

Rorganization/Expansion of General-Purpose Zone Application Instruction Sheet [\(U\)](#)

This collection of information contains Paperwork Reduction Act (PRA) requirements approved by the Office of Management and Budget (OMB). Notwithstanding any other provision of law, no person is required to, nor shall any person be subject to a penalty for failure to comply with, a collection of information subject to the requirements of the PRA unless that collection of information displays a currently valid OMB control number. Public reporting burden for this collection of information is estimated to vary from 34 to 148 hours per response (average 90 hours), including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Persons wishing to comment on the burden estimate or any aspect of this collection of information, or offer suggestions for reducing this burden, should send their comments to the ITA Reports Clearance Officer, International Trade Administration, U.S. Department of Commerce, 14th and Constitution Avenue, NW, Washington, DC 20230.

No zone, subzone, or zone expansion may be granted unless a completed application has been received (19 U.S.C. 81a-81u; 15 CFR Part 400).

The basic requirements for foreign-trade zone applications are found in the regulations of the Foreign-Trade Zones Board (15 CFR Part 400), including Sections 400.24, 400.25 and 400.26. (See also, Section 400.31.) Application guidelines are available on the FTZ Board web site: <http://www.trade.gov/ftz>.

Corporations submitting applications must be qualified to apply for a zone grant of authority under the laws of the state in which the zone is to be located. Usually applicants are state and local agencies or public type corporations. Port authorities and economic development agencies are the most prevalent. Zone projects should be coordinated at the state level, so that they are consistent with state economic development plans.

Zones are intended to provide a special customs-related service to the business community, giving them greater flexibility in the customs phase of their international competitiveness. An objective of the zone program is to encourage commercial and industrial operations in the United States that would otherwise have been conducted abroad for customs reasons, including export activity. Zones should help create employment, not simply divert it from one region of the country to another.

Most zones are part of larger facilities that include warehouse/ distribution and industrial park space. Projects should be consolidated to provide zone procedures at a single or limited number of locations. Zones can be authorized only for sites that are in or near U.S. Customs and Border Protection (CBP) ports of entry. (See, 19 CFR Part 101, for a list of such ports.) When it is possible for a firm to use zone procedures only at its own plant, designation as an adjunct to a general-purpose zone (subzone) can be considered. Subzones can be approved only when a public benefit resulting in a positive economic effect is demonstrated. These facilities need not be in CBP port of entry areas if the firm involved signs an agreement with CBP regarding examination of merchandise and automated inventory control procedures.

If an application involves areas located in a state where inventory is subject to personal property taxation, the economic impact section of the application (See, 15 CFR 400.24(d)(4)(v) and 400.25 (a)(3)(x)) should contain a statement regarding the views of appropriate local officials with respect to the impact of the tax exemption that would result from proposed zone activity.

The Foreign-Trade Zones Board has no authority to finance zone projects. Its approval is in the form of a grant of authority (license) for operating a facility under foreign-trade zone procedures. The application must describe how the zone project is to be financed. Capital costs are associated with CBP security requirements, and zones are operated under the day-to-day supervision of U.S. Customs and Border Protection. The local port director of CBP should be contacted as zone plans are being developed.

Economic and financial viability should be important factors to applicants, and they are among the factors considered by the Board. Applications should not be submitted until there is convincing evidence of a need for zone services. Though a zone will normally help attract some types of new business activity, an application cannot be based on mere expectations. Letters of intent from firms that are expected to be the first zone users should be included in the application.

Applicants may submit drafts of their applications to the FTZ Staff, which can provide comments and technical assistance in interpreting the Board's regulations.

Foreign-Trade Zones Board
U.S. Department of Commerce
1401 Constitution Avenue, N.W., FCB 4100W
Washington, D.C. 20230
(202) 482-2862

FTZ Staff
September 2011

1. These comments are for the general guidance of communities and persons considering zone projects. They are intended to supplement the legal provisions of the Foreign-Trade Zones Act (19 U.S.C. 81a-81u), the Foreign-Trade Zones Board Regulations (15 CFR Part 400), and the Regulations of the U.S. Customs Service on Foreign-Trade Zones (19 CFR Part 146).

Application for Reorganization/Expansion of Existing FTZ

General Information Section

These guidelines are for all reorganization/expansion applications. (Each modified or new site will also require a separate "Site Specific Section (for a Modified/New Site)").

For TSF Applications, see pages 5-8

For ASF Applications, see pages 9-22

If you have questions, contact the FTZ Staff at (202) 482-2862.

INSTRUCTIONS

General: Please provide your response directly below each question (leave the question - including its identifying number or letter - in place). Your application must have a justification for each modified or new site. The FTZ Regulations place the burden of proof on the applicant.

Submission of Draft Application: We advise all applicants to send us a draft of their application. By using our simplified application guidelines, you enable our staff to more quickly review the application and provide comments. We are happy to receive drafts via e-mail to expedite the feedback process.

Adjacency Requirement: The FTZ Act and Regulations require each zone site to be within or adjacent to a U.S. Customs and Border Protection (CBP) port of entry (as listed and defined in part 101 of the CBP Regulations - 19 CFR '101.3). That requirement can be satisfied if the zone site is: 1) within the limits of a CBP port of entry or 2) within 60 statute miles or within 90 minutes' driving time from the outer limits of the boundaries of a CBP port of entry, as verified by the CBP port director.

Sites versus Parcels: A "site" is comprised of one or more parcels of land that share an identity (for example: parcels that are within a single industrial park or port/airport complex). If parcels do not share an identity, then they should be treated as separate sites.

Site Numbering: Use new numbers for wholly new sites. For example, if your FTZ no longer has a Site 2, do not use number 2 for a new site - use the next number in the sequence of unused numbers. However, modification of an existing site can use the number the site has already been assigned.

Local Tax Exemptions: A small number of states (such as TX, KY, AZ, OH) and Puerto Rico assess taxes on business inventories. The FTZ Act allows states to exempt merchandise in international commerce from such taxes in FTZs. If your state has a tax for which collections will be affected by your FTZ proposal, you must attach to your application: 1) documentation

that explains the specific local taxes that will be affected and 2) for each site in your proposal, correspondence from the affected parties (such as a local school board) indicating their views on the impact of your proposed activity.

Format of Final Version of Application: Hard copies of the final version of your application should be submitted in a three-ring binder or stapled (not spiral-bound). Use of a three-ring binder - if the application is too thick to be stapled - greatly facilitates replacement of pages, when necessary.

Number of Copies: The FTZ Regulations require an original and eight copies of the application.

Filing Fees: The FTZ Regulations dictate a \$1,600 filing fee for reorganization/expansion applications. Your check should be made payable to "U.S. Department of Commerce ITA."

TSF FORMAT

APPLICATION LETTER

1. The core of the application is a letter from the grantee that summarizes the application and transmits the full application (these guidelines and attachments) to the FTZ Board. The letter should summarize the authority being requested, the proposed zone sites and facilities, and how the proposed sites would meet a demonstrated need for FTZ services. The letter must be currently dated and signed by an authorized officer of the grantee corporation (see item number 14 under "Legal Authority for the Application" below) and should bear the corporate seal.

STATUS OF ZONE and PROPOSED MODIFICATIONS TO EXISTING SITES

2. For each current FTZ site, provide on a site-by-site basis the information, including whether the site - in part or whole - no longer requires FTZ status. For each site that you are modifying (rather than deleting), also complete the separate "Site Specific Information (for a Modified/New Site)" section of the application guidelines.
 - a. Site number.
 - b. Current acreage.
 - c. Percent of site currently used for activity under FTZ procedures.
 - d. Description of current activity at site (including role of FTZ status) and/or activation plans for site.
 - e. When was the site approved? Does it have a time limit (if yes, explain)?
 - f. Do you wish to delete or modify the site through this request?

GENERAL JUSTIFICATION FOR MODIFIED/NEW SITES (IF PROPOSED)

Only complete this section if you are proposing to modify (rather than delete) existing FTZ sites or proposing to add new sites. Note that this section contains questions that establish a framework - in the site-specific questions (Site Specific Section (for a Modified/New Site), you will apply that framework to each modified or new site.

3. Discuss in detail the need for modified/new sites to provide FTZ services to the community, including specific expressions of interest from proposed zone users. Explain why the current configuration of your zone is unable to meet businesses' needs for FTZ services. Explain the link between the need for FTZ services at the proposed sites and the level of international trade in the community.
4. Describe in detail the grantee's process for selecting the modified or new sites, including the criteria applied in that process and how those criteria relate to the local economic development plans (Question 6 below asks for more detail on those plans). Indicate the public entities involved in the site-selection process, and their meetings and documents related to the site-selection process.
5. Describe the local economy's strengths and weaknesses, in general, including established

and emerging industries and particular challenges.

6. Address how modified/new sites are tied to local/state/regional economic development plans (including military base conversion, enterprise zone, empowerment zone, brownfield re-use).
7. Explain the anticipated economic impact, direct and indirect, of the modified/new zone sites.
8. Describe the marketing plans for your modified/new sites.

TABLE LISTING ENTIRELY NEW SITES (IF PROPOSED)

9. For any new (rather than modified) sites, provide a table with the information below.
 - a. Site Number and Proposed Acreage
 - b. Basic Description of Site (name of industrial park, etc.)
 - c. Street Address for Site

GENERAL INFORMATION FOR MODIFIED/NEW SITES (IF PROPOSED)

These questions request certain general information about modified/new sites you may be proposing. (There is also a "Site Specific Information (for a Modified/New Site)" to complete for each such site.)

CBP Automated Systems Requirements:

10. Do you commit to working with Customs and Border Protection, as appropriate, to meet future CBP automated-systems requirements (such as ACS or ACE)?

Environmental Impact:

11.
 - a. Are there land use issues relating to your modified/new sites? Will the use of FTZ procedures change the physical aspects of the sites? Is FTZ status or the use of FTZ procedures a requirement or a precondition for future activity or construction at the sites? If yes to any of these three questions, also explain your answer.
 - b. Are you aware that FTZ status would not exempt any site or party (like FTZ operators or users) from any federal, state or local environmental requirements?

General Map(s):

12. In a "General Map(s)" attachment, provide one or more maps showing: 1) the modified/new sites in a regional context and 2) the modified/new sites in relation to your existing FTZ sites.

OTHER APPLICATION REQUIREMENTS

Legal Authority for the Application:

13. Submit one of the following two alternatives ("a" or "b"):
 - a. In an attachment called "Legal Authority for Application," provide a reference to an application from the same grantee within the last five years which included copies of: 1) the state's enabling legislation and 2) pertinent sections of the zone grantee's charter or organization papers. Indicate there has been no change in those documents since submission of the earlier application.
 - b. In an attachment called "Legal Authority for Application," include: 1) a certified copy of the state enabling legislation regarding FTZs and 2) pertinent sections of the zone grantee's charter or organization papers.

Note: If the application involves one of the small number of grantees that are non-public corporations, it also will need to include evidence of the corporation's current legal standing.

14. In the "Legal Authority for Application" attachment, include a certified copy of a resolution authorizing the grantee official to sign the application letter. The resolution should indicate the nature of the application and specify how the application would affect each of the sites involved.

Site Specific Information (for a Modified/New Site)

This second section of the application is only needed for a modified/new site. This section should be filled out separately for each modified/new site. Attach documents needed for Items N through R directly behind the copy of this section for each site. For instructions, see the "General Information Section".

- A. Indicate the site's distinct identifying number: _____. This number should tie to your table for Question #2 or Question # 9 in the "General Information Section") of this application.
- B. List the site's address, including the jurisdiction in which the site falls (town, city, county):
- C. List the site's proposed acreage _____ and sq. ft. of existing enclosed space _____.
- D. If applicable, explain how the site will incorporate part of an existing permanent or temporary site.
- E. This site is (check one) ____ within or ____ adjacent (see "Instructions" for explanation) to the following CBP port of entry:
- F. Briefly describe how this site met the grantee's site selection criteria (which you described in your answer to Question # 4 the "General Information Section") of this application).
- G. Briefly explain why this site is needed to provide FTZ services to your community:
- H. Indicate the type of site (port, industrial park, warehouse complex), its current zoning, and status of any applications for construction approvals. (Note: Sites with inappropriate

zoning - such as agricultural, retail, or residential - should not be included in a FTZ application.)

- I. Briefly describe the transportation infrastructure serving the site, including its ties to the broader regional/national transportation system:
- J. Describe the site's existing and planned buildings (incl. functions), existing and planned activities, whether the site is master planned, and stage of development/timetable for completion of plans:
- K. How many companies currently occupy the site?
- L. Will space at the site be available to multiple businesses at the site under public utility principles (under uniform rates and conditions)? Explain.
- M. Briefly describe the physical security measures that will be used for the proposed site:
- N. Who owns the site? (If you do not own the site, attach documentation showing the property owner's concurrence to include the site in your FTZ proposal.) Attach each of the documents listed below (items O through R). Note that if the legal description for a site encompasses a larger area than that site, your maps for the site must show sufficient detail to enable the FTZ Board and your local CBP port officials to understand the exact boundaries of the proposed site.
- O. The appropriate legal description (with label tying the description to the site number).
- P. A detailed street map with the FTZ site's proposed boundaries in red.
- Q. A detailed site plan (survey/drawing) showing existing structures and site boundaries in red with dimensions.
- R. Letters of interest from firms considered prime prospects for use of this particular site.

ASF FORMAT

INSTRUCTIONS SPECIFIC TO THE ALTERNATIVE SITE FRAMEWORK

Introduction:

The standard format for an application to reorganize an existing FTZ under the Alternative Site Framework (ASF) includes several relatively straightforward steps. It has been designed to minimize the burden on a grantee (particularly for new documentation). Because justification for existing FTZ sites was provided in a prior application(s), you generally will not be asked to rejustify existing sites.

The ASF application format is comprised of three parts:

- Part One is all you will need to complete if the proposed reorganization of your FTZ only involves existing sites -- with no proposed changes to boundaries -- for which you will now be requesting Magnet designation (see definitions below).
- Part Two is needed only if you propose Magnet designation for sites that are new or that involve modifications to the boundaries of existing sites.
- Part Three is used only if you propose Usage-Driven designation for one or more sites.

If you have questions on any aspect of the application process, do not hesitate to contact the FTZ Staff at (202) 482-2862.

Definition of Key ASF-related Terms:

“Service Area” is the geographic area (such as specific counties) where you intend to be able to propose future FTZ sites. If approved under the ASF, your zone could serve sites throughout the Service Area based on companies’ needs for FTZ designation.

“Magnet” sites are sites intended to attract multiple potential FTZ operators/users.

“Usage-Driven” sites are designated to meet a specific operator/user’s present need for FTZ designation (rather than to attract potential future operators/users). A Usage-Driven site is tied to the specific operator/user for which it was designated and could not be used by any other entity. However, a site vacated by one operator/user could easily be designated as a Usage-Driven site for another operator/user through an additional simple minor boundary modification (MBM) action.

“Activation Limit” is a cap on the amount of space that can be in CBP “activated” status simultaneously. The FTZ Board’s practice involves a 2,000-acre activation limit for any FTZ grantee.

A “Sunset Limit” for a site means FTZ designation self-removes if there is no FTZ activity at the site before the sunset date. For Magnet sites, the default sunset period is 5 years (with variation possible based on circumstances, including possible permanent designation for one Magnet site). Usage-Driven sites have a three-year sunset period. FTZ activity at a site during the sunset period resets the sunset date for an additional 5 years (Magnet) or additional 3 years (Usage-Driven).

“Transitional Phase” is an initial period allowed for any grantee with more than six existing sites (the general goal for maximum number of Magnet sites under the ASF). The Transitional Phase enables a grantee to bring any number of existing FTZ sites into the ASF as Magnet sites without having to justify exceeding the ASF’s general goals. “Sunset” limits (with a five-year default period) would result in the automatic removal of sites which had not been used during the Transitional Phase.

Major Steps in Drafting Your ASF Application:

Step # 1: Define the geographic “Service Area” your zone will serve.

The most straightforward approach to a Service Area for many grantees would be to name the counties in which they intend to be able to propose FTZ sites. Once approved under the ASF, your zone could then serve sites throughout the Service Area based on operator/user needs for FTZ designation. Any proposed Service Area must be consistent with the state enabling legislation and the grantee organization’s charter and comply with the “adjacency” requirement of the FTZ Board’s regulations – within 60 miles/90 minutes driving time from CBP Port of Entry boundaries. (Note that if there are other FTZs in your CBP Port of Entry, the FTZ Board’s evaluation of your proposal may involve questions of the “convenience of commerce” -- 19 U.S.C. 81b(b).)

Step # 2: Indicate specific FTZ sites to be served initially by your FTZ.

Magnet sites: At the time that you reorganize your FTZ under the ASF, you will detail any specific Magnet sites proposed for your zone. Although there is a general long-term goal for each zone of no more than six Magnet sites, a grantee can propose Magnet designation for more than six existing sites during an initial Transitional Phase. At the end of the Transitional Phase, a standard “sunset” test would remove sites which had not been used for FTZ activity.

Usage-Driven sites (optional at time of reorganization): If you have one or more specific companies ready to pursue the use of FTZ procedures, you can also request Usage-Driven designation(s) at the time of your reorganization. Otherwise, you will be able to use a simple minor boundary modification (MBM) mechanism to designate Usage-Driven sites at any point after approval of your ASF reorganization application.

ASF PART 1**APPLICATION LETTER (incorporating Executive Summary)**

1. The core of the application is a letter from the grantee that summarizes the application and transmits the full application (this format with attachments) to the FTZ Board. The letter should summarize the authority being requested and how the proposed reorganization would serve trade-related needs. If you are proposing to add new sites, they should be discussed specifically in the letter including explaining how they would meet a demonstrated need for FTZ services. The letter must be currently dated and signed by an authorized officer of the grantee corporation (see Question 10 under "Legal Authority for the Application" below) and should bear the corporate seal.

[Your Application Letter will be attached as the cover letter to your application document.]

PROPOSED SERVICE AREA

2. To define the Service Area for your FTZ, name the counties/localities in which you propose to be able to request designation of FTZ sites in the future. Explain how the Service Area complies with the "adjacency" requirement of the FTZ Board's regulations (within 60 miles or 90 minutes' driving time from the limits of your CBP Port of Entry), state enabling legislation and the grantee organization's charter. Separately, in an attachment called "Support from Local Jurisdictions," attach documentation of support from each county in your proposed Service Area (using the standard language provided in the relevant "Sample Service Area Concurrence Letter" on the FTZ Board web site). If your focus is less broad than a county-wide level, support may instead be documented from the appropriate sub-county jurisdiction(s). Alternatively, you may provide evidence that you have contacted the counties/jurisdictions in the proposed service area (using the standard language provided in the "Sample Service Area Notification letter" by attaching a signed copy of the letter along with evidence of transmittal.

Finally, if your CBP Port of Entry is served by more than one FTZ grantee, contact the FTZ Staff for additional guidance on addressing the issue in your application's documentation.

[Answer to text portion of Question 2 goes here. The "Local Jurisdiction Letters" attachment will follow your answers to Part One of the application.]

GENERAL JUSTIFICATION FOR REORGANIZATION

3. Explain the need for the proposed reorganization of your FTZ under the ASF, including current and projected levels of international trade in the community. Describe the local economy's strengths and weaknesses, in general, including established and emerging industries and particular challenges. Indicate how reorganizing your FTZ under the ASF ties to local/state/regional economic development plans. Explain the anticipated economic impact, direct and indirect, of reorganizing your FTZ under the ASF (including the ability to sponsor Usage-Driven sites throughout your proposed Service Area).

[Answer to Question 3 goes here.]

INFORMATION ON EXISTING ZONE SITES

4. For all of your existing FTZ sites, please fill in the table immediately below (adding additional rows, as needed). Here is a description of the information to fill in about each site:

Site Number -- This is the number assigned by the FTZ Board and should be reflected in the FTZ Board's documents to you. You can confirm this information by contacting the FTZ Staff.

Site Name and Address -- This is the name (for example, the Acme Industrial Park) and the street address (or similar indicator) that is the primary indication of the site's physical location.

Acreage within Current Site Boundaries -- Indicate the number of acres within the current boundaries of the site. This figure should match the FTZ Board's records regarding the site's acreage.

Site Number	Site Name and Address	Acreage w/in Current Site Boundaries

INFORMATION ON NEW OR MODIFIED ZONE SITES (IF APPLICABLE)

5. You only need to fill in the table below if there are 1) new sites that you are proposing for your FTZ or 2) existing sites that you propose to modify in any way. All new or modified sites should be included in this table (whether they are proposed for Magnet or Usage-Driven designation). Add additional rows to the table, as needed. Here is a description of the information to fill in about each site:

Site Number -- For a modification to an existing site, this will be the number already assigned to the site by the FTZ Board (as reflected in the FTZ Board’s documents to you). For any new site, the proposed number will follow the instructions in the “How to Prepare Your Application” document.

Change to Site -- Fill in this field as follows:

- If the site being proposed will be entirely new, indicate “New.”
- If the site already exists in your zone and you are proposing to remove it, indicate “Remove.”
- If the site already exists in your zone and you propose to retain the site but with modified site boundaries, indicate “Modify.”
- If the site already exists in your zone and you are simply proposing to renumber it, indicate “Renumber” followed by the new number for the site (for example, “Renumber to Site 5”).

Site Name and Address -- This is the name (for example, the Acme Industrial Park) and the street address (or similar indicator) that is the primary indication of the site’s physical location. For an existing site that you are modifying or removing, if the name and address remain the same as listed in the table in Question 4 above, simply indicate “Same as Existing.”

Acreage within Proposed Site Boundaries -- Indicate the number of acres within the proposed (rather than existing) boundaries of the site.

Site Number	Change to Site	Site Name and Address	Acreage w/in Proposed Site Boundaries

SUMMARY OF PROPOSED ZONE STRUCTURE

- In the table below, list all general-purpose sites (both Magnet and Usage-Driven) that you are proposing for inclusion as part of your FTZ at this time. Add additional rows to the table, as needed. Here is a description of the basic information you will need to provide about each site:

Site Number -- This number associated with a site should match the information you provided in the tables for Questions 4 and 5 above.

Site Category – For sites you are retaining or proposing, indicate “Magnet” or “Usage-Driven” designation, as appropriate.

Acreage within Site Boundaries -- Indicate the number of acres within the boundaries of each site proposed as part of your future zone structure. For existing sites that are not being modified, this figure should match the acreage indicated for the site in the table for Question 4 above. For new or modified sites, this figure should match the acreage indicated for the site in the table for Question 5 above.

Site Number	Site Category	Acreage within Site Boundaries

7. Please explain the circumstances (including reference to the specific site number(s)) if you are proposing to remove or renumber any existing site(s):

[Answer to Question 7 goes here, if applicable.]

8. For any current and future sites of your zone, confirm that you commit to working with Customs and Border Protection (CBP), as appropriate, to meet current and future CBP automated-systems requirements (such as ACS or ACE) and to meet any CBP security requirements related to activation?

[Answer to Question 8 goes here.]

OTHER REQUESTS (OPTIONAL)

The following two questions relate to optional flexibility that is possible for some Magnet sites. You may put “N/A” in response to each of these questions unless you are requesting the specific flexibility they address (in which case you will need to provide detailed response(s)).

9. Provide responses regarding the following optional requests, if applicable:
 - a. There is a default sunset period of five years for each designated Magnet site in a zone reorganized under the ASF. The ASF allows for a grantee to request waiver of the sunset limit for one Magnet site. If you would like to request waiver of the sunset limit for one of your Magnet sites, indicate the site number and describe in detail why this site was chosen for permanent status. Key considerations would be the publicly owned nature of a site and public processes leading to the site’s selection.

- b. If you believe that a sunset period of longer than five years is justified for one or more specific Magnet sites, provide separately for each such site a detailed description of the specific circumstances that you believe justify a sunset period of longer than five years for the site in question.

[Answer to Question 9 goes here, if applicable.]

LEGAL AUTHORITY FOR THE APPLICATION

10. In an attachment called "Legal Authority for Application," submit:

- a. A certified copy of the state enabling legislation regarding FTZs. (Consult the separate application-instructions document for an explanation of options to meet the regulatory requirement for a "certified" copy.)

AND

- b. The sections of the grantee's charter (or organization papers) that are pertinent to FTZs. (For non-public grantees, consult the separate application-instructions document regarding the additional requirement specific to non-public grantees regarding demonstration of current legal standing.)

AND

- c. A certified copy of a resolution authorizing the grantee official to sign the application letter. The resolution should indicate the nature of the application.

[The "Legal Authority for Application" attachment will follow your answers to Part One of the application.]

ASF PART 2

IMPORTANT: You will only need to complete this section if you are proposing Magnet designation for 1) a new site or 2) an existing site for which you are proposing to modify the site's boundaries.

Different portions of Part Two will need to be completed depending on the situation:

New Site: For a new site (that is, a site that has not already been designated for your zone by the FTZ Board), you will need to answer all questions in Part Two.

Reduce Existing Site Boundary(ies): For an existing site that you are proposing to modify in a way that simply reduces one or more of the site's existing boundaries, you will only need to answer Questions M1 through M4 plus provide an updated site plan (survey/schematic) as detailed in Question M15 below.

Expand Existing Site Boundary(ies): For an existing site that you are proposing to modify in a way that would expand any of the site's existing boundaries, you will need to answer all questions in Part Two.

GENERAL JUSTIFICATION FOR NEW OR EXPANDED SITES PROPOSED FOR "MAGNET" DESIGNATION

For new sites or any expansion of a boundary of an existing site, you will provide both a general justification below and then site-specific information/documentation for each affected site in separate attachments.

11. Discuss in detail the need for new or expanded sites to provide FTZ services to the community, including specific expressions of interest from proposed zone users. Why is your zone unable to meet businesses' needs for FTZ services even though your zone has existing Magnet FTZ sites and the ASF enables designation of Usage-Driven sites throughout the Service Area?

(If you are proposing new Magnet sites that would result in exceeding the ASF's goal of six or fewer Magnet sites per grantee, also explain why your zone cannot otherwise serve businesses' needs for FTZ services. That explanation should address why six Magnet sites would be inadequate to meet businesses' needs, particularly given the ready availability of Usage-Driven designation for any company ready to use FTZ procedures throughout your Service Area.)

[Answer to Question 11 goes here.]

12. Describe in detail the grantee's process for selecting each new site (or expansion of an existing site) for which Magnet designation is proposed. Discuss the criteria applied in that process and how those criteria relate to the local economic development plans (Question 3 in Part One of the application format had asked for detail on those plans). Indicate the public entities involved in the site-selection process, and their meetings and documents related to the site-selection process.

[Answer to Question 12 goes here.]

General Map(s):

13. In a "General Map(s)" attachment, provide one or more maps showing 1) the modified/new sites in a regional context and 2) the modified/new sites in relation to your existing FTZ sites. The original application may contain full-sized maps, all copies must contain legible, letter-sized (8 1/2" X 11") reductions.

[Attach the map(s) requested above in a "General Maps" attachment.]

SITE-SPECIFIC INFORMATION FOR NEW OR EXPANDED "MAGNET" SITES

This section should be filled out separately for each new site and each site for which you propose expanded boundary(ies). Attach any documents needed for Questions M14 through M16 (and M17, if applicable) directly behind the copy of this section for each site.

M1. Indicate the site's distinct identifying number: _____. This number should tie to your site tables in Part One of the application. Be sure that the site's identifying number complies with the instructions provided in the separate "How to Prepare Your Application" document.

M2. List the site's address, including the jurisdiction in which the site falls (town, city, county):

M3. List the total acreage within the proposed site's boundaries: _____.

M4. If applicable, describe how the site relates to any existing site (permanent or temporary) and explain the circumstances.

M5. Briefly describe how this site (or expanded portion) met the grantee's site selection criteria (which you described in your answer to Question # 12 in Part Two of the application format).

M6. Explain in detail why this site (or expanded portion) is needed to provide FTZ services to your community:

M7. Indicate the type of site (port, industrial park, warehouse complex) and its current zoning.

M8. For the proposed site (or expanded portion), describe the existing and planned buildings (including functions and square footage), existing and planned activities, whether the site is master planned, stage of development/timetable for completion of plans, and status of any applications for construction approvals:

M9. List the companies that currently occupy the site (or expanded portion):

M10. Will space at the site (or expanded portion) be available to multiple businesses at the site under public utility principles (under uniform rates and conditions)? Explain.

M11. Briefly describe the transportation infrastructure serving the site, including its ties to the broader regional/national transportation system:

M12. Confirm that FTZ designation or the use of FTZ procedures is not a requirement or a precondition for future activity or construction at the site.

M13. Who owns the site (or expanded portion)? (If the grantee or proposed operator does not own it, provide a "Site Ownership" attachment pursuant to the guidance in the separate application-instructions document.)

Attach each of the documents listed below (items M14 through M16, plus M17 where applicable).

M14. A clear copy of the appropriate legal description for the site (or expanded portion) with label tying the description to the site number. Also, state if the legal description covers a larger area than the proposed site.

M15. A clear and detailed site plan (survey/schematic) showing existing and planned structures. The site boundaries must be outlined clearly **in red**. Note that if streets or similar landmarks are not legible on the site plan, you will also need to provide a detailed street map with the proposed site's boundaries **in red**. Any map should be no larger than letter-sized (8 1/2" x 11") and clearly labeled, with legends provided for any markings.

M16. Signed letters of interest on letterhead from firms considered prime prospects for use of this particular site (or expanded portion).

M17. If your state (such as TX, KY, AZ) has one or more taxes for which collections will be affected by the proposed FTZ designation of the new site:

- attach an explanation of the specific local taxes that will be affected

AND

- attach correspondence from the affected parties (such as a local school board) indicating their concurrence (or non-objection) regarding the proposed FTZ designation.

ASF PART 3

IMPORTANT: Under the ASF, you (the grantee) will be able to request designation of Usage-Driven sites throughout your approved Service Area at any time. **You will only need to complete this section as part of your reorganization application if you are proposing Usage-Driven designation for specific sites at this time.** (Such sites could either be sites that have not already been designated by the FTZ Board or sites already designated for your FTZ that have only been used over time by one operator/user and that you therefore believe are appropriate -- either wholly or only in part -- for Usage-Driven designation.)

Different portions of Part Three will need to be completed depending on the circumstances of a site for which you are proposing Usage-Driven designation:

Maintain Existing Site Boundaries: For an existing site that you are proposing for Usage-Driven designation but which does not need its boundaries modified (for example, a warehouse building already occupied by a third-party logistics provider), you will only need to answer Questions U1 through U6 below.

Reduce Existing Site Boundary(ies): For an existing site that you are proposing to modify in a way that simply reduces one or more of the site's existing boundaries, you will only need to answer Questions U1 through U6 plus provide the site plan requested in Question U10 below.

Expand Existing Site Boundary(ies): For an existing site that you are proposing to modify in a way that would expand any of the site's existing boundaries, you will need to answer all questions in Part Three.

New Site: For a new site, you will need to answer all questions in Part Three.

SITE-SPECIFIC INFORMATION FOR USAGE-DRIVEN SITES

This section should be filled out separately for each proposed Usage-Driven site in a manner consistent with the instructions above. Attach any documents needed for Items U9 and U10 (and U11, if applicable) directly behind the copy of this section for each site.

U1. Indicate the distinct identifying number to apply to the site: _____. This number should tie to your site tables in Part One of the application. Be sure that the site's identifying number complies with the instructions provided in the separate "How to Prepare Your Application" document.

U2. List the site's address, including the jurisdiction in which the site falls (town, city, county), and explain how the site is within the grantee's Service Area.

U3. List the site's proposed acreage _____ (which will also be the site's activation limit).

U4. If applicable, describe how the site relates to any existing site (permanent or temporary) and explain the circumstances.

U5. Indicate the company for which the site will be designated and the company's planned activities.

U6. Confirm that FTZ designation or the use of FTZ procedures is not a requirement or a precondition for future activity or construction at the site.

U7. Describe the type of site (for example, warehouse building within an industrial district), the site's current zoning, existing and planned buildings and the status of any applications for construction approvals.

U8. Who owns the site? (If the grantee or proposed operator does not own it, provide a "Site Ownership" attachment pursuant to the guidance in the separate application-instructions document.)

Attach the documents listed below (items U9 and U10, plus U11 where applicable). Note that if the legal description for a site encompasses a larger area than that site, your maps for the site must show sufficient detail to enable the FTZ Board and your local CBP port officials to understand the exact boundaries of the proposed site.

U9. A clear copy of the appropriate legal description (with label tying the description to the site number). Also, state if the legal description covers a larger area than the proposed site.

U10. A clear and detailed site plan (survey/schematic) showing existing and planned structures. The site boundaries must be outlined clearly **in red**. Note that if streets or similar landmarks are not legible on the site plan, you will also need to provide a detailed street map with the proposed site's boundaries **in red**. Any map should be no larger than letter-sized (8 1/2" x 11") and clearly labeled, with legends provided for any markings.

U11. If your state (such as TX, KY, AZ) has one or more taxes for which collections will be affected by the proposed FTZ designation of the new site:

- attach an explanation of the specific local taxes that will be affected

AND

- attach correspondence from the affected parties (such as a local school board) indicating their concurrence (or non-objection) regarding the proposed FTZ designation.