



Procedures for Activation of Zone Sites – FTZ # 277

In the interest of making Activation as easy as possible for all involved parties, the Grantee established the following procedures for Activation of a Zone Site or Subzone Site. The procedures involve three steps; Request to the Grantee, Approval by the Grantee and Approval by Customs and Border Protection (CBP).

I. Request Letter to the Grantee for Activation

Before an Activation request can be made to CBP, the Operator must have the Grantee's concurrence for Activation. The process is for the Applicant to submit a letter to the Grantee, which describes the following:

1. Information about the Applicant and the Zone processes to take place:
 - (a) Facility size and address.
 - (b) Description of the area to be activated.
 - (c) Activities to be conducted, specifying what products and/or manufacturing HTS numbers are being used/approved by the FTZ Board (if applicable).
 - (d) Statement that Operator has or will have a system in place to manage the Zone inventory according to CBP regulations.
 - (e) The letter should include a statement that all fees for Activation shall be paid promptly, and that a Grantee/Operator Agreement will be executed prior to Activation.
2. The Grantee reviews the request and if the Operator has provided all of the information required above, the Grantee will issue an Operator's Agreement to the applicant, along with an initial invoice for the Grantee's Activation Fee. Once both are returned to the Grantee, the Grantee will allow an Operator desiring to activate to receive the Grantee concurrence letter to the Operator, so that the Operator can begin the Activation process of submitting the background investigation forms to CBP. If the request is rejected for cause, Grantee will advise of the reason(s).
3. Letter to the Grantee should be copied to the City/Town economic development director in the community that the activation will take place, so that the taxing entities can be notified of the Activation request.

II. Approval by Grantee for Activation

The process for executing the Grantee/Operator Agreement takes approximately 30 days. The process for having a Grantee/Operator Agreement executed and approved by the Grantee, which results in a Final Grantee concurrence letter as well as the signed Operator Agreement is as follows:

1. Applicant submits Request Letter (Step 1 above),
2. Applicant executes the Grantee/Operator Agreement and sends it back to the



- Grantee, along with the fee for Activation.
3. President completes his review within 30 days once satisfied that the Agreement is properly executed and the fee(s) have been paid, the Grantee will then issue the Grantee concurrence letter to the Operator.

III. Application to Customs for Activation

1. The applicant must submit an Application to the Port Director for Activation, which, according to 19CFR Part 146.6, should include:
 - (a) A description of all Sites included to be activated.
 - (b) A description of any operation to be conducted therein.
 - (c) A statement of the general character of the merchandise to be admitted.
 - (d) Completed CBPF5106
 - (e) Customs bond form CBPF301.
 - (f) Physical and procedural security survey.
 - (g) A detailed blueprint of the FTZ Site with the area to be activated outlined in red.
 - (h) A procedures manual detailing the inventory control and recordkeeping system that will be used in the Zone, including a description of any special procedures.
 - (i) Grantee concurrence letter.
 - (j) Special Request Letter, for any approvable procedures sought.
 - (k) Background check forms on all officers and managing officials. (these forms may be completed and submitted in advance of the Activation Request)
2. The complete Application requesting Activation of a Site in Foreign-Trade Zone No. 277 should be forwarded to the Port Director of CBP. A copy of the Activation Request letter only (and the site outlined in red showing activation area requested) should be emailed to the Grantee upon submission to CBP.

IV. Activation Approval

1. Notification, in writing, from CBP with approval/denial of request will be sent directly to the Operator. At this time, CBP will specify the amount of Operator Bond. Annual fee to the Grantee is due when the CBP letter is received by the Operator.
2. Operator will then obtain the Operator Bond and file with CBP. Grantee Annual Fee is due and payable upon filing of the Grantee Bond.
3. Operator shall email a copy of the Activation approval letter to the Grantee, and to the City/Town economic development director that has been involved with the applicant from the beginning.

The Grantee will provide support for the applicant in obtaining all approvals necessary to commence Zone operations, which could include interfacing with the CBP and other agencies, as requested by the Applicant.