

Suffolk County

Foreign Trade Zone #52

Zone Schedule

This Zone Schedule has been prepared by Suffolk County in its capacity as the Grantee of FTZ #52. Questions concerning this Zone Schedule should be addressed to:

Regina Zara
Director, Business Development and Marketing
Suffolk County Department of Economic Development & Planning
H. Lee Dennison Building
100 Veterans Memorial Hwy., 11th Floor
Hauppauge, NY 11778
Tel: 631-853-5805
Fax: 631-853-4767
Email: Regina.Zara@suffolkcountyny.gov

FTZ #52 is open for business during normal business hours.

This Zone Schedule has been prepared in accordance with 15 C.F.R. 400.44 and is available for public inspection at the offices of the Suffolk County Department of Economic Development & Planning identified above. The Zone Schedule is also on file with the Foreign-Trade Zones Board and United States Customs & Border Protection at John F. Kennedy International Airport.

Table of Contents

Introduction..... 3

Rules and Policies of FTZ #52..... 4

FTZ #52 Zone Policy..... 5

Rates / Charges Assessed by the Grantee of FTZ #52 7

Rates / Charges Assessed by Public Operators 7

APPENDIX A – FTZ#52 MAP 8

APPENDIX B – DEFINITIONS..... 9

Introduction

I. Foreign-Trade Zones in General:

Foreign-trade zones (“FTZs”) were created by the Foreign-Trade Zones Act of 1934 (“the FTZ Act”) for the purpose of expediting and encouraging foreign commerce. Changes to the FTZ Act in 1950 authorized manufacturing and exhibiting in FTZs which broadened the objectives of the program. FTZs are secured areas under U.S. Customs and Border Protection (“CBP”) supervision that are considered outside the customs territory of the United States. Merchandise may be moved into an FTZ for storage, exhibition, manufacture, or other operations not otherwise prohibited by law. Customs duties on foreign merchandise are not collected until the merchandise leaves the FTZ and enters U.S. Customs territory.

II. Suffolk County’s Foreign-Trade Zone #52:

Foreign Trade Zone #52 was established by Board Order No. 150, dated December 13, 1979 with the County of Suffolk designated as the Grantee. In 1981 FTZ #52 established a general-purpose foreign trade zone at a 52.6 acre site located on the south boundary of the Long Island MacArthur Airport.

In 2004, FTZ #52 was authorized to include a Subzone, pursuant to Board Order No. 1349. This subzone, located at the facilities of Festo Corporation occupies two parcels in Hauppauge, New York.

On December 9, 2013, Board Order No. 1922 granted FTZ #52 authority to reorganize and further expand under the Alternative Site Framework (ASF). The ASF allows for greater flexibility in the establishment of single operator/user locations throughout the Zone by offering applicants an expedited review process making it easier for the County to bring the benefits of Foreign Trade Zone inclusion directly to business sites.

After reorganizing under the ASF, Grantee filed a usage driven site application on behalf of International Warehouse Group. International Warehouse Group is a Logistics Firm located in Melville, NY. That application was approved by the Board on October 17, 2013.

For a map of FTZ #52, please refer to **Appendix A**

Rules and Policies of FTZ #52

Laws and Regulations Adhered to:

All persons conducting business within FTZ #52 and all operations moving merchandise into or out of FTZ #52 must strictly comply with all FTZ regulation including the Foreign-Trade Zones Act (FTZA), Foreign-Trade Zones Board (“FTZB”) Regulations, CBP Regulations, this Zone Schedule, as well as all other applicable Federal, State and local laws, rules, and regulations and all agreements with Suffolk County. This Zone Schedule may be amended by Suffolk County at any time in accordance with 15 C.F.R. 400.44(d). Suffolk County shall, in its sole discretion, interpret the provisions of this Schedule and determine the applicability of any of its provisions.

Statutory and Regulatory Authority:

Foreign-Trade Zone Act – 19 U.S.C. 81

Foreign-Trade Zones Board Regulations – 15 C.F.R. 400

Customs & Border Protection Regulations – 19 C.F.R. 146

FTZ #52 Zone Policy

1. This Zone Schedule is published in accordance with 15 C.F.R. 400.44. The Zone policy, rules, regulations, rates and charges included in this schedule shall apply at Foreign-Trade Zone #52, unless otherwise provided for.
2. The rates and charges for services within the Zone shall be fair and reasonable, and the Grantee and Operators shall afford uniform treatment under like conditions to all users. Other than the uniform rates and charges assessed by, or on behalf of, the grantee, zone participants shall not be required (either directly or indirectly) to utilize or pay for a particular provider's zone-related products or services. The FTZB shall determine whether the rates and charges are fair and reasonable.
3. All persons and entities who request that the Grantee apply on their behalf for authority to establish a Usage Driven or Subzone site will be required to enter into an agreement with the Grantee governing the terms of operation at the site. FTZ approval of aforementioned site application will be required prior to Grantee's execution of said agreement. All requests for Usage Driven or Subzone site designation will be reviewed by the Grantee and all entities will be afforded uniform treatment by the Grantee with respect to their request.
4. Pursuant to 15 C.F.R, 400.24(b) Magnet Sites can be established provided that certain criteria are satisfied. All requests for the establishment of Magnet Sites will be reviewed by the Grantee and acted on if in compliance with all applicable FTZ rules and regulations. All entities will be afforded uniform treatment by the Grantee with respect to their request.
5. All requests and applications to the FTZB by Operators and Users of FTZ #52 shall be submitted by the Grantee and include a letter of transmittal or concurrence. Such requests include, but are not limited to, applications for production authority, Subzone applications, minor boundary modifications, as well as determinations, or expansions, of previously approved scope of authority for Zone procedures.
6. All requests to CBP by Operators of FTZ #52 shall include a letter of transmittal or concurrence from the Grantee. Such requests include, but are not limited to, activation, deactivation, or alteration of zone areas.
7. Pursuant to 19 U.S.C 81o(c), no merchandise or process of treatment will be permitted in the Zone that is detrimental to the public interest, health or safety.

8. FTZ Board Regulations §400.26 sets forth the criteria considered by the Board when evaluating applications for expansions, subzones or other modifications of zones. Suffolk County does not guarantee FTZ Board approval.
9. The FTZ Zone/Subzone Site Operator or owner must submit to Suffolk County an annual report for the calendar year ending December 31st containing data required by the Board and Customs.
10. 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.
11. The Board, CBP and other governmental entities, as necessary, and Grantee and its representatives have the right to enter the Zone Site for the purpose of examining and inspecting same to ensure that business is being conducted in accordance with the applicable laws and procedures mandated for the operation of the Zone Site.
12. In addition to Annual Reports, Grantee or Operator/User may be required from time to time to furnish information to other governmental entities. Operator/User of the Zone Site shall cooperate and provide any information necessary to comply with mandates of other governmental entities possessing jurisdiction over cargo handled through the Zone Site.
13. Operators/Users are responsible to obtain, maintain, and keep current any and all licenses, permits, certificates, or other authorization required by any federal, state, or local government that are or may be necessary in the conduct of business in or from the Zone Site.
14. No retail trade shall be conducted within the activated areas of the Zone, except as may be approved by the Board and CBP, with the concurrence from Grantee.

Rates / Charges Assessed by the Grantee of FTZ #52

Suffolk County as Grantee for FTZ #52 does not currently assess any fees to FTZ #52 applicants or operators. Suffolk County reserves the right to modify or amend its fee schedule, in relation to FTZ # 52 as it deems necessary.

Rates / Charges Assessed by Public Operators

Each operator will be responsible for preparation of its own Fee Schedule listing its charges. The Grantee does not prepare or compile the actual magnet or usage driven site application documents or operator's manuals, those being the responsibility of the Applicant and/or their consultant. All rates and charges for all FTZ services within FTZ #52 shall be fair and reasonable and the operators shall afford to all who may apply for the use of the FTZ and its facilities uniform treatment under like conditions.

There is currently one public operator located within FTZ #52

- International Warehouse Group (pending CBP activation, has yet to establish rates)

These rates and charges are in addition to any fees that may be due or payable to the U.S. FTZ Board or to U.S. Customs.

APPENDIX A – FTZ#52 MAP



APPENDIX B – DEFINITIONS

Note: For additional terminology, please visit the FTZ Board's website at www.trade.gov/ftz/

1. Activation -- Once a zone or subzone site is approved by the FTZ Board, an application must be made to the local CBP office, with the concurrence of the FTZ grantee, to operate the zone/subzone site (or portion thereof) under FTZ procedures. This CBP process is known as activation generally includes steps such as background checks, a written procedures manual, posting a bond with CBP, as well as a review of the security of the site(s) and the inventory control methods.
2. Alternative Site Framework (“ASF”) -- An optional approach to designation and management of zone sites allowing greater flexibility and responsiveness to serve single-operator/user locations. The ASF was adopted by the Board as a matter of practice in December 2008 (74 FR 1170, January 12, 2009; correction 74 FR 3987, January 22, 2009) and modified by the Board in November 2010 (75 FR 71069, November 22, 2010).
3. Board -- See Foreign-Trade Zones Board
4. CBP -- U.S. Customs and Border Protection of the Department of Homeland Security
5. Foreign-Trade Zone -- (FTZ or zone) includes one or more restricted-access sites, including subzones, in or adjacent (as defined by Sec. 400.11(b)(2)) to a CBP port of entry, operated as a public utility (within the meaning of Sec. 400.42) under the sponsorship of a zone grantee authorized by the Board, with zone operations under the supervision of CBP.
6. Foreign-Trade Zones Board (“FTZB”) -- comprised of the Secretary of Commerce and the Secretary of Treasury. These officials or their designee are empowered to issue to appropriate applicants the grant of authority to establish, maintain and operate a Foreign Trade Zone project 19 U.S.C. 81a(b); 15 C.F.R. 400.2(b).
7. Foreign-Trade Zones Board staff -- Officials in the Department of Commerce, International Trade Administration responsible for overseeing the administration of Foreign Trade Zones. The Executive Secretary heads up this office 15 C.F.R. 400.2(f).
8. FTZ Eligibility -- Issuance of a grant by the FTZ Board results in designated area obtaining FTZ eligibility.
9. Grantee -- Entity to which the Foreign Trade Zones Board has granted the privilege of establishing, operating, and maintaining a foreign-trade zone, which for FTZ #52 is the County of Suffolk.
10. Magnet Site -- A site intended to serve or attract multiple operators or users under the ASF.
11. Operator -- See Zone Operator
12. Port Director of Customs and Border Protection (“CBP”) -- Customs official with responsibility for overseeing the activation and operations of zone projects within his customs port of entry.
13. Port of Entry -- A port of entry in the United States, as defined by part 101 of the regulations of U.S. Customs and Border Protection (19 CFR part 101), or a user fee airport authorized under 19 U.S.C. 58b and listed in part 122 of the regulations of CBP (19 CFR part 122). For FTZ# 52 the Port of Entry is John F. Kennedy International Airport.

14. 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.
15. Public Operator-- A zone operator which provides its services to the public
16. Service Area -- The jurisdiction(s) within which a grantee proposes to be able to designate sites via minor boundary modifications under the ASF.
17. Subzone -- A site (or group of sites) established for a specific use under the original organizational framework of the FTZ.
18. Usage Driven Site -- A site tied to a single operator or user under the ASF.
19. User -- A person or firm using a zone or Subzone for storage, handling, or processing of merchandise. 15 C.F.R. 400.2(v).
20. Zone -- A foreign-trade zone (see above) established under the provisions of the FTZ Act and regulations. The term also includes subzones, unless the context indicates otherwise.
21. Zone Operator -- A corporation, partnership, or person that operates a zone or subzone under the terms of an agreement with the zone grantee (or third party on behalf of the grantee) with the concurrence of the Port Director of CBP.