

*"Progress is our  
Maine objective"*

**Haverhill Economic Development Commission**  
200 Summer Street, Haverhill, ME 01011 ☎ (207) 555-1212

July 26, 2004

Dennis Puccinelli, Executive Secretary  
Foreign-Trade Zones Board  
FCB – Suite 4100W  
1401 Constitution Ave., NW  
Washington DC 20230

**RE: Foreign-Trade Zone 411, Haverhill, Maine  
Subzone Application for Ho-Ho Holiday Paper, Inc.**

Dear Mr. Puccinelli,

Please find enclosed the application of the Haverhill Economic Development Commission, grantee of FTZ 411, requesting subzone authority for Ho-Ho Holiday Paper, Inc. This application is submitted in accordance with 15 CFR, Part 400.24 and 400.25.

The Haverhill Economic Development Commission's Board has authorized the submission of this subzone application. Ho-Ho Holiday Paper, Inc. has provided information in the application form about its background and operation, as well as their ability to operate a subzone under the requirements of both the Foreign-Trade Zones Board and U.S. Customs and Border Protection.

We appreciate your consideration of this application. If you have any questions, please do not hesitate to contact us at (207) 555-1212.

Sincerely,



Frederick J. Muggs  
Chairman  
Haverhill Economic Development Commission



# The Foreign-Trade Zones Board

## Application for Special-Purpose Subzone with FTZ Manufacturing Authority

The format for this form is based on the Foreign-Trade Zones Board's regulations, which require a "five-exhibit" format for all applications involving new sites for FTZ activity. This form puts those requirements into a simple structure to make the subzone application process as easy as possible.

### **OVERVIEW OF APPLICATION REQUIREMENTS:**

The following types of information and documentation are needed to complete this form:

**Letter of transmittal:** A letter from the sponsoring FTZ's "grantee" organization transmitting your subzone application. The letter must be signed by an authorized officer of the grantee organization.

**Executive summary:** A brief description of the proposed subzone's sites and the proposed activity.

**Exhibit 1 (legal authority to apply):** Information that establishes that your state has a current law allowing operation of the sponsoring "grantee" foreign-trade zone organization. The grantee in question should be able to provide guidance on this issue.

**Exhibit 2 (site description):** Because a subzone will be treated, for customs purposes, as if it is outside U.S. territory, it is essential for U.S. Customs and Border Protection's oversight of the subzone that you provide descriptions of the subzone's site(s). This includes a "legal description" for each site – an official legal description for a given parcel is something that should be available from your county courthouse, recorder of deeds, or similar local administrative entity.

**Exhibit 3 (operation and financing):** Brief questions on ownership and operation at the proposed subzone's site(s).

**Exhibit 4 (economic justification):** This is the heart of the subzone manufacturing application. This form provide spaces for you to answer a series of straightforward questions about your company and its situation relative to its competitors (both domestic and foreign). In essence, simply "tell your story" here – why is subzone status important for your company's international competitiveness?

**Exhibit 5 (maps):** As with the legal descriptions in Exhibit 2, effective oversight of your subzone requires that you provide clear maps delineating the boundaries of the site(s).

### **APPLICATION QUESTIONS:**

#### **TRANSMITTAL LETTER**

1. Is your subzone application form accompanied by the required "letter of transmittal" (currently dated and signed by an authorized officer of the FTZ grantee corporation)? Yes \_\_\_ No \_\_\_

## EXECUTIVE SUMMARY

2. Briefly describe the site(s) and activity proposed in your application:

### EXHIBIT 1 – LEGAL AUTHORITY FOR APPLICATION

3. Indicate with a check mark below which of the two alternatives you are submitting:
  - a. \_\_\_ Provide a reference to an application from the same grantee within the last five years which included copies of: 1) the state's enabling legislation and 2) pertinent sections<sup>1</sup> of the zone grantee's charter or organization papers (along with evidence of current standing for grantees that are non-public corporations). Also indicate that there has been no change in those documents since the submission of that earlier application:

**OR**

- b. \_\_\_ Attach as part of "Appendix 1" to this application: 1) a certified copy of the state enabling legislation regarding FTZs and 2) pertinent sections<sup>1</sup> of the zone grantee's charter or organization papers, along with evidence of current standing for grantees that are non-public corporations.
4. Attach as part of "Appendix 1" to this application a certified copy of a resolution authorizing the grantee official to sign the application.

### EXHIBIT 2 – SITE DESCRIPTION

#### **➤ SUBZONE SITE(S)**

5. For each site of your proposed subzone, complete a site information box below. For each site, you must also provide in an attached "Appendix 2" the appropriate legal descriptions (with labels tying each description to the relevant site number from this page):

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<sup>1</sup> *i.e.*, front page showing grantee's name plus pages showing that part of grantee's mission is to sponsor a FTZ

SITE # \_\_\_\_\_

Address:

Site Acreage:

Sq. Ft. of Enclosed Space:

Description of Buildings:

Current or Planned Activities:

Do you own this site? Yes \_\_\_ No \_\_\_

SITE # \_\_\_\_\_

Address:

Site Acreage:

Sq. Ft. of Enclosed Space:

Description of Buildings:

Current or Planned Activities:

Do you own this site? Yes \_\_\_ No \_\_\_

SITE # \_\_\_\_\_

Address:

Site Acreage:

Sq. Ft. of Enclosed Space:

Description of Buildings:

Current or Planned Activities:

Do you own this site? Yes \_\_\_ No \_\_\_

SITE # \_\_\_\_\_

Address:

Site Acreage:

Sq. Ft. of Enclosed Space:

Description of Buildings:

Current or Planned Activities:

Do you own this site? Yes \_\_\_ No \_\_\_

➤ **CBP ADJACENCY**

6. Is your proposed subzone adjacent to a U.S. Customs and Border Protection port of entry, or have you discussed with CBP an alternative oversight procedure? Explain.

**EXHIBIT 3 – OPERATION AND FINANCING**

➤ **SITE OWNERSHIP**

7. Do you own each of the sites listed above for your proposed subzone? Yes \_\_\_ No \_\_\_ (If no, attach as "Appendix 3" documentation demonstrating your right to use the site in question.)
8. Describe the physical security measures that you will use for the sites in question:
9. Do you commit to work with Customs & Border Protection, as appropriate, to meet future CBP requirements for automated systems? Yes \_\_\_ No \_\_\_

**EXHIBIT 4 – ECONOMIC JUSTIFICATION**

➤ **REQUESTED SCOPE OF AUTHORITY**

Using the "Appendix 4" pages at the end of this form, list the finished products and components/inputs that you propose for manufacturing under FTZ procedures.

➤ **QUESTIONS ON YOUR REQUESTED PRIMARY SCOPE**

10. Are any of the inputs subject to antidumping ("AD") or countervailing duty ("CVD") duties? Are any of the inputs subject to quantitative restrictions (quotas)? Are you aware of any other trade-related issues affecting any of the inputs? If yes to any of these questions, explain:

➤ **FTZ-RELATED SAVINGS:**

11. a. What are your total estimated annual FTZ-related savings:
- b. Provide the percentage breakdown for those savings into the following categories:
- |                                   |        |
|-----------------------------------|--------|
| Logistical/Paperwork <sup>2</sup> | _____% |
| Inverted Tariff                   | _____% |
| Exports                           | _____% |
| Duty Deferral                     | _____% |
| Scrap/Waste                       | _____% |
- c. Provide any additional explanation or special features of the above savings that may be relevant to the review or implementation of zone procedures (*e.g.*, formulas, Customs rulings, scrap as percentage of imported product).
12. A small number of states (*e.g.*, Texas, Ohio) assess local taxes on business inventories. The Foreign-Trade Zones Act allows states to exempt merchandise from such taxes in FTZs. Does your state have an inventory tax or "personal property tax" for which collections will be affected by your proposed FTZ manufacturing authority? Yes \_\_\_ No \_\_\_

If yes:

- a. Explain and give an estimated amount for projected annual FTZ-related savings:

**AND**

- b. Attach correspondence from the affected parties (*e.g.*, local school board) indicating their views on the impact of your proposed activity.
13. In evaluating the viability of your proposal, have you considered the costs associated with a subzone (*e.g.*, record keeping/inventory control, fees to the zone grantee)? Yes \_\_\_ No \_\_\_

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<sup>2</sup> *e.g.*, Merchandise Processing Fee, broker/handling fees, weekly entry

➤ **COMPANY, SOURCING, MARKET, AND INDUSTRY INFORMATION:**

Answer these questions completely based on the information available to you. (You may rely on your expert knowledge of the industry in addition to traditional, published resources.)

14. Briefly describe your company's history and current situation (including annual sales value or other indicator(s) of company's size and scope of operations):

15. Briefly describe the activity which you are seeking to conduct under FTZ procedures:

16. Please list the main internet address(es) for information about your company and product(s):

17. Indicate current annual production capacity at the facility(ies) for which you are seeking FTZ manufacturing authority (specify units of measure):

18. Indicate the percent of U.S. value added<sup>3</sup> for the products you propose to produce under FTZ procedures: \_\_\_\_\_ % (approximate).

19. By value, what percent of your production inputs are imported? \_\_\_\_\_ % (approximate)

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<sup>3</sup> *i.e.*, the difference between the value of foreign components received at the subzone and the value of finished products shipped from the subzone.

20. Are the inputs that you purchase from abroad also available from U.S. suppliers (if yes, why are you unable to obtain those inputs domestically)? Will FTZ -related savings affect the company's purchasing patterns? Explain.
21. Does your company have other plants (in the U.S. or overseas) that produce the same products? If yes, please list their locations.
22. a. List total employment company-wide: \_\_\_\_\_ employees (approximate)  
b. and total employment at the plant: \_\_\_\_\_ employees (approximate).
23. How has your company's employment changed in the last 5 years? Will FTZ-related savings likely lead to increased, stable, or decreased employment at your site? Explain.
24. What is your company's current share of the U.S. market for the products that you seek to produce under FTZ procedures? \_\_\_\_\_ % (approximate).
25. Indicate imports' market share in the U.S.: \_\_\_\_\_ % (approximate). Has imports' share of the U.S. market changed in the past 5-10 years? How? Why?

26. a. What percent of your proposed FTZ-related production is sold to export markets?  
\_\_\_\_\_ % (approximate).
- b. Do you know your share of the world-wide market for the products that you seek to produce under FTZ procedures? If yes, list it here: \_\_\_\_\_ % (approximate).
27. a. List your major competitors in the U.S. market and their approximate market shares:
- b. List your major competitors in the world market:
28. Are your competitors producing in the U.S. or abroad? Explain and give specific examples:
29. How would approval of your proposed manufacturing under FTZ procedures affect your domestic competitors? Are the purchasing patterns of competing domestic manufacturers similar to your company's? If you are granted authority to manufacture under FTZ procedures, would the other U.S. manufacturers be likely to seek access to zone procedures? Explain.
30. What are the competitive factors in your industry? Any other factors unique to your industry?



➤ **USE OF PUBLIC ZONE:**

34. Discuss why your operation cannot be accommodated in the area's public FTZ facilities.

➤ **ENVIRONMENTAL IMPACT:**

35. For your proposed subzone site(s), indicate local zoning and status of any applications for construction approvals.

36. Are there any land use issues relating to your proposed site(s)? Will the use of FTZ procedures change the physical aspects of the plant or its operation? If yes, explain.

37. Is FTZ status or the use of FTZ procedures a requirement or a precondition for the proposed activity or construction at the plant? If yes, explain.

**EXHIBIT 5 – MAPS**

Please provide the items listed below in an attached "Appendix 5."

38. Provide a local/state map indicating the location of the subzone site(s).

39. For each site of your proposed subzone, you must also provide:

a. A detailed street map

**AND**

b. A detailed drawing of the zone site showing zone boundaries in red with dimensions.

**CONTINUATION PAGE:** You may use this page to continue any answer(s) for which you did not have adequate space in the box(es) provided above. Please precede any continued answer with the number of the question to which it pertains.

**CLICK HERE TO ADD ANOTHER CONTINUATION PAGE**

## **APPENDIX 1**

## GRANTEE AUTHORIZATION

The following is a resolution unanimously adopted by the Board of the Haverhill Economic Development Commission:

RESOLVED, that the Haverhill Economic Development Commission is hereby authorized to submit an application to the Foreign-Trade Zones Board for authority to establish, operate, and maintain a special-purpose subzone for the exclusive use of Ho-Ho-Holiday Paper, Inc. in Haverhill, Maine, and said application is hereby approved by the Commission. Any subsequent administrative actions, minor modifications to the Foreign-Trade Zones Board's Order, or expansion of the subzone project to be filed at the Foreign-Trade Zones Board are also specifically authorized.

Witness my hand and seal of the Haverhill Economic Development Commission this second day of July, 2004.

### HAVERHILL ECONOMIC DEVELOPMENT COMMISSION

BY: Frederick J. Muggs  
Frederick J. Muggs, Chairman

ATTEST:

Viola C. Bailey  
Viola C. Bailey, Secretary

## **APPENDIX 2**

## Legal Description - Site 1

That certain lot of land, with all buildings and improvements thereon, situated on the south side of Water Street in the City of Haverhill, State of Maine, laid out and designated as lot numbered one (1) on that plat entitled, "HAVERHILL HARBORSIDE SUBDIVISION OF LAND OWNED BY PIAZZA GROUP DRAWN BY R. ALLEN SMYTHE ASSOC. SCALE 1"=50' NOVEMBER 1964", which said plat is recorded Plat Card 223 in the Land Evidence Records of the City of Haverhill and in Plat Book 4 at page 14 and (copy) on Plat Card 96 in the Land Evidence Records on the City of Haverhill.

## Legal Description - Site 2

That certain lot of land, with all buildings and improvements thereon, situated on the southeasterly side of Water Street in the City of Haverhill, State of Maine, laid out and designated as lot numbered three (3) on that plat entitled, "HAVERHILL HARBORSIDE SUBDIVISION OF LAND OWNED BY PIAZZA GROUP DRAWN BY R. ALLEN SMYTHE ASSOC. SCALE 1"=50' NOVEMBER 1964", which said plat is recorded Plat Card 223 in the Land Evidence Records of the City of Haverhill and in Plat Book 4 at page 14 and (copy) on Plat Card 96 in the Land Evidence Records on the City of Haverhill.

## **APPENDIX 3**

There is no documentation to include in "Appendix 3" because Ho-Ho Holiday Paper, Inc. owns all of the sites for its proposed subzone.

## **APPENDIX 4**

**APPENDIX 4**

**PRIMARY SCOPE OF PROPOSED MANUFACTURING UNDER FTZ PROCEDURES**

The information in this section will establish the "primary" scope of authority for activity you wish to conduct under FTZ authority. Your primary scope should include: 1) the range of finished products and foreign-status inputs which your company plans to use in manufacturing under FTZ procedures and 2) finished products and foreign-sourced inputs that you believe that there is a significant likelihood that your company will need to use for FTZ manufacturing.

- **FINISHED PRODUCTS** – List the products for which you are requesting manufacturing authority under FTZ procedures.

<b>Product Description</b>	<b>HTSUS (6 Digit)</b>	<b>Duty rate</b>
<b>AA.</b>		
<b>AB.</b>		
<b>AC.</b>		
<b>AD.</b>		
<b>AE.</b>		
<b>AF.</b>		
<b>AG.</b>		
<b>AH.</b>		
<b>AI.</b>		
<b>AJ.</b>		
<b>AK.</b>		
<b>AL.</b>		
<b>AM.</b>		
<b>AN.</b>		
<b>AO.</b>		
<b>AP.</b>		
<b>AQ.</b>		
<b>AR.</b>		
<b>AS.</b>		
<b>AT.</b>		
<b>AW.</b>		
<b>AX.</b>		
<b>AY.</b>		
<b>AZ.</b>		

**BA.**

**BB.**

**BC.**

**BD.**

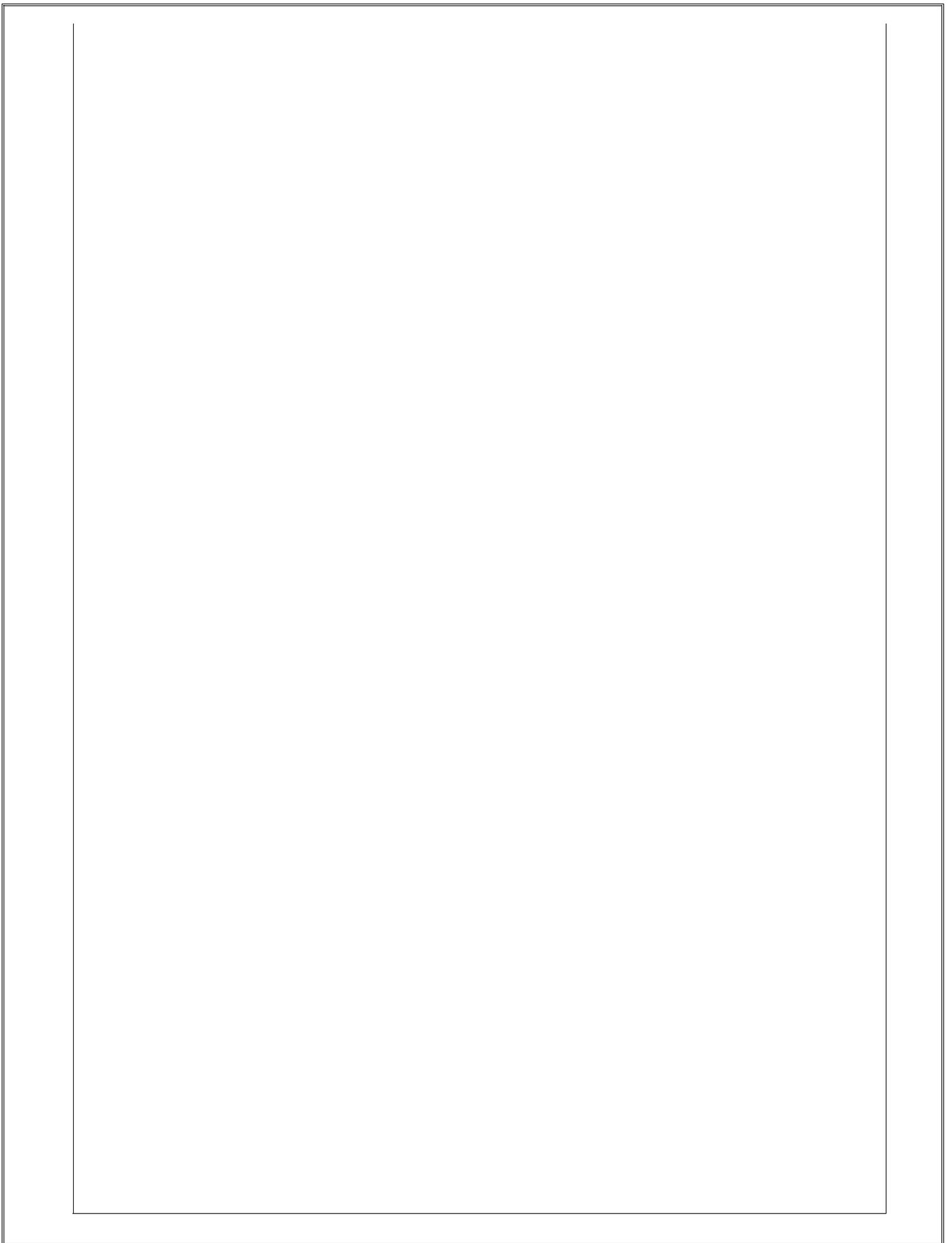
**BE.**

**BF.**

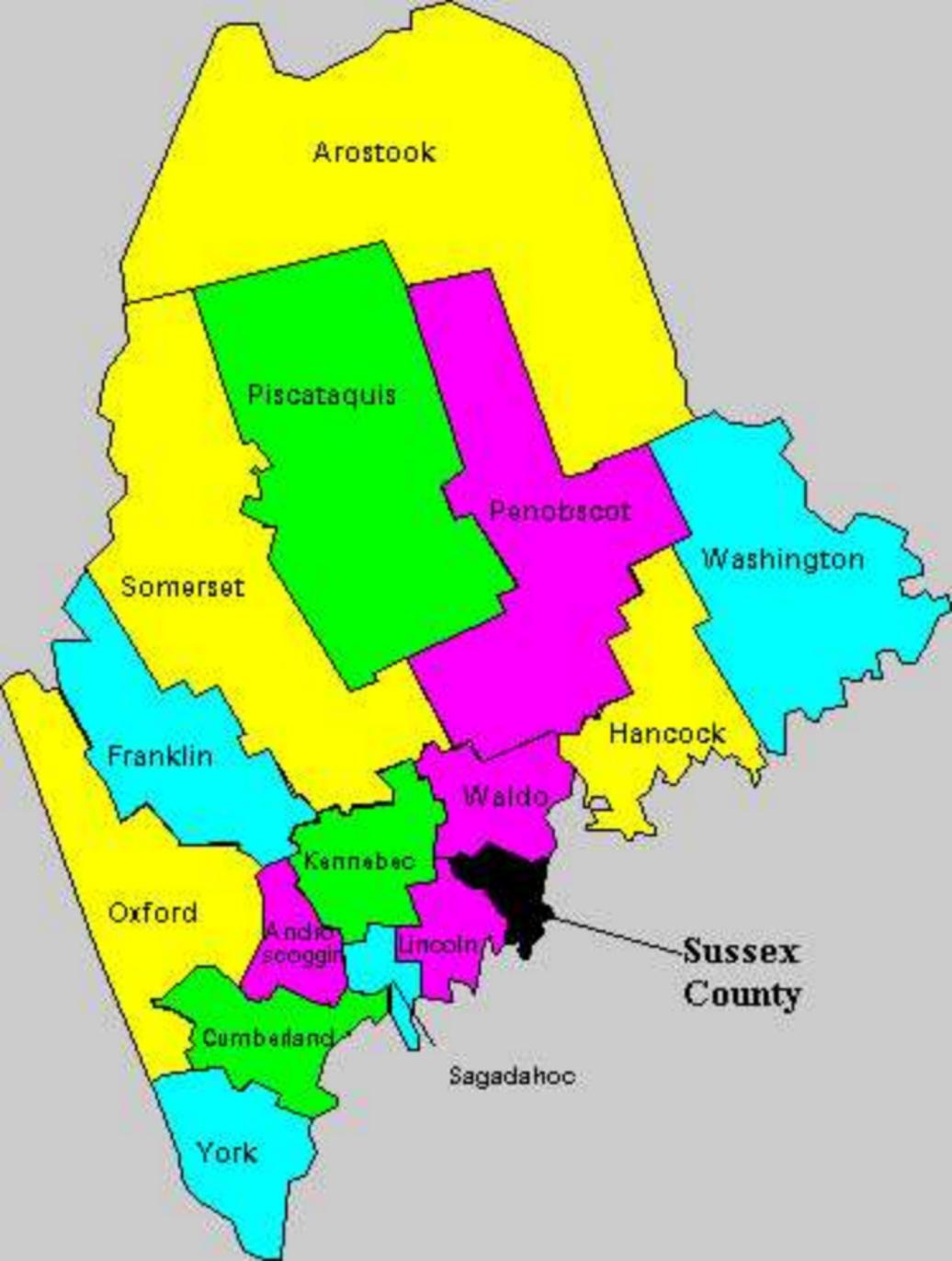
- **INPUTS** – List the production inputs for which you are requesting manufacturing authority. (Please note that all inputs that are subject to AD/CVD duties must be admitted to the zone in "privileged foreign" status.)

<b>Input Description</b>	<b>6-digit HTSUS</b>	<b>Current duty rate</b>	<b>Letters of associated finished product(s) above (AA-BF)</b>
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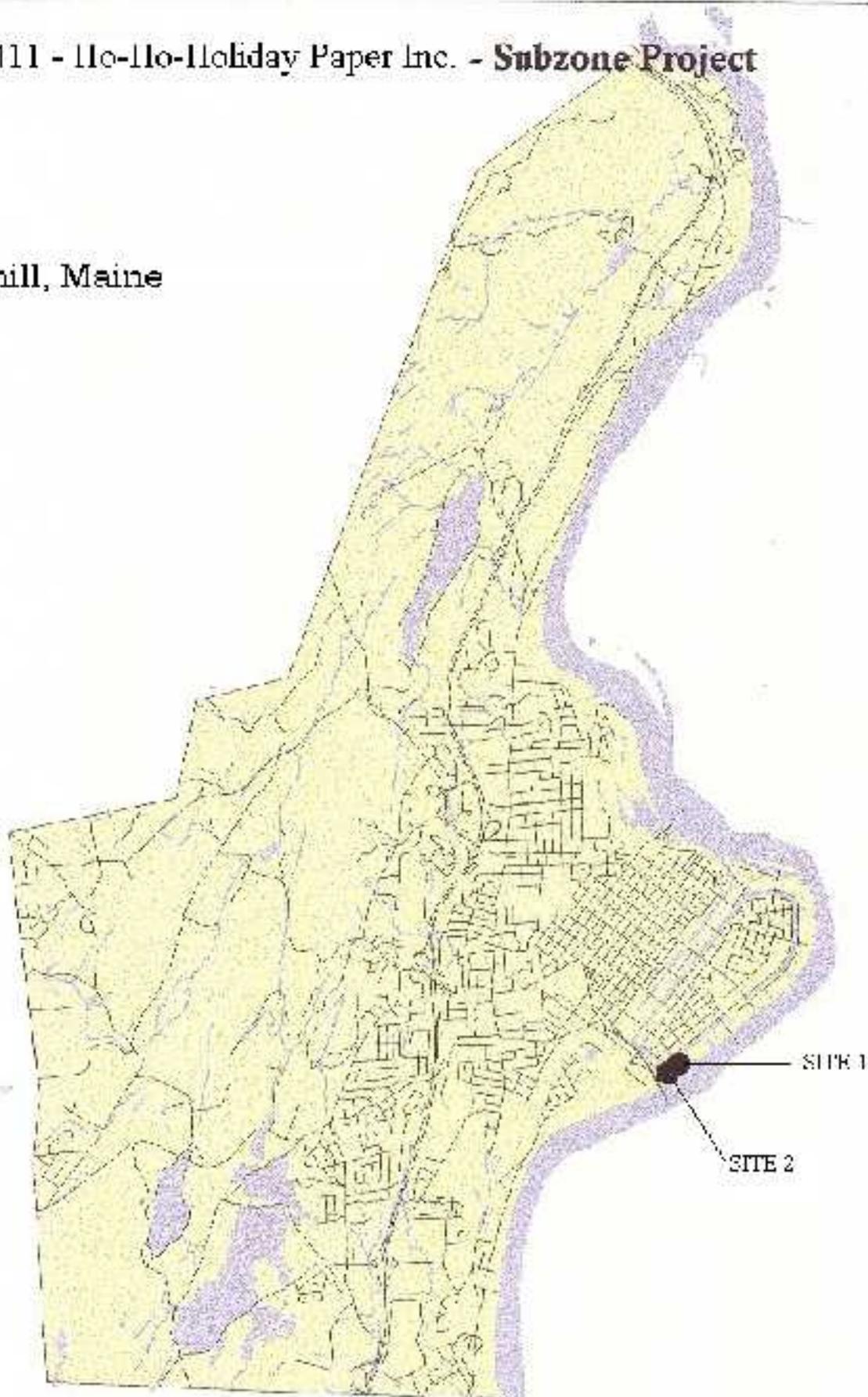
## **APPENDIX 5**



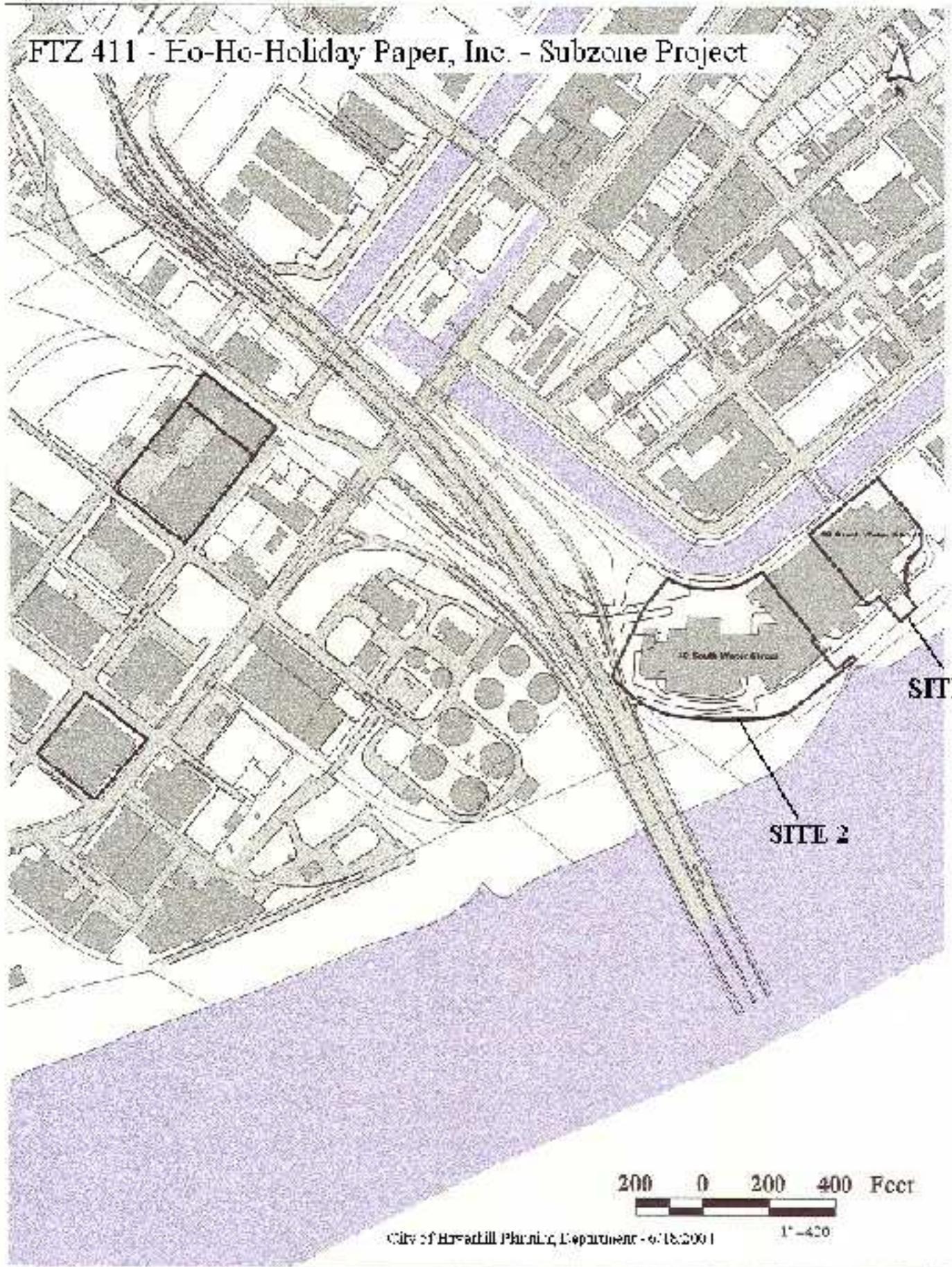
FTZ 411 - Ho-Ho-Holiday Paper Inc. - Subzone Project



Haverhill, Maine



FTZ 411 - Ho-Ho-Holiday Paper, Inc. - Subzone Project

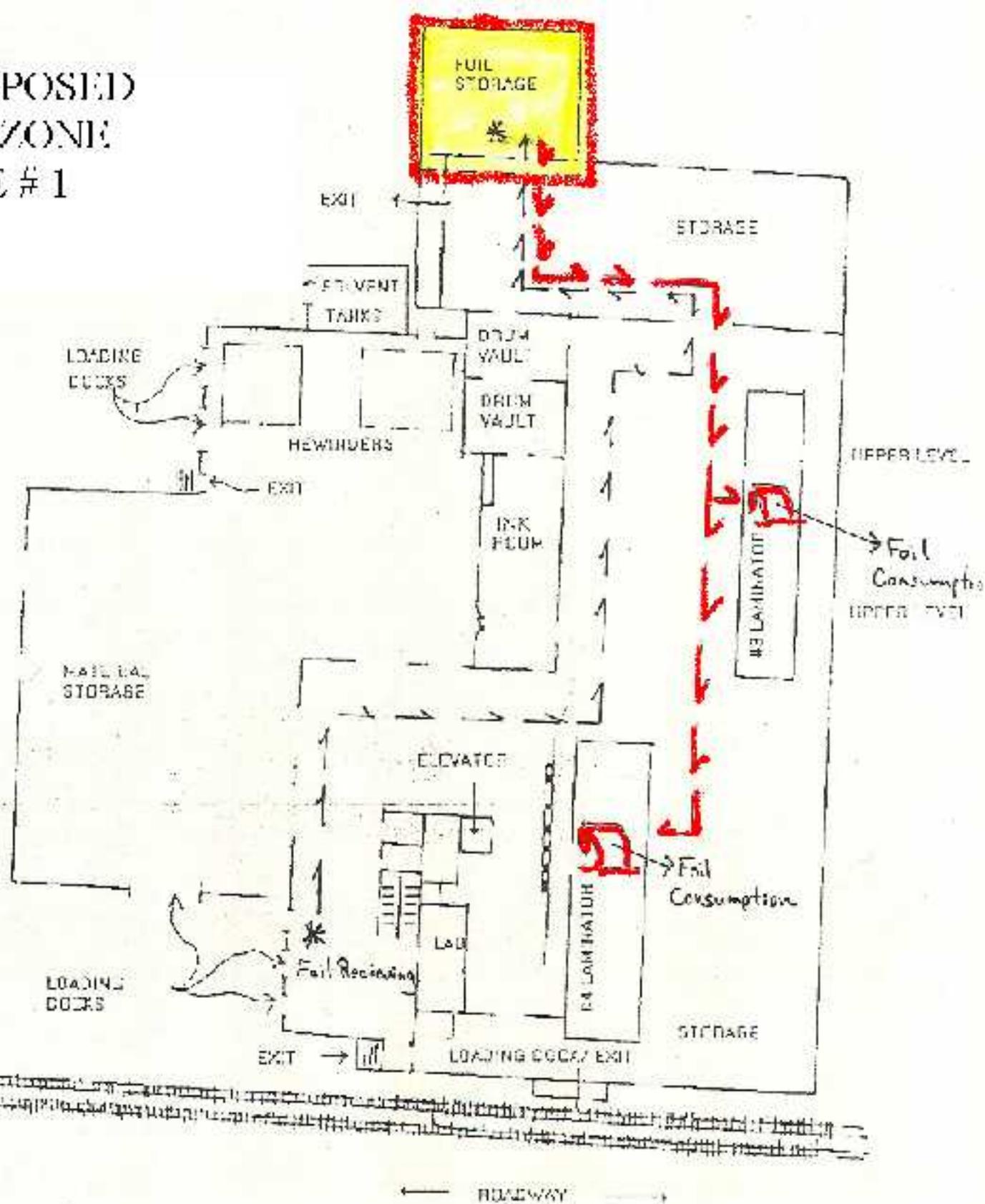


SITE 1

SITE 2



PROPOSED  
SUBZONE  
SITE # 1

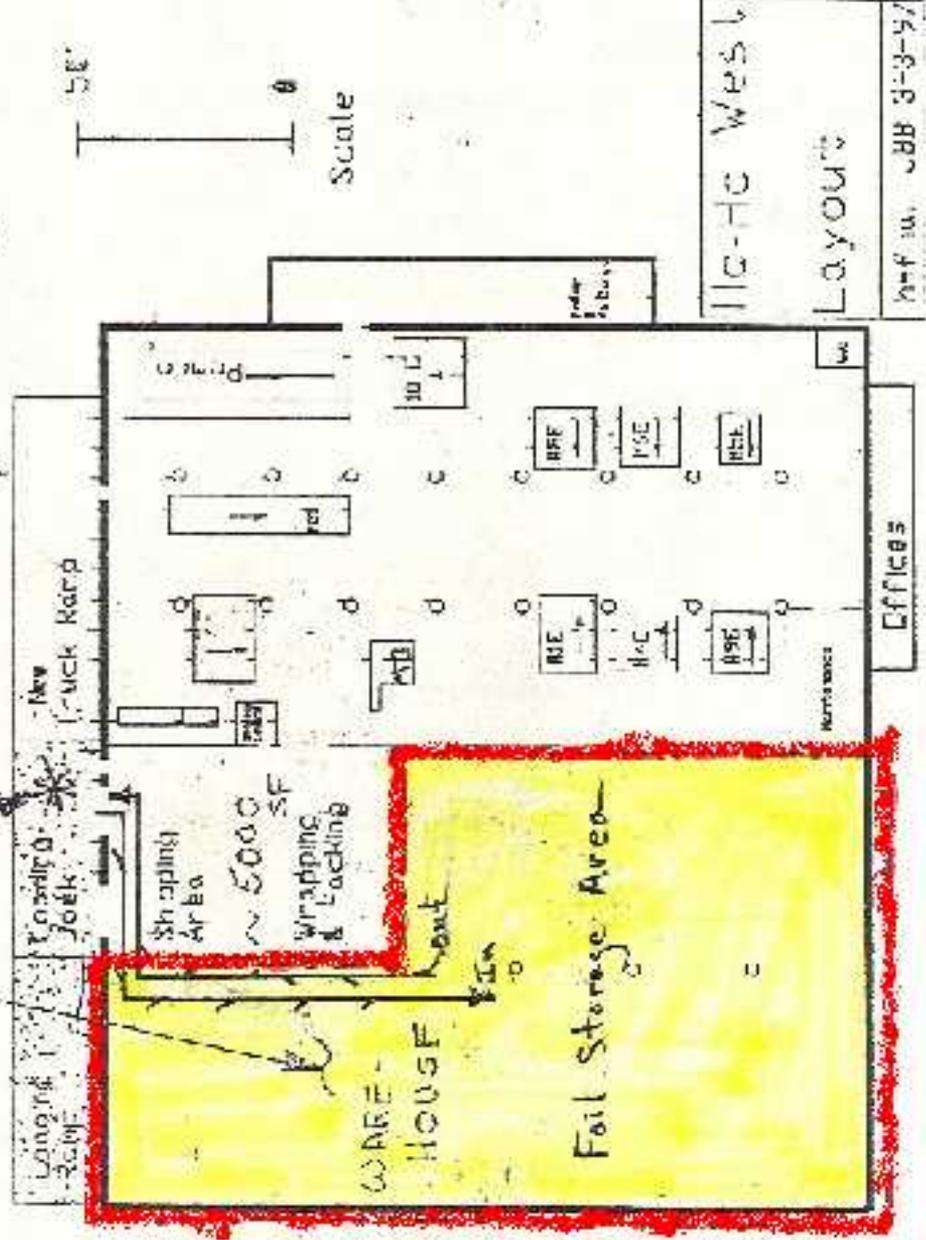


HO-HO PAPER COMPANY  
 NORTH PLANT - MAIN LEVEL  
 JULY 13, 1992  
 REV. 9/97 J.B.

# PROPOSED SUBZONE SITE # 2

~ 14,000 S.F.  
STORAGE

Foil Recycling & Shipping Dock



TOTAL  
29,600 SF  
ON (1) LEVEL

HC-HC West  
Layout  
Rev. 10. JBB 8-3-97

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