



**Zone Schedule**  
**For the City of Socorro Foreign-Trade**  
**Zone No. 302**

Operating Under Grant of Authority  
from the  
United States Foreign-Trade Zones Board  
To the  
City of Socorro, TX

Effective January 16, 2025

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## CONTACT INFORMATION

This Zone Schedule was prepared by the City of Socorro, Economic Recovery Office in its capacity as the Grantee for FTZ No. 302. The Zone Schedule will be available through the zone grantee and the FTZ Boards website.

The contact for this Zone Schedule is as follows:

Jose Quinonez, FTZ Administrator  
City of Socorro  
341 N. Moon Rd  
Socorro, Texas 79927  
Ph: 915 275-1039  
Email: [jquinonez@costx.us](mailto:jquinonez@costx.us)

FTZ No. 302 is open for business during Monday-Friday, 8:00 am – 5:00 pm . The legal holidays can be found on the City's website at <https://costx.us/human-resources/>

## DEFINITIONS

Act means the Foreign Trade Zones Act of 1934, 19 U.S.C. § 81 et. seq., as amended from time to time.

Activate or Activation means the process of obtaining Customs approval to use foreign trade zone procedures at a particular location as detailed in 19 C.F.R. § 146.6.

Alternative site framework (ASF) is the approach taken by the grantee allowing greater flexibility and responsiveness to serve single-operator/user locations.

Activated refers to space in the Site that has been approved by Customs.

Customs means United States Customs and Border Protection (CBP).

Foreign Trade Zones Board means the board established by the Act to carry out the provisions of the Act, presently consisting of the Secretary of Commerce and the Secretary of the Treasury.

Grant of authority FTZ Board document that authorizes a zone grantee to establish, operate and maintain a zone, subject to any conditions or limitations in 15 CFR Part 400 and in 19 CFR part 146.

Magnet site means a site intended to serve or attract multiple operators or users under the ASF.

Site means the physical location of a zone or subzone site approved by the Foreign Trade Zones Board.

Usage-driven site means a site tied to a single operator or user under the ASF.

Zone means a Foreign Trade Zone established under the provisions of the FTZ Act.

Zone Administrator means the City of Socorro's representative who is knowledgeable about the US FTZ program, and that maintains and oversees the city's FTZ.

Zone grantee is the local entity that obtains a grant of authority from the FTZ Board. The term "grantee" means "zone grantee".

Zone operator is an individual or corporate entity that operates within a zone or subzone under an agreement with the zone grantee.

## POLICIES

### Background

The legal authority for Socorro's Foreign Trade Zone (FTZ) is provided by The Foreign Trades Zone Act of 1934 (19 U.S.C. 81a-u) and its implementing Foreign Trade Zone Regulations (15 CFR Part 400). U.S. Customs and Border Protection (CBP) Regulations (19 CFR Part 146) govern operational activities occurring within our FTZ. The Texas state enabling legislation permitting foreign trade zones in Socorro is provided in Texas Business and Commerce Code, Ch. 681.152.

CBP Tornillo Port of Entry has oversight responsibilities for the FTZ. The City of Socorro (Socorro or FTZ No. 302) is responsible for the creation and general management of the FTZ in Socorro and the sponsorship of all applications submitted to the Foreign Trade Zones Board.

Socorro is organized under the Foreign Trade Zones Board's Alternative Site Framework (ASF) program, which allows a grantee to designate a Service Area (for example a Service Area could encompass an entire county), which allows for approval of Foreign Trade Zone designation anywhere in the Service Area. Socorro formally filed an ASF application to the Foreign Trade Zones Board on January 17, 2023. The Foreign Trade Zones Board approved the application on November 9, 2023 (Board Order 2156). See Attachment A for a map of the service area for Socorro's FTZ.

### City of Socorro's FTZ OBJECTIVE

The goal of the FTZ is to promote economic development in the City of Socorro, including job retention, job creation, and increased capital investment in the community. Socorro will operate the FTZ under public utility principles. Socorro shall ensure that the reasonable zone needs of the business community are served by its zone project. Socorro will require all applicants and operators of the zone to follow all FTZ Board and CBP guidelines & regulations, and procedures as provided in this Zone Schedule.

## PROCEDURES

### KEY FTZ STEPS FOR ZONE APPLICATIONS



### REQUESTING SPONSORSHIP FROM SOCORRO

To obtain site designation within FTZ No. 302, an applicant can apply to Socorro to sponsor a usage driven/subzone application under the ASF procedures. This type of application takes 30 days for approval by the FTZ Board once a formal and complete application is submitted to the FTZ Board. The City does charge a designation fee, see the fee schedule below.

Any business that wishes to have an application filed to **designate its property** as a zone site must provide FTZ No. 302 with the following:

- A written request to the Grantee for the designation, including
- The full name of the company
-

A short description of the business to be conducted at the site • Address of the site/s • Map showing site/s boundaries (preferably a survey).

- Payment of a non-refundable application and activation fee.
- Support letters from all the applicable taxing jurisdiction (e.g. City, County and School District) within which the site is located. It is the sole responsibility of the business to obtain these letters. Many companies find it beneficial for Socorro to be involved in providing information to the impacted taxing authorities. Contact Socorro Staff if you would like to discuss options for assistance.

Upon receipt of the materials referenced above, the FTZ Administrator will review them for sufficiency. Provided the materials are sufficient, Socorro will finalize and submit an application to the Foreign Trade Zones Board requesting the Usage-Driven/Subzone Foreign Trade Zone Site designation.

As part of the submission process, FTZ No. 302 may directly request the concurrence of the CBP Port Director at the Port of Tornillo prior to the formal submission to the Foreign Trade Zones Board. Alternatively, the Foreign Trade Zones Board will make a request for CBP's concurrence after the formal submission of the application. Note that this is a request for site designation of a site/s, not for activation of the site. Activation must be separately requested by the business.

## **SITE DESIGNATION – TYPES OF APPLICATIONS**

### ASF Usage-Driven/Subzone Site (Streamlined Method)

- Designations are tied to a specific use of the property.
- A Usage-driven /subzone site is subject to an ASF sunset provision that terminates authority within three years, if no foreign non-duty paid merchandise is admitted during the sunset period.
- Designated sites are immediately available for distribution activities. Manufacturing or processing activities may require additional approval from the Foreign Trade Zones Board. Socorro staff can help you determine the necessary approvals for production activity.
- To use an approved foreign trade zone site and access Foreign Trade Zone benefits, the business is required to activate the site with CBP. Each business is responsible for its activation.

### Traditional Subzone site

- A site outside Socorro's service area can apply for Subzone designation.
- A traditional subzone application will require the use of a specific application and any applicable fee to the Foreign Trade Zones Board.
- Timeline:
  - If the proposed site is not subject to the FTZs activation limit, the application will take up to 5 months for approval,
  - If it is subject to the FTZ's activation limit, the application will take up to 3 months. When the application is formally submitted to the FTZ Board and deemed complete by the FTZ Board, the FTZ staff will "docket" the request with a Federal Register notice to

be published with a public comment period.

### Magnet Site

- A magnet site is a site intended to draw future users to an industrial park.
- Under the ASF framework, a magnet site is subject to a sunset provision that would terminate authority if not activated within five years.
- Timeline:
  - The application for a magnet site from the time of formal docketing takes 10 months.
  - The FTZ Board requires a \$1,600 filing fee for an “Expansion application” which applies to the creation of a magnet site.

### **PRODUCTION AUTHORITY**

Production authority is outside the scope of Socorro’s FTZ. Any request for production authority must be submitted by a separate application by the FTZ Operator via Socorro, to the Foreign Trade Zones Board. Socorro must be copied on the draft and formal submission to the Foreign Trade Zones Board.

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### **ACTIVATION PROCEDURES**

Before any operation in the FTZ may begin, the zone site must be activated. Activation takes place under the supervision of the Tornillo, Texas, Port Director for CBP. Activation procedures include a review of the operator, zone procedures, inventory control & recordkeeping systems, and security. Once the zone site is activated, an operator may begin admitting merchandise under zone status. The area to be activated may include all or any portion of the zone approved by the Foreign Trade Zones Board.

The FTZ is operated under the general management of the City of Socorro (15 CFR §400.41). FTZ No. 302 does not serve as an operator of individual zone sites. Each Operator may elect to either operate its zone site directly or engage a third-party operator’s services. As part of the management of the FTZ, Socorro requires each operator to execute an Operating Agreement with Socorro. If a company hires a third party to act as the foreign trade zone operator of the site, then the company and the third-party company must execute a Third-Party Operator Addendum document with FTZ No. 302.

### **Activation Steps**

The operator will submit its application to the zone grantee first, with a request for Socorro’s concurrence for activation of its zone site. Then it can submit its activation request to CBP. CBP will not approve an activation request from an operator without the written consent of FTZ No. 302.

Prior to FTZ No. 302’s concurrence letter being provided; the following items must be completed:

- Execution of an FTZ Operator Agreement (due before activation with CBP). Socorro has a checklist of documents it requires an operator to have prior to executing an agreement.
- Copy of activation request packet to be submitted to CBP (i.e., activation request letter and FTZ Manual) must be provided to Socorro.

### **Concurrence Letter**

A letter of concurrence is provided by the grantee to CBP as part of the activation process.

## **ANNUAL REPORT GUIDELINES**

As the Grantee of FTZ No. 302, Socorro is required to submit an annual report on information of zone activity by each zone operator within FTZ 302 to the Foreign Trade Zones Board, under the Foreign-Trade Zones Act (19 U.S.C. 81a- u) and the FTZ Board's Regulations (15 CFR Part 400). Failure to submit a report can be considered a violation of the Act, resulting in the revocation of a zone grant. The Grantee reserves the right to terminate the Operator agreement for non-compliance.

The following should be noted concerning the Annual Report to the FTZ Board:

- The reporting period for the annual report is based on the calendar year (January 1 through December 31).
- Each FTZ operator must submit its report to Socorro through the Online FTZ Information System (OFIS). Reports are due by February 28. See <http://ofis.trade.gov>
- Socorro will coordinate with operators and the Foreign Trades Zones Board to have operator accounts set up for each operator.
- Socorro in turn will use OFIS to submit its zone's report to the FTZ Board.
- Socorro will review and, if needed, edit operator submissions before submitting the full zone's report to the FTZ Board. Socorro may request clarification or additional information based on information provided by an operator.
- An operator can indicate that submitted data is "business proprietary."

## **RECORDKEEPING REQUIREMENTS**

Under its recordkeeping policy, Socorro maintains the following records indefinitely, unless a destruction decision is made specifically for the record in question.

- Grant of Authority for the Foreign Trade Zone
- All FTZ applications filed with the Foreign Trade Zones Board
- Legal descriptions and maps of zone boundaries
- Grantee/Operator Agreements for all operators/users

Socorro shall also keep copies of the following records:

- Current FTZ Schedule
- Current FTZ Annual Reports
- Contact information for all operators/users

## **MANUFACTURING PROJECT INCENTIVE**

The City of Socorro's has identified manufacturing as a strategy in its Economic Recovery Strategic Plan, as such that it will waive its start-up cost for an eligible manufacturing project that requires activation as an FTZ. For a project to qualify it must be located within the city limits of the City of Socorro and must apply to the Foreign Trade Zones Board for approval of production authority.

Start-up incentives for FTZ manufacturer (production authority) will include and are subject to the zone administrator's recommendation as follows:

- Waiver of Grantee FTZ Application fee,

- Waiver of Grantee FTZ Activation fee,
- Waiver of first year Grantee Annual Operator Fee,
- An additional waiver of a Construction permit fee may be granted subject to City Council approval.

## **CITY OF SOCORRO FEE SCHEDULE (fees are non-refundable)**

### ***Application Fee – Site Designation (One-time fee)***

- Application Fee (per site)
  - Application for designation as Usage Driven/Subzone, and the creation of a magnet site \$2,500
  - Traditional Subzone – A site located outside the service area \$4,000
- Expansion of an existing site (ASF usage driven/subzone, traditional subzone, or magnet) \$2,000

### ***Activation Fee (One-time fee)***

- Activation Fee (per site)
- Activation fee to operate and admit merchandise under zone procedures \$1,000
  - Alteration Request (any change in the size of an activated area) \$300

### ***Grantee Annual Operator Fees***

<u>ASF Usage-Driven/Subzone and Magnet Sites</u>	
Distribution Operator	\$10,000
Manufacturing Operator – Production authority from the FTZ board required	\$8,000
<u>TSF Subzone Sites- Outside the ASF service area</u>	
Subzone site (per activated site)	\$15,000

The annual fee is due as stated in the executed Grantee /Operator Agreement with Socorro. Unless otherwise stated in the agreement, the annual fee for each fiscal year is due on January 15<sup>th</sup> of that fiscal year or within 40 days of activation (**the annual fee shall be prorated according to the number of months in that calendar year during which the agreement goes into effect**). Socorro will forward the Operator an invoice one month before the annual fee is due.

For the purposes of the application, the application fee is due before FTZ No. 302 will provide its written concurrence for the submission of the Application to the Foreign Trade Zones Board. Socorro will forward an invoice to the user for payment of the application fee. In addition to these fees, all application costs will accrue to the party requesting FTZ designation.

FTZ No. 302 does not prepare an activation application, procedures manual, and/or supporting documentation for CBP approval. The zone user (operator) is responsible for preparing its application and documentation or contracting with an independent third party. Socorro provides a letter of concurrence accompanied by the zone user's procedures manual & supporting documentation and submits it to CBP for review & activation approval.



If an Operator deactivates, there is no refund given for the last year it was active.

### **FEDERAL CHARGES (FOREIGN TRADE ZONES BOARD)**

The Foreign Trade Zones Board charges a fee for certain applications (15 CFR §400.29).

1. Special-purpose subzones (15 CFR §400.25):
  - a. Not involving production activity or involving production activity with fewer than 3 products): \$4,000
  - b. Production activity with 3 or more products: \$6,500
2. Expansions (15 CFR §400.24(b)): \$1,600

ATTACHMENT A: Map of FTZ No. 302

# City Of Socorro

