

Springfield-Branson

NATIONAL AIRPORT

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Andrew McGilvray
Executive Secretary
Foreign-Trade Zones Board
U.S. Department of Commerce
1401 Constitution Ave., NW, Room 21013
Washington, DC 20230

Re: Zone Schedule Update, Foreign-Trade Zone 225



Mr. McGilvray,

Enclosed you will find one hard copy of Foreign-Trade Zone 225's revised zone schedule. This mailing follows our email submission of this date.

Very Truly Yours,

Yoy Latimer Legal Counsel

Springfield-Branson National Airport

THE CITY OF SPRINGFIELD AIRPORT BOARD, GRANTEE ZONE SCHEDULE NO. 2

RATES, CHARGES, RULES, REGULATIONS, AND POLICIES APPLYING AT FOREIGN-TRADE ZONE 225

Springfield-Branson National Airport 2300 N. Airport Boulevard, Suite 100 Springfield, MO 65802 Brian Weiler, Director of Aviation (417)-868-0500

Operating under authority granted by the Foreign-Trade Zones Board, United States Department of Commerce

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SECTION I – ADMINISTRATIVE ORGANIZATION

AUTHORITY

Pursuant to Section 351.388 of the Missouri Revised Statutes and the Charter of the City of Springfield, Missouri, the City of Springfield Airport Board is permitted to act as Grantee for the Foreign-Trade Zones (FTZ) program in Southwestern Missouri. FTZ 225 (the Zone) was created on August 1, 1997, by Foreign-Trade Zones Board (the FTZ Board) Order No. 911. The Zone was reorganized and expanded under the Alternative Site Framework by Board Order No. 1782, dated September 30, 2011.

SERVICE AREA

The service area of the Zone encompasses 23 counties in Southwestern Missouri, in whole or in part. The counties include: Barry, Barton, Cedar, Christian, Dade, Dallas, Douglas, Greene, Hickory, Jasper (excluding FTZ 15, Site No. 5), Laclede, Lawrence, McDonald, Newton, Ozark, Polk, Stone, Taney, Vernon, Webster, and Wright, and portions of Howell and Texas.



GRANTEE CONTACT AND OFFICE

Grantee/FTZ Administrator: Brian Weiler, Director of Aviation Springfield-Branson National Airport 2300 N. Airport Blvd., Suite 100 Springfield, MO 65802 Tel: (417) 868-0500

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U.S. CUSTOMS AND BORDER PROTECTION - SPRINGFIELD PORT

Port Director: Ky Neuleib

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SECTION II - APPLICATION OF RULES, RATES AND REGULATIONS

APPLICATION OF FTZ 225 ZONE SCHEDULE

The rules, rates and regulations of this Zone Schedule shall apply at FTZ 225, its subzones, and annexes unless otherwise provided for. Grantee shall be the sole judge to interpret and determine the applicability of any of the rates, regulations or services provided for in this Zone Schedule. However, any matter involving interpretation or action by Customs and Border Protection (CBP) or other agency of the U.S. Government will be determined by the Port Director of CBP, with the concurrence of the FTZ Board. Where applicable, FTZ regulations and CBP regulations shall prevail should any conflict arise with this schedule.

REGULATIONS - THE FTZ BOARD

The Zone is regulated by the FTZ Board special regulations as defined in the U.S. Code of Federal Regulations, Title 15, Chapter IV, Part 400-Regulations of the FTZ Board.

REGULATIONS – CBP

The Zone is subject to special CBP regulations as defined in the U.S. Code of Federal Regulations, Title 19, Chapter I, Part 146-Foreign-Trade Zones.

ZONE TO BE OPERATED AS A PUBLIC UTILITY

Pursuant to the FTZ Act, the Zone shall be operated as a public utility, and all rates and charges for all services or privileges within the Zone shall be fair and reasonable.

UNIFORM TREATMENT

Grantee shall afford to all who may apply to make use of or participate in the Zone uniform treatment under like conditions. Treatment of Zone participants within the Zone (including application of rates and charges) shall not vary depending on whether a Zone participant has procured any Zone-related product or service or engaged a particular supplier to provide any such product or service. Grantee shall apply uniform treatment in the evaluation of proposals from Zone participants.

Grantee shall avoid non-uniform treatment of Zone participants by not allowing persons, as defined by 15 CFR § 400.2(l), within the key categories defined by 15 CFR § 400.43(d)(2) to undertake any of the key functions defined by 15 CFR § 400.43(d)(1) except where FTZ Board has authorized a waiver pursuant to 15 CFR § 400.43(f).

GRANTEE EXEMPTION FROM LIABILITY

The grant of authority to Grantee shall not be construed to make Grantee liable for violations by Zone participants. The role of Grantee under the FTZ Act and the Board's regulations is to provide general management of the zone to ensure that the reasonable needs of the business community are served.

SECTION III - GENERAL RULES

ACTIVATION

Prior to the commencement of FTZ operations at site premises, a Zone operator/user shall establish standards of operation and management, prepare and file with CBP an FTZ Operations Manual in compliance with the requirements of the FTZ Board and CBP, and require conformance thereto of all persons, firms and corporations admitted by it to the site premises. A Zone operator/user shall secure activation of site premises from CBP pursuant to CBP Regulations.

AGREEMENTS TO BE MADE IN WRITING

Any agreement or contract related to one or more Grantee function(s) and involving a Zone participant (e.g., agreements with property owners and agreements with Zone operators) must be in writing.

ALTERATION OF AN ACTIVATED AREA

An application to alter an activated area may only be made with Grantee's concurrence.

BOUNDARY MODIFICATION

Grantee may submit to the FTZ Board an application to modify the boundary of an existing Zone site or subzone site. Modifications may be deemed major or minor.

CHARGES BY GOVERNMENT AGENCIES

Charges made by government agencies are not included in this Zone Schedule and should be arranged for by the Zone operator/user with the appropriate government agency.

COMMUNICATION

All written submissions to the FTZ Board or Department of Commerce with respect to FTZ activity must be made by Grantee only.

COMPLIANCE WITH LAW

All operation in the Zone shall comply with the FTZ Act, 15 CFR Part 400, 19 CFR Part 146, and the requirements of any federal, state, and local agencies having jurisdiction over the site(s) of operation. All persons and merchandise of every description entering or leaving the Zone for any purpose whatsoever shall be bound by the FTZ Act, the regulations of the FTZ Board, the regulations of CBP, and all federal, state, and local law.

CONFIDENTIAL RELATIONSHIP

Operators are required under the Customs Regulations to protect proprietary information in their custody from unauthorized disclosure.

CONSTRUCTION OF BUILDINGS WITHIN ZONE

Grantee may permit other persons, firms, corporations or associations to erect such building and other structures within the Zone as will meet their particular requirements subject to concurrence

of CBP for an activated area of a zone. Grantee must be notified of all such construction in the Zone that was not approved in the Zone's initial application. All construction should be in accordance with CBP requirements for security and the building activated with CBP prior to use.

DEACTIVATION OR REACTIVATION

Any written application to deactivate or reactivate a Zone site must be submitted by Grantee and may only be made with Grantee's concurrence.

FOREIGN-TRADE ZONE OPERATORS BOND

A Zone operator/user shall secure at its own expense and keep in full force and effect an FTZ Operator's Bond in a sufficient amount as required and directed by CBP.

HOLIDAYS

Those legal holidays during which Grantee is closed for regular business:

- New Year's Day 1st of January
- Martin Luther King Jr. Day 3rd Monday of January
- President's Day 3rd Monday of February
- Memorial Day Last Monday in May
- Independence Day 4th of July
- Labor Day 1st Monday in September
- Veteran's Day 2nd Monday in November
- Thanksgiving Day 4th Thursday in November
- Christmas Day 25th of December

Holidays falling on Saturday shall be observed on Friday. Holidays falling on Sunday shall be observed on Monday. Holidays are subject to change.

INSPECTION

Grantee may inspect Zone sites at any and all reasonable times to ascertain whether or not the covenants or conditions related to its proper use are being maintained.

INSURANCE

All Zone operators/users shall secure and maintain while activated insurance with requirements and limits as required by Grantee, and naming Grantee as an additional insured. A Zone operator/user must furnish certificates of insurance evidencing the required coverage within ten (10) business days prior to the activation of FTZ operations or by a date required by their Operator's Agreement, whichever is earliest. Thereafter, certificates of insurance must be furnished annually or upon the demand of Grantee. Insurance coverage required shall be specified in the Operator's Agreement. Zone activation may be terminated if at any time a Zone operator/user fails to maintain the required insurance for any period of time or fails to comply with any of the insurance requirements.

Insurance must be carried by Zone operators on their own property only and does not include insurance on the contents stored therein. Zone users are obligated to put nothing within the Zone which will cause the cancellation or forfeiture of the insurance or affect the premium rate thereof on the building or buildings of which their leased premises forms a part. Insurance on commodities or other property stored on the leased premises must be carried by and at the expense of the lessee or owner of the commodities or other properties.

Merchandise stored, manipulated, or transferred within the Zone is not insured by Grantee and the Zone Schedule rates do not include insurance on merchandise.

INVENTORY CONTROL AND RECORDKEEPING SYSTEM

Zone operators shall maintain inventory control and recordkeeping systems capable of complying with the requirements of CBP.

MONITORING AND REVIEW OF ZONE OPERATIONS AND ACTIVITY

Ongoing Zone operation and activity may be reviewed by the FTZ Board or the Executive Secretary at any time to determine whether they are in the public interest and in compliance and conformity with the FTZ Act, federal regulations, and authority approved by the FTZ Board.

OPERATING AGREEMENTS

All Zone operators must enter into an Operating Agreement with Grantee. All property owners must enter into a property owner agreement with Grantee. All Zone users utilizing the services of a Zone operator must enter into an Operating Agreement. If there is a conflict between the Operating Agreement and this Schedule, the Operating Agreement prevails. Copies of the Operating and Property Owner Agreements are available from Grantee.

OPERATOR/USER COSTS

A Zone operator/user shall pay all costs of activating and operating the Zone at its premises, all fees charged by CBP or the FTZ Board attributable to operations at its premises and the cost of bonds required by CPB for the activities of a Zone operator/user at the premises.

PERMITS

Operators shall obtain all necessary permits from federal, state, and local authorities and shall comply with the requirements of those authorities except as otherwise specified in the FTZ Act or 15 CFR Part 400.

PRODUCTION – REQUIREMENT FOR PRIOR AUTHORIZATION

Production activity in the Zone shall not be conducted without prior authorization from the FTZ Board and Grantee. Only production activity described in notifications and applications authorized by the FTZ Board may be conducted in the Zone.

PUBLIC INTEREST, HEALTH AND SAFETY

No operation or process of treatment will be permitted in the Zone that, in the judgment of the FTZ Board, Grantee, or Zone operator, is detrimental to the public interest, health and/or safety.

REPORTS TO GOVERNMENT AGENCIES

A Zone operator is required to submit periodic reports to Grantee and CBP, or may be required to perform other acts as an operator of the Zone in compliance with governmental regulations. Zone users shall cooperate with the Zone operator and Grantee in the creation and maintenance of procedures, systems, regulations, or processes, and provide information and statistics which the Zone operator or Grantee consider necessary to ensure compliance with governmental requirements.

An annual report must be filed with the FTZ Board each year by Grantee. Zone operators shall submit a complete and accurate annual report to Grantee by no less than 30 days prior to the due date of the annual report which is March 31. Zone operators shall provide CBP an annual reconciliation and annual internal systems review based on their individual zone years as established with CBP. [19 CFR §146.25, 146.26].

SPONSOR OF NEW ZONE OR SUBZONE

Grantee may in its sole discretion decide to sponsor a new Zone site (magnet site, usage-driven site, subzone site) and forward an application to the FTZ Board. An interested party must provide Grantee in writing all information necessary for Grantee to make a decision. Should Grantee choose to sponsor a proposed new Zone site, the applicant is responsible for all professional fees to prepare the application.

SECTION IV – OPERATION OF THE ZONE

HANDLING OF MERCHANDISE

The Zone operator/user is responsible for the receipt and verification of all merchandise admitted to the Zone and for handling of all merchandise which has activity performed upon the merchandise utilizing the appropriate CBP forms. A Zone operator/user will perform these functions according to all CBP regulations that apply to the activity being performed. A Zone operator/user will not permit removal of any merchandise located within the Zone without prior approval from CBP under applicable laws, rules, and regulations of CBP.

MERCHANDISE PERMITTED IN A ZONE

Merchandise which is specifically and absolutely prohibited by law shall not be admitted into the Zone. Any merchandise prohibited by law which is found within the Zone shall be disposed of in the manner provided for in laws and regulations applicable to such merchandise.

RECORD RETENTION

All records and forms used by a Zone operator/user regarding Zone operations shall be prepared and maintained in accordance with the requirements of CBP and the FTZ Board, and consistent with documents issued by the FTZ Board specific to the Zone and operator or user in question. All records, forms, financial, and accounting records of Zone operators/users regarding Zone operations shall be retained for five (5) years after the act or occurrence recorded and after the merchandise covered by such records has been forwarded from the Zone, and all such records shall be available for inspection and audit by any appropriate government agency and by Grantee during normal business hours.

Grantee and Zone operator/user shall keep current layout drawings of approved sites as described in 15 CFR 400.21(d)(5), showing activated portions, and a file showing required activation approvals. Grantee shall furnish necessary maps to CBP.

RESIDENCE WITHIN ZONE

No person shall be allowed to reside within a Zone site except federal, state, or municipal officers or agents whose resident presence is deemed necessary by the FTZ Board.

RESTRICTIONS ON ITEMS SUBJECT TO ANTIDUMPING AND COUNTERVAILING DUTY ACTIONS

Zone procedures shall not be used to circumvent antidumping duty and countervailing duty actions under 19 C.F.R Part 351.

RETAIL TRADE WITHIN ZONE

Retail trade is prohibited in activated areas of zones, except that (1) sales or other commercial activity involving domestic, duty-paid, and duty-free goods may be conducted within an activated area of a zone under a permit issued by Grantee and approved by the FTZ Board, and (2) no permits shall be necessary for sales involving domestic, duty-paid, or duty-free food and non-alcoholic beverage products sold within the Zone or a subzone for consumption on premises by individuals working therein. The Executive Secretary of the FTZ Board shall determine whether an activity is retail trade. Requests for approval under this section shall be submitted to Grantee who will transmit the requests to the Executive Secretary. Requests shall be submitted in letter form to the Executive Secretary.

RIGHT OF ENTRY

Representatives of Grantee, a Zone operator, a Zone user, the FTZ Board, CBP, and other authorized U.S. Government officers shall have the right of access to enter the Zone for the authorized and lawful purpose of examining same, conferring with a Zone operator/user, its agents, invitees, and employees on such premises, inspecting and checking operations, supplies, equipment and merchandise, and determining whether the business is being conducted in accordance with the procedures established for the operation and management of the Zone.

SECURITY PROCEDURES

Admittance of Persons - Persons desiring admittance to an activated zone shall make application to a representative of the Zone operator and shall comply with the operator's rules for admittance. Any person admitted shall comply with FTZ Board regulations, CBP regulations, and with Grantee and operator rules. All persons entering or leaving an activated zone site shall enter and leave at the designated entrance and may be subject to physical examination as CBP deems necessary, or at the request of the Zone operator.

Background Investigation – Prospective Zone operators must comply with any background check required by CBP of key employees and principal officers who will maintain control of Zone records.

Physical Facilities – All merchandise stored in the Zone shall be stored in a safe and sanitary manner. Aisles shall be established in storage areas and may be changed from time-to-time. All

entrances shall be left unblocked. Trash and waste shall be promptly removed from the Zone. All local, state, and federal health laws shall be observed to ensure protection of public safety.

USE OF ZONE OPERATORS

Zone users may utilize the services of an existing activated Zone operator of FTZ #225 or may operate the Zone on their own behalf under an Operator agreement with Grantee.

SECTION V – GRANTEE FEES

APPLICATION FEES

ASF Usage-Driven Sites	\$ 5,000.00
ASF Magnet Sites	\$ 5,000.00
Manufacturing/Production Authority	\$ 2,500.00
Subzones	\$ 5,000.00

^{*} Application fees are due prior to issuance of a Grantee concurrence letter and/or submission of an application to the FTZ Board.

ACTIVATION/ALTERATION/REACTIVATION FEES

All Sites \$ 1,500.00

DEACTIVATION FEES

All Sites \$ 1,500.00

ANNUAL ADMINISTRATION FEES

ASF Usage-Driven Sites	\$10,000.00
ASF Magnet Sites - Property Owners (inactive sites)	\$ 0.00
ASF Magnet Sites - Each Active Operator within Site	\$ 3,500.00
Subzones	\$10,000.00

^{*} Annual administration fees are due on the anniversary of approval of the premises as a site by the FTZ Board

^{*} Activation/alteration/reactivation fees are due prior to issuance of a Grantee activation/alteration/reactivation concurrence letter.

^{*} Deactivation fees are due prior to issuance of a Grantee deactivation concurrence letter.

SECTION VI - AMENDMENTS

Section V – Grantee Fees, Annual Administration Fee for ASF Magnet Sites – Property Owners (inactive sites) was changed effective June 14, 2016.

APPENDIX A - DEFINITION 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 and 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.

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).

BOARD ORDER - A document indicating the final decision of the Foreign-Trade Zones Board. Board orders are usually published in the Federal Register after issuance.

CBP - U.S. Customs and Border Protection.

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

EXECUTIVE SECRETARY - The Executive Secretary of the Foreign-Trade Zones Board.

FOREIGN-TRADE ZONE (FTZ) - Includes one or more restricted-access sites, including subzones, in or adjacent to a CBP port of entry, operated as a public utility under the sponsorship of a zone grantee authorized by the Board, with zone operations under the supervision of CBP.

FOREIGN-TRADE ZONES ACT (FTZ ACT) - The Foreign-Trade Zones Act of 1934, as amended (19 U.S.C. 81a-81u).

FOREIGN-TRADE ZONES BOARD (THE FTZ BOARD) - Consists of the Secretary of Commerce (chairman) and the Secretary of Treasury, or their designated alternates.

GRANT OF AUTHORITY - A document issued by the FTZ Board that authorizes a zone grantee to establish, operate, and maintain a sponsorship of a zone, subject to limitations and conditions specified in 15 CFR Part 400 and in 19 CFR Part 146. The authority to establish a zone includes the responsibility to manage it.

GRANTEE - The corporate recipient of a grant of authority for a zone project. The Grantee of FTZ 225 is The City of Springfield Airport Board.

MAGNET SITE - A site intended to serve or attract multiple operators or users under the ASF.

OPERATOR'S AGREEMENT - The agreement between a zone operator and the grantee.

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 CBP classification of the article or in its eligibility for entry for consumption.

REACTIVATION - A resumption of the activated status of an entire area that was previously deactivated without any change in the operator or the area boundaries. If the boundaries are different, the action is an alteration. If the operator is different, it is a new activation.

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.

USAGE-DRIVEN SITE - A site tied to a single operator or user under the ASF.

ZONE - A foreign-trade zone established under the provisions of the FTZ Act and 15 CFR Part 400.

ZONE OPERATOR - Party that operates within a zone or subzone under the terms of an agreement with the zone grantee with the concurrence of the CBP.

ZONE SCHEDULE - Document kept by the zone grantee, which 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 - 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 USER - Party using a zone under agreement with a zone operator.