

consisting of two strands of no. 12½ gage wire. The three strands shall be secured to metal brackets affixed to the top of each post, the brackets inclining at approximately 45° inward and upward. The strands shall be parallel and from 3 to 4 inches apart. Suitable concrete or metal posts shall be set in concrete footings, not less than 3 feet deep by 10 inches square, and with centers not more than 10 feet apart. Proper anchors and braces shall be installed at corners and gates. The gates shall be of the same material and height as the fence and shall be topped by three strands of the barbed wire above described, such strands to be affixed to metal brackets perpendicular with the gate. Suitable attachments shall be secured to the gates for the purpose of affixing locks. Alternate proposals for barriers of equal efficiency may be approved by the Board.

(b) If, according to the terrain or other factors adjacent to the fence surrounding the enclosure, or for other reasons, the height of the fence as provided for herein is not sufficient for proper protection to the revenue, the height shall be suitably increased at the direction of the Board or the collector.

(c) If sides of buildings situated within a zone form a part of the zone enclosure in lieu of the fence prescribed above, all openings in such sides of the buildings shall be securely closed by heavy metal netting, grills, or other effective barriers.

(d) Fences and other exterior lines of the zone shall be equipped with electric lights and shall be illuminated to the satisfaction of the collector during such times as he may deem necessary.

(e) Such additional protection against the unauthorized transit of persons, goods, or conveyances to or from a zone shall be provided as may be deemed necessary by the collector.

(f) Adequate living quarters, administrative and other facilities for officers and employees of the United States, State, and municipality whose duties may require their presence within the zone, shall be provided by the grantee. The requirements and extent of these facilities will be fixed by the Board.

(g) Each grantee shall provide and maintain such other facilities as may be required from time to time by the Board.\*†

#### ELIGIBLE APPLICANTS

**400.500 Grants made to corporations.** Grants may be made to public or private corporations.\*†

**400.501 Requirements for grant where harbor facilities owned and controlled by State and by municipality.** Where harbor facilities of any port of entry in the State are owned and controlled by the State, and where harbor facilities of any other port of entry in the State are owned and controlled by a municipality, grants to public corporations will not be approved by the Board unless such applications have been authorized by an Act of the State legislature (enacted after June 18, 1934).\*†

**400.502 Act of State legislature necessary in case of private corporations.** Grants to private corporations will not be approved by the Board unless such corporations have been authorized by an Act of the State legislature (enacted after June 18, 1934).\*†

**400.503 Preference to public corporations.** In granting applications preference will be given by the Board to public corporations.\*†

#### APPLICATIONS FOR GRANTS

**400.600 Address.** Applications for grants should be filed with, and all official communications in connection therewith addressed to the Secretary of Commerce, Chairman and Executive Officer of the Foreign-Trade Zones Board, Washington, D. C.\*†

**400.601 Number of copies.** Every application, exhibit, or enclosure, except where specifically excepted, shall be in quadruplicate duly authenticated and referenced.\*†

**400.602 Form and content.** Every application shall be in letter form on letter-size paper and shall contain the date, official designation of the applicant, and shall show whether the application is for the establishment or expansion of the zone, be signed by an authorized officer of the corporation, and bear the corporate seal.\*†

**400.603 Exhibits.** Every application shall be accompanied by the following exhibits:

(a) **Exhibit no. 1.** Descriptions of (1) the location and qualifications of the area in which it is proposed to establish the zone, showing by metes and bounds, unless these are shown in full on the maps accompanying the application, the land and water area, or land or water area, or land area alone if the application is for the establishment of a zone in or adjacent to an interior port of entry; (2) the means of segregation from customs territory, as required by §§ 400.402, 400.403; (3) the fitness of the area for a zone; and (4) the possibilities of expansion of the zone area.

(b) **Exhibit no. 2.** A statement as to whether the port is within the confines of more than one State, and whether the zone will be in or adjacent to a port of entry.

(c) **Exhibit no. 3.** A statement giving full details as to the applicant's plans for acquiring title to, or the right to occupy and use, lands other than those owned by the applicant or by the United States, which are essential for carrying out the project or projects covered by the application. If the applicant, at the time of filing the application, has, by easement, lease, franchise, or otherwise, acquired the right to occupy and use lands owned by others, the statement must show, with respect to each separate right of occupancy and use: (1) from whom acquired; (2) the date acquired; (3) nature and extent of the right acquired; (4) whether perpetual or of limited term; and (5) if of limited term, when such term expires.

(d) **Exhibit no. 4.** A statement showing in detail the method proposed to finance the undertaking, accompanied by proof of the ability of the applicant to finance the construction and operation of the zone.

(e) **Exhibit no. 5.** An economic survey showing in detail the potential commerce and revenue of the proposed zone and other direct and indirect benefits accruing therefrom; present foreign trade of the

\*†For statutory and source citations, see note to § 400.100.

port area, including transshipment, re-export, and reconsignment trade; present steamship services, and possible increases in such services where necessary; comparative study of export rates on domestic commodities for mixing with foreign goods; analysis of ocean freight rates where applicable to zone activity; potential new markets for zone business; activities best suited to particular zone; and such other data as may be necessary to a determination of whether the establishment of the zone is justified to expedite and encourage foreign commerce.

**(f) Exhibit no. 6.** (1) A description of the proposed project, where zone will be adjacent to water, to include:

(i) Slips and docks, giving number and for each the dimensions and depth of water below a stated datum;

(ii) Wharves, giving number and for each the type of construction, width, area, sheds, loading and unloading facilities, trackage, fire protection, motoring facilities, and an estimate of the number of ocean-going ships which could be accommodated;

(iii) Warehouses, giving type of construction, floor area, and fire protection;

(iv) Transportation connections by rail and highway, giving the number of tracks and routes by which they would be connected with existing rail and highway systems;

(v) Facilities for coal and other fuel, and for light and power;

(vi) Water and sewer mains;

(vii) Administrative and living quarters and facilities to be provided for the officers and employees of the United States, State, and municipality, whose duties may require their presence within the zone (as required by §§ 400.800-400.812);

(viii) Enclosure to segregate the zone from customs territory, together with the provisions for ingress and egress of persons, conveyances, vessels, and merchandise, showing in detail compliance with §§ 400.800-400.812, and including a description of openings and, if buildings form part of the enclosure line, a full description of the construction of the buildings and any openings therein on the line side.

(2) A description of the proposed project, where zone will not be adjacent to water, to include:

(i) Loading and unloading facilities;

(ii) Warehouses, giving type of construction, floor area, and fire protection;

(iii) Transportation connections by rail and highway, giving the number of tracks and routes by which they would be connected with existing rail and highway systems;

(iv) Facilities for coal and other fuel, and for light and power;

(v) Water and sewer mains;

(vi) Administrative and living quarters and facilities to be provided for the officers and employees of the United States, State, and municipality, whose duties may require their presence within the zone (as required by §§ 400.800-400.812);

(vii) Enclosure to segregate the zone from customs territory, together with the provisions for ingress and egress of persons, con-

veyances, and merchandise, showing in detail compliance with §§ 400.800-400.812, and including a description of openings and, if buildings form part of the enclosure line, a full description of the construction of the buildings and any openings therein on the line side.

**(g) Exhibit no. 7.** A preliminary estimate of the cost of the proposed project, sufficiently detailed to be subject to verification.

**(h) Exhibit no. 8.** A statement of the time after the date of the approval of the application within which the applicant proposes to commence and complete the construction of the zone and the facilities and appurtenances, and to set up and commence operation of the zone.

**(i) Exhibit no. 9.** The largest scale charts of the United States Coast and Geodetic Survey of the locality, showing in red the boundaries of the proposed zone (four copies); or if an interior zone, four copies of a map on an appropriate scale, showing in red the boundaries of the proposed zone.

**(j) Exhibit no. 10.** A detailed map, on tracing linen and three blue line prints, showing the proposed lay-out of the zone.

(1) The map shall be not smaller than 24 inches by 36 inches and not larger than 28 inches by 40 inches; shall have a clear border of one-half inch on three sides and 2½ inches on the left-hand shorter side; shall have a numerical scale and a graphical scale, the latter not less than 6 inches in length; shall have the true meridian indicated thereon; and shall have a space 4 inches by 7 inches in the lower right-hand corner, the upper half of which shall bear the title, scale, etc., and the lower half shall be left clear.

(2) The map shall show, in land areas, all existing structures and improvements, and, on water areas, by soundings, the present depths below a plane of reference stated on the map. The outline of the proposed slips, docks, wharves, warehouses, streets and highways, railroads, facilities for fuel, light, power, water and sewer mains; quarters and enclosures shall be shown by suitable heavy lines and these features designated clearly by lettering. The depths to be provided in water areas below the noted datum plane shall be shown by figures.

(3) The scale of the map shall be such as to show the complete zone on one sheet of the size prescribed.

(4) If rail connections to existing railroad systems cannot be shown on the map of the zone, an additional map or maps on tracing linen and three blue line prints, showing the proposed rights-of-way therefor and all structures, streets, and other improvements affected thereby shall be furnished. These maps shall be subject to the same requirements as to size, border, scale, meridian, and title as the map of the zone.

**(k) Exhibit no. 11.** (1) If the applicant is a State, the application for a grant shall be accompanied, as evidence of the applicant's qualifications to make application, by a copy of the law or laws under authority of which the application is made, duly certified by the Governor or secretary of state of the State under seal, and three uncertified copies of such law or laws (enacted after June 18, 1934).

(2) If the applicant is a public corporation, other than a State, as defined in section 1 (e) of the Act, the application for a grant shall be

accompanied by evidence of the applicant's qualifications to make the application, as follows:

(i) A copy of its charter or other organization papers duly certified by the secretary of state of the State in which it is located, or by the officer having legal custody of the record of municipal and other public corporations (one copy only);

(ii) A statement under seal of the secretary of state of the State or other officer charged by State laws with supervision of harbor facilities, setting forth whether the State owns and controls harbor facilities of any port of entry and whether harbor facilities of any other port of entry in the State are owned and controlled by a municipality, with three uncertified copies of such statement.

(3) If the applicant is a private corporation, the application for a grant shall be accompanied by evidence of the applicant's qualifications to make the application, as follows:

(i) A copy of its charter or articles of incorporation duly certified by the secretary of state of the State where organized or other officer having legal custody of a record of incorporation (one certified and three uncertified copies);

(ii) A sworn statement, under corporate seal, setting forth that the organization of the corporation is completed, showing that the corporation is authorized to proceed with the establishment of a foreign-trade zone under the laws of the State, and giving a true list of the principal officers of the corporation, with the full names and official designation of each, with three copies of such statement;

(iii) A certified copy of the special act or acts of the State or States in which the zone is located (enacted after June 18, 1934) and providing for the chartering of the corporation for the specific purpose of establishing a zone, with three uncertified copies of such act or acts.

(l) **Exhibit no. 12.** Evidence satisfactory to the Board that permits for construction have been obtained from Federal, State, or municipal authorities.

(m) **Exhibit no. 13.** Duly authenticated copies of the proceedings of the governing body of the corporation authorizing the official signing the application to make such application.\*†

**400.604 Additional information.** An applicant may be required by the Board to furnish maps, plans, or other data in addition to the requirements specifically set forth in the regulations in this part, if, in the judgment of the Board, such additional data are desirable for a full understanding of the project or projects, or for the purpose of enabling the Board to review the design thereof, either in whole or in part.\*†

**400.605 Publicity may be given to information contained in application.** The names of applicants, general descriptions of projects and maps will be available for general public information. Other information concerning applications will not be made public except upon a showing satisfactory to the Board of the public necessity or desirability therefor, or with the consent of the applicant. At public hearings upon any application, the Board may require the presentation of such information respecting the application as in its

judgment the proper conduct of the hearings or the public interest requires.\*†

**400.606 Amendments.** The Board may upon its own initiative or upon request permit the amendment of an application.\*†

**400.607 Applications for expansion of zone.** Applications for expansion of an established zone shall be made and approved in the same manner as an original application.\*†

**400.608 Priorities.** Applications will be considered to have been filed as of the date of receipt by the Board of the information called for in §§ 400.600-400.603.\*†

#### GRANTS SUBJECT TO CONDITIONS

**400.700 Penalty for delay.** Should the grantee fail to commence construction, diligently to carry construction to completion, and to set up and commence operation of the zone with zeal and ability, within the time stated in the grant, on a proper showing of negligence before the Board, the grantee shall be considered as having failed to comply with the conditions set forth in its application, and the grant shall become null and void. The grantee may, however, petition the Board for an extension of time for commencing and completing construction and for setting up and commencing operation of the zone, provided such petition shall be filed with the Board before the expiration of the time specified in the grant (or any extension thereof) for which an extension is desired. The Board may grant the petition provided a proper showing has been made that the extension is in the public interest.\*†

**400.701 Disposition of grant prohibited.** The grant shall not be sold, conveyed, transferred, set over, or assigned.\*†

**400.702 Special conditions.** Special conditions applicable to a particular zone may be required by the Board and inserted in the grant for that zone.\*†

#### OPERATION OF ZONE

**400.800 Operations permitted.** (a) Foreign and domestic merchandise of every description (except merchandise prohibited by law), may, without being subject to the customs laws of the United States, except as otherwise provided in the act, be brought into a zone and may be stored, broken up, repacked, assembled, distributed, sorted, graded, cleaned, mixed with foreign or domestic merchandise, or otherwise manipulated, but not manufactured or exhibited, and may be exported. Foreign merchandise may be sent into customs territory of the United States from a zone, in the original package or otherwise; but when foreign merchandise is so sent from a zone into customs territory of the United States, such merchandise shall be subject to the laws and regulations of the United States affecting imported merchandise.

(b) If the privilege is requested, however, foreign merchandise may be unladen under customs supervision and appraised, and the duties liquidated thereon. Such merchandise may be stored or ma-