foreign-trade zone.

Inventory Control System - A system of inventory control, manual or automated, based on records maintained by a Zone Operator or tenant rather than by the U.S. Customs & Border Protection. An operator shall maintain the inventory control and recordkeeping system of the zone in accordance with the provisions of 19 CFR Part 146. An operator shall maintain either manual or automated inventory control and recordkeeping systems or a combination of manual and automated systems.

Lease - The document of agreement entered into between the Landlord and Tenant for assignment of space within Foreign-Trade Zone No. 176.

Magnet Site – Type of ASF site intended to attract multiple potential FTZ operators/users. Magnet sites are subject to a default sunset period of 5 years, where designation self-removes if there is no zone activity at the site before the sunset date.

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

Manufacturing – *See Production.*

Measurement Ton - Ton based on a measurement of 40 cubic feet.

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Metric Ton - 1,000 kilograms or approximately 2204.62 avoirdupois pounds.

Non-Privileged Foreign Status Merchandise (NPF) – Foreign merchandise subject to tariff classification according to its character, condition and quantity as constructively transferred to Customs territory at the time the entry or entry summary is filed with U.S. Customs & Border Protection. In other words, a status of merchandise for tariff purposes that provides for classification and appraisement in accordance with the condition of merchandise when constructively transferred to the Customs territory of the United States. In a zone, NPF merchandise may be changed to Privileged Foreign (PF) before any processing has occurred, at the option of the zone user and with approval by Customs. Waste recovered from any manipulation or manufacture of PF or NPF merchandise in a zone has NPF status. NPF status is usually selected when the duty rate of the finished product is lower than the duty rate of the imported foreign components in a manufacturing environment. Domestic merchandise in a zone which by reason of noncompliance with the Customs Regulations has lost its identity as domestic status merchandise will be treated as non-privileged foreign merchandise.

Operators that perform production activity commonly apply NPF status to foreign sourced inputs in order to apply the duty rate associated with finished product and take advantage of inverted tariff benefits.

OFIS – The Online FTZ Information System. This is the FTZ Board’s online system that will provide information on each zone in one location and also allow for the online submission of annual reports. Grantees submit the annual reports via the OFIS.

Open or Yard Storage - The keeping of merchandise not requiring weather protection on open space within the fenced area of the Foreign-Trade Zone.

Operating Agreement – An agreement executed between the Grantee and an operator of either a subzone or a general-purpose zone site. Prior to activation of the site, the operating agreement will be executed. The operating agreement spells out the timeline for payment of annual fees and submission of report via OFIS for activated operators. Activation cannot occur without an executed agreement.

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Person Of Record - The person, firm or corporation in whose name the Application to Admit Merchandise into the zone (CBPF-214) is made, recognized by the Zone Grantee, Zone Operator and the U.S. Customs & Border Protection as having legal right to make the application. Evidence of this right of the applicant is the same as would be required to establish the right to apply for release of the merchandise from Customs custody at the end of its transit through the Customs territory. Such evidence usually consists of an original bill of lading in the name of the applicant, an original bill of lading endorsed to him or a carrier's certificate, or a copy of Power of Attorney when parties other than the owner are conducting business, such as a customs broker, company or corporate official, etc.

Port Director of Customs - The Port Director of U.S. Customs & Border Protection, Rockford, Illinois.

Privileged Foreign Merchandise (PF) - Foreign Merchandise subject to tariff classification according to its character, condition and quantity at the rate of duty and tax in force on the date of filing the CBPF 214. In other words, a status that, upon proper application and approval anytime preceding manufacture or manipulation within a zone, is granted to an imported input, allowing the zone user the privilege of treating the input, for tariff purposes, as remaining in its original condition at the time of admission to the zone. Once established, Privileged Foreign Status cannot be changed except in the case of recoverable waste (see 19 CFR § 146.42). If merchandise has already been admitted into the zone in Non-Privileged Foreign Status, Privileged Foreign Status may be obtained by filing a CBPF 214. Application for this status, however, must be filed prior to manipulation or manufacture.

Admitted merchandise subject to AD/CVD (antidumping or countervailing duties) must be placed in PF status. Merchandise in PF status or composed in part of PF status may not be entered for warehousing from a zone and cannot be placed on a TIB upon removal from the zone. Classification of merchandise subject to a tariff-rate import quota will be made only at the higher non-quota duty rate in effect on the date PF status was granted. Mandatory PF status may be imposed by the FTZ Board as a form to grant restriction to prevent the inverted tariff benefit.

Processing – *See Production.*

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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.

Production, as defined by the Foreign-Trade Zones Board, combines manufacturing and processing activity. The Foreign-Trade Zones Board requires that specific prior authorization be obtained for manufacturing operations in the activated zone.

- Manufacturing means activity involving the substantial transformation of a foreign article resulting in a new and different article having a different name, character, and use. U.S. Customs & Border Protection determines what constitutes manufacturing on a case-by-case basis, distinguishing it from other operations such as manipulation, processing, production, and blending.
- Processing means any activity involving a change in condition of merchandise, other than manufacturing, which results in a change in the Customs classification of an article or in its eligibility for entry for consumption.

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

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

It includes privileged, non-privileged, or zone restricted foreign merchandise which: (1) is in the same condition as when transported into the United States, or (2) has been manipulated without any change in its form or nature, or (3) has been manipulated or processed in such manner as to change its form, whether or not mixed with domestic merchandise, provided the domestic merchandise is not a component part or substantial ingredient thereof. Generally, it includes all merchandise of foreign origin, which has not been so manipulated or manufactured as to be deemed a product of the United States, and which has not been released from Customs custody

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into the Customs territory.

Resident Representative - The role of the Port Director of Customs as the on-site representative of the Foreign-Trade Zones Board in its dealings with any foreign-trade zone within the Port Director's scope of jurisdiction.

Secretary - The term "Secretary" refers to the Secretary of Commerce.

Service Area – The geographic area (such as specific counties) where FTZ No. 176 is able to propose future FTZ usage-driven sites. Sites located outside the service area may be served as subzones. The FTZ 176 service area includes Winnebago, Stephenson, Ogle, Lee, DeKalb, and Boone Counties, and portions of Bureau, McHenry, Kane, Putnam and LaSalle Counties.

Storage - Keeping of merchandise in or upon the premises within the foreign-trade zone. Covered storage is within a covered and enclosed structure affording weather protection. The term “storage”, without other designation, ordinarily implies covered storage.

Subzone - A special-purpose zone established as part of a zone project for a limited purpose that cannot be accommodated within an existing zone. The term "zone" also applies to a Subzone, unless specified otherwise.

Sunset Limits – FTZ designation self-removes if there is no FTZ activity at the site before the sunset date. For Magnet sites, the default sunset period is 5 years. Usage-Driven sites have a 3-year sunset period. FTZ activity at a site during the sunset period resets the sunset date for an additional 5 years (Magnet) or additional 3 years (Usage-Driven).

Tenant - An individual, company or corporation utilizing the services and facilities of Foreign-Trade Zone No. 176.

Ton - Weight ton of 2,000 pounds, unless otherwise indicated.

Transfer - To take merchandise with zone status from a zone for consumption, transportation, exportation, warehousing, cartage or lighterage, vessel supplies and equipment, admission to another zone, and like purposes.

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

Unique Identifier Number (UIN) - The numbers, letters, or combination of numbers and letters that identify merchandise admitted to a zone with zone status.

Unit of Quantity - The customary groupings of a commodity as a unit to indicate the medium or method of measure. The unit of quantity in zone records will be consistent with those annotated in the Harmonized Tariff Schedule of the United States.

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

Usage-Driven Site – Sites designated to meet a specific operator/user’s present need for FTZ designation (rather than to attract potential future operators/users). A Usage-Driven site is tied to the specific operator/user for which it was designated and could not be used by any other entity. However, a site vacated by one operator/user could easily be designated as a Usage-Driven site for another operator/user through an additional simple minor boundary modification (MBM) action. Usage-driven sites are subject to a default sunset period of 3 years, where designation self-removes if there is no zone activity at the site before the sunset date.

User – a party using a zone under agreement with the Zone Grantee or Administrator. The Zone User is the party that receives the benefits associated with zone activity. A Zone User can also be the Zone Operator.

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

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

Zone - The term "Zone" refers to a foreign-trade zone and/or Foreign-Trade Zone No. 176.

Zone Administrator - The Administrator of Foreign-Trade Zone No. 176 as appointed by the Greater Rockford Airport Authority. The FTZ Administrator is the Rockford Area Economic Development Corporation.

Zone Control Number or Admission Number – a unique and sequential number assigned for numbering shipments admitted to a zone under Section 146.32(a) of the Customs Regulations; a sequentially numbered system for each CBPF 214, which serves as the unique identifier for each admission of merchandise at the FTZ.

Zone Fees - Zone fees are charged to help offset the Grantee's costs to administer the zone project, facilitate compliance with FTZ requirements, provide marketing and educational seminars, etc. Zone fees apply to all sites and subzones, activated or not, unless terminated, expired, suspended or lapsed. Fees include one-time fees for application and activation services, modifications, and production authority. Annual fees apply to activated and non-activated sites and subzones.

Zone Lot – A collection of merchandise maintained under an inventory control method based on specific identification of merchandise admitted to the Zone by lot.

Zone Operator – An Operator is a corporation, partnership, or person that operates a zone under the terms of an agreement with the grantee. With permission from the Greater Rockford Airport Authority and the U.S. Customs & Border Protection, companies may act as their own Operator of their own facilities within FTZ No. 176.

Zone Project – the Zone plan, including all of the Zone and Subzone sites that the Board authorizes a single Grantee to establish.

Zone-Restricted Merchandise (ZR) - Merchandise taken into a zone for the sole purpose of exportation, destruction (except destruction of distilled spirits, wines, and fermented malt liquors), or storage may be given zone-restricted status on proper application. ZR status can

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be requested at any time that the merchandise is located in the zone but cannot be abandoned once granted. Merchandise in zone-restricted status may not be removed to Customs territory for domestic consumption except where the FTZ Board determines the return to be in the public interest.

Merchandise may be considered exported, for Customs or other purposes (i.e., for drawback purposes or to close out a TIB), upon its admission to a zone in zone-restricted status. No-tax paid alcoholic beverages and tobacco products can be admitted to a zone only in ZR status. Merchandise entered into a bonded warehouse for storage and transferred to a zone (other than temporarily for manipulation and returned to Customs territory as provided for in § 146.33) will have ZR status when admitted into the zone. Merchandise that has been placed in a bonded warehouse for a purpose other than entry for warehouse (such as general order or under seizure) may be admitted to a zone in any eligible status.

Zone Site – the physical location of a zone or Subzone.

Zone Status - The legal status of merchandise, which has been admitted to a foreign-trade zone, thereby becoming subject to the provisions of the FTZ Act. Four types of zone status are established under the FTZ Act, which determines how the merchandise will be handled in the zone and treated upon its transfer to the Customs territory. (*Privileged Foreign, Non-Privileged Foreign, Domestic and Zone Restricted Status Merchandise.*)

Zone Year - The Zone Year for FTZ Board Annual Report purposes in January 1 through December 31.

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SECTION IV

APPLICATION OF RATES, RULES AND REGULATIONS

ITEM NO.	SUBJECT	DESCRIPTION
20	Operation of Zone to be Fair and Equitable	<p>All rates and charges for all services and privileges within the zone shall fair and reasonable, and the Grantee and Operator shall afford to all who may apply for the use of the zone and its facilities and appurtenances uniform treatment under like conditions, subject to such treaties or commercial conventions as are now in force or may hereafter be made from time to time by the United States with foreign governments. (19 USC § 81n).</p> <p>Grantee has established neutral criteria for prospective zone partners. (See Appendix A)</p>
25	Zone Services Subject to Physical Limitations	<p>All Zone services and facilities shall be administered fairly and reasonably as stated above in No. 20. In addition, the availability of all said services and facilities is subject to the physical limitations of Foreign-Trade Zone No. 176, with said services and facilities available on a first come, first served basis.</p>
30	Foreign-Trade Zones Board General Regulations	<p>Foreign-Trade Zone No. 176 is regulated by the Foreign-Trade Zones Board, Washington, D. C., under U.S. Code of Federal Regulations, Title 15, Chapter IV, Part 400. Copies of these regulations are maintained at Foreign-Trade Zone No. 176 office for reference. All FTZ tenants shall be knowledgeable about the regulations and abide by the provisions therein as a condition of participation in the Foreign-Trade Zones program at Zone No. 176.</p>

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35	Foreign-Trade Zones Act	The authority and jurisdiction of the Board is derived from The Act as amended and codified at Chapter 1A, Title 19, United States Code (19 USC 81a - 81u). All FTZ tenants shall be knowledgeable about the Act and abide by the provisions therein as a condition of participation in the Foreign-Trade Zones program at Zone No. 176.
40	United States Customs & Border Protection Regulations	Foreign-Trade Zone No. 176 is subject to special Customs Regulations as defined in U.S. Code of Federal Regulations, Title 19, Customs Duties, Chapter 1, U.S. Customs & Border Protection, Part 146 - Foreign-Trade Zones. Copies of these regulations are maintained at the office of Foreign-Trade Zone No. 176 for reference. All FTZ tenants shall be knowledgeable about the regulations and abide by the provisions therein as a condition of participation in the Foreign-Trade Zones program at Zone No. 176.

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45	Application and Interpretation of Tariff	<p>The Foreign-Trade Zone Administrator of FTZ #176 shall be the sole judge to interpret and determine the applicability of any of the rates, rules, regulations, or services provided in this Zone Tariff Schedule. However, any matter involving interpretation or action by U.S. Customs & Border Protection or other agency of the U.S. Government will be determined by the Port Director of Customs or his/her duly appointed representative.</p> <p>The Foreign-Trade Zone Administrator has the right to quote special rates.</p> <p>One (1) copy of this Tariff will be provided to each user. Updates will be provided as revisions occur. The Grantee's Operating Agreement and this Tariff represent the agreement between the Grantee, Operator, and/or User.</p> <p>Acceptance of this Tariff, with the following use of the zone, constitutes agreement to the terms and conditions as set forth in this Tariff.</p>
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50	Tariff in Compliance with Foreign-Trade Zones Board	Foreign-Trade Zone No. 176 Tariff No. 5 is issued in compliance with Foreign-Trade Zones Board guidelines.
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55	Merchandise Permitted in a Zone	Foreign and domestic merchandise of every description, except such as is specifically prohibited by law, may without being subject to the Customs laws of the United States, except as otherwise provided in the Act and the regulations made thereunder, may be brought into a Zone. (a) Merchandise that is specifically and absolutely prohibited by law shall not be admitted into a zone. Any merchandise so prohibited by law, which is found within a zone shall be disposed of in the manner provided for in laws and regulations applicable to such merchandise. A distinction is made between: (1) Merchandise that is specifically and absolutely prohibited by law on the grounds of policy and morals, such as immoral or subversive literature, obscene articles, or lottery matter, and (2) Merchandise that is subject to conditional prohibition only, for protection of economic or national security or which may be reconditioned to bring them into compliance with the laws administered by various Federal agencies. The Port Director of Customs is required to exclude the first class of articles and may not permit them to be transferred to a zone if he is aware of the prohibited status, except that the Port Director may permit the temporary deposit of any such merchandise in the zone pending final determination of its status. The transfer of articles of the second class to a zone is subject to any requirements of the Federal agency concerned. There is no prohibition against placing over-quota merchandise in a zone

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pending its right to transfer to the Customs territory pursuant to the applicable quota provisions.

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

60	Disposition of Merchandise in a Zone	In general, merchandise lawfully brought into a zone may, in accordance with these and other regulations made under the provisions of the Act, be exported, destroyed or sent into Customs territory of the United States therefrom, in the original package or otherwise; but when foreign merchandise, and domestic merchandise whose identity has been lost, is so sent from a zone into Customs territory of the United States, it shall be subject to the laws and regulations of the United States affecting imported merchandise.
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65	Manipulation, Production and Exhibition of Merchandise	
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In general, merchandise lawfully brought into a zone may, in accordance with these and other regulations made under the provisions of the Act, be stored, sold, exhibited, broken up, repacked, assembled, distributed, sorted, graded, cleaned, mixed with foreign and domestic merchandise, or otherwise manipulated, or be manufactured except as otherwise provided by the Act.

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

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

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ITEM NO.	SUBJECT	DESCRIPTION
70	Status of Merchandise in a Zone	<p>(a) For the purpose of the Act and the regulations of this Section, all merchandise within a zone, except merchandise in transit through a zone as provided in Sections 146.14 and 146.13 of Customs Regulations, and except merchandise temporarily transferred to a zone for manipulation as provided in paragraph (b) of this Section, shall be given a Zone Status in accordance with Subpart C of Customs Regulations as:</p> <ul style="list-style-type: none">(1) PF - Privileged Foreign Merchandise(2) NPF - Non-Privileged Foreign Merchandise(3) D - Domestic Merchandise(4) ZR - Zone-Restricted Merchandise <p>(b) Imported merchandise which has been entered and which has remained in continuous Customs custody may be temporarily transferred to a zone for manipulation under Customs supervision pursuant to Section 562, Tariff Act of 1930, as amended, and for return to the Customs territory. Any such merchandise shall not be considered within the purview of the Foreign-Trade Zones Act, but shall be treated in all respects as though remaining in the Customs territory. Therefore, no zone form or procedure shall be considered applicable, but the merchandise shall remain subject in the zone to such requirements as are necessary for the enforcement of Section 562 and other pertinent Customs laws.</p>

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75	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.
80	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.
85	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 be made, as it may deem necessary. The Board may order the exclusion from the zone of any goods or process of treatment that in its judgment is detrimental to the public interest, health or safety.

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90	Retail Trade within Zone	<p>No retail trade shall be conducted within a zone except under permits issued by the Grantee and approved by the FTZ 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 that 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.</p> <p>The Executive Secretary shall determine whether an activity is retail trade, subject to review by the Board when the zone grantee requests such a review with a good cause. Determinations on whether an activity constitutes retail trade shall be based on precedent established through prior rulings by CBP, as appropriate. Such prior rulings shall remain effective unless a determination is issued to modify their effect (after a notice-and comment process, as appropriate). Determinations made by the Executive Secretary pursuant to this section shall be made available to the public via the Board's website.</p>
95	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.

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100	Payment of Customs Officers and Employees	<p>Any cost of maintaining Customs & Border Protection in a zone shall be paid directly by the applicable Operator of such zone.</p> <p>In a zone, at a port where customary working hours are other than those herein mentioned, the Port Director of U.S. Customs & Border Protection is authorized to regulate the hours of Customs' officers and employees assigned to the zone so as to agree with prevailing working hours in said port. However, nothing herein shall be construed in any manner to affect or alter the length of a working day for Customs officers or employees.</p> <p>Any work requested by the zone tenant resulting in additional Customs costs, shall be billed by the Operator to the requesting tenant for reimbursement of costs at actual cost plus up to fifteen percent (15%) to cover administrative handling costs, unless paid for directly by the User.</p>
105	Payment of Charges from other Government Agencies	Charges for services of Government agencies not included in this Tariff should be arranged for and paid for by the tenant who requires and uses such services.
110	Payment of Customs Penalties or Process	U.S. Customs & Border Protection penalties resulting from inventory discrepancies, operational infractions, or other occurrence for which tenant is responsible will be paid by the penalized tenant.

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115	Erection of Building within Zone	
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The Grantee may, with the approval of the Board, and under reasonable and uniform regulations for like conditions and circumstances to be prescribed by it, permit other persons, firms, corporations, or associations to erect such buildings and other structures within the zone as will meet their particular requirements.

- (a) Provided that such permission shall not constitute a vested right as against the United States, nor interfere with the regulation of the Grantee or the permittee by the United States, nor interfere with or complicate the revocation of the grant by the United States;
- (b) Provided that in the event of the United States or the Grantee desiring to acquire the property of the permittee, no good will shall be considered as accruing from the privilege granted to the zone;
- (c) Provided that such permits shall not be granted on terms that conflict with the public use of the zone as set forth in the Act. And provided further, that accepted sanitary practices be followed in the construction, equipment and operation of such buildings or other structures; and
- (d) Prior to commencing any significant new construction, alteration, additions or modifications to present facilities in the zone, which may impact areas activated by CBP, the overall zone security or the granted scope of authority, Operator shall notify the Grantee; FTZ Board approval may be required before commencing such construction activities in the zone.

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ITEM NO.	SUBJECT	DESCRIPTION
120	Hours of Business and Service	<p>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 am and 4:00 pm, Monday through Friday, except on holidays.</p> <p>The zone may be opened at other times, on an irregular or regular basis, upon application and with approval of the Zone Administrator and Customs officials.</p>
125	Holidays	<p>The zone office of the Grantee is closed for regular business on the following holidays</p> <p>New Year's Day.....The 1st Day of January Martin Luther King's Birthday The 3rd Monday of January + Good Friday Friday preceding Easter Sunday Memorial Day The Last Monday of May Independence Day The 4th Day of July Labor Day..... The 1st Monday of September Columbus Day..... The 2nd Monday of October Veterans Day..... The 11th Day of November Thanksgiving Day The 4th Thursday of November + Day After Thanksgiving The 4th Friday of November + Christmas Eve The 24th Day of December Christmas Day..... The 25th Day of December + New Year's Eve..... The 31st Day of December (afternoon only)</p> <p>+ Observed by FTZ #176 personnel only – not a U.S. CBP holiday</p> <p>If a holiday falls on Saturday, the preceding Friday will be observed; and if a holiday falls on Sunday, the following Monday will be observed.</p>

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SECTION V

OPERATION OF ZONE

ITEM NO.	SUBJECT	DESCRIPTION
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130 Inventory Methods

Users of Foreign-Trade Zone No. 176 shall operate a computerized inventory method, capable of producing accurate and timely reports and documents as required by the Foreign-Trade Zone Regulations.

Inventory methods approved by U.S. Customs & Border Protection are as follows: FIFO (First In First Out), Foreign First, Specific Identification. Other inventory methods will require special prior approval by U.S. Customs & Border Protection.

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ITEM NO.	SUBJECT	DESCRIPTION
135	Zone Regulations	The following rules governing procedures within Foreign-Trade Zone No. 176 are issued in conformity with and supplementary to the Foreign-Trade Zones Board's Regulations and such of the United States Laws and Regulations relating to the Port of Entry as are applicable to foreign-trade zone operations.
140	General Regulations	All persons and merchandise of every description entering or leaving FTZ No. 176 for any purpose whatsoever shall be bound by the regulations of the Foreign-Trade Zones Board and by the relevant regulations issued by U.S. Customs & Border Protection.
145	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 the FTZ Act and governmental regulations issued thereunder.
150	Compensation Insurance	Every person employed by contractors or customers in the zone shall be properly covered by Workmen's Compensation Insurance. Proof of this shall be furnished upon request.
155	Business Insurance	All persons or firms conducting business on or in connection with the facilities of FTZ No. 176 shall keep in full force the necessary insurance as spelled out by the Operating Agreement. A copy of the policy or policies of insurance or certificate or certificates of insurance shall be delivered to the Grantee upon request and said shall contain a clause that the insurer will not cancel or change the insurance without first giving the Grantee thirty (30) days prior written notice.

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ITEM NO.	SUBJECT	DESCRIPTION
160	Public Interest, Health and Safety	No operation or process of treatment will be permitted in the zone that, in the judgment of the Grantee is detrimental to the public interest, health and safety.
165	Confidential Relationship Between Zone and Tenants	Greater Rockford Airport Authority and its employees will take precaution to avoid the divulging of confidential information regarding merchandise and services thereon performed in the zone. Any zone employee violating this confidential relationship will be suitably disciplined or discharged.
170	Admittance to the Zone	Persons desiring admittance to the zone shall make application to the Zone Operator. The pass issued must be worn and shown upon request. Upon leaving the Zone, any temporary pass must be shown to the guard. All persons having business in the zone will enter and leave at the prescribed entrance.

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ITEM NO.	SUBJECT	DESCRIPTION
175	Employees and Persons Entering and Leaving Zone	<p>Employees and other persons entering or leaving the zone shall pass through the designated entrances to the zone. Employees and other persons shall be subject to such examination upon entering and leaving a zone as the Zone Administrator may deem necessary for the protection of the revenue. In general, in addition to specific Foreign-Trade Zones Board and U.S. Customs & Border Protection Regulations, the recommendations contained in the booklet <u>Standards For Cargo Security</u>, prepared by the Bureau of Customs, will be followed where practical.</p> <p>(a) <u>All Persons Entering Zone Bound by Regulations:</u></p> <p>All persons entering the zone for any reason whatsoever shall be bound by the regulations promulgated by the Board, Customs, and by the Operator of the zone.</p> <p>(b) <u>Identification of Employees within Zone:</u></p> <p>Each employee within the zone shall be required, while within the zone, to wear appropriate identification badges to be provided by the Operator of the zone. Employers shall provide lists and have employees obtain permanent badges from Operator.</p> <p>(c) <u>Identification of Visitors and Non-Employee Personnel within Zone:</u></p> <p>All persons/visitors having business within the zone shall use designated entrances and obtain a Pass or ID Card from the Zone Operator. It shall be worn at all times. Upon departure from the zone, visitors shall return the ID Card or Badge and stop at the designated area of the Zone Operator to sign out.</p>

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GENERAL RULES AND REGULATIONS

ITEM NO.	SUBJECT	DESCRIPTION
180	Payment of Charges	Zone charges are due and payable as accrued. Lease charges are due when invoice is rendered. Lease charges are rendered one month in advance.
190	Enforcement of Charges	For the purpose of enforcing payment of charges named in this schedule on merchandise handled, stored, or manipulated in 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.
195	Service Charges	An additional service fee of \$25 per check will be charged for a check returned due to "insufficient funds" in an account, or returned for other reasons.
210	First of Month Balance System	<p>All goods are stored on a month-to-month basis, unless otherwise provided. Storage rates shall be charged in accordance with the following:</p> <ul style="list-style-type: none"> (a) On shipments arriving on the 1st to and including the 15th day of the month, apply monthly storage rate. (b) On shipments arriving on the 16th to and including the last day of the month, except as providing in sub-paragraph (c), apply one-half of the monthly storage rate. (c) On merchandise in storage on the 1st day of the month, apply the monthly storage rate.

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ITEM NO.	SUBJECT	DESCRIPTION
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215	Insurance	Insurance is carried by Grantee on its own property only and does not include insurance on the contents owned by others stored therein. Tenants 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 must be carried by and at the expense of tenant or owner of the commodities or other properties.
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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.

220	Charges, Rates, Rules, and Regulations Applicable at FTZ #176	The Grantee, Zone Operators, and all persons and entities doing business within a zone site or 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 subdivisions and agencies thereof as may be applicable to operators, occupants, their employees and invitees, and users of general-purpose sites, magnet sites, usage-driven sites, or subzones; and with such of the provisions of this Tariff and subsequent issues and modifications thereof as may be applicable to the operations conducted in the general-purpose sites, magnet sites, usage-driven sites or subzone. Grantee will provide services based on neutral criteria as documented with Appendix A of this Zone Schedule.
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A foreign-trade subzone is a site (or group of sites) established for a specific use. The operations are too large, complicated, unwieldy, expensive, located either inside or outside the Service

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Area, or otherwise infeasible to move within the boundaries of the zone. A subzone may be established for one or more of the specialized purposes of storing, manipulation, manufacturing, production, or exhibiting merchandise, if authorized by the Foreign-Trade Zones Board after finding that the existing zone will not adequately serve the convenience of commerce with respect to the proposed purposes.

A Magnet site is intended to serve or attract multiple operators or users. Industrial or business parks and airport complexes are common examples of sites that would qualify as Magnet sites.

A Usage-Driven site is designated to meet a specific operator/user's present need for FTZ designation (rather than to attract potential future operators/users). A Usage-Driven site is tied to the specific operator/user for which it was designated and could not be used by any other entity.

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

All persons and entities who request the Grantee to apply for authority to establish a subzone or usage-driven site or magnet site, must enter into an agreement with the Grantee governing proposed zone operations prior to activation of the site. This agreement will contain provisions including, but not limited to, those relating to costs incidental to the preparation of the application and any subsequent amendment or modification

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thereof; costs incidental to public hearings and legal proceedings; charges for providing required Customs services; and charges for Grantee's special services not provided in this Tariff. An example of such services includes, but is not limited to, consultant services such as feasibility studies; cost/savings analysis; development of standard operating procedures; compliance reviews; assistance in preparation of necessary compliance reports; and development of inventory control/recordkeeping systems. The cost for these services will be provided in a written proposal. Applicants for the establishment of a subzone, magnet, or usage-driven site will bear application costs and charges of preparing and filing of an application by the Grantee whether or not the application is favorably acted upon by the Foreign-Trade Zones Board.

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

The Grantee will apply the rates and charges set forth in this Tariff and applicable to the subzone, magnet or usage-driven site operation uniformly to all subzone, magnet or usage-driven site occupants or users under like circumstances. Where such rates and charges are not applicable to a subzone, magnet, or usage-driven site operation, it is intended that the provisions of the agreement between the Grantee and the subzone, magnet, or usage-driven site user will govern.

Contingencies not covered by this Tariff or by separate agreements will be subject to agreements amending or supplementing the primary agreement. Amended or supplementary agreements, as well as practices that may develop

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and be permitted in zone or subzone operations will be also uniformly applied to subsequent applicants under identical circumstances for identical services.

225	Annual Zone Fee: Activated Sites or Activated Subzones
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The annual zone fee will become due upon execution of the Operations Agreement and each February 15 thereafter. The annual service charge may be prorated to December 31 from the date the Agreement is first executed. Upon sixty (60) days written notice from Grantee to Operator, the annual service charge may be modified.

The fee will be charged based on the following:

Not-for-Profit.....	\$2,000
1 to 50 employees	\$5,000
51 to 150 employees	\$10,000
151 to 500 employees	\$15,000
501 to 1500 employees	\$20,000
1501 or more employees.....	\$25,000

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230	Application, Activation, and Audit Fees	FTZ No. 176 will operate under the Alternative Site Designation and Management Framework. The following rates represent the application, and activation fees associated with Grantee's services for support, documentation, and coordination efforts.
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Service	FTZ #176 fee	
	Small (under 300)	Large (300 or more)
Inside Service Area: Usage-Driven Site or Subzone: Minor Boundary Modification (per location)	\$2,000	\$3,000
Inside Service Area: Magnet Site Expansion or Application	\$2,000	\$3,000
Outside Service Area: Subzone Application	\$2,000	\$3,000
"Sunset" Renewal	\$2,000	\$3,000
Grant of Authority: Production/Inverted Tariff, uncontroversial	\$2,000	\$3,000
Grant of Authority: Production/Inverted Tariff, controversial	\$2,000	\$3,000
Activation with CBP	\$2,000	\$3,000

Fees above do not cover the actual preparation of applications. Services for the preparation of applications will be contracted directly between the zone applicant/user and its service provider.

In order to establish public warehouse space for general-purpose zone operations, Grantee reserves the right to offer no more than two GPZ operators added incentives for start-up in the form of reduced one-time start-up fees and Annual Fees in force at the time of the application (for year #1 only). Grantee further reserves the right to limit this to the original two GPZ operators.

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235	Annual Zone Fee: Non-Activated Sites or Non-Activated Subzones	The following annual fees will be charged to the site owners/developers of non-activated sites or subzones to cover Grantee expenses for oversight of the zone project and preparation of site information for the Annual Report to the Board. The fee will become due by February 15 each year beginning February 2013. This annual fee will be the responsibility of the property owner or the developer acting on behalf of the property owner and will be due until all parcels retaining FTZ designation within the FTZ site are activated or have surrendered their Zone status. For occupied zone parcels, the non-activated zone tenants will be responsible for the fee.
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As property with FTZ designation is sold or title is conveyed to another entity, the property owner/developer must notify Grantee in writing of the sale, and the purchaser must notify Grantee in writing of its interest in retaining the FTZ designation. Non-activated zone tenants may surrender zone designation with written notification to Grantee. If the purchaser desires to retain the designation, they will become responsible for the annual fee. If no notification is provided to Grantee, the property owner/developer will remain responsible for the fee required from the purchaser, in addition to the fee required from the property owner/developer for its other property in the FTZ site until such time as proper notification is provided to the Grantee.

Property owners/developers should include provision in contracts or covenants with purchasers to address the responsibility of the fee and requirement for notifying the Grantee. Purchasers and non-activated zone tenants must either agree to the Annual Zone Fee for Non-Activated property until the property is activated with U.S. Customs & Border Protection or surrender the FTZ designation on the property.

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Private Sector Land – FTZ Designation approved – but not Activated

Annual Fee: Non-Activated.....\$2,500

Public Sector Land – City, County government or other quasi-public entity or Not-for-Profit (NFP) engaged in economic development - FTZ Designation approved – but not Activated

No Annual Fee for Public Entity or NFP.....\$0

Public Sector Land after Sale or Lease to Private Sector – FTZ Designation approved – but not Activated

Annual Fee: Non-Activated.....\$2,500

Greater Rockford Airport Authority Land – FTZ Designation approved – but not Activated

No Annual Fee for tenants located on approved acreage\$0

Private Sector Land, Public Sector Land, or Greater Rockford Airport Authority Land - Upon Activation, the Annual Zone Fee in Item 225 applies:

Once a new owner/zone tenant activates its portion of the site with U.S. Customs & Border Protection, the annual zone fees in Item 225 will apply; the Zone Operator or User is responsible for the Annual Zone Fee in Item 225.

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ITEM NO.	SUBJECT	DESCRIPTION
240	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 or persons, or property damages to any property sustained by user and/or all other persons 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 subcontractors.

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SECTION VII

SPECIAL RULES PERTAINING TO MERCHANDISE

ITEM NO.	SUBJECT	DESCRIPTION
245	Zone Accommodations	<p>Before merchandise may be admitted into the zone, a CBPF 214 - Application for FTZ Admission, must be completed by the zone tenant or its agent, filed and approved by the Zone Operator and the authorized Customs personnel. The Application shall describe the merchandise fully, in terms of the Harmonized Tariff Schedule of the United States Annotated and be accompanied by all supporting documents as required by the CBPF 214.</p> <p>Users that have received Customs authority to receive merchandise under Direct Delivery procedures may receive the merchandise at the zone before filing the CBPF 214. The CBPF 214 must be submitted pursuant to the rules and regulations governing Direct Delivery procedures.</p>
250	Permission to Manipulate, Manufacture, or Process	<p>Before merchandise may be manipulated within the zone a CBPF 216 must be presented to the Zone Operator for concurrence. The Operator will then forward the application to the Port Director of Customs or his/her authorized representative. Upon approval by the Port Director or his/her authorized representative the contemplated manipulation will then be permitted.</p>
255	Tender for Acceptance	<p>All merchandise for zone acceptance and admission 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.</p>
260	Clearing Merchandise and Traffic	<p>Merchandise, land carriers and other occupants of the zone, both incoming and outgoing must obtain clearance through the Zone Operator.</p>

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ITEM NO.	SUBJECT	DESCRIPTION
265	Liability	<p>The Grantee is not responsible for loss or damage of merchandise stored or handled through the zone. Perishable goods, or goods which are susceptible to damage through temperature changes or other causes incidental to general storage, are accepted in general storage only at the risk of the Person of Record for such damage as might result from general storage conditions.</p>
270	Non-Liability	<p>The Grantee will not be liable and cannot assume any responsibility for any loss or damage to freight, cargo or merchandise or other property within the zone, or for any loss or damage arising from acts of commission or omission of co-tenants, or of the occupants, or users of adjacent or contiguous compartments or of other portions in or about the zone, nor for the breakdown of 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.</p> <p>Tenants, through their use of the zone, agree that Grantee shall neither be responsible nor liable for any claims for damages or injury (including death) caused by or arising from:</p> <ol style="list-style-type: none">1. Acts of negligence of co-tenants upon or within the Zone2. The occupants or users of adjacent or contiguous premises3. The breakdown of cranes or power service4. Plumbing, electrical wires, automatic fire or sprinkler apparatus or any facilities upon or about the zone or other premises of the Grantee and/or Operator5. Water being upon or coming through the roof, skylights or trap doors6. Accidents on tracks, roadways or elsewhere upon or within Grantee's and/or Operator's property <p>The Grantee will not be responsible for any loss or damage</p>

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caused by fire, heat, dampness, leakage, the elements, evaporation, natural shrinkage, wastage or decay; animals, rats, mice or other rodents; moths, weevils or other insects; leakage or discharge from fire protection systems, collapse of buildings or structures, breakdown of plant or machinery or equipment; or by floats, logs or piling required in breasting vessels away from wharf; nor will it be answerable for any loss, damage, or delay arising from the insufficient notification, or from war, insurrection, shortage of labor, combinations, riots or strikes of any persons in its employ or in the services of others or from any consequences arising therefrom.

In performing the service of checking, the zone will accept no responsibility for concealed damage nor for the condition of contents of packages, cases, or other containers, whether or not receipts issued so state.

The Grantee will not be responsible for any loss or damage arising from or occasioned by any misunderstanding of orders or instructions received or taken by telephone from the zone user to the Grantee.

The Grantee will not be liable to respond in damages or make indemnity or compensation of any character from any source other than the income and revenues arising from the operation of the property by FTZ #176 by reasons of, or due to, or caused by the operation of FTZ #176. The members of FTZ #176, either singularly or collectively, shall not be personally liable to anyone by reason of, or due to, or caused by the management of the FTZ #176.

As a condition precedent to recover, claims for loss or damage must be made in writing within thirty (30) days after the merchandise is delivered from the zone, or, in the case of failure

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		to make delivery, then within thirty (30) days after delivery of the last package of the lot in Grantee's apparent possession.
275	Improper Packing	Merchandise not suitably packed for ordinary handling, may, at the discretion of the zone, be rejected or repacked at the expense of the shipper, consignee, or their agent.
280	Customs Bond	Each Operator must maintain, for Customs purposes, a Customs Bond as a guarantee for the payment of all duties and taxes on such merchandise as may be removed from the zone with or without a proper Customs permit or otherwise missing from the zone.
285	Customs Permit	Merchandise will not be delivered to or through the Customs territory unless a Customs permit accompanies the delivery order.
290	Hazardous Commodities	<p>The zone will not be required to accept for storage any commodity that will affect the rate of insurance on other merchandise in storage. All commodities moving in or out of the zone must comply with applicable local, state, and federal laws.</p> <p>Where reference is made hereto, by any rate item, the product will not be stored except in locations or areas that are not restricted in the acceptance of any commodity for storage under the issuance of rate established on contents stored therein.</p>

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ITEM NO.	SUBJECT	DESCRIPTION
295	Marking	All merchandise handled in the zone, before entry to the Customs territory, must be marked in accordance with Customs regulations as to the country of origin and in accordance with all other government regulations and no merchandise which carries any false or misleading label or mark will be permitted to leave the zone for any purpose. When repacked or labeled in the zone the goods should, when possible, be marked to indicate the fact.
300	Trucking and Lighterage	Transfer of foreign merchandise between the Customs territory and the zone must be made by Customs bonded trucks or other carriers and subject to Customs regulations. Likewise, transfers of non-privileged foreign merchandise to or through the Customs territory must be made by Customs bonded trucks or other carriers and subject to Customs regulations and any other applicable Federal or State Agency Regulations.
305	Customs Inspection of Merchandise in Zone	The consignee or zone tenant, or its agent, shall at all times be immediately available to make merchandise subject to inspection required by U.S. Customs & Border Protection and shall have the sole responsibility of opening crates and packages, handling the merchandise and securing the crates and packages following the inspection. This service may become available as zone space is activated and set up for inspections. As zone space is activated, each Operator will execute separate agreements with the Grantee and will provide rates and charges for this service. Rates and charges will be provided in subsequent revisions to this Tariff.

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310	Special Rules Pertaining to Citrus Fruit and Processed Citrus Products	All laws of the State of Florida and rules of the Florida Department of Citrus applicable to citrus products shall apply within the zone.
315	Failure to Remove Empty Cargo Shipping Containers	<p>Empty cargo shipping containers are to be removed from the zone within four (4) working hours of unstuffing to avoid penalty charges.</p> <p>It is the responsibility of the owner of record of the merchandise or his duly authorized agent to notify the trucker as soon as unstuffing has been completed. As FTZ space is activated, each Operator will execute separate agreements with the Grantee and will provide rates and charges for services. Rates and charges will be provided in subsequent revisions to this Tariff.</p>
320	Removal of Trash and Garbage	<p>Manipulators of merchandise within the zone shall not be allowed to accumulate trash or garbage.</p> <p>The Operator will, without notice, arrange for services for removal of trash from the zone facilities at actual trucking cost which shall be billed upon the cargo or merchandise originating such trash or garbage. In addition, if clearing or floor sweeping is required, such service shall be billed upon the basis of cost plus as elsewhere provided for in this Tariff.</p> <p>As a convenience to tenants holding private leases on officer and/or warehouse storage area, garbage disposal can be obtained from the appropriate local municipality.</p>

ISSUED
May 31, 2012

ISSUED BY
Greater Rockford Airport Authority
Foreign-Trade Zone #176 Grantee
60 Airport Drive
Rockford, Illinois 61109

EFFECTIVE
May 31, 2012

FOREIGN-TRADE ZONE NO. 176**TARIFF NO. 5**

Cancels: _____**SECTION VII****SPECIAL RULES PERTAINING TO MERCHANDISE**

ITEM NO.	SUBJECT	DESCRIPTION
325	Overnight Parking	No passenger vehicles other than those used by FTZ No. 176 or U.S. Customs & Border Protection personnel will be allowed to park overnight within the zone boundaries. Passenger vehicles for employees of zone tenants will be allowed to park in designated parking areas only during the scheduled work hours. Truckers who do not complete unloading or loading of merchandise in the zone at the close of business hours and indicate a desire to complete unloading or loading the following day may upon the discretion and approval of the Administrator or Operator, park containers or trailers in the zone overnight. Such parking shall be in a safe location in the zone as determined by the Zone Administrator or Operator. The zone assumes no liability for loss of damage to equipment or contents during such parking periods.
330	U.S. Customs & Border Protection Inspection of House-to-House Containers	As FTZ sites are activated, each Operator will execute separate agreements with the Grantee and will provide rates and charges for this service. Rates and charges will be provided in subsequent revisions to this Tariff.
335	Charges for Supply of Equipment and Personnel	As FTZ sites are activated, each Operator will execute separate agreements with the Grantee and will provide rates and charges for the supply of equipment and personnel. Rates and charges will be provided in subsequent revisions to this Tariff

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May 31, 2012**ISSUED BY**
Greater Rockford Airport Authority
Foreign-Trade Zone #176 Grantee
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May 31, 2012

FOREIGN-TRADE ZONE NO. 176
TARIFF NO. 5

Cancels: _____

SECTION VIII

MISCELLANEOUS SERVICES

ITEM NO.	SUBJECT	CODE	DESCRIPTION
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340	Miscellaneous Services		As FTZ sites are activated, each Operator will execute separate agreements with the Grantee. Public FTZ Warehouse Operators will provide rates and charges for miscellaneous services. Rates and charges will be provided in subsequent revisions to this Tariff.
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FOREIGN-TRADE ZONE NO. 176
TARIFF NO. 5

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SECTION IX

LEASED SPACE

ITEM NO.	SUBJECT	CODE	DESCRIPTION
370	Leased Space		As FTZ space becomes activated, each Operator will execute separate agreements with the Grantee. Public FTZ Warehouse Operators will provide rates and charges for leased space. Rates and charges will be provided in subsequent revisions to this Tariff.

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TARIFF NO. 5

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SECTION X

HANDLING CHARGES

ITEM NO.	SUBJECT	CODE	DESCRIPTION
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375	Handling Charges		As FTZ sites are activated, each Operator will execute separate agreements with the Grantee. Public FTZ Warehouse Operators will provide a schedule of handling charges. Rates and charges will be provided in subsequent revisions to this Tariff.
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