Foreign-Trade Zone 183
Bastrop, Caldwell, Hays, Travis, and Williamson Counties

Zone Schedule

Foreign Trade Zone of Central Texas, Inc.
535 East 5th Street • Austin, Texas 78701

Effective: September 17, 2014
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POLICIES AND PROCEDURES

BACKGROUND

The legal authority for Foreign Trade Zone 183 is provided by The Foreign Trade 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 Foreign Trade Zone 183. The Texas state enabling legislation permitting foreign trade zones in Austin is provided in Texas Business and Commerce Code, Ch. 681.152.

CBP Austin Port of Entry has oversight responsibilities for Foreign Trade Zone 183. The Foreign Trade Zone of Central Texas, Inc. (FTZCTI) has responsibility for the day-to-day management of Foreign Trade Zone 183 and the sponsorship of all applications that are submitted to the Foreign Trade Zones Board.

The Foreign Trade Zones Board introduced a new program in 2009, which allows grantees to reorganize the general purpose zone to include a broader geographical area than under the Traditional Site Framework concept of a site by site designation. Now under the new program, Alternative Site Framework (“ASF”), a grantee can designate a Service Area (for example a Service Area could encompass several counties), which will allow for expedited approval of Foreign Trade Zone designation anywhere in the Service Area.

Within the Service Area, sites such as industrial parks that serve multiple users can be designated “Magnet sites”. The ASF also provides for a “Usage driven site” concept. Under this concept, a site dedicated to a specific company can be designated as a foreign trade zone site using a minor boundary modification application process, which provides for a 30 day approval, a much easier process than with a subzone application. The designation is tied to a specific company and is limited to the space needed by a company. The Usage driven site concept still satisfies the general purpose nature requirement for general purpose zones because the surrounding geographical area must be available for use by other potential zone users.

FTZCTI submitted an ASF application to the Foreign Trade Zones Board in February, 2012 and was approved in August, 2012. The service area for FTZ 183 covers the Austin-Round Rock metropolitan area and includes five counties: Bastrop, Caldwell, Hays, Travis and Williamson. Under the reorganization, existing general purpose zone sites have become magnet sites with a sunset period of five years from approval of the ASF. If at the end of the sunset period a magnet site has not been activated then FTZ designation for that site will sunset.

ZONE OBJECTIVE

The goal of the foreign trade zone is to promote international business in the five county region. The goal is consistent with the cities and counties in the Austin-Round Rock area’s goal of
economic development in terms of job retention, job creation and increased capital investment in the community. FTZCTI will operate Foreign Trade Zone Number 183 under public utility principles. FTZCTI shall ensure that the reasonable zone needs of the business community are served by its zone project.

With respect to the Grantee’s decision to recognize the FTZ under the new ASF program, the Grantee believes that companies who would otherwise have to locate in a subzone, will be able to have quicker access to foreign trade zone benefits under the usage driven option. Further, the ASF will allow the Grantee to better manage the overall zone boundaries, matching zone status with actual need instead of speculative need.

**ACTIVATION PROCEDURES**

Before any operation in FTZ Number 183 may begin, the zone site must be activated. Activation takes place under the supervision of the Austin, Texas, Port Director for U.S. Customs. Activation procedures include a review of the operator, zone procedures, inventory control & recordkeeping systems, and security. Once the zone site is activated, users 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.

Foreign Trade Zone No. 183 is operated under the general management of the Grantee, Foreign Trade Zone of Central Texas, Inc. (FTZCTI) (15 CFR §400.41). FTZCTI does not serve as operator of individual zone sites. Each user may elect to either operate its own zone site directly or to engage the services of a third-party operator approved by FTZCTI. As part of the management of FTZ 183, FTZCTI requires each operator to execute an Operating Agreement. 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 FTZCTI.

**Activation Steps**

The operator/user directly requests activation from U.S. Customs. This action is taken independent of the grantee. A potential operator/user must also submit a request for FTZCTI concurrence with activation of its zone site. U.S. Customs will not approve an activation request from an operator/user without written consent of FTZCTI.

A written activation request to FTZCTI must be detailed and be accompanied by the following information:

- Company information, including:
  - Company contact name, address, and telephone number;
  - Size of company and number of employees at FTZ site;
- Category of products to be admitted within the FTZ;
- A detailed outline of the operations that will take place in the FTZ;
- Information regarding any processing or manufacturing that may occur within the FTZ and
• A map of the area to be activated.

Manufacturing authority is outside the scope of FTZ Number 183. Any request for manufacturing authority must be submitted by a separate application to the Foreign Trade Zones Board.

Operator Review
FTZCTI or its designee, will conduct a review of the proposed operator, pursuant to the published guidelines in FTZ Number 183 Zone Schedule.

Concurrence Letter
Upon approval of a new zone site or operator for activation, the President of FTZCTI will execute a concurrence letter to the Austin Port Director for U.S. Customs. Section 4.2 includes a sample concurrence letter.

Denials
FTZCTI will provide reasonable notice of a denial to any operator/user that seeks activation within FTZ Number 183.

ANNUAL REPORT GUIDELINES

As Grantee of FTZ Number 183, the Foreign Trade Zone of Central Texas, Inc., (“FTZCTI”) is required to submit an annual report on general purpose zone and subzone activity to the Foreign Trade Zones Board, pursuant to 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 following should be noted with respect to the Annual Report:

• The reporting period for the annual report is based on the calendar year (January 1 through December 31).
• Each operator must submit its report to FTZCTI through the Online FTZ Information System (OFIS). Reports are due by February 1. See http://ita-web.ita.doc.gov/FTZ/OFISLogin.nsf.
• FTZCTI in turn will use OFIS to submit its zone’s report to the FTZ Board.
• FTZCTI will coordinate with operators and the Foreign Trades Zones Board to have operator accounts set up for each operator.
• FTZCTI will review and, if needed, edit operator submissions prior to submitting the full zone’s report to the FTZ Board. FTZCTI 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

The Foreign Trade Zone of Central Texas, Inc. shall maintain the following records indefinitely, unless a destruction decision is made specifically for the record in question.

- Grant of Authority for Foreign Trade Zone Number 183
- All FTZ applications filed with the Foreign Trade Zones Board
- Legal descriptions and maps of zone boundaries
- Grantee/Operator Agreements for all operators/users

The Foreign Trade Zone of Central Texas, Inc. shall also keep copies of the following records:

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


"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. "Activated" refers to space in the Site so approved.

"Customs" means United States Customs and Border Protection.

“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.

"Site" means the premises which is designated by the Foreign Trade Zones Board as a Usage-Driven Site of the Zone.

"Zone" means Foreign Trade Zone No. 183
ZONE SCHEDULE

One Time Fee Payment

ASF Application Fee (per site) $6,000
- Includes application for Subzone under the Revised regulations published in the Federal Register on February 28, 2012 (77 FR 12112) FTZ Regulations (15 CFR 400)
- Grantee will prepare and submit ASF usage driven application at no additional cost

Modification of an existing site $3,500

Annual User Fees*

Subzone sites $25,000
All other sites $15,000
- Includes General Purpose, Usage Driven sites, and Magnet sites

* A company with multiple sites will only be charged one annual fee

The usage driven or magnet site zone annual fee is due as stated in the executed Grantee /Operating Agreement with FTZCTI. Unless otherwise stated in the agreement, the annual fee for each fiscal year is due on January 15th 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 is in effect). FTZCTI will forward the User an invoice one month before the annual fee is due. The ASF Application Fee is due before FTZCTI will provide its written concurrence for the submission of the Application to the Foreign Trade Zones Board. FTZCTI will forward an invoice to the user for payment of the ASF Application Fee. In addition to these fees, all application costs will accrue to the party requesting the application.

OPERATOR RATES AND CHARGES

FTZCTI charges no operational fee to users. If a zone user elects to utilize the services of a third-party operating company, the operator rates and charges should be independently negotiated between the user and third-party operating company.