



**LAKE CHARLES HARBOR AND TERMINAL DISTRICT  
GRANTEE**

**FOREIGN-TRADE ZONE 87**

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**ZONE SCHEDULE**

**Issued by:**

**BOARD OF COMMISSIONERS**

**LAKE CHARLES HARBOR AND TERMINAL DISTRICT**

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**Introduction:**

This Zone Schedule has been adopted by the Lake Charles Harbor and Terminal District, a political subdivision of the State of Louisiana, acting in its capacity as Grantee of Foreign-Trade Zone 87 (FTZ 87) and shall govern all operations taking place within FTZ 87.

This Zone Schedule contains the internal rules and regulations governing the use of FTZ 87 by Operators, Subzone Operators, Users, and all other persons or entities. The Zone Schedule also includes the rates and charges applicable to the use of the Zone. This Zone Schedule is intended to conform with and supplement the Act and the rules and regulations of the Board and Customs. The effective date of this Zone Schedule is set forth on the cover page.

Subject only to the requirements of the Act and the FTZ regulations, this Zone Schedule may be modified, amended, or replaced by Grantee at any time, if Grantee determines it to be necessary or appropriate to do so. Grantee shall, in its sole discretion, interpret the provisions of this Zone Schedule and determine the applicability of any of its provisions. Grantee shall also have complete authority governing the imposition of the rates and charges provided for herein, including a decision to waive any such rate or charge in whole or in part.

A copy of this Zone Schedule will be provided to each Operator/User. Updates will be provided as revisions occur. This Zone Schedule is maintained and freely available for public inspection at the offices of Grantee. A copy is also filed with the Board and available on its website.

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## **Introduction (cont'd):**

### Foreign-Trade Zones in General:

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

### Foreign-Trade Zone 87:

The Lake Charles Harbor and Terminal District (aka "Port of Lake Charles") is a publicly owned deep-water port legislatively created as a political subdivision of the State of Louisiana. (Article 6, Section 43 of the Louisiana Constitution of 1974; La R.S. 34:201, et seq.) It is governed by a board of seven commissioners.

On July 22, 1983, the Lake Charles Harbor and Terminal District received a Grant of Authority to establish, operate, promote, and maintain Foreign-Trade Zone 87 (Board Order No. 217). The Lake Charles Harbor and Terminal District established the Zone Project as part of its continuing efforts to promote trade and economic development in Southwest Louisiana.

### Inquiries:

Please direct any inquiries regarding Foreign-Trade Zone 87 to:

Sharon Edwards, FTZ Manager  
Lake Charles Harbor and Terminal District  
P.O. Box 3753  
Lake Charles, LA 70602  
Phone: (337) 493-3504  
Facsimile: (337) 493-3502  
[sedwards@portlc.com](mailto:sedwards@portlc.com)

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**Grantee Policies:**Operation of Zone to be Fair and Equitable:

Grantee has the responsibility of ensuring that the needs of the business community utilizing the Zone are reasonably served and that the Zone is being operated in the public interest affording uniform treatment to all Operators, Subzone Operators, and Users operating under like circumstances. Grantee will ensure that rates and charges imposed according to this Zone Schedule will be fair and reasonable taking into account the costs and expenses of Grantee. In addition, the availability of all services and facilities is subject to the physical limitations of Grantee, with said services and facilities available on a “first-come, first-served” basis.

Public Interest, Health or Safety:

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

Residence within Zone:

No person will be allowed to reside within a Zone except federal, state, or municipal officers or agents whose resident presence is deemed necessary by the Board.

Foreign-Trade Zones Act:

All Operators/Users shall be knowledgeable about the Act and abide by the provisions therein as a condition of participation in the FTZ program at FTZ 87. Copies of this Act are maintained at the office of FTZ 87 for reference.

Foreign-Trade Zones Board – General Regulations:

FTZ 87 is regulated by the Board under U.S. Code of Federal Regulations, Title 15, Chapter IV, Part 400. Copies of these regulations are maintained at the office of FTZ 87 for reference. All Operators/Users shall be knowledgeable about the regulations and abide by the provisions therein as a condition of participation in the FTZ program at FTZ 87.

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**Grantee Policies (cont'd):****U.S. Customs and Border Protection – Regulations:**

FTZ 87 is subject to special Customs Regulations as defined in U.S. Code of Federal Regulations, Title 19, Customs Duties, Chapter 1, U.S. Customs and Border Protection, Part 146 – Foreign-Trade Zones. Copies of these regulations are maintained at the office FTZ 87 for reference. All Operators/Users shall be knowledgeable about the regulations and abide by the provisions therein as a condition of participation in the FTZ program at FTZ 87.

**Customs Bond Expense:**

Operator/User shall secure in its name and pay the full cost of any bond required by Customs for operation of the Zone Site. A copy of the bond shall be provided to Grantee for its records.

**Procedures Manual:**

Operator/User will provide Customs Port Director with an English language copy of its written inventory control and recordkeeping systems procedures manual and all subsequent changes thereto.

**Operating Agreement:**

Every corporation, partnership, person, or any other entity seeking to operate within the Zone will be required to enter into an Operating Agreement with Grantee before the Zone Site can be activated with Customs. A copy of a standard Operating Agreement is available, upon request, from Grantee. If any conflict with this Zone Schedule and the Operating Agreement occurs, the Operating Agreement will prevail.

**Authority Accepted:**

Operator/User assumes responsibility for the operation and management of the Zone Site in accordance with the terms and conditions of the Operating Agreement during the term set within the Operating Agreement and any extensions thereof.

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## **Grantee Policies (cont'd):**

### Right of Entry:

Representatives of Grantee, the Board, Customs, and other authorized Government officers, shall have the right to enter the Zone Site during normal business hours for the authorized and lawful purpose of examining the same; conferring with Operators/Users, their agents, invitees, and employees on such premises; inspecting and checking operations, supplies, equipment, and merchandise; and determining whether the business is being conducted in accordance with the procedures established for the operation and management of the Zone Site.

### Notices and Complaints:

All official notices to the Grantee shall be sent by certified mail, return receipt requested, addressed to the Grantee at the address provided herein or at such other address the Grantee designates in writing. The date of delivery as evidenced by the postal return receipt shall be deemed as the date of service of the notice.

Further, an Operator/User may submit to the Board a complaint regarding conditions or treatment that the Operator/User believes are inconsistent with the public utility and uniform treatment requirements of the Act or FTZ regulations. Complaints may be made on a confidential basis.

### Annual Reports:

Grantee is responsible for preparing and filing with the Board an annual report. An annual report is a compilation of data required by the Board from each FTZ in the United States. The annual report monitors the effectiveness of the FTZ program in terms of economic growth and development in the U.S. economy. The individual reports are consolidated by the Board into one master report that is submitted annually to the U.S. Congress.

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**Grantee Policies (cont'd):**

In order for Grantee to meet its responsibility in this regard, all annual reports from Operators/Users for the calendar year ending December 31<sup>st</sup> shall be submitted to Grantee prior to March 10<sup>th</sup> of every year via the Board's Online FTZ Information System (OFIS).

Grantee, in turn, will use OFIS to submit its Zone's annual report (due every March 31<sup>st</sup>) to the Board.

**Other Reports:**

Grantee or Operator/User may be required from time to time to furnish information to other governmental entities. The 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.

**Governmental Licenses:**

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.

**Further Instruments and Actions:**

Grantee and Operator/User shall deliver such further instruments and take such further action as may be reasonably requested by the other in order to carry out the provisions and purposes of Operator/User's operations within the Zone. Without limiting Grantee's rights as provided herein, Grantee is not obligated to, and does not intend to, monitor the day-to-day activities within the Zone Site. The appearance of Grantee's name if used on any forms associated with Zone Site operations are not intended to represent that Grantee has any knowledge, actual or constructive, of the quantity, character, status designation, identification, or time of admission, transfer or release of goods into or from the Zone Site, and that any information contained on any forms associated with Zone Site operations are the representations solely of Operator/User and not of Grantee.

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**Grantee Policies (cont'd):**

Confidential Relationship:

To the extent permitted by the laws of the state of Louisiana, Grantee and its employees will avoid disclosing confidential information regarding an Operator/User's activities and handling of merchandise within the Zone.

Handling Merchandise:

Operator/User will be responsible for the receipt and verification of all merchandise admitted into the Zone Site on the proper forms prescribed by Customs and for handling of all merchandise within the Zone Site. Operator/User will perform all these functions according to all Customs regulations. Operator/User further agrees not to allow removal of any merchandise located within the Zone Site without prior approval from Customs under the applicable laws, rules, and regulations of Customs.

Record Deficiencies:

In the event that any inspection or examination by Customs or the Board discloses that books, records, or operational procedures of Operator/User are not in conformance with the requirements of Customs Regulations or other federal, state, or local laws or regulations, the Operator/User will undertake immediate correction of the documents or procedures once it becomes aware of the deficiency.

Record Detention:

All financial and accounting records of Operator/User concerning zone operations shall be retained for five (5) years after the merchandise covered by such records is removed from the Zone Site. All such records shall be available for inspection by any appropriate government agency during normal business hours.

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## **Grantee Policies (cont'd):**

### Indemnification:

All Operators/Users operating within the Zone shall be required to indemnify, defend, and hold harmless Grantee, its officers, employees, and any of its agents or representatives from all claims and demands including, but not limited to, claims and demands for personal injuries, including death, and for property damage and for any other loss, arising out of or connected or related in any way to the activities of the Operator/User, its agents, officers, representatives, employees, or contractors within the Zone or in connection with any of its activities or responsibilities related to its use of the Zone. Without limiting the generality of the foregoing, it is understood that Operators/Users recognize that this indemnification includes any liability resulting from all claims and demands prosecuted by any governmental agency, department, or other entity, including, without limitation, any claim or demand made by Customs for lost duty, penalties, fines, and liquidated damages. In the event any claim or demand is asserted against Grantee in connection with the operation by any Operator/User of the Zone, Grantee shall promptly notify such Operator/User in writing of such claim or demand and shall provide the Operator/User the opportunity to defend Grantee against such claim or demand.

### Retail Trade:

No retail trade shall be conducted within the activated areas of the Zone, except as may be approved by the Board and Customs, with the concurrence from Grantee.

### Operator Fee Schedule:

Each Operator/User who has an agreement with Grantee to offer zone-specific services to the public is responsible for preparation of its own fee schedule listing its charges. All such Operator fee schedules are to be provided to Grantee and will become part of this Zone Schedule. All rates and charges for all FTZ services within the Zone shall be fair and reasonable; Operator shall afford to all uniform treatment under like conditions.

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**Grantee Policies (cont'd):****Advertising:**

Grantee may advertise that Operator/User's operations are within FTZ 87. However, Grantee agrees to consult with Operator/User to assure the accuracy of published data concerning the Zone Site.

Operator/User may advertise that its operations are within FTZ 87. However, no designs, advertising, signs, or forms of publicity referring to FTZ 87 shall be used unless the same has been approved in writing by Grantee.

**Withdrawal of Grant:**

If the Grant issued to Grantee is revoked or cancelled with or without the fault of Grantee, the Operator/User's agreement with Grantee shall terminate and Operator/User shall have no claim against Grantee by reason of such revocation or cancellation.

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**Grantee Fee Schedule:**

The following fees and charges are applicable to each Operator/User of FTZ 87 and its Subzones:

I. Annual Fee:

The annual fee covers the administration of the Zone Project by Grantee, preparation of the annual report to the Board, marketing and promotion of the Zone Project, resolutions, legal expenses, coordination with Customs and economic development agencies, and support services for Grantee staff.

Each Operator/User will pay Grantee an annual fee of \$20,000 (up to four activated sites). Each Operator/User with more than four activated sites will be charged an additional fee of \$3,000 for each activated site over the first four. Upon activation by Customs, the Operator/User will be charged the annual fee and payable as described in the Operating Agreement.

II. Late Reporting Penalty Fee:

Operators/Users are to submit their annual report to Grantee by March 10<sup>th</sup> of every year. If that report is not received by Grantee by March 10<sup>th</sup>, the following penalty fee will be applied.

A. Penalty .....\$500.00 plus \$100 per day  
until report is received by Grantee

III. Other Charges:

Charges for services of government agencies not included in this Zone Schedule should be arranged for and paid by the Operator/User.

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**Grantee Fee Schedule (cont'd):**

Payments:

All fees, charges, or expenses are due and payable when invoiced by Grantee. Failure to pay any fees, charges, or expenses to Grantee shall be a basis for termination of the Operating Agreement and deactivation of the Zone Site by Grantee.

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**Operator(s) Fee Schedule:**

There are currently none.

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## APPENDIX I

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### Definitions:

Act - The Foreign-Trade Zones Act of 1934, as amended (19 USC 81a-81u).

Activation – Approval by the Grantee and Customs permitting operations to begin, which allow the admission and handling of merchandise in zone status.

Board – Foreign-Trade Zones Board was created by the Act to carry out provisions thereof. The Board consists of the Secretary of the U.S. Department of Commerce (chairman) and the Secretary of the U.S. Treasury, or their designated alternates. 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.

Customs – U.S. Customs and Border Protection is part of the U.S. Department of Homeland Security. The principal interest and concern of CBP in Zones is control of merchandise moving to and from the Zone, the protection of the revenue, and to ensure that zone procedures are in compliance with the Act and all laws and regulations pertaining to zone use.

Customs Port Director – The local Customs Port Director, Lake Charles, Louisiana.

Grant – The authorization, as amended, issued to Grantee that established the Zone pursuant to, Board Order No. 217, dated July 22, 1983.

Grantee – The Lake Charles Harbor and Terminal District as recipient of the Grant.

Operating Agreement – A written agreement between Grantee and any Operator utilizing the Zone that establishes the rules, procedures, and requirements for the Operator's use of the Zone.

Operator – A corporation, partnership, or person that operates a Zone or Subzone under the terms of an agreement with Grantee, with the concurrence of Customs.

Subzone – A special-purpose zone established as an adjunct to a Zone Project for a limited purpose.

**Definitions (cont'd):**

User – A party using a Zone for storage, handling, or processing of merchandise under agreement with an Operator or Grantee.

Zone – The aggregate of all Zone Sites at FTZ 87.

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

Zone Site – Separate areas comprising the Zone and its Subzones including the buildings and facilities located within that particular area that is utilized by an Operator/User while exercising the rights and privileges granted it pursuant to its Operating Agreement with Grantee.

Zone Status – The status of merchandise admitted to a Zone, i.e. domestic, non-privileged, privileged foreign, or zone restricted.

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**CHECK SHEET FOR ZONE SCHEDULE CHANGES**

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All of the pages contained in this Schedule are listed consecutively by page number. Changes in and additions to this Schedule will be designated as a revised page. Amendments to this Schedule shall be submitted to the Executive Secretary of the Foreign-Trade Zones Board before the time of implementation.

<b>Page Number</b>	<b>Revision</b>	<b>Effective Date</b>
cover	First Revised	January 1, 2017
i	Original	June 1, 2012
ii	First Revised	January 1, 2017
1	Original	June 1, 2012
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4	First Revised	January 1, 2017
5	Original	June 1, 2012
6	Original	June 1, 2012
7	Original	June 1, 2012
8	Original	June 1, 2012
9	Original	June 1, 2012
10	Second Revised	January 1, 2017
11	Original	June 1, 2012
12	Original	June 1, 2012
13	Original	June 1, 2012
14	Original	June 1, 2012
15	First Revised	January 1, 2017

When this Schedule is amended by revised pages, each revised page cancels the item or portion thereof shown on the original or revised page of the same page number. For example, "First Revised Page 1" will have the effect of cancelling Original page 1.