

# ***SOUTH CAROLINA* PORTS AUTHORITY**

**FOREIGN-TRADE ZONE GRANTEE**

**SCHEDULE PER REGULATIONS**

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**Foreign-Trade Zones 21 and 38**



Operating under the authority granted by the  
Foreign-Trade Zones Board, U.S. Department of Commerce

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## **I. FTZ ZONE GRANTEE POLICIES**

- A. Applications-** FTZ application requirements are based on the FTZ Board Regulations [§400.26 Criteria for evaluation of applications for expansions, Subzones or other modifications of zones](#). The SC Ports Authority cannot guarantee that the FTZ Board will approve the project.
- B. Removing FTZ Status-** The SC Ports Authority reserves the right to remove FTZ status from approved sites under the following conditions:
1. No part of the property has been activated within the time limits set by the FTZ Board (not to exceed five years) from receipt of FTZ Board approval.
  2. There is a default in the agreement between the Subzone / Site Operator and Zone Grantee or between the Property Owner and Zone Grantee.
  3. Property is used for residential purposes, retail sales or any other use or development that is inappropriate for FTZ status.
  4. Failure to pay charges or fees associated with FTZ status.
  5. Failure to submit reports documents required by regulations.
- C. Subzone / Site Operator Agreement**  
All Subzone / Site Operators will be required to sign a Subzone / Site Operator / Grantee agreement before activating with Customs. This agreement states that the Zone Grantee does not participate in the day to day operations of the FTZ and this responsibility, therefore, is placed upon the Subzone / Site Operator to comply with all rules and regulations.
- D. Landowner Agreement**  
If not the landowner, Operators will be required to submit a Right to Use Property Letter as part of the application package submitted to the FTZ Board. This letter states that the Applicant can apply for FTZ status for their specific site(s).
- E. Liability**  
FTZ site owner and/or Subzone / Site Operator agrees to protect, indemnify and hold harmless the SC Ports Authority, its elected officials, employees and agents from and against any liability, obligation, damage, penalty, claim, cost, charge or expense, including attorneys' fees and costs, whether insured or not, arising out of or incident to its site in connection with its FTZ activities.
- F. Payments**  
All payments are due according to the terms of the billing document of the SC Ports Authority. Failure to pay any fees, charges and expenses to the SC Ports Authority shall be a basis for termination of appropriate agreement and/or removal of FTZ status. Grantee application or

expansion fees may be waived when done by an Operator's consultant with minimal action from the Grantee.

**G. Annual reports**

Operators or their representatives shall submit their annual report in the FTZ Board's Online FTZ Information System (OFIS):

<http://ita-web.ita.doc.gov/FTZ/OFISLogin.nsf> **no later than March 1.**

The report will reflect any and all FTZ activity for the previous calendar year. If an operator terminates mid-year they will still be required to complete the annual report as needed.

**H. Construction**

All new construction projects will need to be mentioned in the annual report so that the FTZ Board can be informed of the updated condition and structures within FTZ sites.

**I. Access**

Representatives of the FTZ Board, Customs, and other authorized U.S. government officers, shall have the right to enter the FTZ site for the authorized and lawful purpose of examining same, conferring with FTZ Subzone / Site Operator or owner, its agents, invitees, and employees on such premises, inspecting and checking operations, supplies, equipment and merchandise, and determining whether the business is being conducted in accordance with the procedures established for the operation and management of the FTZ site.

**J. Foreign-Trade Zone Privileges**

The SC Ports Authority makes no representations or warranties as to the particular privileges and benefits which may accrue to FTZ Subzone / Site Operator or owner from foreign-trade zone site operations as those privileges and benefits may vary as a result of changes in federal law, determinations of the Board and Customs, and operational decisions of the Zone/Subzone Site Operator. The SC Ports Authority shall in no way be liable for any costs or losses sustained by FTZ Subzone / Site Operator or Landowner as a result of FTZ status.

**K. OFIS Updates**

The Operator is responsible for ensuring the accuracy of subzone/site information in the Online FTZ Information System (OFIS). OFIS users can update their own information or report information to the Grantee. Items to check for accuracy include: activated acres (as also listed in annual reports), contact details and Operator name. If a name change has occurred due to acquisitions, rebranding, etc. then the Grantee should be notified so a Redesignation request can be made (there is no Grantee fee for redesignations). OFIS users can create logins for new users at their company or their representative or they can request logins from the Grantee.

**II. ZONE GRANTEE FEES AND CHARGES** Most Invoices for Grantee fees will be sent upon the submission of corresponding forms and paperwork to the FTZ Board &/or CBP. Annual fees are billed per Subzone or Site and will be invoiced each July.

**A. FTZ Designation Applications (including Expansions)**

These fees will cover the Zone Grantee's expenses for processing and submission of new or expansion Applications to the FTZ Board. The Grantee fee also covers the base support service expenses for obtaining approvals/resolutions and any support required in the submission of the applicable Application.

- 1. Minor Boundary Modification – Usage- Driven site or Subzone...\$ 2,205**
- 2. Traditional Site Framework or other Non-MBM Subzone.....\$ 11,025**

**B. Site Activation Fee**

The Activation Fee covers Zone Grantee expenses for preparation and processing of the Operator/Zone Grantee Operations Agreement, providing the Zone Grantee Concurrence Letter to Customs, and any necessary Zone Grantee support required in the Customs Activation process.

- 1. Site Activation Fee.....\$ 3,860**
- 2. Alteration of the Active Area / Activation Alteration.....\$ 1,655**

**C. Production Notification/Application Request.**

The following fee does not include the actual preparation of the applications. The fees will cover the Zone Grantee's expenses for approving the submission of the Production Notification/Application Request to the Board, and base support services required in the Production Notification/Application Request approval process.

- 1. Production Notification/Application Request.....\$ 3,860**

**D. Zone Grantee Annual Fees.**

The Zone Grantee Annual Fee will cover Zone Grantee expenses for oversight and administration of the Site project and submission of the Annual Report to the Board. The annual fee will be effective based upon the date of Zone Site approval by the Board and pro-rated for the first year based upon the SCPA's fiscal year of July1 through June 30.

- 1. Active Site Annual Fee.....\$ 7,170**
- 2. Inactive Site Annual Fee.....\$ 2,760**

**E. Legal Expenses.** Applicant, Zone/Subzone Operator agrees to pay, or cause to be paid, all legal expenses and costs which Zone Grantee incurs in conjunction with, or arising out of, any of the services provided in this fee schedule or in accordance with Paragraphs C. Zone/Subzone Site Operator Agreement or D. Landowner Agreement.

**F. Miscellaneous Expenses.**

- 1. FTZ Board Fees.** Fees listed here are from the Grantee only. Additional Subzone Application filing fees are incurred when applying under the TSF or Outside the ASF Service Area and are paid to the U.S. Department of Commerce / FTZB through their online payment system.

### **III. RATES/CHARGES ASSESSED BY PUBLIC OPERATORS**

Please go to Operators directly for their FTZ rates. Listings of public warehouses can be found online: <http://www.scspace.com/cargo/logistics/warehouses/> Warehouse operators wanting to be listed are responsible for providing their pertinent warehouse information to the Ports Authority at [supplychainauthority@scspace.com](mailto:supplychainauthority@scspace.com) .

#### **IV. APPENDIX - DEFINITIONS**

##### **§400.2 Definitions.**

- (a) Act means the Foreign-Trade Zones Act of 1934, as amended (19 U.S.C. 81a-81u).
- (b) Activation limit is the size of the physical area of a particular zone or subzone authorized by the Board to be simultaneously in activated status with CBP pursuant to 19 CFR 146.6. The activation limit for a particular zone/subzone is a figure explicitly specified by the Board in authorizing the zone (commonly 2,000 acres) or subzone or, in the absence of a specified figure, the total of the sizes of the approved sites of the zone/subzone.
- (c) Alternative site framework (ASF) is an optional approach to designation and management of zone sites allowing greater flexibility and responsiveness to serve single-operator/user locations. The ASF was adopted by the Board as a matter of practice in December 2008 (74 FR 1170, January 12, 2009; correction 74 FR 3987, January 22, 2009) and modified by the Board in November 2010 (75 FR 71069, November 22, 2010).
- (d) Board means the Foreign-Trade Zones Board, which consists of the Secretary of the Department of Commerce (chairman) and the Secretary of the Treasury, or their designated alternates.
- (e) Board Order is a type of document that indicates a final decision of the Board. Board Orders are generally published in the Federal Register after issuance.
- (f) CBP means U.S. Customs and Border Protection.
- (g) Executive Secretary is the Executive Secretary of the Foreign-Trade Zones Board.
- (h) Foreign-trade zone (FTZ or zone) includes one or more restricted-access sites, including subzones, in or adjacent (as defined by §400.11(b) (2)) to a CBP port of entry, operated as a public utility (within the meaning of §400.42) under the sponsorship of a Zone Grantee authorized by the Board, with zone operations under the supervision of CBP.
- (i) Grant of authority is a document issued by the Board that authorizes a Zone Grantee to establish, operate and maintain a zone, subject to limitations and conditions specified in this part and in 19 CFR parts 146. The authority to establish a zone includes the responsibility to manage it.
- (j) Magnet site means a site intended to serve or attract multiple operators or users under the ASF.



(k) Modification: A major modification is a proposed change to a zone that requires action by the FTZ Board; a minor modification is a proposed change to a zone that may be authorized by the Executive Secretary.

(l) Person includes any individual, corporation, or entity.

(m) Port of entry means a port of entry in the United States, as defined by part 101 of the customs regulations (19 CFR part 101), or a user fee airport authorized under 19 U.S.C. 58b and listed in part 122 of the customs regulations (19 CFR part 122).

(n) Private corporation means any corporation, other than a public corporation, which is organized for the purpose of establishing, operating and maintaining a zone and which is chartered for this purpose under a law of the state in which the zone is located.

(o) Production, as used in this part, means 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.

(p) Public corporation means a state, a political subdivision (including a municipality) or public agency thereof, or a corporate municipal instrumentality of one or more states.

(q) Service area means the jurisdiction(s) within which a Zone Grantee proposes to be able to designate sites via minor boundary modifications under the ASF.

(r) State includes any state of the United States, the District of Columbia, and Puerto Rico.

(s) Subzone means a site (or group of sites) established for a specific use.

(t) Usage-driven site means a site tied to a single operator or user under the ASF.

(u) Zone means a foreign-trade zone established under the provisions of the Act and these regulations. Where used in this part, the term also includes subzones, unless the context indicates otherwise.

(v) Zone Grantee is the corporate recipient of a grant of authority for a zone. Where used in this part, the term “Grantee” means “Zone Grantee” unless otherwise indicated.

(w) Zone operator or operator is a person or company that operates within a zone or subzone under the terms of an agreement with the Zone Grantee (or third party on behalf of the Zone Grantee), with the concurrence of CBP.

(x) Zone site (site) means a physical location of a zone or subzone. A site is composed of one or more generally contiguous parcels of land organized and functioning as an integrated unit, such as all or part of an industrial park or airport facility.

(y) Zone user is a party using a zone under agreement with a zone operator.