

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).

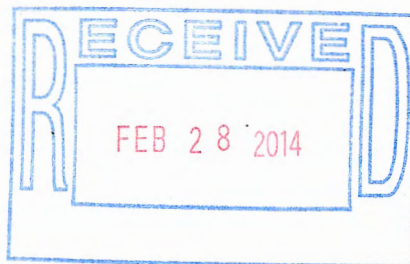
Questions or concerns may be addressed to the FTZ Board staff at (202) 482-2862 or ftz@trade.gov.

ZONE SCHEDULE
FOR THE
MOSES LAKE FOREIGN-TRADE ZONE, FTZ No. 203

This Zone Schedule has been prepared by the Port of Moses Lake Public Corporation, in its capacity as the Grantee for FTZ No. 203. Any questions concerning the contents of this Zone Schedule should be addressed to:

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This Zone Schedule has been prepared in accordance with 15 C.F.R. 400.44 and is on file with the Foreign-Trade Zones Board (FTZB) and Moses Lake CBP.



MOSES LAKE FOREIGN-TRADE ZONE, FTZ NO. 203 ZONE SCHEDULE
EFFECTIVE FEBRUARY 1, 2014

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EFFECTIVE FEBRUARY 1, 2014**

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**MOSES LAKE FOREIGN-TRADE ZONE, FTZ NO. 203 ZONE SCHEDULE
EFFECTIVE FEBRUARY 1, 2014**

I. Foreign-Trade Zones in General:

Foreign-trade zones (FTZs) were created by the Foreign-Trade Zones Act of 1934 ("the 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 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 the merchandise is entered into the U.S. Customs territory.

II. The Moses Lake Foreign-Trade Zone, FTZ No. 203:

Pursuant to 19 U.S.C. 81b(a), in order for an FTZ Project to be established, the FTZ sites must be in or adjacent to a Customs Port of Entry under the jurisdiction of the United States. Since the Port of Moses Lake is not in or adjacent to a Customs Port of Entry, the Port of Moses Lake applied for Customs User Fee Airport designation (which, for FTZ purposes, is analogous to Customs Port of Entry designation) and the Grant County Airport was activated as a Customs User fee Airport on March 1, 1994.

The Grantee of FTZ No. 203 is the Port of Moses Lake Public Corporation, the Directors of which shall be appointed by Resolution of the Board of Commissioners of the Port of Moses Lake. On May 7, 1990, the Grantee applied to the FTZB (Docket 16-90) for the initial establishment of an FTZ Project in Moses Lake. The application was approved by Board Order 702 dated October 18, 1994.

Through Resolution No. 1263, which was passed and adopted by the Board of Directors of the Port of Moses Lake on October 12, 2009, the Charter and Bylaws of the Port of Moses Lake Public Corporation were amended so that the Grantee could sponsor FTZ activity for sites located east of the Cascade Mountains. The Grantee then filed an application to reorganize FTZ No. 203 under the Alternative Site Framework (ASF) which was formally filed on September 23, 2010, docketed by the FTZB (Docket 56-2010) and was approved by Board Order No. 1764 dated May 20, 2011. The Service Area for FTZ No. 203 includes most areas within the following eleven (11) counties so as to enable the Grantee to offer FTZ designation to neighboring communities east of the Cascade Mountains:

Benton
Chelan
Columbia
Douglas
Franklin
Grant
Kittitas
Lincoln

Okanogan
Walla Walla
Yakima

FTZ No. 203 consists of the following sites:

Site 1 is a Magnet Site consisting of 316 acres located at the Port of Moses Lake Industrial Park within the Grant County International Airport complex in Moses Lake, WA – West side Parcel (130 acres) is bordered to the west by State Highway 17; South Side Parcel (88 acres) is intersected by Randolph Road and is bordered to the west by 22nd Avenue and to the east by 19th Street; and the East Side Parcel (98 acres) is bordered to the east by Randolph Road and to the north by Graham Road.

Site 2 is a Usage Driven Site consisting of 38 acres located at the Zip Truck Line, Inc. yard at 13957 Rd 1.9 NE in Moses Lake, WA.

Site 3 is a Usage Driven Site consisting of 60 acres located at the SGL Automotive Carbon Fibers, LLC facility at 8781 Randolph Rd, NE in Moses Lake, WA.

Site 4 is a Usage Driven Site consisting of 50 acres located at the AREVA, Inc. facility at 2101 Horn Rapids Road in Richland, WA.

In addition, the Grantee has sponsored the following three subzones:

FTZ No. 203A was issued for the benefit of TK Holdings, Inc. (formerly Inflation Systems, Inc.) for its airbag inflator and propellant manufacturing facility located in Moses Lake, WA (Board Order 1316 dated 01/22/04).

FTZ No. 203B was issued for the benefit of REC Silicon, Inc. for its polysilicon and silane gas manufacturing facility in Moses Lake, WA (Board Order 1731 dated 12/20/10).

FTZ No. 203C was issued for the benefit of Wolseley Canada, Inc. for its distribution operation located in Richland, WA (Administrative Action S-123-2013 dated 11/27/12).

III. Glossary of Terms:

1. **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)
2. **FTZB 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)
3. **Port Director of Customs** – US Customs and Border Protection (CBP) official with responsibility for overseeing the activation and operations of zone projects within his customs port of entry.
4. **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)
5. **Operator** -- Corporation, partnership, or person that operates a zone or subzone under the terms of an Agreement with Grantee or third party on behalf of Grantee, with the concurrence of CBP. 15 C.F.R. 400.2(w)
6. **User** -- A party using a zone under agreement with an Operator. 15 C.F.R. 400.2(aa)
7. **FTZ Eligibility** -- Issuance of a grant by the FTZB results in designated area obtaining FTZ eligibility.
8. **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).
9. **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)
10. **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)

11. **Magnet Site** – A site intended to serve or attract multiple operators or users under the ASF. 15 C.F.R. 400.2(j)
12. **Usage Driven Site** – A site tied to a single Operator or User under the ASF. 15 C.F.R. 400.2(t)
13. **Subzone** -- A site (or group of sites) established for a specific use. 15 C.F.R. 400.2(s)
14. **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
15. **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
16. **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
17. **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
18. **CBP Form 214** -- Document prepared by User, signed by Operator and approved by CBP, which authorizes the admission of merchandise into a zone and designates the status of the merchandise.
19. **CBP Form 216** -- Document prepared by Operator and approved by CBP, which authorizes Operator and/or User to engage in certain activities within the zone such as manipulation, repair, destruction and manufacture.

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

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

IV. Role of Foreign-Trade Zones Board (FTZB):

1. Review FTZ applications, expansion applications, subzone applications, production authorization requests and minor boundary modification requests and issue Board Orders. 15 C.F.R Subparts C and D

2. Review of ongoing activities. 15 C.F.R. 400.49

3. 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)

4. Publish Annual Report for Congress. 15 C.F.R. 400.51(c)

5. Zone Schedules are subject to review by the Executive Secretary. 15 C.F.R. 400.44

6. Zone-restricted merchandise may be permitted to be returned into the customs territory by request to the FTZB. 15 C.F.R. 400.48

y. Retail trade requests may be processed by the Executive Secretary. 15 C.F.R. 400.47

V. Role of US Customs and Border Protection (CBP):

1. Port Director is local Representative of the FTZB. 19 C.F.R. 146.2; 15 C.F.R. 400.41(a)

2. Port Director approves activation and alteration requests. 19 C.F.R. 146.6 and 146.7

3. CBP will conduct spot checks and audits.

4. 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)

VI. Role of Zone Grantee:

1. File all applications with FTZB.
2. Assist in marketing of zone project.
3. Select Operator(s).
4. Insure maintenance of facilities. 19 U.S.C. 81l
5. Insure zone project is operated as public utility. 19 U.S.C. 81n; 15 C.F.R. 400.42
6. Concur in all activation requests filed with CBP. 19 C.F.R. 146.6
7. Insure that the Annual Report is timely filed with the FTZB. 19 U.S.C. 81p(b); 15 C.F.R. 400.51(c)
8. Submit the Zone Schedule to the Executive Secretary of the FTZB. 15 C.F.R. 400.44(a)
9. 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)

VII. Role of Zone Operator:

1. 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
2. Payment of any applicable activation fees and annual fees. 19 C.F.R. 146.5
3. Prepare written application to the Port Director for activation of zone. 19 C.F.R. 146.6
4. Make written application to the Port Director for approval of an alteration of an activated area. 19 C.F.R. 146.7
5. File and keep updated the requisite CBP Form 301 Foreign Trade Zone Operator's Bond with CBP. 19 C.F.R. 146.7

6. Sign all CBP Form 214s permitting merchandise to be admitted into the zone. 19 C.F.R. 146.9
7. Prepare a Procedures Manual outlining the inventory control system and recordkeeping system to be followed at the zone. 19 C.F.R. 146.21
8. Responsible for preparing an Annual Reconciliation Report within 90 days after the end of the zone/subzone year. 19 C.F.R. 146.25
9. Perform an annual internal review of the inventory control and recordkeeping system and report discrepancies to CBP. 19 C.F.R. 146.26
10. Maintain all admission documentation. 19 C.F.R. 146.37
11. Collect all in-bond documentation. 19 C.F.R. 146.40
12. File CBP Form 216 for permission to manipulate, manufacture, exhibit or destroy merchandise in the zone. 19 C.F.R. 146.52
13. Report shortages and overages to CBP. 19 C.F.R. 146.53

VIII. Role of Zone User:

1. Payment of customs duties for merchandise entering customs territory.
2. In many instances, the User is responsible for maintenance of inventory control records, particularly where the User has physical possession of zone merchandise. 19 C.F.R. 146.4
3. In many instances the User is the Operator.

IX. Zone Policies:

1. Zone policy, rules, regulations, rates and charges of this schedule shall apply at Foreign-Trade Zone No. 203, unless otherwise provided for.
2. 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.
3. All requests and applications to the FTZB by Operators and Users of FTZ No. 203 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. 203 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.

4. 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.

5. 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

6. All persons conducting business within FTZ No. 203 and all operations moving merchandise into or out of FTZ No. 203 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 Moses Lake Public Corporation at any time if it is determined to be necessary or appropriate to do so. The Port of Moses Lake Public Corporation shall, in its sole discretion, interpret the provisions of this Schedule and determine the applicability of any of its provisions.

7. The following are the legal holidays during which the Zone is closed for regular business:

New Year's Day	January 1
Martin Luther King Day	3rd Monday of January
President's Day	3rd Monday of February
Good Friday	Friday before Easter
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	1st Monday in September
Columbus Day	2nd Monday of October
Veteran's Day	November 11
Thanksgiving Holidays	4th Thursday and Friday in November
Christmas Holidays	24 th and 25th day of December

If a holiday falls on Saturday, the day immediately preceding such Saturday will be observed; and if a holiday falls on Sunday, the following day will be observed.

8. The hours of business and service for CBP purposes, shall be those prescribed in the Customs Regulations. Regular or normal business hours for the Zone shall be between 8:00 AM PST and 5:00 PM PST, Monday through Friday, with the exception of the legal holidays listed above.

X. Inventory Control and Recordkeeping System:

1. **Type of Inventory Control System** -- The Operator will maintain either a **manual or automated inventory control and recordkeeping system** or combination manual and automated system capable of:

(A) accounting for all merchandise, including domestic status merchandise, temporarily deposited, admitted, granted a zone status or status change, stored, exhibited, manipulated, manufactured, destroyed, transferred, and/or removed from the FTZ;

(B) producing accurate and timely reports and documents as required by regulations;

(C) identifying shortages and overages of merchandise in the FTZ in sufficient detail to determine the quantity, description, tariff classification, zone status, and value of the missing or excess merchandise;

(D) providing all the information necessary to make entry for merchandise being transferred to the Customs territory;

(E) providing an audit trail to Customs forms from admission through manipulation, manufacture, destruction or transfer of merchandise from the FTZ either by zone lot or Customs authorized inventory method.

2. **Procedures Manual** -- The Operator will provide the CBP Port Director with an English language copy of its written inventory control and recordkeeping systems procedures manual and all subsequent changes thereto. The Operator may authorize a User to maintain its individual inventory control and recordkeeping system and procedures manual, however, the Operator remains responsible to CBP and liable under its bond for supervision, defects in, or failures of such a system.

3. **Admission of Merchandise** -- All merchandise will be recorded in a receiving report or document using a zone lot number or unique identifier. All merchandise, except domestic status merchandise for which no permit for admission is required must be traceable to a CBP Form 214 and accompanying documentation.

Quantities received will be reconciled to a receiving report or document such as an invoice with any discrepancy reported to the Port Director. The receiving report or document is required to provide sufficient information to identify the merchandise and distinguish it from other merchandise. Merchandise received will be accurately recorded in the inventory system records from the receiving report or document using the zone lot number or unique identifier for traceability.

4. **Accountability for Merchandise** -- A zone lot number or unique identifier will be used to identify and trace merchandise. Fungible merchandise may be identified by an inventory method authorized by CBP, which must be consistently applied, such as First-In-First-Out (FIFO) and using a unique identifier. The inventory records will specify by zone lot number, or unique identifier (a) the location of merchandise; (b) zone status; (c) cost or value, except where the Operator's or User's financial records maintain cost or value and the records are made available for CBP review; (d) beginning balance, cumulative receipts and removals, adjustments, and current balance by date and quantity; (e) destruction of merchandise; and (f) scrap, waste, and by-products.

5. **Physical Inventories** -- The Operator is required to take at least an annual physical inventory of all merchandise in the FTZ (unless continuous cycle counts are taken as part of an ongoing inventory control program) with prior notification of the date(s) given to CBP for any supervision of the inventory deemed necessary. The Operator will notify the Port Director of any discrepancies.

6. **Annual Reconciliation** -- The Operator will prepare a reconciliation report within 90 days after the end of the zone/subzone year unless the Port Director authorizes an extension for reasonable cause. The Operator will retain the Annual Reconciliation report for a spot check or audit by CBP. The report will contain a description of merchandise for each zone lot or unique identifier, zone status, quantity on hand at the beginning of the year, cumulative receipts and transfer (by unit), quantity on hand at the end of the year, and cumulative positive and negative adjustments (by unit) made during the year. The Operator will submit to the Port Director within 10 working days after the preparation of the Annual Reconciliation report, a letter signed by the Operator certifying that the Annual Reconciliation has been prepared, is available for CBP review, and is accurate. The certification letter is required to contain the name and street address of the Operator, where the required records are available for CBP review; and the name, title, and telephone number of the person having custody of the records.

7. **Annual System Review** -- The Operator will perform an annual internal review of the inventory control and recordkeeping system and report to the Port Director any deficiency discovered and corrective action taken.

8. **Shortages and Overages** -- The Operator will report, in writing, to the Port Director upon identification, as such, of any (a) theft or suspected theft of merchandise; (b) merchandise not properly admitted to the zone; or (c) shortage of one

percent or more of the quantity of merchandise in a lot or covered by a unique identifier, if the missing merchandise would have been subject to duties and taxes of \$100 or more upon entry into the customs territory. The Operator will record upon identification all shortages and overages, whether or not they are required to be reported to the Port Director at that time, in its inventory control and recordkeeping system. The Operator will record all shortages and overages as required in the annual reconciliation report. The person with the right to make entry is required to file, within 5 days after identification of an overage, an application for admission of the merchandise to the zone on CBP Form 214 or file a customs entry for the merchandise. If a CBP Form 214 or a Customs entry is not timely filed, and the Port Director has not granted an extension of the time provided, the merchandise will be sent to general order.

XI. Handling and Movement of Merchandise:

1. **Receipt of merchandise** -- Merchandise will be admitted into the zone only upon application on a uniquely and sequentially numbered CBP Form 214 ("Application for Foreign Trade Zone Admission and/or Status Designation") and the issuance of a permit by the Port Director. Exceptions to the CBP Form 214 requirement are for merchandise temporarily deposited, transiting merchandise or domestic merchandise admitted without permit. The Operator is required to maintain an Admission file containing a copy of the CBP Form 214, the examination invoices, and all other documentation necessary to account for the merchandise covered by each CBP Form 214. The Admission file will be maintained in sequential order by using the unique number assigned to each CBP Form 214 as the file reference number.

2. **Direct delivery procedures** -- An Operator may qualify for direct delivery if its operations are predictable and stable over a long term and are relatively fixed in variety; merchandise is not restricted or of a type requiring CBP examination before or on its arrival, and CBP has no reason to believe the merchandise will be inaccurately described in admission documents; and when the Operator is the owner or purchaser of the merchandise.

3. **Manipulation of Merchandise** -- Prior to any action the Operator is required to file with the Port Director an application (or blanket application) on CBP Form 216 for permission to manipulate, manufacture, exhibit, or destroy merchandise in the zone. After CBP approves the application (or blanket application), the Operator will retain in his recordkeeping system the approved application. The Port Director is authorized to approve a blanket application for period of up to one year for a continuous or repetitive operation. The Port Director may disapprove or revoke approval of any application, or may require the Operator to file an individual application.

4. **Transfer of Merchandise** -- (a) **to another FTZ with a different Operator at the same port** must be by a licensed cartman under an entry for immediate transportation on CBP Form 7512 or other appropriate form with a CBP Form 214 filed at

the destination zone and (b) **to another FTZ at another port** must be by bonded carrier under an entry for immediate transportation on CBP Form 7512.

When merchandise is transferred from one FTZ to another, the Operator of the transferring zone must provide the Operator of the destination zone with the documented history of the merchandise being transferred. Upon arrival of the merchandise at the destination FTZ, it is admitted under the normal zone admission procedure except that no invoice or CBP examination is required. When the historical documentation is received, the Operator of the destination FTZ must associate it with the CBP Form 214 for admission of the merchandise and incorporate that information into the zone inventory control and recordkeeping system.

5. Removal of Merchandise from FTZ -- Except domestic status merchandise, no merchandise may be removed from the FTZ without a Customs permit on the appropriate entry form or other document as required by pertinent regulations. The Port Director may authorize transfer from the zone without physical supervision or examination by a CBP officer. Upon issuance of a permit, the Port Director will authorize delivery of the merchandise only to the Operator, who then may release the merchandise to the importer or carrier.

- (a) **Transfer to Customs Territory for Consumption** -- A CBP Form 3461 permit must be filed with and approved by CBP prior to the removal of any foreign status merchandise from the FTZ for entry into the customs territory for consumption.
- (b) **Weekly Estimated Entries for Consumption** -- An Operator or User may, if it meets certain criteria, remove merchandise from the FTZ based upon a weekly estimated entry. The weekly estimated entry covers any 7 consecutive day period and is treated as a single entry for MPF purposes.
- (c) **Transfer to Customs Territory for Exportation** -- a CBP Form 7512 permit must be filed with and approved by CBP prior to the removal of any foreign status merchandise from the FTZ for entry into the customs territory for exportation. The bonded carrier will assume liability for the transportation and exportation of the merchandise.
- (d) **Weekly Estimated Exports** -- CBP may approve removal for exportation of merchandise from the FTZ based on weekly estimates.

XII. Miscellaneous:

- 1. Grantee Fee Schedule** -- There is a Grantee Fee Schedule for FTZ Establishment at FTZ No. 203 (Exhibit A) as well as a Grantee Fee Schedule for Approved FTZ Sites at FTZ No. 203 (Exhibit B). These Fees

were established on October 13, 2003 through Resolution No. 1194 and may be changed with prior notice to all Operators.

2. **Retail Trade within FTZ** -- No retail trade may be conducted within FTZ No. 203 except under permits issued by the Grantee and approved by the FTZB.
3. **Exclusion from FTZ of Goods/Process** -- The FTZB may at any time order the exclusion from FTZ No. 203 of any merchandise or process of treatment that in its judgment is detrimental to the public interest, health, or safety.
4. **FTZB Annual Report** -- The Grantee is responsible for preparing and filing with the FTZB an Annual Report summarizing all Zone activity from January 1 through December 31 of each year. The report shall be filed by March 31 of each year pursuant to current requirements of the FTZB. In order for the Grantee to meet its responsibility in this regard, each Operator shall electronically submit its data to the Grantee through the Online FTZ Information System (OFIS) that has been created by the FTZB. Failure of an Operator to timely submit such data may result in penalties assessed by both the Grantee and the FTZB.

EXHIBIT A

**GRANTEE'S FOREIGN-TRADE ZONE FEE SCHEDULE
FOR FTZ ESTABLISHMENT**

**Moses Lake Foreign-Trade Zone
Foreign Trade Zone No. 203
Effective May 20, 2011**

- 1. Minor Boundary Modification Sponsorship Fee to Designate a new Usage Driven Site \$9,900.00**

This non-refundable Sponsorship Fee is payable to Grantee by Company seeking the Usage Driven Site designation prior to the filing of the Minor Boundary Modification Request with the FTZB.

- 2. Subzone Application Sponsorship Fee \$9,900.00**

This non-refundable Sponsorship Fee is payable to Grantee by Company seeking Subzone designation prior to the filing of the Subzone application with the FTZB.

- 3. Minor Modification of Existing Usage Driven or Subzone Site Sponsorship Fee \$9,900.00**

This non-refundable Sponsorship Fee is payable to Grantee by Company seeking the Minor Modification of an existing Usage Driven or Subzone Site designation prior to the filing of the Request with the FTZB.

EXHIBIT B

**GRANTEE'S FOREIGN-TRADE ZONE FEE SCHEDULE
FOR APPROVED FTZ SITES**

**Moses Lake Foreign-Trade Zone
Foreign Trade Zone No. 203
Effective May 20, 2011**

- 1. Fee for Activation of Zone Site (whether a Magnet, Usage Driven or Subzone Site) \$990.00**

This non-refundable fee is payable to Grantee by Operator prior to submission of activation application to CBP. Failure by Operator to pay such fee to Grantee will result in Grantee withholding its concurrence to activation.

- 2. Fee for Alteration of Zone Site (whether a Magnet, Usage Driven or Subzone Site) for the Purpose of adding a New Site at which Operator is authorized to Provide FTZ Services \$990.00**

This non-refundable fee is payable to Grantee by Operator prior to submission of alteration request to CBP. 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 is not subject to this Fee.

- 3. Annual Fee for Non-Activated Zone Site (whether a Usage Driven or Subzone Site) \$9,900.00**

This non-refundable Annual Fee is payable to Grantee by Company that requested FTZ designation. This Annual Fee is to be paid on January 1 of each year after the Site receives FTZ designation and during which time the Site is non-activated.

- 4. Annual Fee For Operator of Activated Subzone,
Activated Usage Driven Zone Site or
Activated General Purpose Site** **\$19,800.00**

This non-refundable Annual Fee is payable to Grantee by Operator upon activation of the Subzone, Usage Driven Zone or Magnet Site. If activation occurs on a date other than January 1, this Annual Fee will be prorated for the remainder of that calendar year and Operator will receive a prorated credit for the Annual Fee it paid for that calendar year pursuant to 3 above. This Annual Fee is to be paid on January 1 of each year thereafter that the Site remains activated.

- 5. Fee for Sponsorship of Notification or Application
for Production Authorization** **\$9,900.00**

This non-refundable fee is payable to Grantee by Operator prior to submission by Operator or Grantee of a notification for production authority or an application for production authority to the FTZB. There will be only one fee charged to sponsor either or both requests if they relate to the same production authorization being requested. Additionally if a request for production authorization is filed with the FTZB within one year of the FTZB designation of a subzone or a Usage Driven Site, no fee will be due to the Grantee.