



ForeignTradeZone™
of CENTRAL TEXAS

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: January 29, 2021

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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.

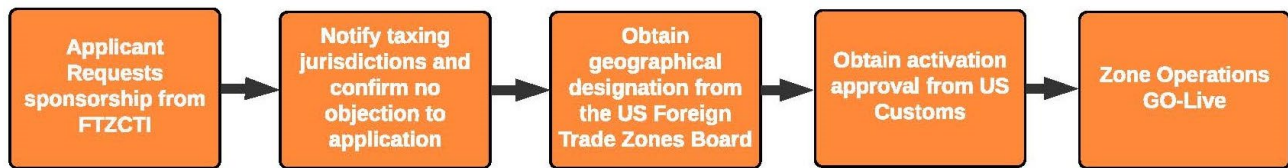
CBP Austin Port of Entry has oversight responsibilities for Foreign Trade Zone 183. The Foreign Trade Zone of Central Texas, Inc. (FTZCTI) has responsibility for the day-to-day management of Foreign Trade Zone 183 and the sponsorship of all applications that are submitted to the Foreign Trade Zones Board.

FTZCTI 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 several counties), which allows for expedited approval of Foreign Trade Zone designation anywhere in the Service Area. FTZCTI submitted an ASF application to the Foreign Trade Zones Board in February 2012 and was approved in July 2012. The Service Area for FTZ 183 covers the Austin-Round Rock metropolitan area and includes five counties: Bastrop, Caldwell, Hays, Travis, and Williamson.

FTZ 183's OBJECTIVE

The goal of the FTZ 183 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.

KEY FTZ STEPS FOR ZONE APPLICATIONS



REQUESTING SPONSORSHIP FROM FTZCTI

To obtain geographical designation within FTZ 183, an applicant can apply to FTZCTI 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. A traditional subzone application under the Traditional Site Framework (“TSF”) is required if the amount of acreage being requested for FTZ designation is over 100 acres or if the site/s is outside of the Service Area. A traditional subzone application will generally take between 3 - 5 months to be approved.

Any business which wishes to have an application filed to designate its property as a zone site must provide FTZCTI with the following:

- A written request to FTZCTI 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)
- Execution of an FTZ Operator/Grantee Agreement.
- Payment of a non-refundable fee of \$6,000.
- 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 FTZCTI to be involved in providing information to the impacted taxing authorities. Contact FTZCTI staff if you would like to discuss options for assistance.

Upon receipt of the materials referenced above, FTZCTI staff will review them for sufficiency. Provided the materials are sufficient, FTZCTI will request the concurrence of the US Customs and Border Protection Port Director for the Port of Austin. Note that this is concurrence for the designation, not for activation of the site. Activation must be separately requested by the business only after the Foreign Trade Zones Board approves designation of the site. FTZCTI will submit an application to the Foreign Trade Zones Board requesting the ASF Usage-Driven/Subzone or TSF Subzone Foreign Trade Zone Site designation.

GEOGRAPHICAL DESIGNATION – TYPES OF APPLICATIONS

ASF Usage-Driven/Subzone Site

- Designations are tied to a specific use of the property.
- Once approved, if the site is not active under the ASF sunset provision for the initial three-year period (and each subsequent three-year period), the site's designation will terminate.
- Designated sites are immediately available for distribution activities. Manufacturing or processing activities may require additional approval from the Foreign Trade Zones Board. FTZCTI staff can help you determine the specific approvals necessary.
- In order to use an approved foreign trade zone site and access Foreign Trade Zone benefits, the business is required to activate the site with the US Customs and Border Protection. Each business is responsible for its own activation.

Traditional Subzone site

- A TSF Subzone application will require the use of a specific application and the payment of a fee to the Foreign Trade Zones Board. The fee is the responsibility of the applicant.
- 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. The applicant will have the responsibility to post notice of the application in a local newspaper. The Grantee will not incur the cost of the local publication.
- In circumstances in which the applicant's plans may require approvals faster than can be accommodated with a TSF Subzone application, the Grantee may, as an accommodation to the applicant, submit a subzone application that involves more than 100 acres and is within the Service Area under the ASF process. Use of the ASF process in this situation is conditioned on:
 - Agreement by the applicant that a subsequent application to convert the ASF Subzone to a TSF Subzone will be filed within one year following initial activation of the subzone. The Grantee will not charge an application fee for the conversion application.
 - The Grantee will prepare and submit the application.
 - The filing fee to the Foreign Trade Zones Board for the subzone conversion will be paid by the subzone user.
 - The applicant will be responsible for timely publishing, and paying for, publication of notice of the application in the local newspaper.
 - The Operating Agreement will specify the user fee as the fee applicable to TSF Subzones.
- Once activated within five years from FTZ Board approval, the subzone authority under a TSF Subzone will not terminate.

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, 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. As part of the management of FTZ 183, FTZCTI requires each operator to execute an Operating Agreement with FTZCTI. The Agreement will include an ASF Subzone Site Conversion Addendum if a conversion to a TSF Subzone will be required. 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. 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.

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

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, 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 FTZ operator must submit its report to FTZCTI through the Online FTZ Information System (OFIS). Reports are due by February 28.
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

Each Operator's Agreement with the FTZCTI outlines the records which must be maintained by the Operator (FTZ Board applications, approvals, production notifications, procedures manual, etc). The documents each Operator must maintain are separate from the records outlined below.

FTZCTI has implemented a recordkeeping policy wherein it maintains 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

FTZCTI shall also keep copies of the following records:

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

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. "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 or a Subzone or a Magnet site under the ASF framework or a Subzone site under the TSF.

"Zone" means Foreign Trade Zone No. 183

ZONE SCHEDULE

Grantee One Time Fee Payment

Application Fee (per site):	\$6,000
<ul style="list-style-type: none">• Application for ASF site (Subzone or Usage Driven) or TSF Subzone site.• The fee covers the Grantee's submission of an ASF site application or a TSF Subzone application.	
Modification of an existing site:	\$3,500

Grantee Annual User Fees*

TSF Subzone site operator:	\$25,000
Operators of all ASF sites:	\$15,000
<ul style="list-style-type: none">• Includes Usage Driven, Subzone and Magnet sites	

** A company with multiple sites will only be charged one annual fee; Multiple operators at a Subzone will each be charged a separate fee.*

The 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 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 application fee. In addition to these fees, all application costs will accrue to the party requesting FTZ designation.

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.

FEDERAL CHARGES (FOREIGN TRADE ZONES BOARD)

The Foreign Trade Zones Board charges a fee for certain applications.

1. Traditional Subzones:	
a. Non-manufacturing/processing or less than 3 products:	\$4,000
b. Manufacturing/processing 3 or more products:	\$6,500
2. Expansions:	\$1,600

CBP currently does not charge any fees to obtain FTZ designation.