

IMPORTANT INFORMATION ABOUT ZONE SCHEDULES

This zone schedule is being made available pursuant to 15 CFR 400.44(e), which states: "The Board shall make copies of zone schedules available on its Web site."

Availability of this zone schedule on the FTZ Board's website does not imply that the FTZ Board has approved any rate/charge, policy or other content of this zone schedule. In particular, while the FTZ Board staff intends to conduct spot checks over time, zone schedules are not reviewed for compliance with the public utility requirement (19 U.S.C. 81n, 15 CFR 400.42) prior to making the zone schedules available via the Board's website.

Pursuant to 15 CFR 400.44(b)(4), a grantee may not assess any specific rate or charge for which the amount – or formula for calculating the amount – does not appear in the zone schedule that the grantee has submitted to the FTZ Board.

Complaints about a grantee's compliance with statutory and regulatory requirements related to public utility and uniform treatment – including rate or charge amounts/formulas, a grantee assessing a rate or charge amount/formula that does not appear in its zone schedule, and a grantee not affording uniform treatment under like conditions – may be presented to the FTZ Board under 15 CFR 400.45 (which also allows for complaints to be made on a confidential basis, if necessary).

Questions or concerns may be addressed to the FTZ Board staff at (202) 482-2862 or ftz@trade.gov.

FTZ#238

Date: 10/23/2018

Andrew McGilvray, Executive Secretary
Foreign-Trade Zones Board
US Department of Commerce
1401 Constitution Avenue, NW
Room 21013
Washington, D.C. 20230

U.S. Foreign-Trade Zones
Board Staff

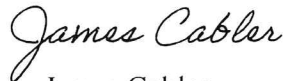
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Dear Mr. McGilvray:

Effective 10/23/2018 The New River Valley Economic Development Alliance, in its capacity as Grantee of Foreign- Trade Zone No. 238, has updated its Zone Schedule. The updated Zone Schedule is attached for your review, it is also available for public inspection at our office located at 2020 Kraft Drive Suite, 2000 Blacksburg, VA 24060.

Sincerely,



James Cabler
Investor Relations & Operations Manager

**Virginia's New River Valley Economic Alliance Inc., a Virginia corporation doing
business as Onward New River Valley and Grantee of Foreign Trade Zone #238**

2020 Kraft Drive, Suite 2000, Blacksburg, VA 24060 | 540-267-0007

ZONE SCHEDULE FOR
FTZ#238

Effective October 23, 2018

GRANTEE:

Virginia's New River Valley, a Virginia corporation
doing business as Onward New River Valley
2020 Kraft Drive, Suite 2000
Blacksburg, VA. 24060
540-267-2007
info@onwardnrv.org

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1. INTRODUCTION

The New River Valley Economic Development Alliance (the "GRANTEE"), a not-for-profit corporation formed under the laws of the Commonwealth of Virginia and doing business as Onward New River Valley, recognizes that the Foreign-Trade Zone (FTZ) program is an economic development tool, whose use must be driven by activity.

The GRANTEE of FTZ #238 will make every effort to be supportive of expansion efforts and is committed to maintaining FTZ #238 as a public utility, available to any organization which exhibits a strong business case for FTZ activity and is committed to becoming an activated site.

Determination of support for a proposed FTZ site will be made on the basis of:

- 1) The site being within the FTZ #238 service area and within 60 miles or 90 minutes driving time from the Customs Port of Richmond, VA or Greensboro, NC
- 2) A need for FTZ services is demonstrated through:
 - a) the commitment of an incoming or existing business to distribution through FTZ operations
 - b) the consent of the property owner to the FTZ designation of the site
 - c) the property owner and Operator complete property/operating agreements with the GRANTEE

2. FTZ OVERVIEW:

The GRANTEE holds the Grant of Authority for FTZ #238. The zone was established under a board order of the FTZ Board on August 5, 1999. The site is located on Virginia Route 100, north of the Town of Dublin, Virginia. The site includes several buildings, two jet fuel storage tanks (a capacity of 567.3 barrels), and a warehouse site in the town of Pulaski, VA "The Bobwhite Building". The total of both sites is 50 acres.

The GRANTEE was granted permission by the FTZ Board to re-organize FTZ #238 under the Alternative Site Framework in 2015. Today, FTZ #238 serves a region defined in the attached map (EXIBIT B).

3. ZONE REGULATIONS, RULES AND POLICIES

The rules, regulations and rates of this Zone Schedule shall apply to subzones, magnet sites, usage-driven sites and all other involved parties within FTZ #238. The effective date of this schedule is set forth on the cover page.

GRANTEE shall, in its sole discretion, interpret the rates, regulations or services of this schedule and determine the applicability of any of its provisions. The GRANTEE reserves the right to waive or prorate any fee, if it is for the greater prosperity of the zone.

3.01 FTZ Board Regulations

FTZ #238 is subject to regulations of the FTZ Board, as defined in 15 CFR Part 400.

3.02 U.S. Customs and Border Protection Regulations

FTZ #238 is subject to regulations of the U.S. Customs and Board Protection, as defined in 19 CFR Part 146.

3.03 Application

In accordance with the FTZ Board Regulations at 15 CFR Part 400, GRANTEE must make application to the FTZ Board for any and all requests to modify, in any form the existing structure of FTZ #238. In addition, GRANTEE must sponsor applications for production notifications.

3.04 Operator Agreements

Before site activation with U.S. Customs and Border Protection, the Operator will be required to execute a Zone Site Operator Agreement with GRANTEE. By signing this agreement, the Operator accepts and assumes all and complete responsibility for the operation, management, and maintenance of the Site.

3.05 Landowner Agreements

Before an application for site designation is sent to the FTZ Board, landowners will be required to sign a landowner/developer agreement. By signing this agreement, the landowner/developer accepts all of the responsibilities needed to maintain FTZ designation.

3.06 Activation

Operator agrees to seek and obtain approval of activation of the Site pursuant to U.S. Customs and Border Protection Regulations at 19 CFR Part 14, no later than one (1) year after the execution of the operator agreement, and prior to initiating any FTZ related operations. Operator shall give GRANTEE written notice prior to submitting the application for activation. The Operator shall also furnish GRANTEE with a copy of Customs' letter or notice activating the site.

3.07 Right of Entry

Operator shall allow authorized representatives of the FTZ Board, U.S. Customs and Border Protection, authorized United States government officials, GRANTEE staff, and any authorized representative of GRANTEE to enter the site at any time during Operator’s normal hours of operation.

3.08 Indemnification

FTZ site Owners/Operators agrees to protect, unconditionally indemnify and hold harmless GRANTEE, its Board, employees, and agents from and against all liabilities, judgments, claims, losses, expenses and damages of whatever nature, including, but not limited to, any and all damages, duties, fines, penalties, taxes, charges or liquidated damages (incurred or paid by GRANTEE to the U. S. Customs and Border Protection, or other regulatory agencies), interest, attorney's fees and other costs of litigation, whether absolute or contingent, whether directly or indirectly resulting from, arising out of, in connection with, or related to the operation of the FTZ upon the General Purpose Site and/or the performance by the Operator of its duties and obligations as a General Purpose Zone Operator or pursuant to this Agreement.

3.09 Annual Reports

Operator agrees to use the Online FTZ Information System (“OFIS”), as required by the FTZ Board, for submitting annual report data. The data in the annual report should be for the previous calendar year ending December 31st. The report must be submitted by February 15.

4 FEE SCHEDULE

All fees are non-refundable and are to be paid prior to the GRANTEE’s sponsorship or submission of request. The Operator/User is responsible for obtaining and preparing all required documents associated with said request.

**4.01 Application Processing Fee (Usage-Driven, Magnet & Subzone Sites):
\$2,500**

This covers the review, and incidental expenses associated with the filing of a Magnet Site or Usage-driven Site application, a minor boundary modification, a zone expansion application, amendment application, sub-zone application or a modification application. The fee does not cover the development of the application. Fee is due when applicant submits application to GRANTEE for processing.

**4.02 Application Processing Fee (Manufacturing/Production Authority):
\$2,500**

Fee covers the cost associated with the GRANTEE's review of the prepared application (fee does not cover the development of the application). Fee is due when applicant submits application to GRANTEE for processing.

4.03 GRANTEE Activation Concurrence: \$1,000

Fee covers the GRANTEE expenses for the preparation and processing of the Operator Agreement, concurrence letter to U.S. Customs Service, and necessary support required in the activation process. It does not provide for procedures manual preparation. Fee is due to GRANTEE prior to initiating the GRANTEE activation concurrence process.

4.04 Annual Fees:

A. Activated Sites:

The annual fee for Usage Driven, Magnet or Subzone site User is \$.15 per square foot of activated space based on the monthly average of activated space for the current calendar year (January 1 through December 31), not to exceed \$10,000.00 per year per site. This fee shall be paid by the February 15th of each year and shall be assessed on the average monthly number of square feet of activated space per year (prior to the Feb. 15th deadline). The fee shall be prorated, in the event of a partial calendar year's activation (Jan. 1 - Dec. 31st)

B. Non-activated Sites: \$2,500

The annual fee for non-activated Usage Driven, Magnet Site or Subzone sites. This fee shall be paid by February 15th of each year.

4.05 Late Fees:

The GRANTEE is legally required to annually provide to the FTZ Board an Annual Report within sixty (60) days after the close of the federal government calendar year (which runs January 1 through December 31). In the event that the GRANTEE does not file the FTZ Board Annual report in the prescribed time frame, the GRANTEE may be subject to a fine for the late filing, or the incomplete filing of their annual report.

Every activated Operator is required to provide to the GRANTEE an annual report of FTZ activity in the format required by the FTZ Board, no later than March 1st of each year, in order to enable the GRANTEE to fulfill their legal obligations to the FTZ Board.

An additional fee of \$100 per calendar day will be invoiced if the data is not provided by the March 1st deadline. In addition, should the GRANTEE be fined for the late or incomplete filing of the FTZ Annual report due to the un-timeliness of data received from an Operator, those fines will be invoiced in addition to the late fees.

Payment of late fees and/or accommodating penalties is expected within thirty (30) days of invoice date. Failure of payment may result in the suspension by the GRANTEE of FTZ activity for the Operator.

APPENDIX A: GLOSSARY OF TERMS

Activation - Once a zone or subzone site is approved by the FTZ Board, an application must be made to the local CBP office, with the concurrence of the FTZ GRANTEE, to operate the zone/subzone site (or portion thereof) under FTZ procedures. This CBP process is known as activation generally includes steps such as background checks, a written procedures manual, posting a bond with CBP, as well as a review of the security of the site(s) and the inventory control methods.

Activation Limit - The size of the physical area of a particular zone or subzone authorized by the Board to be simultaneously in activated status with CBP pursuant to 19 CFR 146.6. The activation limit for a particular zone/subzone is a figure explicitly specified by the Board in authorizing the zone (commonly 2,000 acres) or subzone or, in the absence of a specified figure, the total of the sizes of the approved sites of the zone/subzone.

Adjacency - According to Section 400.21, general-purpose zone sites must be within 60 miles or 90 minutes driving time of a U.S. Customs and Border Protection Port of Entry.

Admit, Admission - The U.S. Customs and Border Protection terms describing the shipment of merchandise into U.S. FTZ under CBP supervision (19 CFR 146.1).

Alternative site framework (ASF) - An optional approach to designation and management of zone sites allowing greater flexibility and responsiveness to serve single- Operator /user locations. The ASF was adopted by the Board as a matter of practice in December 2008 (74 FR 1170, January 12, 2009; correction 74 FR 3987, January 22, 2009) and modified by the Board in November 2010 (75 FR 71069, November 22, 2010).

Articles Consumed - Interpretation of the FTZ Act holds that all materials to be consumed in manufacturing or processing operations within a zone must first be entered for consumption with duties paid.

Board - See [FTZ Board](#)

CBP - U.S. Customs and Border Protection of the Department of Homeland Security

Deactivation - A previously activated general purpose zone or subzone site which no longer has local CBP authorization for activity under FTZ procedures.

Deleted - A site or portion of a site that once held zone status, but has been removed from the zone through an administrative minor modification by the FTZ Board staff or an FTZ Board application process.

Domestic origin/duty paid - Describes merchandise that is mainly of domestic origin but also includes foreign-origin merchandise on which customs entry and duty payments have been made prior to admission to the zone site.

Domestic status - Used synonymously with Domestic origin/duty paid (see above). Domestic status is the customs status (19 CFR 146.43) for domestic origin and duty paid foreign origin zone merchandise.

Entry for Consumption - The term that describes the general customs process of filing the appropriate CBP documents (including duty evaluation) that allows merchandise to be brought into the commerce of the U.S. (19 CFR 141). With respect to FTZ, this process occurs when merchandise is shipped from the zone into U.S. commerce.

Exports - The category of merchandise that is forwarded from zone sites to destinations in foreign countries.

Foreign-Trade Zone - (FTZ or zone) includes one or more restricted-access sites, including subzones, in or adjacent (as defined by Sec. 400.11(b)(2)) to a CBP port of entry, operated as a public utility (within the meaning of Sec. 400.42) under the sponsorship of a zone GRANTEE authorized by the Board, with zone operations under the supervision of CBP.

FTZ Board - Consists of the Secretary of Commerce (chairman) and the Secretary of Treasury, or their designated alternates.

Foreign Status - Describes zone merchandise admitted to a zone site under CBP supervision that is normally of foreign origin. Such merchandise is admitted to zone sites without being subject to formal customs entry procedures and payment of duties, unless and until the foreign merchandise enters customs territory for domestic consumption. Foreign status merchandise is further categorized by CBP as either Non-Privileged Foreign or Privileged Foreign

Forwarded - The category of merchandise that is shipped from or forwarded from zone sites after release by CBP. This category includes merchandise that is forwarded to destinations in the U.S. market as well as merchandise that is exported--that is, forwarded to markets in foreign countries.

Grant of Authority - A document issued by the Board that authorizes a zone GRANTEE to establish, operate and maintain a zone, subject to limitations and conditions specified in this part and in 19 CFR part 146. The authority to establish a zone includes the responsibility to manage it.

GRANTEE - See Zone GRANTEE

Inactive - A general-purpose zone or subzone site that has been approved by the FTZ Board, but is not "activated" with CBP. No activity under FTZ procedures is occurring at an inactive site.

Lapse Provision - A grant of authority for a zone or a subzone shall lapse unless the zone project, or subzone facility, is activated, pursuant to 19 CFR Part 146, and in operation not later than five years from the date of the Board order.

Magnet site - A site intended to serve or attract multiple Operator or users under the ASF.

Merchandise Received - Involves merchandise received into activated FTZ space under FTZ procedures by FTZ and subzones. It includes foreign status merchandise and domestic status merchandise.

Modification - A major modification is a proposed change to a zone that requires action by the FTZ Board; a minor modification is a proposed change to a zone that may be authorized by the Executive Secretary.

Non-Privileged Foreign (NPF) Status - One of the customs categories of foreign status merchandise (See 19 CFR 146.42). Such merchandise is evaluated based on its condition at the time it is shipped from the zone to the U.S. market and entered for consumption by CBP.

Operator - See Zone Operator

Person - Includes any individual, corporation, or entity.

Port of Entry - A port of entry in the United States, as defined by part 101 of the regulations of U.S. Customs and Border Protection (19 CFR part 101), or a user fee airport authorized under 19 U.S.C. 58b and listed in part 122 of the regulations of CBP (19 CFR part 122).

Privileged Foreign (PF) Status - One of the customs categories of foreign status merchandise (See 19 CFR 146.41). Such merchandise maintains its status based on its condition when it was admitted to the zone. Thus, when the merchandise is shipped from the zone to the U.S. market and entered for consumption by CBP, it is evaluated based on the time-of-admission condition even though it may have undergone a transformation in the zone.

Production - Activity involving the substantial transformation of a foreign article resulting in a new and different article having a different name, character, and use, or activity involving a change in the condition of the article which results in a change in the customs classification of the article or in its eligibility for entry for consumption.

Service Area - The jurisdiction(s) within which a GRANTEE proposes to be able to designate sites via minor boundary modifications under the ASF.

Subzone - A site (or group of sites) established for a specific use.

Terminated - If a general purpose zone or subzone is no longer needed, the GRANTEE can request that the FTZ Board remove zone/subzone designation. Upon such action by the FTZ Board, the zone or subzone is then considered terminated.

Usage-Driven Site - A site tied to a single Operator or user under the ASF.

User - See **Zone User**

Zone - A foreign-trade zone (see above) established under the provisions of the FTZ Act and regulations. The term also includes subzones, unless the context indicates otherwise.

Zone GRANTEE - The corporate recipient of a grant of authority for a zone project. The term "GRANTEE" means "zone GRANTEE" unless otherwise indicated.

Zone Operator - A corporation, partnership, or person that operates a zone or subzone under the terms of an agreement with the zone GRANTEE (or third party on behalf of the GRANTEE) with the concurrence of the Port Director of CBP.

Zone Restricted Status - Merchandise in this status is to be exported or destroyed. Zone-restricted status merchandise can be entered into U.S. customs territory only if the FTZ Board finds that entry would be in the public interest.

Zone Schedule - To be kept by the zone GRANTEE, the zone schedule includes the internal rules and regulations of the zone, as well as a statement of the rates and fees charged to zone users.

Zone Site (Site) - A physical location of a zone or subzone. A site is composed of one or more generally contiguous parcels of land organized and functioning as an integrated unit, such as all or part of an industrial park or airport facility.

Zone Status - Merchandise can enter the zone in either domestic or foreign status. Domestic status can include foreign status goods where the duty has been paid and the goods entered for consumption. Foreign status includes privileged foreign, non-privileged foreign and zone-restricted status.

Zone User - A party using a zone under agreement with a zone Operator.

Source: FTZ Board. "Glossary of FTZ Terms." U.S. FTZ Board - <https://enforcement.trade.gov/ftzpage/GRANTEE/glossary.html>

APPENDIX B: SERVICE AREA MAP

The counties of:

- Allegheny
- Amherst
- Bedford
- Bland
- Botetourt
- Campbell
- Carroll
- Craig
- Floyd
- Franklin
- Giles
- Grayson
- Henry
- Montgomery
- Patrick
- Pittsylvania
- Pulaski
- Roanoke
- Rockbridge
- Smyth
- Tazewell
- Wythe

The cities of:

- Buena Vista
- Covington
- Danville
- Galax
- Lynchburg
- Martinsville
- Radford
- Roanoke
- Salem

