

## **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](mailto:ftz@trade.gov).



## ZONE SCHEDULE FOR VANCOUVER FOREIGN-TRADE ZONE 296

This Zone Schedule has been prepared by the Port of Vancouver, in its capacity as the Grantee for FTZ No. 296. Any questions concerning the contents of this Zone Schedule should be addressed to:

Debbie Taylor  
Foreign-Trade Zone Administrator  
3103 NW Lower River Road, Vancouver, WA 98660  
Direct: 360.992.1110  
Cell: 360.518.2005

ISSUED BY: Julianna Marler, Interim CEO

BOARD OF COMMISSIONERS: Jerry Oliver, President; Brian Wolfe, Vice-President; Eric LaBrant, Secretary. Effective December 13, 2016

This Zone Schedule has been prepared in accordance with 15 C.F.R. 400.42 and is on file with the Foreign-Trade Zones Board and the United States Customs and Border Protection in Portland, OR.

# Table of Contents

<b>100. Foreign-Trade Zones in General</b> .....	3
<b>200. The Vancouver Foreign-Trade Zone, FTZ No. 296</b> .....	3
<b>300. Glossary of Terms</b> .....	3
<b>400. Role of Foreign-Trade Zones Board (FTZB)</b> .....	5
<b>500. Role of US Customs and Border Protection (CBP)</b> .....	5
<b>600. Role of Zone Grantee</b> .....	5
<b>700. Role of Zone Operator</b> .....	6
<b>800. Role of Zone User</b> .....	7
<b>900. Zone Policies</b> .....	7
<b>1000. Benefits from Using an FTZ</b> .....	8
a. For Storage.....	8
b. For Manufacturing/Processing .....	9
<b>1100. Miscellaneous</b> .....	10
<b>EXHIBIT A</b> .....	11

## 100. Foreign-Trade Zones in General

Foreign-trade zones (FTZs) were created by the Foreign-Trade Zones Act of 1934 (FTZ Act) for the purpose of expediting and encouraging foreign commerce. Changes to the FTZ Act in 1950 that permitted manufacturing and exhibiting in FTZs have broadened the objectives of the program. FTZs are secured areas under U.S. Customs and Border Protection (CBP) supervision that are considered outside the customs territory of the United States. Merchandise may be moved into an FTZ for storage, exhibition, manufacture, or other operations not otherwise prohibited by law. Customs duties on foreign merchandise are not collected until merchandise is entered into the Customs territory.

## 200. The Vancouver Foreign-Trade Zone, FTZ No. 296

The Vancouver Foreign-Trade Zone, FTZ No. 296 was established by Board Order 2012, dated October 18, 2016 with the Port of Vancouver functioning as the Grantee. The Zone Project was established under the Alternative Site Framework (ASF). The ASF application was formally docketed on May 4, 2016 (Docket No. B-29-2016) and was approved on Board Order 2012. The Zone Project is comprised of one Magnet Site (485 acres) located at the Port of Vancouver Complex, Terminals 2, 3, 4 and 5.

The Service Area for FTZ No. 296 covers Clark County, WA, all of which is within 60 miles or 90 minutes driving time from the CBP port limits of Vancouver, Washington/Portland, Oregon.

FTZ No. 296 is open for business during normal business hours, excluding certain holidays.

## 300. Glossary of Terms

**Foreign-Trade Zones Board (FTZB)** -- Comprised of the Secretary of Commerce and the Secretary of Treasury. These officials or their designee are empowered to issue to appropriate applicants the grant of authority to establish, maintain and operate a Foreign Trade Zone project 19 U.S.C. 81a(b); 15 C.F.R. 400.2(d).

**Foreign-Trade Zones Board staff** - Officials in the Department of Commerce, International Trade Administration responsible for overseeing the administration of Foreign Trade Zones. The Executive Secretary heads up this office. 15 C.F.R. 400.2(g).

**Port Director of Customs and Border Protection (CBP)** - Customs official with responsibility for overseeing the activation and operations of zone projects within their customs port of entry.

**Grantee** - Corporation to which the privilege of establishing, operating, and maintaining a foreign-trade zone has been granted. 19 U.S.C. 81a(h); 15 C.F.R. 400.2(v).

**Operator** - Corporation, partnership, or person that operates a zone or subzone under the terms of an Agreement with the zone grantee, with concurrence of CBP. 15 C.F.R. 400.2(w).

**User** - A party using a zone under agreement with an Operator. 15 C.F.R. 400.2(aa).

**FTZ Eligibility** - Issuance of a grant by the FTZB results in designated area obtaining FTZ eligibility.

**Activation** - Approval by CBP, with Grantee's concurrence, for Operator to receive and handle merchandise in zone status within an FTZ eligible site. 19 C.F.R. 146.1(b).

**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. 15 C.F.R. 400.2(c).

**Service Area** - Jurisdiction(s) within which a Grantee proposes to be able to designate sites via minor boundary modifications under the ASF. 15 C.F.R. 400.2(q).

**Magnet Site** - A site intended to serve or attract multiple operators or users under the ASF. 15 C.F.R. 400.2(j).

**Usage Driven Site** - A site tied to a single Operator or User under the ASF. 15 C.F.R. 400.2(t).

**Subzone** - A special purpose zone established adjunct to a zone project for a limited purpose. A Usage Driven Site located within the ASF Service Area can also be considered a subzone. 15 C.F.R. 400.2 (s)

**Domestic Status Merchandise** - Merchandise produced in the United States or imported merchandise for which customs duties have already been paid. 19 C.F.R. 146.43.

**Privileged Foreign Status Merchandise** - Imported merchandise that has not cleared Customs and for which **User wishes said merchandise to retain its identity**, from a customs classification standpoint, regardless of its condition when it ultimately enters the customs territory of the United States. The privileged status must be affirmatively requested by User. 19 C.F.R. 146.41.

**Non-Privileged Foreign Status Merchandise** - Imported merchandise that has not cleared Customs and for which **User does not wish said merchandise to retain its identity**, from a customs classification standpoint, so that if altered, it will become classifiable in its condition when it enters the customs territory of the United States. All foreign merchandise properly in a zone which does not have status as privileged foreign or zone restricted is considered to be in non-privileged status. 19 C.F.R. 146.42.

**Zone Restricted Merchandise** - Merchandise taken into the zone for the sole purpose of exportation, destruction or storage and which cannot re-enter the U.S. customs territory unless FTZB determines the return would be in the public interest. Zone-restricted status must be affirmatively requested by user. 19 C.F.R. 146.44.

**CBP Form 214** - Document prepared by the User, signed by the Operator and approved by CBP, which authorizes the admission of merchandise into a FTZ and designates the status of the merchandise.

**CBP Form 216** - Document prepared by the Operator and approved by CBP, which authorizes the User to engage in certain activities within the FTZ such as manipulation, repair, destruction and manufacture.

**CBP Form 3461** - Document prepared by the User, which must be approved by CBP and furnished to the Operator prior to the physical removal of any merchandise from the FTZ into the customs territory of the United States.

**CBP Form 7512** - Document prepared by the User, which must be approved by CBP and furnished to the Operator prior to the physical removal of any merchandise from the FTZ for exportation of merchandise from the United States.

#### **400. Role of Foreign-Trade Zones Board (FTZB)**

- a. Review FTZ applications, expansion applications, subzone applications, production notification and authorization requests and minor boundary modification requests and issue Board Orders. 15 C.F.R. Subparts C and D.
- b. Review ongoing activities. 15 C.F.R. 400.49.
- c. Suspend the activated status of a Zone project, in whole or in part, for repeated and willful violations of the Act. 15 C.F.R. 400.62(h).
- d. Zone Schedules are subject to review by the Executive Secretary. 15 C.F.R. 400.44.
- e. Zone-restricted merchandise may be permitted to be returned into the customs territory by request to the Board. 15 C.F.R. 400.48.
- f. Retail trade requests may be processed by the Executive Secretary. 15 C.F.R. 400.47.
- g. Publish Annual Report for Congress. 15 C.F.R. 400.51(c)

#### **500. Role of US Customs and Border Protection (CBP)**

- a. Port Director is local Representative of FTZB. 19 C.F.R. 146.2; 15 C.F.R. 400.41(a).
- b. Port Director approves activation and alteration requests 19 C.F.R. 146.6/146.7.
- c. CBP will conduct spot checks and audits.
- d. CBP provides recommendation to the FTZB with regard to requests to return zone-restricted merchandise into the customs territory. 15 C.F.R. 400.48(b)(4).

#### **600. Role of Zone Grantee**

- a. File applications with the FTZB.
- b. Assist in marketing of zone project.

- c. Select Operator.
- d. Ensure facilities are adequate and maintained as required by the FTZB. 19 U.S.C. 81l.
- e. Ensure zone is run as public utility. 19 U.S.C. 81n; 15 C.F.R. 400.42.
- f. Concur in all activation requests filed with CBP. 19 C.F.R. 146.6.
- g. Ensure that the Annual Report is timely filed with the FTZB. 19 U.S.C. 81p(b); 15 C.F.R. 400.46(c).
- h. Submit the Zone Schedule to the Executive Secretary of the FTZB. 15 C.F.R. 400.44(a).
- i. Submit requests to the FTZB with regard to whether an activity constitutes retail trade and can be conducted within zone. 15 C.F.R. 400.47(a).

### **700. Role of Zone Operator**

- a. Supervise all admissions, transfers, removals, recordkeeping, manipulations, manufacturing, destruction, exhibition, physical and procedural security and conditions of storage in zone as required by law and regulations. 19 C.F.R. 146.4.
- b. Payment of any applicable activation fee and annual fee. 19 C.F.R. 146.5.
- c. Prepare written application to the Port Director for activation of zone. 19 C.F.R. 146.6.
- d. Make written application to the Port Director for approval of an alteration of an activated area. 19 C.F.R. 146.7.
- e. File the requisite CBP Form 301 Foreign Trade Zone Operator's Bond with the Port Director. 19 C.F.R. 146.7.
- f. Sign all CBP Form 214s permitting merchandise to be placed into the zone. 19 C.F.R. 146.9.
- g. Prepare a Procedures Manual outlining the inventory control system and recordkeeping system to be followed at the zone. 19 C.F.R. 146.21.
- h. Responsible for preparing a reconciliation report within 90 days after the end of the zone/subzone year. 19 C.F.R. 146.25.
- i. Perform an annual internal review of the inventory control and recordkeeping system and report discrepancies to the Port Director. 19 C.F.R. 146.26.
- j. Maintenance of admission documentation. 19 C.F.R. 146.37.

- k. Collect all in-bond documentation. 19 C.F.R. 146.40.
- l. Filing of CBP Form 216 for permission to manipulate, manufacture, exhibit or destroy merchandise in a zone. 19 C.F.R. 146.52.
- m. Report shortages and overages to CBP. 19 C.F.R. 146.53.
- n. Provide Grantee, through Online FTZ Information System (OFIS), with Operator's data required by FTZB for Annual Report to Congress.

## **800. Role of Zone User**

- a. Payment of customs duties for merchandise entering customs territory.
- b. In many instances, the zone user is responsible for maintenance of inventory control records, particularly where the zone user has physical possession of zone merchandise. 19 C.F.R. 146.4.
- c. In many instances the Zone User is the Zone Operator.

## **900. Zone Policies**

- a. This Zone Schedule is published in accordance with 15 C.F.R. 400.44. The Zone policy, rules, regulations, rates and charges of this schedule shall apply at Foreign-Trade Zone No. 296, unless otherwise provided for.
- b. Pursuant to 15 C.F.R. 400.42 and 400.43, the rates and charges for services within the Zone shall be fair and reasonable, and the Grantee shall afford uniform treatment under like conditions to all users. The FTZB shall determine whether the rates and charges are fair and reasonable.
- c. All persons and entities who request the Grantee to apply for authority to establish a Usage Driven or subzone site must first enter into an agreement with the Grantee governing the proposed operations at the site. All requests for usage driven and/or subzone designation will be reviewed by the Grantee and all entities will be afforded uniform treatment with respect to the handling of the request by the Grantee. Should the Grantee determine to sponsor the Usage Driven or subzone site application, it will be the obligation of the applicant for the new site to prepare the application and bear all costs associated with the preparation and filing of the application, including any filing fees assessed by the FTZB.
- d. All requests for the establishment of a new Magnet Site will be reviewed by the Grantee and all entities will be afforded uniform treatment with respect to the handling of the request by the Grantee. Should the Grantee determine to sponsor the expansion application, it will be the obligation of the applicant for the new Magnet Site to prepare the expansion application and bear all costs associated with the preparation and filing of the application, including any filing fees assessed by the FTZB.



- e. Since the focus of the ASF is the expeditious and cost effective establishment of Usage Driven Sites for individual entities, any entity that seeks Magnet Site designation must demonstrate a compelling need for said designation and shall provide letters of commitment to activate parcels within the requested Magnet Site from multiple Operators.
- f. All requests and applications to the FTZB by Operators and Users of FTZ No. 296 shall either be submitted by the Grantee or shall include a letter of transmittal or concurrence from the Grantee. Such requests include, but are not limited to, applications for production authority, subzone applications, minor boundary modifications, determinations of or expansions of previously approved scope of authority for Zone procedures. All requests to CBP by Operators of FTZ No. 296 shall include a letter of transmittal or concurrence from the Grantee. Such requests include, but are not limited to, activation, deactivation, or alteration of zone areas.
- g. Pursuant to 19 U.S.C 81o(c), no merchandise, operation or process of treatment will be permitted in the Zone that is detrimental to the public interest, health and safety.
- h. All persons conducting business within FTZ No. 296 and all operations moving merchandise into or out of FTZ No. 296 must strictly conform to the Foreign-Trade Zones Act (FTZA), FTZB Regulations, CBP Regulations, this Zone Schedule and all other applicable federal, state and local laws, rules, and regulations. This Zone Schedule may be modified, amended or replaced by the Port of Vancouver USA at any time if it is determined to be necessary or appropriate to do so. The Port of Vancouver USA shall, in its sole discretion, interpret the provisions of this Schedule and determine the applicability of any of its provisions.
- i. The Grantee is responsible for preparing and filing with the FTZB an Annual Report summarizing all Zone activity from January 1 through December 30 of each year. The Report shall be filed by March 31 of each year pursuant to current requirements of the FTZB. By February 15 of each year, all Operators shall submit to the Grantee, through the Online FTZ Information System (OFIS) account established for each Operator by the Grantee, the data and information required to complete the Annual Report for the FTZB.

## **1000. Benefits from Using an FTZ**

For businesses engaged in international trade, FTZs provide a flexible means of reducing costs, improving cash flow and obtaining other benefits. The value of FTZ use to an individual firm depends upon a combination of factors, including the tariff structure and other rules applicable to FTZs, and the commercial demands of the trade or business concerned. A number of advantageous uses of a zone are outlined below:

### **a. For Storage**

- i. Customs duties are not payable until the merchandise is actually released from a zone and enters U.S. customs territory.
- ii. Excise Taxes are not payable until the merchandise is actually released from a zone and enters U.S. customs territory.

- iii. Re-exported merchandise is not subject to the payment of regular customs duties, countervailing and dumping duties nor excise taxes.
- iv. Non-conforming merchandise can be returned to the foreign supplier or destroyed under Customs' supervision without being subjected to the payment of customs duties and/or excise taxes.
- v. Zone security must be in compliance with the standards set forth by the U.S. Customs Service and theft of merchandise located within a zone is punishable as a federal offense - thus, zone utilization generally reduces the rate of pilferage experienced by the User, as well as the insurance premiums paid by the User.
- vi. Zone Users must adopt inventory control procedures in compliance with the Customs Regulations, which enables Users to maintain tighter inventory control over merchandise located within a zone -- thus, zone utilization generally reduces the amount of merchandise which is unaccounted for and lost.
- vii. Zone Users can store merchandise for a Quota Category that has been filled until the Quota Category reopens.
- viii. Zone Users can use Estimated Weekly Entry Procedures and some Zone Users may qualify for the use of Direct Delivery Procedures.
- ix. Merchandise may be remarked/re-labeled in a zone to conform to governmental marking/labeling requirements.
- x. For customs purposes, Merchandise placed in a zone in "zone restricted" status is considered to have been exported from the United States and, if applicable, duty drawback can be claimed.

**b. For Manufacturing/Processing**

- i. Components with a higher duty rate, utilized in the production of an article with a lower duty rate, can have duty rate reduced to the duty rate applicable to the finished article.
- ii. The expense of labor, overhead and profit incurred in operations performed in a zone is not subject to customs duties.
- iii. Articles produced in a zone which are re-exported without having entered the customs territory of the United States are never subject to the payment of U.S. customs duties, dumping and countervailing duties nor excise taxes.
- iv. Any waste which results from the manufacturing performed in a zone is not subject to customs duties.

- v. Any defective components which are not actually used in the manufacturing process but which are destroyed or re-exported are not subject to duty payment.
- vi. Articles can, in various stages of manufacture, be transferred from zone to zone.
- vii. Some components can possibly, through a manufacturing operation, change their character so as to escape a Quota Category.
- viii. The article produced in a zone is not subject to duty payment until it actually enters the U.S. customs territory.
- ix. Substandard foods and drugs may, in some instances, be reconditioned to meet the requirements of the Food, Drug and Cosmetics Act.

## **1100. Miscellaneous**

- a. Grantee Fee Schedule - There is a Grantee FTZ Establishment Fee Schedule for FTZ No. 296 (Exhibit A). These fees were established effective December 13, 2016 and may be changed by Grantee with prior notice to all impacted parties. Those parties wanting notice of rate changes must contact the Port of Vancouver of their desire to be notified in the event of rate changes and keep their contact details current with the port.
- b. Operator Fee Schedule - Each Operator will be responsible for preparation of its own Fee Schedule listing its charges, and must supply a copy to the Port of Vancouver. All rates and charges for all FTZ services within FTZ No. 296 shall be fair and reasonable and the operators shall afford to all who may apply for the use of the FTZ and its facilities uniform treatment under like conditions.
- c. Retail trade within FTZ - No retail trade may be conducted within FTZ No. 296 except under permits issued by the FTZB.
- d. Zone-restricted merchandise - Zone-restricted merchandise may be transferred to the customs territory only for entry for exportation, for entry for transportation and exportation, for warehousing pending exportation, for destruction (except destruction of distilled spirits, wines and fermented malt liquors), for transfer to another FTZ, or for delivery to a qualified vessel or aircraft or as ground equipment of a qualified aircraft, unless the FTZ Board has ruled that the return of the merchandise to the customs territory for domestic consumption is in the public interest.

## EXHIBIT A

### GRANTEE'S FOREIGN-TRADE ZONE FEE SCHEDULE

Vancouver Foreign-Trade Zone No. 296

Effective: December 13, 2016

Item	Fee Title	Rate	Description
A	Establish a New Magnet Site	\$15,000.00	This non-refundable Sponsorship Fee is payable by the Owner of the Property to the Grantee prior to the filing of the Application with the FTZB to establish a new Magnet Site. The Property Owner is responsible for the cost of preparing said application as well as any filing fees assessed by the FTZB with regard to the processing of said application.
B	Transfer of FTZ Eligible Property if New Owner desires to Retain Magnet Site Designation	\$2,500.00	This non-refundable Sponsorship Fee is payable by the new Owner of the Magnet Site Property to the Grantee within 45 days of the closing of the sale or transfer of the FTZ eligible property should the new Owner desire to retain the FTZ Magnet Site designation.
C	Usage Driven Site Designation Sponsorship Fee	\$5,000.00	This non-refundable Sponsorship Fee is payable by the User to the Grantee prior to the filing of the Minor Boundary Modification Request with the FTZB for Usage Driven Site Designation. The User is responsible for the cost of preparing said request as well as any filing fees assessed by the FTZB with regard to the processing of said request.
D	Subzone Designation Sponsorship Fee	\$5,000.00	This non-refundable Sponsorship Fee is payable by the Subzone Operator to the Grantee prior to the filing of the Application with the FTZB to establish a subzone. The Subzone Operator is responsible for the cost of preparing said application as well as any filing fees assessed by the FTZB with regard to the processing of said application.
E	Fee for Sponsorship of Production Notification/Production Authorization Request	\$2,500.00	This non-refundable fee is payable by Operator to Grantee prior to submission of a production notification/production authorization request to the Foreign-Trade Zones Board. The Operator is responsible for the cost of preparing said request(s) as well as any filing fees assessed by the FTZB with regard to the processing of said request(s).

F	Magnet Site Activation Fee	\$1,500.00	This non-refundable fee is payable by Operator to Grantee prior to submission of activation application to United States Customs and Border Protection. Failure by Operator to pay such fee to Grantee will result in Grantee withholding its concurrence to activation.
G	Activation of Subzone or Usage Driven Site Fee	\$1,500.00	This non-refundable fee is payable by Operator to Grantee prior to submission of activation application to United States Customs and Border Protection. Failure by Operator to pay such fee to Grantee will result in Grantee withholding its concurrence to activation.
H	Alteration by Operator within Magnet Site (increase/decrease activated area) fee	\$1,500.00	This non-refundable fee is payable by Operator to Grantee prior to submission of alteration request to United States Customs and Border Protection. Failure by Operator to pay such fee to Grantee will result in Grantee withholding its concurrence to alteration. It is to be noted that an alteration request solely to expand or decrease the activated portion of an existing Site within the Magnet Site is not subject to this Fee.
I	Alteration of Subzone or Usage Driven Site to add Additional Building(s) or Site(s) fee	\$1,500.00	This non-refundable fee is payable by Operator to Grantee prior to submission of alteration application to United States Customs and Border Protection. Failure by Operator to pay such fee to Grantee will result in Grantee withholding its concurrence to alteration.
J	Annual Fee for Non-Activated Magnet Site	\$1,000.00	This non-refundable Annual Fee is payable by Property Owner to Grantee upon the issuance of the Grant of Authority by the Foreign-Trade Zones Board. If the Grant of Authority is issued on a date other than January 1, this Annual Fee will be prorated for the remainder of that calendar year. This Annual Fee is to be paid on January 1 annually when the Magnet Site is non-activated. This Annual Fee is suspended should any portion of the Magnet Site be activated and remains suspended until no portion of the Magnet Site remains activated, at which time Property Owner will commence payment of this Annual Fee on a yearly basis as described above. If activation occurs on a date other than January 1, Property Owner will be reimbursed by Grantee a prorated amount of this Annual Fee for the remainder of the calendar year in which activation occurred.

K	Annual Fee at Magnet Site for Activated Multiple User Operator	\$1,200.00	This non-refundable Annual Fee is payable by the Operator (that is not a Single User Operator) to Grantee upon activation of the Site. If activation occurs on a date other than January 1, this Annual Fee will be prorated for the remainder of that calendar year. This Annual Fee is to be paid on January 1 of each year thereafter that the Site remains activated.
L	Annual Fee at Magnet Site for Single User Operator	\$5,000.00	This non-refundable Annual Fee is payable by Operator, that is a Single User Operator, to Grantee upon activation of the Site. If activation occurs on a date other than January 1, this Annual Fee will be prorated for the remainder of that calendar year. This Annual Fee is to be paid on January 1 of each year thereafter that the Site remains activated.
M	Annual Fee for Non-Activated Subzone Or Usage Driven Site	\$1,000.00	This non-refundable Annual Fee is payable by Operator of the Subzone or Usage Driven Site to Grantee upon the issuance of the Grant of Authority by the Foreign-Trade Zones Board. If the Grant of Authority is issued on a date other than January 1, this Annual Fee will be prorated for the remainder of that calendar year. This Annual Fee is to be paid on January 1 of each year thereafter that the subzone is non-activated. This Annual Fee is suspended should the subzone be activated and remains suspended until the subzone is deactivated, at which time Operator will commence payment of this Annual Fee on a yearly basis as described above.
N	Annual Fee for Activated Subzone or Usage Driven Site	\$5,000.00	This non-refundable Annual Fee is payable by Subzone or Usage Driven Site Operator to Grantee upon activation of the Subzone or Usage Driven Site. If activation occurs on a date other than January 1, this Annual Fee will be prorated for the remainder of that calendar year. This Annual Fee is to be paid on January 1 of each year thereafter that the subzone or Usage Driven Site remains activated.