

FTZ Corp. of Southern Pennsylvania
Foreign-Trade Zone 147

FOREIGN-TRADE ZONE GRANTEE SCHEDULE

Foreign-Trade Zone No. 147

Operating under the authority granted by the
Foreign-Trade Zones Board, U.S. Department of Commerce

Effective September 17, 2004
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GENERAL PURPOSE ZONE EXPANSION APPLICATION AND ACTIVATION

\$ 12,000 General Purpose Zone Operator Annual Fee

The General Purpose Zone Operator's Annual Fee will cover FTZSPA expenses for oversight of the General Purpose Zone project and submission of the Annual Report to the Board.

For public warehouse or 3rd party logistics operators the fee is as follows:

Year 1 -	\$ 250/month
Year 2 -	\$ 500/month
Year 3 -	\$ 750/month
Year 4 and subsequent years -	\$1,000/month

\$2,500 General Purpose Zone Application Processing Fee

This fee does not include actual preparation of the General Purpose Zone Operator's Application.

The Application Processing Fee covers the Administrator's expenses for reviewing the application and obtaining the necessary approvals/resolutions for the submission of an Application to the Foreign-Trade Zones Board (the "Board") and any necessary support required in the General Purpose Zone Application process.

\$2,500 Manufacturing or Production Authorization Request

(This fee does not include actual preparation of the Manufacturing Approval Request to the Board.)

The fee will cover the Administrator's expenses for reviewing the application, processing the Manufacturing Approval Request, submission of the Request to the Board, and base support services required in the approval process.

\$2,500 Activation Processing Fee

This fee does not include actual preparation of the General Purpose Zone Operator's Activation Application to U.S. Customs and Border Protection ("Customs")

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The Activation Fee covers Administrator's expenses for preparation and processing of the General Purpose Zone Operations Agreement, providing the Grantee Concurrence Letter to Customs, and any necessary Grantee support required in the Customs Activation process.

SPECIAL-PURPOSE SUBZONE APPLICATION AND ACTIVATION

Where an entity desires to have a subzone located within FTZSPA's jurisdiction and FTZSPA has no site available for its location or where sites available are not suited for proposed operations, the entity must arrange for the acquisition of a suitable and available site. FTZSPA through its Administrator will provide cooperation with all State or local industrial development, or economic development agencies, public or private, to assist entity to the fullest extent possible in securing a suitable location.

All persons and entities who request the FTZSPA to apply for authority to establish a sub-zone must first enter into an agreement with the FTZSPA through its Administrator governing the proposed sub-zone operations. This agreement will contain provisions including, but not limited to, those relating to costs incident to the preparation of the application and any subsequent amendment or modification thereof; costs incident to public hearings and legal proceedings; charges for any required Customs Zone activation, relocation, alteration, and audit or spot check. Applicants for the establishment of a sub-zone will bear application costs and charges of preparing and filing of application by FTZSPA whether or not the application is favorably acted upon by the Foreign-Trade Zones Board.

\$12,000 Annual Fee

The Annual Fee will cover FTZSPA's expenses for oversight of the Subzone and submission of the Annual Report to the Foreign-Trade Zones Board.

\$5,000 Application Processing Fee - Subzone

This fee does not include actual preparation of the Subzone Application.

The Application Processing Fee covers Administrator's expenses for reviewing the application, obtaining the necessary approvals/resolutions for the Subzone, submission of the Application to the Foreign-Trade Zones Board and any necessary support required in the Subzone Application process.

\$2,500 Change of Scope Processing Fee

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This fee does not include actual preparation of the Change of Scope Application.

The Change of Scope Processing Fee covers Administrator's expenses for reviewing the application, obtaining the necessary approvals/resolutions for the Application, submission of the Application to the Foreign-Trade Zones Board and any necessary support required in the Change of Scope Application process.

\$2,500 Activation Processing Fee

This fee does not include actual preparation of the Activation Application to Customs.

The Activation Fee covers Administrator's expenses for preparation and processing of the Operations Agreement, providing the Grantee Concurrence Letter to Customs, and any necessary FTZSPA support required in the Customs Activation process.

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BOUNDARY MODIFICATION

\$2,500 Request for Boundary Modification

This fee does not include actual preparation of the Request for Boundary Modification to the Board.

This fee will cover the Administrator's expenses for reviewing the application, processing the Request for Boundary Modification, submission of the Request for Boundary Modification to the Board and base support services required in the approval process.

TRANSFER FEE SCHEDULE

Costs will be applied where a General Purpose Foreign-Trade Zone or Foreign-Trade Subzone was sponsored into existence by Foreign Trade Zone 147 - FTZSPA. The fee for transfer will be paid by the beneficiary Foreign-Trade Zone and will be remitted to FTZSPA.

Transfer During First Year of FTZ Operation: 4 years annual fee

Transfer During Second Year of FTZ Operation: 3 years annual fee

Transfer During Third Year of FTZ Operation: 2 years annual fee

Transfer During Fourth Year of FTZ Operation: 1 year of annual fee

Example: If a company with zone status wished to transfer to another Zone authority in the third year, the calculation and cost would be as follows:

Subzone (\$12,000 annual fee * 3 years = 36,000)

LEGAL EXPENSES

Applicant, Land Owner or Zone Site Operator agrees to pay, or cause to be paid, all legal expenses and costs which FTZSPA incurs in conjunction with, or arising out of, any of the services provided in this fee schedule.

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FTZ GRANTEE POLICIES

Applications

A detailed description of FTZ application requirements are outlined by the U.S. Foreign-Trade Zones Board. FTZSPA cannot guarantee that the FTZ Board will approve the project.

Removing FTZ Status

FTZSPA reserves the right to remove FTZ status from approved sites under the following conditions:

- 1.No part of the property has been activated within 5 years of receiving FTZ Board approval.
- 2.There is a default in the agreement between the Zone Site Operator and FTZSPA or between the Property Owner and FTZSPA.
- 3.Property is used for residential purposes, retail sales or any other use or development that is inappropriate for FTZ status.
- 4.Failure to pay charges or fees associated with FTZ status.

Zone Site Operator Agreement

All Zone Site Operators will be required to sign a Zone Site Operator/Grantee agreement before the site can be activated with Customs. This agreement states that the FTZSPA does not participate in the day to day operations of the FTZ and this responsibility, therefore, is placed upon the Zone Site Operator to comply with all rules and regulations.

Landowner Agreement

Landowners will be required to sign a Land Owner/Grantee agreement before an application is submitted to the FTZ Board. This agreement outlines all responsibilities that the landowner will have to complete in order to maintain FTZ status at the property.

Liability

FTZ site owner and/or Zone Site Operator agrees to protect, indemnify and hold harmless the FTZSPA, its elected officials, employees, agents, and Administrator from and against any liability, obligation, damage, penalty, claim, cost, charge or expense, including attorneys' fees and costs, whether insured or not, arising out of or incident to its site.

Payments

All payments are due according to the terms of the billing documents of the FTZSPA or the Administrator. Failure to pay any fees, charges and expenses to the FTZSPA shall be a basis for termination of appropriate agreement and/or removal of FTZ designation.

Annual reports

The FTZ Zone Site Operator or owner must submit to the Administrator of FTZSPA no later than the time specified in the Operator's Agreement or by the FTZ Board of each year an annual report for the fiscal year ending December 31st containing data required by the FTZ Board and Customs. The FTZ Zone Site Operator or owner shall prepare a narrative and submit

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photographs as required for the Annual Report to the Board. Land or buildings that have been leased or sold during the year must be described along with naming the new owner or lessee.

Construction

All new construction projects will need to be mentioned in the annual report so that the FTZ Board can be informed of the updated condition and structures within FTZ sites.

Access

Representatives of the FTZSPA, the Administrator, FTZ Board, Customs, and other authorized U.S. government officers, shall have the right to enter the FTZ site for the authorized and lawful purpose of examining same, conferring with FTZ Zone Site Operator or owner, 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 FTZ site.

Foreign-Trade Zone Privileges

The FTZSPA or the Administrator makes no representations or warranties as to the particular privileges and benefits which may accrue to FTZ site Zone Site Operator or owner from foreign-trade zone site operations as those privileges and benefits may vary as a result of changes in federal law, determinations of the Board and Customs, and operational decisions of the FTZ Zone Site Operator. The FTZSPA or the Administrator shall in no way be liable for any costs or losses sustained by FTZ Zone Site Operator or Landowner as a result of FTZ status.

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APPLICATION OF TARIFF

APPLICATION OF FOREIGN-TRADE ZONE NO. 147 - FTZSPA TARIFF -The rates, rules and regulations of this Tariff shall apply at Foreign-Trade Zone No.147 - FTZSPA its Sub-Zones and Annexes unless otherwise provided for.

GENERAL REGULATIONS - Foreign-Trade Zone No. 147 - FTZSPA is regulated by the Foreign-Trade Zones Board, Washington, D.C. under Code of Federal Regulations, Chapter IV, Part 400.

UNITED STATES CUSTOMS REGULATIONS - Foreign-Trade Zone No. 147 - FTZSPA is subject to special Customs regulations as defined in U.S. Code of Federal Regulations, Chapter I, U.S. Customs, Part 146 - Foreign Trade Zones.

APPLICATION AND INTERPRETATION OF TARIFF – FTZSPA shall be the sole judge to interpret and determine the applicability of any of the rates, rules, regulations or services provided for in this Tariff. However, any matter involving interpretation or action by U.S. Bureau of Customs and Border Protection or any other agency of the U.S. Government will be determined by the appropriate government agency.

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GENERAL RULES AND REGULATIONS

ZONE REGULATIONS - The following rules governing procedures within Foreign-Trade Zone No. 147 - FTZSPA are issued in conformity with and supplementary to the Foreign-Trade-Zones Board's regulations and such of the United States laws and regulations relating to the Port of Entry as are applicable to Foreign-Trade Zone operations.

GENERAL REGULATIONS - All persons and merchandise of every description entering or leaving Zone No. 147 - FTZSPA for any purpose whatsoever shall be bound by the lawful regulations of the Foreign-Trade Zones Board and by the Zone regulations issued thereunder.

GOVERNMENT AGENCIES -All lawful regulations regarding government agencies in or about ports of entry must be complied with insofar as they are not in conflict with Public Law 397 of the 73rd Congress and the Regulations issued thereunder.

COMPENSATION INSURANCE - Every person employed in the Zone shall be properly covered by Workmen's Compensation Insurance. Proof of this shall be furnished before any work may release of liability must be started, or release of liability must be given to 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 Administrator, is detrimental to the public interest, health and safety.

CONFIDENTIAL RELATIONSHIP – The FTZSPA, Administrator, and Operator will take precaution to avoid the divulging of confidential information regarding merchandise and services thereon performed in the Zone.

ADMITTANCE OF PERSONS - Persons desiring admittance to the Zone shall make application to a representative of the Operator. The pass issued must be worn or shown upon request. Upon leaving the Zone, any temporary pass must be surrendered, and any permanent pass must be shown to the representative of the Operator. All persons having business in the Zone will enter and leave at the prescribed entrance.

CHARGES BY GOVERNMENT AGENCIES - Charges made by government agencies other than the FTZSPA or Administrator are not included in this Tariff and should be arranged by the owner or his agent with the government bureau concerned.