



FOREIGN-TRADE ZONE NO. 154 ZONE SCHEDULE NO. 1

TITLE PAGE

THE PORT OF GREATER BATON ROUGE

FTZ ZONE SCHEDULE NO. 1

**ZONE POLICY, RULES, REGULATIONS,
RATES AND CHARGES**

Applicable at
**FOREIGN-TRADE ZONE NO. 154
BATON ROUGE, LOUISIANA**

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

TO THE

**PORT OF GREATER BATON ROUGE
FOREIGN-TRADE ZONE NO. 154**

Prepared by:
THE PORT OF GREATER BATON ROUGE, GRANTEE
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FOREIGN TRADE ZONE NO. 154 ZONE SCHEDULE NO. 1

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FOREIGN-TRADE ZONE NO. 154 ZONE SCHEDULE NO. 1

CHECK SHEET FOR ZONE SCHEDULE CHANGES

This Schedule is issued in loose-leaf form, and all changes will be made by reprinting the entire page or by adding other pages. Revised pages will bear correction numbers at the top of the page. Therefore, upon receipt, the correction number should be checked and if omissions are found, request should be made at once for the missing numbers.

Correction No.	Page No.	Date	Correction No.	Page No.	Correction No.	Page No.
1a	18	06/13/01				
1c	2	08/22/02				
1i	46	08/22/02				

SYMBOLS USED TO INDICATE CHANGE IN ZONE SCHEDULE

- a Addition
- r Reduction
- i Increase
- c Change in wording which results
in neither increase nor reduction in
charges

FOREIGN-TRADE ZONE NO. 154 ZONE SCHEDULE NO.1**ABBREVIATIONS**

\$	Dollars (U.S.)
%	Percent
Bbl.	Barrel
B/L	Bill of Lading
CF	Customs Forms
CFR	Code of Federal Regulations
CR	Customs Regulations
Dom.	Domestic
Ea.	Each
E.G.	For Example
Etc.	Et Cetera
FTZ	Foreign-Trade Zone
FTZB	Foreign-Trade Zones Board
H.T.S.U.S.A.	Harmonized Tariff Schedules of the U.S. Automated
No.	Number
N.P.F.	Non-Privileged Foreign
Par.	Paragraph
P.F.	Privileged Foreign
Pkg.	Package
Sec.	Section
Sq. Ft.	Square Feet/Square Foot
U.S.	United States
Yd.	Yard
Z.R.	Zone Restricted

FOREIGN-TRADE ZONE NO. 154 SCHEDULE NO. 1

TABLE OF CONTENTS

Title Page	1
Administrative and Organizational Information	2
Check Sheet for Zone Schedule Changes	3
Abbreviations	4
Table of Contents	5
Definitions.....	8
Description of Foreign-Trade Zone No. 154	18
Zone Policy	20
Board Regulations.....	20
Inspection of Zone Area.....	20
Interpretation of Schedule	20
Privileges of Foreign-Trade Zones.....	20
Schedule Authority	22
U. S. Customs Regulations	22
Use of Zone Facilities	23
Zone Operated as a Public Utility	23
Operations in Zones	
Construction of Buildings and Facilities.....	24
Controlled Access to Zones	24
Disposition of Merchandise in a Zone	24
Hours of Business and Service.....	24
Manipulation, Manufacture and Exhibition of Merchandise.....	24
Merchandise Permitted in a Zone	25
Public Interest Provision	26
Residence within a Zone	27
Retail Trade within a Zone.....	27
Status of Merchandise in a Zone.....	28
Subject to Customs Supervision	28
Subsequent Importation of Zone Merchandise	28
Use of the Zones by Carriers.....	28

FOREIGN-TRADE ZONE NO. 154 ZONE SCHEDULE NO. 1

TABLE OF CONTENTS (Continued)

General Regulations

Application of Regulations	29
Confidential Relationship	29
Government Agencies.....	29
Governmental Licenses.....	29
Indemnification	29
Indemnity Bond.....	30
Insurance	30
Liability Insurance.....	30
Persons Entering and Leaving Zone	31
Public Interest, Health and Safety.....	31
Public Warehouse Operations.....	31
Regulations Applicable at Subzones.....	32
Release of Grantee from Liability.....	33
Reports to Government Agencies	33
User Agreements.....	33
Vehicle Control.....	34

Regulations Pertaining to Merchandise

Customs Inspection of Merchandise.....	35
Customs Permit.....	35
Erection of Buildings	35
Foreign-Trade Zone Forms	35
Inventory Procedures	36
Land Leases.....	36
Marking.....	36
Merchandise Handling Services.....	36
Permit to Manipulate, Manufacture and Exhibit.....	36
Prohibited Merchandise	37
Public Warehouse Operating Requirements	37
Special Security.....	37
Tender for Acceptance	37
Transiting Merchandise.....	37
Transportation	37
Warehouse Leases.....	38
Zone Accommodations	38

FOREIGN-TRADE ZONE NO. 154 ZONE SCHEDULE NO. 1

TABLE OF CONTENTS (Continued)

Regulations Pertaining to Merchandise (continued)	
Zone Regulations	38
Miscellaneous Regulations	
Automobile Parking	39
Rates and Charges	
Activation Fee	40
Charges by Other Government Agencies	40
Charges for Special Operator Services	40
Customs Bond Fees	40
Customs Fees	40
Enforcement of Charges	40
Land Lease Rental Rates	41
Merchandise Held for Charges	41
Miscellaneous Supplies	41
Public Warehouse Fees	41
Responsibility for Duty and Taxes	41
Special Services	42
User Fees	42
Warehouse Rental Rates	42
When Charges are Payable	42
Zone Regulations	
Zone Grantee	43
Zone Operator	44
Operations Agreement	45
General Purpose Zone/Subzone Fees	46

FOREIGN-TRADE ZONE NO. 154 ZONE SCHEDULE NO. 1

DEFINITIONS	
Act	The Foreign-Trade Zones Act of June 18, 1934 (48 Stat. 98-1003; 19 U.S.C. 81a-81u), as amended by Pub. L. 566, 81 st Congress, approved June 17, 1950 (64 Stat. 246), and Pub. L. 791, 85 th Congress, approved August 28, 1958 (72 Stat. 945)
Activation	Approval by the Grantee and the District Director of Customs for operations and for the admission and handling of merchandise in Zone status.
Admission	Physical arrival of goods in the Foreign-Trade Zone with the approval of the Zone Grantee and Customs. The word “admission” is to be used instead of “entry” of goods into a Zone to avoid confusion with Customs entry processes under parts 141-144 of the Customs regulations
Admit	To bring merchandise into a Zone with Zone status.
Audit-Inspection Inventory Control System	The procedure used to maintain the records necessary for inventory control of merchandise that is under the supervision and control of the U.S. Customs Service.
Board	The Foreign-Trade Zones Board established by the Act. The Board consists of the Secretary of Commerce, the Secretary of Treasury and the Secretary of the Army. Each Board member designates an official of his Department, usually an Assistant Secretary, to serve as his alternate.

FOREIGN-TRADE ZONE NO. 154 ZONE SCHEDULE NO. 1**DEFINITIONS (continued)**

The Port of Greater Baton Rouge	The Port of Greater Baton Rouge serves as grantee for Foreign-Trade Zone No. 154 and is a state agency serving the four parish area of Ascension, East Baton Rouge, Iberville and West Baton Rouge Parishes. This jurisdiction is within the U.S. Customs Port of Entry, District 20. The Port of Greater Baton Rouge owns, maintains and operates its facilities for the benefit of the public good. As part of its trade and economic development services, the Port of Greater Baton Rouge serves as grantee of U.S. Foreign-Trade Zone No. 154 headquartered in Port Allen, Louisiana. The Greater Baton Rouge Port Commission has jurisdiction over the commerce and traffic within the Port area, consisting of the parishes of East Baton Rouge, West Baton Rouge, Iberville and Ascension (Mile 168.5 A.H.P. – Mile 253.0 A.H.P.) as the boundaries and limits of said parishes are now fixed by law.
Bulk	The term used in describing fungibles, which can be poured, scooped or shoveled which generally cannot be counted or identified piece by piece.
Customs Territory	The territory of the United States in which the general tariff law of the United States applies, but which is not included in any Foreign-Trade Zone.
Domestic Merchandise	Merchandise of every description, (except articles specifically and absolutely prohibited by statute), which has been: <ul style="list-style-type: none"> (1) grown, produced or manufactured in the United States and not exported therefrom, or (2) previously imported into Customs territory and properly released from U.S. Customs custody.

FOREIGN-TRADE ZONE NO. 154 ZONE SCHEDULE NO.1**DEFINITIONS (continued)**

Domestic Exports	<p>Domestic merchandise exported from the United States, and particularly such merchandise exported through a Foreign-Trade Zone. It includes merchandise of every description, (except articles specifically and absolutely prohibited by statute), which has been:</p> <ol style="list-style-type: none"> (1) grown, produced or manufactured in the United States and not exported therefrom, or (2) previously imported into Customs territory and properly released from Customs custody. <p>For the purposes of marking and labeling, it includes:</p> <ol style="list-style-type: none"> (1) the product of manipulation or manufacture in the Zone in which only domestic merchandise is used, (2) the product of manipulation or manufacture in the Zone in which there is a mixture of foreign and domestic merchandise which results in a change in form or nature of the commodities, and in which the domestic merchandise consists of a component part or parts of a substantial portion of the finished product, and (3) foreign merchandise which, by manipulation or manufacture in the Zone, has been changed in form and nature or enhanced in value so that the product is deemed to be one of domestic manufacture.
Examiner	<p>An employee of one of the Board agencies designated under the regulations to conduct or participate in an investigation concerning the establishment or expansion of a Zone or subzone or other matter requiring a fact-finding determination and recommendation for Board action.</p>
Foreign Merchandise	<p>Merchandise of every description, (except articles specifically and absolutely prohibited by statute), which has not been properly released from Customs custody into Customs territory.</p>

FOREIGN-TRADE ZONE NO. 154 ZONE SCHEDULE NO.1**DEFINITIONS (continued)****Foreign-Trade Zone**

“Foreign-Trade Zone” might, as a general term, include “subzone”. Foreign-Trade Zones are restricted areas, under supervision of the U.S. Customs Service, which are considered outside the Customs territory of the United States when activated under Zone procedures. They are the U.S. version of what are generally known internationally as Customs free trade zones. Located in or near U.S. Customs Ports of Entry, Zones are operated under public utility principles by qualified corporations. Authority for establishing these facilities is granted by the Foreign-Trade Zones Board under the Act and Regulations. If the Zone is designed to serve a special type of activity, the term “special purpose Zone” may be used. When a Zone consists of more than one site under the same Grantee, the sites shall be considered part of the same Zone project. Foreign and domestic merchandise may be moved into Zones for operations not otherwise prohibited by law involving storage, exhibition, assembly, manufacture or other processing. The usual formal Customs entry procedures and payment of duties is not required on the foreign merchandise unless and until it enters Customs territory for domestic consumption, in which case the importer has a choice of paying duties either on the original foreign material or the finished product. Quota restrictions do not normally apply to foreign goods in Zones, except that special procedures may apply when manufacturing is involved. Domestic goods moved into a Zone for export may, at the request of the exporter, be considered exported upon entering the Zone for purposes of excise tax rebates and drawback.

Grantee

The Port of Greater Baton Rouge, Foreign Trade Zone No. 154, received its authority from the U.S. Foreign-Trade Zones Board on November 2, 1988. This authority grants the grantee the right to create, establish and maintain foreign-trade zones within its jurisdiction (Board Order No. 396).

FOREIGN-TRADE ZONE NO. 154 ZONE SCHEDULE NO. 1

DEFINITIONS (continued)																	
Holidays	<p>Those legal holidays* during which the Zone is closed for regular business are as follows:</p> <table><tr><td>New Year's Day</td><td>1st day of January</td></tr><tr><td>Mardi Gras</td><td></td></tr><tr><td>Good Friday</td><td></td></tr><tr><td>Fourth of July</td><td>4th day of July</td></tr><tr><td>Labor Day</td><td>1st Monday in September</td></tr><tr><td>Veteran's Day</td><td>11th day of November</td></tr><tr><td>Thanksgiving Day</td><td>4th Thursday of November</td></tr><tr><td>Christmas Day</td><td>25th day of December</td></tr></table> <p>*If a holiday falls on Saturday, the day immediately preceding such Saturday will be observed; and if a holiday falls on Sunday, the following day will be observed. In addition, the following holidays are observed:</p> <ul style="list-style-type: none">Martin Luther King's BirthdayGeorge Washington's BirthdayMemorial DayAll Saints Day	New Year's Day	1 st day of January	Mardi Gras		Good Friday		Fourth of July	4 th day of July	Labor Day	1 st Monday in September	Veteran's Day	11 th day of November	Thanksgiving Day	4 th Thursday of November	Christmas Day	25 th day of December
New Year's Day	1 st day of January																
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Labor Day	1 st Monday in September																
Veteran's Day	11 th day of November																
Thanksgiving Day	4 th Thursday of November																
Christmas Day	25 th day of December																
Imports	<p>Foreign merchandise of every description, (except articles specifically and absolutely prohibited by statute), entered into 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 customs territory through the Zone and foreign merchandise which, under the laws and regulations of various other federal agencies having jurisdiction within the Zone, is said to be "imported" into Foreign-Trade Zones, Customs and Bonded warehouses or Customs custody. This latter merchandise, in relation to operations of the Zone, is considered to be foreign merchandise until its entry into the commerce of the United States.</p>																

FOREIGN-TRADE ZONE NO. 154 ZONE SCHEDULE NO. 1**DEFINITIONS (continued)**

In-Transit Merchandise	The term “in-transit merchandise” includes all foreign merchandise transported into and out of the United States, whether in or out of the same port or across the country to another port, with or without transshipment, warehousing, breaking bulk or change in the mode of transportation , which originated in one foreign country and is destined at the same time of the original shipment to another foreign country. Its distinctive feature is that it is being transported from one foreign country, under a through bill of lading or other documentation or a completed journey. The term is particularly applied to foreign merchandise shipped in-transit through a Foreign-Trade Zone.
Lease	The document of agreement entered into between the Grantee and User for assignment of space within the Zone.
Manager	The General Manager of Foreign-Trade Zone No. 154 is appointed by the Grantee.
Manipulation	Means breaking up, repacking, assembling, distributing, sorting or grading, cleaning, mixing with foreign or domestic merchandise, or other processing which does not constitute a manufacture.
Measurement Ton	Ton based on a measurement of 40 cubic feet.
Non-Privileged Foreign Merchandise	<ol style="list-style-type: none"> (1) Foreign merchandise properly in the Zone which does not have status of: <ol style="list-style-type: none"> (a) privileged-foreign merchandise or (b) zone restricted merchandise; (2) Waste recovered from any manipulation or manufacture of privileged foreign merchandise; or (3) Domestic merchandise taken into a Zone whose identity has been lost.
Open Yard Storage	The keeping of merchandise in open space within the fenced-in area of the Foreign-Trade Zone where merchandise not requiring weather protection may be stored.

FOREIGN-TRADE ZONE NO. 154 ZONE SCHEDULE NO. 1

DEFINITIONS (continued)	
Operator	Operators, including subzone Operators, may be designated by the Grantee pursuant to a written agreement with the Grantee. A Zone or subzone Operator is that party which accepts Customs liability for Zone or subzone operations through a bond filed with the U.S. Customs Service. Zone Operator assumes full responsibility for the operations and management of the Zone and agrees to operate and manage the Zone in accordance with the terms and conditions stated in the Operations Agreement during the term of the Agreement, including any extensions.
Person of Record	The person, firm or corporation in whose name the application to admit merchandise into the Zone (CF 214) is made, recognized by the Zone Grantee as having the 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 Customs territory, and 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.
Port Director, U.S. Customs Service	The Customs official so designated for The Port of Greater Baton Rouge. The Port Director is the Board's representative for Foreign-Trade Zone No. 154 and any of its subzones.
Port of Entry	A place designated by the U.S. Government at which a Customs officer is assigned with authority to accept entries of merchandise, collect duties, and enforce the various provisions of the Customs laws.
Privileged-Foreign Merchandise	Foreign merchandise for which an application (CF 214) has been made for a determination of taxes and liquidation of duties, and which has been taken under supervision by the District Director of Customs.
Quantity	The numerical count of the units composing a shipment of a commodity, except bulk commodities, which must be measured by weight, size or volume.

FOREIGN-TRADE ZONE NO. 154 ZONE SCHEDULE NO. 1**DEFINITIONS (continued)**

Re-Exports or Re-Shipments	<p>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 transited under a new bill of lading or other documentation to another foreign country. The term is particularly applied to re-exports or re-shipments through a Foreign-Trade Zone.</p> <p>It includes privileged, non-privileged or zone restricted foreign merchandise which</p> <ol style="list-style-type: none"> (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 a 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. <p>Generally, it includes all merchandise of foreign origin, which has not been manipulated or manufactured as to be deemed a product of the United States, and which has not been released from Customs custody into Customs territory.</p>
Secretary	The Secretary of the U.S. Department of Commerce.
Storage	The keeping of merchandise in or upon the premises within the Foreign-Trade Zone. Covered storage means keeping within a covered and enclosed structure affording weather protection. The term "storage" with or without designation, ordinarily implies covered storage.

FOREIGN-TRADE ZONE NO. 154 ZONE SCHEDULE NO. 1

DEFINITIONS (continued)	
Subzones	Special-purpose ancillary Zone sites authorized by the Board, through grantees of public Zones, for operations by individual firms that cannot be accommodated within an existing Zone, when it can be demonstrated that the activity, usually manufacturing, will result in a significant public benefit. They are considered noncontiguous extensions of Zones single users, usually at their own facilities and, in a sense, are private rather than public Zone facilities. Separate Zone sites within an industrial or commercial complex subject to common management and covenants may be considered as contiguous, and thus a part of the Zone rather than as subzones.
Tenant	A person or firm utilizing Zone facilities pursuant to a lease agreement with the Grantee.
Ton	Weight ton of 2,000 pounds, unless otherwise indicated.
Trans-shipment Merchandise	Foreign merchandise that 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.
Unit of Quantity	The customary groupings of a commodity as a unit to indicate the medium or method of measure.
United States	The Continental United 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 and the island of Guam.
User	A person or firm using a Zone or subzone. An individual, company or corporation utilizing the services and facilities of the Zone. The user usually deals directly with the operator of the Zone. A user that is the sole occupant of a non-contiguous site or a subzone may be designated by the Grantee as an operator.

FOREIGN-TRADE ZONE NO. 154 ZONE SCHEDULE NO. 1

DEFINITIONS (continued)	
Warehouse	A covered and enclosed structure, affording weather protection, used primarily for a short or long term storage of merchandise, and often containing business offices. In a Foreign-Trade Zone it is also used for manipulation, manufacture, and exhibition of merchandise.
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. 154.
Zone Project	All of the Zone and subzone sites established by the Board under a single grantee, normally in a single port of entry area.
Zone-Restricted Merchandise	Foreign or domestic merchandise taken into the Zone, under the rules and regulations of the controlling Federal agency, for the sole purpose of exportation or destruction, (except destruction of distilled spirits, wine and fermented malt liquors), or storage pending exportation or destruction.

FOREIGN-TRADE ZONE NO. 154 ZONE SCHEDULE NO. 1

DESCRIPTION OF FOREIGN-TRADE ZONE NO. 154

Foreign-Trade Zone No. 154 was established by Board Order No. 396 on November 2, 1988. (Board Order No 396, 11/02/88) 53.F.R.48003, 11/29/88. The Port Commission established the Zone project as part of its continuing effort to promote trade and economic development . The Greater Baton Rouge Port Commission serves as Grantee of Foreign Trade Zone No. 154.

Four sites totaling 2,674 acres within the jurisdiction of the Port of Greater Baton Rouge. These general purpose sites are both public and privately owned and includes:

- Site 1: 370 acres within the Port's terminal area, located on Ernest Wilson Drive, just inside the south city limits of the City of Port Allen.
- Site 2: 1,277 acres located at the Baton Rouge Metropolitan Airport located in East Baton Rouge Parish. The site encompasses the primary airfield (three runways and related facilities), all buildings and infrastructure, and all airport property targeted for future development.
- Site 3: Comprised of 580 acres at the Inland Rivers Marine Terminal located within the Sun Plus Industrial Park located on Louisiana Highway 1, Port Allen.
- Site 4: 1,834-acre integrated petrochemical complex industrial park developed by Dow Chemical, U.S.A. on Louisiana Highway 1, one mile north of the City of Plaquemine, within the Parishes of West Baton Rouge and Iberville. No manufacturing is authorized.

The Port of Greater Baton Rouge, as Grantee of Foreign-Trade Zone No. 154, has established subzones at 6 Exxon Corporation petroleum and chemical manufacturing and storage sites.

Subzone 154A: Exxon Corporation's six site 2,320-acre oil refinery/petrochemical complex. The complex produces fuels, petrochemical feedstock and petrochemical products and employs 4,000 people. (Application, 61 F.R. 6623, 02/21/96; correction 61 F.R. 9532, 03/08/96; subzone approved (Board Order No. 847, 10/07/96) 61 F.R. 54152, 10/17/96). GRANT RESTRICTION – Oil Refining with certain options available to September 30, 2000.

- Site 1: 980-acre main refinery complex located at 4045 Scenic Highway on the Mississippi River, in East Baton Rouge Parish.
- Site 2: 140-acre petrochemical plant adjacent to the main refinery at 4999 Scenic Highway, East Baton Rouge Parish.
- Site 3: 580-acre Maryland Tank Farm and plastics plant located at 11675 Scotland Zachary Highway, East Baton Rouge Parish.
- Site 4: 60-acre lubricant plant located at 2230 Highway 1 North, West Baton Rouge Parish.

FOREIGN-TRADE ZONE NO. 154 ZONE SCHEDULE NO. 1

DESCRIPTION OF FOREIGN-TRADE ZONE NO. 154(continued)

Site 5: 460-acre Anchorage Tank Farm, adjacent to the lubricants plant located in West Baton Rouge Parish.

Site 6: 100-acre Sorrento Salt Dome adjacent to the lubricants plant at Louisiana Highway 3140, Ascension Parish.

FOREIGN-TRADE ZONE NO. 154 ZONE SCHEDULE NO. 1

ZONE POLICY

BOARD REGULATIONS

Foreign-Trade Zone No. 154 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 the Foreign-Trade Zone No. 154 office for reference.

INSPECTION OF ZONE AREA

The Grantee may inspect any leased or assigned area at any and all reasonable times to ascertain whether or not the conditions related to its proper use are being observed.

INTERPRETATION OF SCHEDULE

The Manager shall interpret and determine the applicability of any rates, rules, regulations or services provided for in this schedule. However, any matter involving interpretation or action by U.S. Customs or another agency of the U.S. Government will be determined by the Port Director of Customs or his duly appointed representative.

PRIVILEGES OF FOREIGN-TRADE ZONES

Section 3 of the Act, as amended, authorized the following privileges:

“Foreign and domestic merchandise of every description except such as prohibited by law, may, without being subject to Customs laws of the United States, except as otherwise provided in this Act, be brought into a Zone and may be stored, sold, exhibited, broken up, repacked, assembled, distributed, sorted, graded, mixed with foreign and domestic merchandise or otherwise manipulated or be manufactured, except as otherwise provided in this Act, and be exported, destroyed, or sent into Customs territory of the United States, there from, 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 there has been no manipulation or manufacture affecting a change in tariff classification, the collector of Customs shall take under supervision and regulations prescribed by the Secretary of the Treasury, and whether mixed or manufactured with domestic merchandise or not, may, under regulations prescribed by the Secretary of the Treasury, be exported or destroyed or may be sent into Customs territory upon the payment of such liquidated duties and determined taxes thereon. If merchandise so taken under supervision has been manipulated or manufactured, such duties and taxes shall be payable

FOREIGN-TRADE ZONE NO. 154 ZONE SCHEDULE NO. 1

ZONE POLICY (Continued)

on the quantity of such foreign merchandise used in the manipulation or manufacture of the entered articles. 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. When two or more products results from a manipulation or manufacture of merchandise in a Zone, the liquidated duties and determined taxes shall be distributed to the several products in accordance to 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 or which have been admitted free of duty and tax, may be taken into a Zone from the Customs territory of the United States, placed under the supervision of the collector and whether or not they have been combined with or made part while in such Zone, or other articles may be brought back thereto free of quotas, duty or tax:

Provided further that if in the opinion of the Secretary of the Treasury their identity has been lost, such articles not entitled to free entry by reason of non-compliance with the requirements made hereunder by the Secretary of the Treasury shall be treated, when they re-enter 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 1930, as amended, and the regulations thereunder; and
- (2) The statutes and bonds exacted for the payment of drawback, refund or exemption from liability of internal revenue taxes and for the purposes of the internal revenue laws generally and the regulations thereunder.

FOREIGN-TRADE ZONE NO. 154 ZONE SCHEDULE NO. 1

ZONE POLICY (Continued)

Such a transfer may also be considered an exportation for the purposes of the 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 deem such return to be in the public interest, in which event, the article shall be subject to the provisions of the Paragraph 1615 (F) of the Tariff Act of 1930, as amended:

Provided further that no operation involving any foreign or domestic merchandise brought into a Zone which operation would be subject to any provision or provisions of Section 1807, Chapter 15, Chapter 16, Chapter 17, Chapter 21, Chapter 23, Chapter 24, Chapter 25, Chapter 26 or Chapter 32 of the Internal Revenue Code if performed in customs territory or involving the manufacture of any article provided for in Paragraph 367 or Paragraph 368 or the Tariff Act of 1930, shall be permitted in a Zone except those operations, (other than rectification of distilled spirits and wines, or the manufacture or production of alcoholic products unfit for beverage uses), which were permissible under this Act prior to July 1, 1949.

Provided further that articles produced or manufactured in a Zone and exported therefrom shall on subsequent importation into the Customs territory of the United States be subject to the import laws applicable to like articles produced or manufactured in a Zone exclusively with the use of domestic merchandise, the identity of which has been maintained in accordance with the second provision of this section may, on such importation, be entered as American goods returned.

SCHEDULE AUTHORITY

This schedule is published pursuant to a Grant issued by the Foreign-Trade Zones Board, U.S. Department of Commerce, Washington D. C. on November 2, 1988, to the Port of Greater Baton Rouge under provisions of Public Law No. 397, 73rd Congress, approved June 18, 1934, as amended. The Zone policy, rules, regulations, rates and charges of this schedule shall apply at Foreign-Trade Zone No. 154 and its sub zones unless otherwise provided for.

U.S. CUSTOMS REGULATIONS

Foreign-Trade Zone No. 154 is subject to special Customs regulations as defined in U.S. Code of Federal Regulations, Title 19, Chapter I, U.S. Customs, Part 146 – Foreign-Trade Zones; and the “U.S. Customs Service Foreign-Trade Zones Operations Manual.” Copies of these publications are maintained at the Foreign-Trade Zone No. 154 office for reference.

FOREIGN-TRADE ZONE NO. 154 ZONE SCHEDULE NO. 1

ZONE POLICY (Continued)

USE OF ZONE FACILITIES

Zone facilities will be used for the sole purpose or receipt, storage, handling, exhibition, manipulation, manufacturing and related processing and shipment of foreign merchandise and domestic merchandise as considered necessary to the conduct of a User's normal business in conjunction with the foreign merchandise. Users shall not use or permit the Zone to be used for any other purpose without the proper written consent of the Manager. Users shall not do or permit anything to be done on or about the Zone which will in any way obstruct or interfere with the rights of other Users or occupants of the Zone or injure or annoy them.

ZONE OPERATED AS A PUBLIC UTILITY

The rates and charges for space, facilities and services within a Zone shall be fair and reasonable, and the Grantee shall afford uniform treatment under like conditions to all users. Sub zone fees shall be related to actual services rendered or out of pocket expenses. The Board shall determine whether the rates and charges are fair and reasonable.

FOREIGN-TRADE ZONE NO. 154 ZONE SCHEDULE NO. 1

OPERATIONS IN ZONES

CONSTRUCTION OF BUILDINGS AND FACILITIES

Zone Grantee, Operators, and Users may construct buildings and facilities necessary to implement a Zone plan approved by the Board. Any building construction within the General Purpose Zone shall be subject to approval by the Grantee. Such approval shall not constitute a vested right against the United States and the consideration for the sale of any such buildings or facilities shall not be affected by Zone status. The commencement of operations in any building or facility shall be subject to approval by the Port Director of U.S. Customs.

CONTROLLED ACCESS TO ZONES

Plans for the controlled access of persons and vehicles to activate Zone areas shall be subject to the approval of the Port Director as part of his review for operation approval. All persons and vehicles entering such areas shall be subject to the requirements of the U.S. Customs Service and the Zone Schedule. Business hours shall be subject to the approval of U.S. Customs.

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 may be exported, destroyed or sent into Customs territory of the United States in the original package or otherwise; but when foreign merchandise and domestic merchandise whose identity has been lost is sent from a Zone into the Customs territory of the United States, it shall be subject to the laws and regulations of the United States affecting imported merchandise.

HOURS OF BUSINESS AND SERVICE

Hours of business and service for U.S. Customs purposes shall be the same as those prescribed in U.S. Customs regulations. Hours for other business and service shall be those set forth in this Schedule.

MANIPULATION, MANUFACTURE AND EXHIBITION OF MERCHANDISE

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 or processed except as otherwise provided by the Act.

FOREIGN-TRADE ZONE NO. 154 ZONE SCHEDULE NO. 1

OPERATIONS IN ZONES(continued)

- (1) Permission for any manipulation or exhibition in a Zone shall be obtained from the Port Director of U.S. 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.
- (2) In the event of the denial of any application by the Port Director of U.S. 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.

MERCHANDISE PERMITTED IN A ZONE

- (1) Merchandise which 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 (a) grounds of policy and morals, such as immoral or subversive literature, obscene articles or lottery matter and (b) Merchandise which is subject to conditional prohibition only, for example, articles which are subject to permits or licenses for the protection of economic or national security or which may be reconditioned to bring them into compliance with the laws administered by various Federal agencies. Port Directors of Customs are required to exclude the first class of articles and may not permit them to be transferred to a Zone if they are aware of their 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 pending its rights to transfer to Customs territory pursuant to the applicable quotas provisions.
- (2) The application for the admission of merchandise into a Zone shall be approved or disapproved by the Port Director, as the representative of the Board, where the

FOREIGN-TRADE ZONE NO. 154 ZONE SCHEDULE NO. 1

OPERATIONS IN ZONES (continued)

merchandise is not excluded by any other Federal agency having jurisdiction over the merchandise.

- (1) Zone procedures may not be used to circumvent the laws and regulations. Upon order of the Secretary of the Commerce, or his designee, the Commissioner of Customs, or his designee, shall direct that an importer place goods in a specific status for this purpose, subject to appeal to the Board.

PUBLIC INTEREST PROVISION

Pursuant to 15(c) of the Act, the Board has authority to restrict or prohibit any Zone operation "That in its judgment is detrimental to the public interest, health and safety."

- (1) Adversely affected parties may submit complaints to the Board under this section, requesting the prohibition or restriction of a Zone activity; or the Board may conduct investigations on its own initiative. A complaint must contain information as to how the Zone activity in question is or would be detrimental to the public interest, health or safety. When good cause is found by the Board or the Executive Secretary, the matter shall be investigated pursuant to these regulations. In deciding whether good cause exists, special consideration shall be given to conducting investigations when the Zone activity in question involves an "import sensitive" industry. In determining whether an industry is import sensitive, the Board the Executive Secretary shall be guided by references to such industries in trade laws and regulations, land decisions of federal courts and agencies.
- (2) In investigations under this section, either self-initiated or in response to complaints, the factors considered by the Board shall include:
 - a. Whether the adverse effect is significant in relation to actual and potential public benefits.
 - b. Whether additional exports from the U.S. will be created.

FOREIGN-TRADE ZONE NO. 154 ZONE SCHEDULE NO. 1

OPERATIONS IN ZONES (continued)

- a. Whether Zone procedures will encourage activity related to import because of displacement or substitution.
 - b. Whether employment and investment will be generated or sustained in the U. S.
 - c. Whether Zone activity will undermine a remedial action or program in effect because an unfair trade practice, or materially or substantially harm an existing domestic industry.
- (2) Zone activity may be approved for limited periods, subject to extension after a review as to whether the anticipated public benefits have materialized.
 - (3) Zone activity which is exclusively for export shall be presumed to be in the public interest.
 - (4) Interested parties shall have an opportunity to submit comments or participate in any public hearings or proceedings held on such investigations.

RESIDENCE WITHIN A 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 or the U.S. Customs Service.

RETAIL TRADE WITHIN A ZONE

No retail trade shall be conducted within activated Zone space except under permits issued by the Grantee and approved by the Board. Only domestic, duty-paid and duty-free goods may be sold in such cases. In considering whether to approve requests under this section, the Board shall consider the economic impact on the retail trade outside the Zone in the port of entry area. No approval is required for sales involving domestic or duty-paid food products sold within the Zone or sub zone to be consumed on the premises by persons working therein. Grantees shall revoke permits when there is a violation of this restriction. The Port Director of Customs shall determine which sales are to be classified as retail sales under this section, subject to review by the Board when a question arises. Appeals from his decision may be made to the Executive Secretary. Retail sales within non-activated but approved Zone areas may be prohibited if found by the Board, the Executive Secretary or the Port Director to be incompatible with Zone operations.

FOREIGN-TRADE ZONE NO. 154 ZONE SCHEDULE NO. 1

OPERATIONS IN ZONES (continued)

STATUS OF MERCHANDISE IN A ZONE

- (1) 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 (2) of this section, shall be given a Zone status as, (a) Privileged Foreign Merchandise, (b) Non-Privileged Foreign Merchandise, (c) Domestic Merchandise or (d) Zone Restricted Merchandise.
- (2) 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 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 Customs territory.

SUBJECT TO CUSTOMS SUPERVISION

Zone operations are subject to the control of the U.S. Customs Service, exercised mainly through the Port Director who shall be in charge of the Zones within the port for purposes of enforcement of the requirements of the Act and Regulations, the Board and the Customs Service. Requirements for such matters as Zone forms, inventory control systems, cargo security standards and physical security shall be determined by the U.S. Customs 19 CFR Part 146.

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 those 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.

USE OF THE ZONE BY CARRIERS

The cargo facilities and service of a Zone area are intended primarily for the use of vessels, vehicles or aircraft lading or unlading Zone merchandise and their use for other purposes may be terminated by the Commissioner of Customs if found to endanger the revenue, or by the Board if found to interfere with the primary uses of the Zone.

FOREIGN-TRADE ZONE NO. 154 ZONE SCHEDULE NO. 1

GENERAL REGULATIONS

APPLICATION OF REGULATIONS

All persons and merchandise of every description entering or leaving the Zone for any purpose whatsoever, shall be bound by the lawful regulations of the Foreign-Trade Zones Board, U.S. Customs Service and Grantee of the Zone.

CONFIDENTIAL RELATIONSHIPS

The Manager will take precautions to avoid the divulging of information regarding merchandise and service thereon performed in the Zone. Any Zone employee violating this confidential relationship will be suitably disciplined or discharged.

GOVERNMENT AGENCIES

Users shall comply with all lawful regulations of government agencies in or about ports of entry insofar as they are not in conflict with Public Law 397 of the 73rd Congress and the Regulations issued thereunder.

GOVERNMENTAL LICENSES

Users are responsible to obtain, maintain and keep current any and all licenses, permits, certificates or other authorizations required by any federal, state, or local governments that are, or may be necessary in the conduct of business in or from the Zone.

INDEMNIFICATION

Each User shall indemnify and hold harmless the Grantee from and against any and all loss, costs (including attorney's fees), damages, expense and liability, (including statutory liability and liability under Workman'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 or subcontractors. Additionally, the User shall be responsible for and pay any fines, (including Customs fines, penalties and liquidated damages), penalties, claims, legal fees, suits, or other costs, arising out of any action or omission, accident or any other occurrence at its Zone site and shall hold harmless the Grantee and the Operator from any and all liabilities and costs arising out of any fines, (including Customs fines, penalties, and liquidated damages), penalties, claims, legal fees, suits or other costs arising out of any action or omission, accident or any other occurrence at the User's Zone site.

FOREIGN-TRADE ZONE NO. 154 ZONE SCHEDULE NO. 1

GENERAL REGULATIONS (continued)

INDEMNITY BOND

Users shall be required upon notice by the Grantee to post an indemnity bond executed on a form and by a U.S. Surety acceptable to the Grantee or other security payable to the Grantee as a guarantee of payment of Customs duty or taxes or other obligations of or to the Grantee under the following circumstances:

- (1) User does not have a sufficient beneficial interest in inventoried merchandise to pay the estimated duty/taxes.
- (2) User accepts delivery of a shipment of unusually high duty/tax liability.
- (3) Value of user inventory is insufficient to compensate the U.S. Customs Service for possible duty/tax obligations payable on merchandise inventory shortages and/or financial obligations to the Operator.
- (4) A significant increase in duty/tax liability due to changes in Customs regulations, foreign currency valuations, etc.
- (5) Other situations which require appropriate security to protect past, present or future obligations or liabilities of the Grantee or Operator.

INSURANCE

Insurance is carried by the Grantee on its own property only and does not include insurance on the contents stored therein. Users shall not do or permit anything to be done in or about the Zone nor bring or keep anything in the Zone which will in any way increase the existing rate of or effect any fire or other insurance upon the building or any of its contents, or cause cancellation of any insurance policy covering any Zone building or any part thereof or any of its contents.

Insurance at the expense of the User or owner of the commodities or other properties.

Merchandise stored, manipulated or transferred within the Zone is not insured by the Grantee or the Operator. The Zone Schedule rates do not include insurance on merchandise.

LIABILITY INSURANCE

All persons or firms leasing Port property or conducting business operations on Port property, in accordance with an User agreement with the Greater Baton Rouge Port Commission, shall carry and keep in force the following insurance:

FOREIGN-TRADE ZONE NO. 154 ZONE SCHEDULE NO. 1

GENERAL REGULATIONS (continued)

- (1) Property insurance to insure the lessee's property against loss or damage by fire or theft.
- (2) Workman's Compensation Insurance, as required by law.

Liability insurance in the amount of not less than one million (\$1,000,000.00) dollars, that will insure the Grantee as well as the lessee against any claims, demands or causes of action that may arise out of its acts in regards to the use of Port property. Lessee shall provide that such liability insurance shall name the Grantee as an additional insured and such insurance shall be primary and noncontributing. Additionally, the insurance shall be endorsed to provide a waiver of subrogation in favor of the Grantee. This additional insured requirement is an additional and separate contractual obligation from any indemnity provisions.

Insurance is to be carried by one or more insurance companies authorized to transact business in Louisiana. Lessee shall provide insurance certificates reflecting the above coverage prior to occupying Port property. All insurance policies shall be endorsed to provide that thirty (30) days prior written notice shall be given the Grantee in the event of cancellation or material change in policies.

PERSONS ENTERING AND LEAVING ZONE

Employees and other persons entering and 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 the Zone as the Manager may deem necessary for the protection of the revenue and security of the Zone.

PUBLIC INTEREST, HEALTH AND SAFETY

No merchandise, operation or process of treatment will be permitted in the Zone that is detrimental to the public interest, health and safety.

PUBLIC WAREHOUSE OPERATIONS

While the Grantee has available sites for public warehousing within its zone site wherein merchandise may be received, stored, weighed, inspected, shipped, etc., these services may be performed in the Zone by private firms under a User Agreement with the Grantee.

FOREIGN-TRADE ZONE NO. 154 ZONE SCHEDULE NO. 1

GENERAL REGULATIONS (continued)

REGULATIONS APPLICABLE AT SUBZONES

“Subzones” are special-purpose ancillary Zone sites authorized by the Board through Grantees of public Zones for operations by individual firms that cannot be accommodated within an existing Zone when it can be demonstrated that the activity, usually manufacturing, will result in significant public benefits. They are considered noncontiguous extensions of Zones for single Users, usually at their own facilities, and in this sense, are private rather than public Zone facilities. Separate Zone sites within an industrial or commercial complex subject to common management and covenants may be considered contiguous and thus a part of the Zone, rather than as subzones.

In reviewing proposals for subzones, the Foreign-Trade Zones Board and the Grantee will, in addition to the Economic factors for public Zones consider:

- (1) Whether the operation can be accommodated in the public Zone serving the area.
- (2) Whether efforts have been made to accommodate the operation, such as enlarging the public Zone area, the cost of locating in a public Zone not being a determining factor.
- (3) Whether convincing evidence has been presented as to a resulting significant public benefit, including export development and displacement or substitution or imports usually measured in terms of new or sustained employment.

The Grantee and all persons and entities doing business within a subzone established by a Grantee must comply with the provisions of the Foreign-Trade Zones Act; with the rules, regulations and procedures of the Foreign-Trade Zones Board; with such laws and regulations of the United States, the operators, occupants, their employees and invitees, and Users of subzones; and with such of the provisions of this Schedule and subsequent issues and modifications thereof as may be applicable to the operations conducted in the subzone. If, following the review as outlined above, an applicant desires to have a subzone located within the Grantee’s jurisdiction and the Grantee has no site available for its location, or where sites available are not suited for proposed operations, the Grantee will assist the applicant in arranging for the acquisition of a suitable and available site.

FOREIGN-TRADE ZONE NO. 154 ZONE SCHEDULE NO. 1

GENERAL REGULATIONS (continued)

All persons and entities who request the Grantee to apply for authority to establish a subzone must first enter into an agreement with the Grantee governing proposed subzone operations. This agreement will contain provisions including, but not limited to, those relating costs incident to the preparation of the applications and any subsequent amendments or modification thereof; costs incident to public hearings and legal proceedings; charges for providing required Customs Services;

Start-up, Activation and User Fees, and charges for Grantee's special services not provided in this schedule. Applicants for the establishment of a subzone will bear application costs and charges resulting in preparing and filing of application by Grantee, whether or not the application is favorably acted upon by the Foreign-Trade Zones Board.

RELEASE OF GRANTEE FROM LIABILITY

In consideration of permission granted User to enter the Zone and participate in its activities, User, for itself, its heirs, legal representatives, agents, partners, employees, customers, invitees and assignees, releases premises and discharges the Grantee and its Directors, officers, servants, agents and employees of and from all damage, claim, demand, action and cause of action of any sort of loss, damage or destruction to buildings or contents, or to property or merchandise of any kind located or stored in the Zone by the User or by any other person with the consent or knowledge of the User and without regard to whether such loss or damage be the result of negligence or misconduct of any person in the employ of the Grantee.

REPORTS TO GOVERNMENTAL AGENCIES

The Grantee is required to submit periodic reports to the Foreign-Trade Zones Board and the U.S. Customs Service or may be required to perform other acts as the Grantee or Operator of the Zone in compliance with governmental regulations. Users are required to and shall cooperate with the Grantee in the creation and maintenance of procedures, systems, regulations or programs and provide information and statistics which the Grantee considers necessary to endure compliance with governmental requirements.

USER AGREEMENTS

The Grantee requires that a Zone User Agreement be executed between and among the User and the Grantee prior to any person or firm conducting Zone business in Foreign-Trade Zone No. 154 or any of its sub zones.

FOREIGN-TRADE ZONES NO. 154 ZONE SCHEDULE NO. 1

GENERAL REGULATIONS (continued)

VEHICLE CONTROL

All vehicles entering or leaving the Zone shall pass through their designated entrances of the Zone. The vehicle and driver, and all contents of the vehicle shall be subject to such examination when entering, leaving or while within the Zone as the Manager may deem necessary for the protection of the revenue and security of the Zone.

FOREIGN-TRADE ZONES NO. 154 ZONE SCHEDULE NO. 1

REGULATIONS PERTAINING TO MERCHANDISE

CUSTOMS INSPECTION OF MERCHANDISE

The consignee, the Zone User or his agent shall at all times be immediately available to make merchandise available and ready for inspection as may be required by the United States Customs Service and shall have the sole responsibility of opening crates and packages, handling the merchandise and securing the crates and packages following inspection. In the event that the consignee or his agent is not immediately available for inspections, Zone personnel are authorized to open such packages for the Customs Service and shall not be liable for any loss or damage to the goods for any reason.

CUSTOMS PERMIT

Merchandise will not be delivered to or through Customs territory unless a delivery order is accompanied by a Customs permit.

ERECTION OF BUILDINGS

The Grantee may, with the approval of the Board and under reasonable and uniform regulations for like conditions and circumstances and in accordance with the Grantee's written approval, permit other persons, firms, corporations or associations to erect such buildings and other structures within the Zone as will meet their particular requirements, provided:

- (1) that such permission shall not constitute a vested right against the United States, nor interface with or complicate the revocation of the Grant by the United States;
- (2) that in the event of the United States or the Grantee desiring to acquire the property of the Permittee, no good shall be considered as accruing from the privilege granted to the Zone;
- (3) such permits shall not be granted on terms that conflict with the public use of the Zone as set forth in the Act. Provided further that accepted sanitary practices be followed in the construction, equipment and operation of such buildings and other structures.

FOREIGN-TRADE ZONE FORMS

The following U.S. Customs Service Forms are available upon request to the Operator:

- (1) Customs Form 214 – Application for Foreign-Trade Zone Admission and/or Status Designation of Merchandise.

FOREIGN-TRADE ZONES NO. 154 ZONE SCHEDULE NO. 1

REGULATIONS PERTAINING TO MERCHANDISE(continued)

- (1) Customs Form 216 – Application for Foreign-Trade Zone Activity Permit (Manipulation, Manufacture, Exhibition or Destruction of Merchandise)

INVENTORY PROCEDURES

Zone Operators and Users are responsible for establishing and maintaining an Audit Inspection Inventory Control System acceptable to the U.S. Customs Service and the Grantee and the Operator for all merchandise in their care, custody and control. Inventory actions may be conducted by the User or through an agent authorized to maintain inventory records and to represent the User in inventory matters. The Operator will assist Users in establishing an Audit Inspection Inventory Control System, monitor records, conduct periodic selective inventories of merchandise and advise the Port Director of any inventory discrepancies.

LAND LEASE

The Grantee will lease land for the purpose of constructing buildings and facilities and open storage when use of such buildings and land involves manufacturing, manipulation, processing, handling, exhibition or storage of foreign and domestic merchandise under supervision of the U.S. Customs Service.

MARKING

All merchandise handled in the Zone before entry to Customs territory must be truly marked in accordance with Customs regulations as to the country of origin and in accordance with all other government regulations, and no merchandise will be permitted to leave the Zone for any purpose that carries any false or misleading label or mark. When repacked or labeled in the Zone, the goods should, when possible, be marked to indicate that fact.

MERCHANDISE HANDLING SERVICES

The Operator provides a variety of services related to the handling and storage of merchandise and the provision of equipment, facilities, and utilities to the general public. A complete listing of the services and amenities is set forth in the Port General Tariff No.1.

PERMIT TO MANIPULATE, MANUFACTURE, PROCESS AND EXHIBIT

Before merchandise may be manufactured, processed, manipulated or exhibited with the Zone, an application must be presented to the Zone Manager for concurrence by the Operator/User. The Zone Manager will then forward the application to the Port Director of Customs for approval. Requests for manufacturing will also be submitted to the Foreign-Trade Zones Board for final approval.

FOREIGN-TRADE ZONE NO. 154 ZONE SCHEDULE NO. 1

REGULATIONS PERTAINING TO MERCHANDISE (continued)

On approval by appropriate agencies the contemplated operation will be permitted. (Reference: Page No. 22 Manipulation, Manufacture and Exhibition of Merchandise)

PROHIBITED MERCHANDISE

A list of merchandise specifically prohibited from admission to the Zone is available upon request to the Manager.

PUBLIC WAREHOUSE OPERATING REQUIREMENTS

Private firms may enter into a lease agreement with the Port of Greater Baton Rouge to offer public warehousing facilities and services within the Zone. The warehouse firm will be required to comply with the Foreign-Trade Zone No. 154 public warehouse minimum standards as established by the Grantee.

SPECIAL SECURITY

The Operator will assist in making special security arrangements for the receipt, handling and protection of high value merchandise which will remain in the Zone for a short period of time. Cost of personnel overtime, additional security guards, special security devices and other precautions will be charged to the User. The Operator assumes no liability for loss or damage to this merchandise.

TENDER FOR ACCEPTANCE

All merchandise for Zone movement shall be delivered at designated points properly marked and packed and accompanied or preceded by necessary documents for preserving the identity of such merchandise.

TRANSITING MERCHANDISE

Merchandise transiting the Zone under the provision of CR 146.14 must leave the Zone within five (5) working days after arrival. Working days do not include Saturday, Sunday or Holidays. Items remaining in the Zone beyond five (5) working days will lose the "transiting" status and will be entered into the Zone as merchandise under supervision of the U.S. Customs Service unless an extension is authorized by the Port Director of Customs.

TRANSPORTATION

Transfer of foreign merchandise between Customs territory and the Zone, or through Customs territory, must be made by Customs bonded trucks or other carriers and in accordance with Customs regulations.

FOREIGN-TRADE ZONE NO. 154 ZONE SCHEDULE NO. 1

REGULATIONS PERTAINING TO MERCHANDISE (continued)

WAREHOUSE LEASE

The Grantee will permit the use of warehouse space for the purpose of manufacturing, manipulation, processing, handling, exhibition or storage of foreign or domestic merchandise under supervision of the U.S. Customs Service. Warehouse space may also be used as office space when utilized in direct support of Zone operations. All leases are subject to approval by the Grantee.

ZONE ACCOMMODATIONS

Before merchandise may enter or exit the Zone, applications must be completed by a Zone Operator/User or his agent and approved by the Zone Operator and authorized Customs personnel. The application shall describe the merchandise fully and be accompanied by all supporting documents as required.

ZONE REGULATIONS

All uses and development of the lands owned by the Greater Baton Rouge Port Commission shall be in compliance with all applicable Zoning Ordinances of the parish or municipality where the site is located.

FOREIGN-TRADE ZONE NO. 154 ZONE SCHEDULE NO. 1

MISCELLANEOUS REGULATIONS

AUTOMOBILE PARKING

The Zone Operators and Users will provide assigned and unassigned automobile parking spaces for the Zone staff, U.S. Customs Service officials, Zone Users and visitors at their respective sites.

FOREIGN-TRADE ZONE NO. 154 ZONE SCHEDULE NO. 1

RATES AND CHARGES

ACTIVATION FEE

Each user of Foreign-Trade Zone No. 154 and its subzones shall pay the Grantee an activation fee prior to the Grantee's review of the User's FTZ Inventory Control Systems and its FTZ Systems Procedures Manual, and other documentation necessary for activation of the User's Zone site. Such activation fee shall be set forth in the User Agreement with the Grantee and rates set on an individual basis. All previous charges to the general zone site must be paid in full prior to activation.

CHARGES BY OTHER GOVERNMENT AGENCIES

Charges made by government agencies that are not included in this Schedule should be arranged for and paid by the User.

CHARGES FOR SPECIAL OPERATOR SERVICES

The cost of Operator staff services rendered during holidays, Saturdays, Sundays or during overtime hours, at the specific request of a User of the Zone facilities, will be charged to such User. Charges are determined by the time required to perform services multiplied by the rate of fifty (\$50.00) dollars per hour, subject to a minimum total charge of one hundred (\$100.00) dollars.

CUSTOMS BOND FEE

The Operator provides a Foreign-Trade Zones Operator's Bond to the U.S. Customs Service which is applicable to all merchandise in the Zone that is under U.S. Customs supervision. The amount of the bond required for a specific facility is established by U.S. Customs and the appropriate cost of the bond will be billed to the User.

CUSTOMS FEES

The User shall reimburse the Operator or Grantee for any Customs fees connected with its conducting business within the Zone. Such Customs Fees may include activation and deactivation fees, alteration fees, transaction fees and annual fees. Whenever the operator pays fees to Customs which concern the entire general purpose Zone or the entire Zone project, reimbursement by Users to the Operator will be done by appointment.

ENFORCEMENT OF CHARGES

For the purpose of enforcing the payment of charges provided for in this Schedule, the Grantee and the Operator may take possession of the merchandise, and may remove and store same at the charge, risk and expense of the owner or consignee thereof and may sell the goods by public auction, and may avail itself of such other remedies as may be provided by law.

FOREIGN-TRADE ZONE NO. 154 ZONE SCHEDULE NO. 1

RATES AND CHARGES(continued)

LAND LEASE RENTAL RATES

Zone Users may lease land for a term of not less than one (1) month. Rental rates will be negotiated considering the term of the lease and the location, configuration, condition, facilities and intended use of the property, and other factors including reimbursement of Grantee for cost of staff administration and the U.S. Customs Service supervision of operations conducted on the leased land. Rates will be set by the Operator and approved by the Grantee.

MERCHANDISE HELD FOR CHARGES

The Grantee reserves the right to withhold permission to transfer merchandise from the Zone for Users with unpaid charges for Zone use or unpaid duty and taxes due the U.S. Customs Service.

MISCELLANEOUS SUPPLIES

The Grantee will provide, at Zone costs, Customs forms and miscellaneous items.

PUBLIC WAREHOUSE FEES

Transaction fees for General Purpose Zone public warehouse at the port's site users shall be twenty-five (\$25.00) dollars per Zone admission or transfer of foreign status merchandise. A complete listing of merchandise handling services and amenities and the related rates and charges is set forth in the Port of Greater Baton Rouge's General Tariff No. 1.

RESPONSIBILITY FOR DUTY AND TAXES

Users of the Zone are responsible and liable for payment of any duties, taxes, fines, penalties, or liquidated damages due any agency of the federal, state or local government arising from use of the Zone, including liabilities on merchandise which is not accounted for to the satisfaction of the U.S. Customs Service. In the event the Grantee or Operator is required to pay any duty or tax to the U.S. Customs Service under conditions of the Customs Bond maintained by Grantee or Operator, the person responsible for payment of the duty or tax will immediately reimburse the Grantee or Operator for such payments. Such person shall be liable to the Grantee or Operator for all costs, expenses and attorney fees which may be incurred or sustained by the Grantee or Operator by reason of collection of such duty or taxes. Any sums due to the Grantee or Operator under the provisions of this paragraph shall constitute a lien against the interest of the User in the Zone and all its property situated in the Zone to the same extent and the same condition as delinquent rent would constitute a lien on such payments and property.

FOREIGN-TRADE ZONE NO. 154 ZONE SCHEDULE NO. 1

RATES AND CHARGES (continued)

SPECIAL SERVICES

Users of Zone facilities requiring special or additional services not being regularly furnished to all Users may request same in writing to the Grantee, who shall determine the possibility of furnishing such services and consider cost thereof. If service is established, it will be made available under similar circumstances to all Users on the same basis.

USER FEES

Each User of Foreign-Trade Zone No. 154 and its subzones shall pay the Grantee User Fees as set forth in the User Agreement with the Grantee. All User Fees shall be fair and reasonable, affording uniform treatment under like conditions. All User Fees shall be based upon the costs of maintaining the Zone operation; services to be provided to the User, including the number of transactions involved; anticipated use of the Zone; i.e. warehousing, manipulation, manufacture; and the potential liability associated with each particular Zone use. Each User shall pay a base fee as set forth in the Zone Schedule.

WAREHOUSE RENTAL RATES

Zone Users may rent warehouse space for not less than one (1) month by agreement with the Grantee. Rates include use of common areas, electricity for normal lighting, normal air conditioning and/or heating, and maintenance of lighting fixtures provided by the Grantee unless otherwise provided in the agreement. Unusual use of the utilities will be billed as an additional charge. Rates for Zone warehouse space shall be determined by the Operator and approved by the Grantee.

WHEN CHARGES ARE PAYABLE

Zone charges are due and payable as they accrue.

FOREIGN-TRADE ZONE NO. 154 ZONE SCHEDULE NO. 1

ZONE REGULATIONS

Zone Grantee grants *Zone Operator* the exclusive authority to operate the facility identified in the Board Order as a Foreign-Trade Zone subject to the terms, conditions, agreements and restrictions set forth in the Board Order.

Zone Grantee shall treat all information concerning Zone Operations as strictly confidential and proprietary and shall not disclose such information except upon written consent of *Zone Operator*. Any and all Operations Manuals, computer programs, computer reports and systems designs developed by *Zone Operator* for the Zone Operations shall be the sole property of *Zone Operator* and shall not be disclosed to any other entity without the prior written approval of the *Zone Operator*.

Zone Grantee and *Zone Operator* are not, shall not be considered as and shall not represent themselves as joint ventures, partners, or agents of each other, and neither shall have the power to bind or obligate the other except as otherwise set forth in this Agreement.

Zone Grantee agrees to recognize any successor to *Zone Operator* provided such successor is acceptable to **Zone Grantee**; however, **Zone Grantee's** acceptance of the successor shall not be unreasonably withheld. Notice of the closing of a sale, sublease or other change of interest in business to be conducted in the Zone must be given in writing by *Zone Operator* at least sixty (60) days prior to such Closing or change and shall contain the names and addresses of every person acquiring an interest in the business or operations of the Zone. If the successor in interest is other than the one unconditionally accepted in the Operations Agreement, then **Zone Grantee** shall have the option and right to cancel the Agreement by providing written notice to *Zone Operator* within thirty (30) days of receipt of notice of change from *Zone Operator*.

All records concerning Zone operations shall be retained for at least five (5) years after the date of the recorded act or occurrence or after the date the merchandise covered by such records has been forwarded from the Zone, whichever is later, and all such records shall be available at the Zone for inspection and audit by **Zone Grantee**, during normal business hours upon reasonable notice to *Zone Operator*.

FOREIGN-TRADE ZONE NO. 154 ZONE SCHEDULE NO. 1

ZONE REGULATIONS (continued)

ZONE OPERATOR

Zone Operator assumes full responsibility for the operation and management of the Zone and agrees to operate and manage the Zone in accordance with the terms and conditions stated in the Operations Agreement during the term of the Agreement, including any extensions.

Zone Operator shall follow the standards of operation set forth in the Foreign-Trade Zones Operation Manual provided to U.S. Customs in August 1995, as it may be amended from time to time, and shall comply with all U.S. Customs rules and regulations governing Foreign-Trade Zones.

Zone Operator shall maintain inventory records in accordance with U.S. Customs rules and regulations. The **Zone Operator's** inventory records will be available for inspection by the *Zone Grantee* during normal business hours upon reasonable notice to the **Zone Operator**.

Zone Operator agrees to submit to the *Zone Grantee* at the close of each zone accounting year reports containing data required by the Foreign-Trade Zones Board and Customs. All such reports shall be signed by appropriate **Zone Operator** officials, certifying the accuracy of the reports.

Zone Operator will post and pay the full cost of a U.S. Customs bond covering all merchandise to be stored in the activated Zone area in accordance with Customs regulations and directives.

Zone Operator agrees to indemnify and hold harmless the *Zone Grantee* from any and all Customs duties, charges, penalties, interest, attorney fees, or costs levied against the *Zone Grantee* and arising out of the Zone Operations for which the **Zone Operator** is responsible. The **Zone Operator** will immediately inform the *Zone Grantee* of any notices of liquidated damages, penalties, or investigations by U.S. Customs regarding the operation of the Zone.

Zone Operator further agrees to place with an insurance company, and keep in effect during the life of this Agreement, insurance for the benefit of the *Zone Grantee* and with the *Zone Grantee* shown as an additional insured, covering public liability for the Zone in a combined amount not less than \$5 million for injuries to all persons, and to property, per occurrence. **Zone Operator** will furnish the *Zone Grantee* certificates of such insurance which shall provide that coverage shall not be canceled without thirty (30) days prior written notice to *Zone Grantee*. **Zone Operator** will promptly pay all such insurance premiums as and when the same become due.

FOREIGN-TRADE ZONE NO. 154 ZONE SCHEDULE NO. 1

ZONE REGULATIONS (continued)

The Operations Agreement may be terminated at the option of the **Zone Grantee** in the event the *Zone Operator* breaches the Agreement in any material respect and the breach is not cured or waived within thirty (30) days after notice of such breach by the **Zone Grantee** to *Zone Operator*, except for any period in which the *Zone Operator* shall present to **Zone Grantee** within a thirty (30) day period, a written plan to cure the breach, thereby extending the time to cure such default, provided *Zone Operator* commences prompt action and proceeds diligently to cure such default.

Either party shall be excused from its obligations if performance is delayed or prevented by Acts of God, fire, explosion, war, riots, strikes, labor disputes, government laws, orders or regulations, including fuel or material shortage, allocations and rationing, or other causes beyond such party's control but only to the extent of and during the continuance of such disability.

FOREIGN-TRADE ZONE NO. 154 ZONE SCHEDULE NO. 1

GENERAL PURPOSE ZONE/SUBZONE FEES

The **Zone/Subzone** agrees to pay the **Zone Grantee** an annual fee of \$20,000 due in advance each year beginning on the effective date of the **Operations Agreement**.

The **Zone Operator(s)** of the **General Purpose Zone Sites** (Dow Chemical Company) agrees to pay the **Zone Grantee** an annual fee of \$5,000 for zone administrative services, due in advance each year beginning on the effective date as set forth in the **General Purpose Application**. Prior to site activation all charges must be current.

The **Zone Operator** agrees to pay or cause to be paid all costs, expenses and taxes (if any) of Zone operation, including, but not limited to, audits, construction, consulting, installation, improvements, security, maintenance, inventory control systems and personnel.