FOREIGN-TRADE ZONE NO. 142

GRANTEE
SOUTH JERSEY PORT CORPORATION

TARIFF/ZONE SCHEDULE
RATES, CHARGES, RULES & REGULATIONS

Located Within the Seven County SJPC Port District Comprised of Mercer, Burlington, Camden, Gloucester, Salem, Cumberland, and Cape May Counties.

Operating under granted authority of the United States Foreign-Trade Zones Board to the South Jersey Port Corporation

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ADMINISTRATIVE ORGANIZATION

FOREIGN-TRADE ZONE NO. 142

TARIFF NO. 1

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FOREIGN-TRADE ZONE NO. 142

TARIFF/SCHEDULE NO. 1

OCTOBER 2026

TABLE OF CONTENTS

I. POLICY/APPLICATION OF TARIFF/SCHEDULE 1

II. FOREIGN-TRADE ZONES IN GENERAL: 1

III. FOREIGN-TRADE ZONE NO. 142 5

IV. NO LIABILITY 8

V. ROLE OF FOREIGN TRADE ZONE BOARD ("FTZB" OR "BOARD") 9

VI. ROLE OF CUSTOMS AND BORDER PROTECTION ("CBP"): 10

VII. ROLE/OBLIGATIONS OF ZONE GRANTEE: 10

VIII. ROLE/OBLIGATIONS OF OPERATOR OF MAGNET SITES/ ZONE SITE OR SUBZONE: 11

IX. ROLE/OBLIGAITONS OF ZONE USER (IN MANY INSTANCES THE USER IS THE OPERATOR): 13

X. GENERAL RULES AND REGULATIONS 13

XI. APPLICATIONS/ALTERATIONS TO THE ZONE 17

XII. OPERATION OF ZONE 18

A. Operations 18

B. Inventory Control And Recordkeeping System 24

C. Annual Inventory And Reconciliation Report 26

D. Foreign-Trade Zone Annual Report 27

F. Direct Delivery 28

G. Weekly Entry/Export 28

H. Other Considerations/Requirements 29

XIII. ZONE SCHEDULE OF FEES AND RATES 32

A. Fee Schedule 33

XIV. GLOSSARY/DEFINITION OF TERMS 36

I. POLICY/APPLICATION OF TARIFF/SCHEDULE

This Zone Schedule is published in accordance with 15 C.F.R. 400.44. The Zone policy, rules, regulations, rates, and charges of this schedule shall apply at Foreign-Trade Zone No. 142, ("FTZ"), including all sites and subzones, unless otherwise provided for.

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 FTZ Board shall determine whether the rates and charges are fair and reasonable.

General Regulations. Foreign-Trade Zone No. 142 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, 19 C.F.R. 146. Copies of these regulations are maintained at the office of Foreign-Trade Zone No. 142 for reference of all persons and entities doing business with it.

Application And Interpretation of Tariff. The operator shall be the sole judge to interpret and determine the applicability of any of the rates, rules, regulations, or services provided for in the Tariff. However, any matter involving interpretation or action by U.S. Customs, or any other agency of the U.S. Government will be determined by the Port Director of Customs or his duly appointed representative.

NOTE: **THIS TARIFF CAN BE CHANGED, CORECTED AND/OR MODIFIED AT ANYTIME BY THE GRANTEE AND WITH NOTIFICATION TO THE U.S. FOREIGN-TRADE ZONE BOARD.**

Copies of this tariff are on file with the Foreign-Trade Zone Board in Washington, D.C. and are also available from Foreign-Trade Zone No. 142 offices upon request for $10.00 per copy.

II. 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 maybe 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.

A. General Privileges of Foreign-Trade Zones

Under 15 C.F.R. section 400, et. Seq. , Regulations of the Foreign-Trade Zones Board, the term "Zone" means a "foreign-trade zone". It is an isolated, enclosed, and policed area, operated as a public utility, in or adjacent to a port of entry, furnished with facilities for lading, unlading, handling, storing, manipulating, manufacturing, and exhibiting goods, and for reshipping them by land, water or air. Any foreign and domestic merchandise, except such as is prohibited by law or such as the Board may order to be excluded as detrimental to the public interest, health, or safety, may be brought into a zone without being subject to the Customs laws of the United States governing the entry of goods or the payment of duty thereon; and such merchandise permitted in a zone may be stored, exhibited, manufactured, mixed or manipulated in any manner, except as provide in the Act and other applicable laws or regulations. The merchandise may be exported, destroyed, or sent into Customs territory from the zone, in the original package or otherwise. It is subject to Customs duties if sent into Customs territory, but not if reshipped to foreign points.

B. Specific Privileges of Foreign-Trade Zones

Section 3 Of the Act, Public Law 397, 73rd Congress, Approved June 18, 1934, As Amended by Public Law 566, 81st Congress, Approved June 17, 1950, codified at 19 U.S.C. 81a-81u, authorizes the following privileges:

1. "Foreign and domestic merchandise of every description except such as is prohibited by law, may, without being subject to the Customs laws of the United States, except as otherwise provided in this Act, be brought into a zone and may be stored, exhibited, broken up, repacked, assembled, distributed, sorted, graded, cleaned, mixed with foreign or domestic merchandise, or otherwise manipulated, or be manufactured except as otherwise provided in this Act, and be exported, destroyed, or sent into Customs territory of the United States there from, in the original package or otherwise; but when foreign

merchandise is so sent from a zone Customs territory of the United States it shall be subject to the laws and regulations of the United States affecting imported merchandise;

Provided, that whenever the privilege shall be requested and there has been no manipulation or manufacture effecting a change in tariff classification, the collector of customs shall take under supervision any lot or part of a lot of duties liquidated thereon. Merchandise so taken under supervision may be stored, manipulated, or manufactured under the supervision and regulations prescribed by the Secretary of the Treasury, be exported, or destroyed, or may be sent into Customs territory upon the payment of such liquidated duties and determined taxes there on.

If merchandise so taken under supervision has been manipulated or manufactured, such duties and taxes shall be payable on the quantity of such foreign merchandise used in the manipulation or manufacture of the entered article. Allowance shall be dutiable and taxable in its condition and quantity and at its weight at the time of entry. Where two or more products result from the manipulation or manufacture of merchandise in a zone, the liquidated duties and determined taxes shall be distributed to the several products in accordance with their relative value at the time of separation with due allowance for waste as provided for above;

Provided further, that subject to such regulations respecting identity and the safeguarding of the revenue as the Secretary of the Treasury may deem necessary, articles, the growth, product, or manufacture of the United States, on which all internal revenue taxes have been paid, or which have been admitted free of duty and tax, may be taken into a zone from the Customs territory of the United States, placed under the supervision of the collector, and whether or not they have been combined with or made part, while in such zone, of other articles, may be brought back thereto free of quotas, duty, or tax;

Provided further, that if in the opinion of the Secretary of the Treasury their identity has been lost, such articles not entitled to

free entry by reason of noncompliance with the requirements made hereunder by the Secretary of the Treasury shall be treated when they re-enter Customs territory of the United States as foreign merchandise under the provisions of the tariff and internal revenue laws in force at that time;

Provided further, that under the rules and regulations of the controlling Federal agencies, articles which have been taken into a zone from Customs territory for the sole purpose of exportation, destruction (except destruction of distilled spirits, wines, and fermented malt liquors), or storage shall be considered to be exported for the purpose of:

a) the draw-back, warehousing and bonding, or any other provisions of the Tariff Act of 1930, as amended, and the regulations thereunder; and

b) the statutes and bonds exacted for the payment of draw-back, refund or exemption from liability for internal revenue taxes and for the purposes of the internal revenue laws generally and regulations thereunder.

Such transfer may also be considered an exportation for the purposes of other Federal laws insofar as Federal agencies charged with the enforcement of those laws deem it advisable. Such articles may not be returned to Customs territory for domestic consumption except where the Foreign-Trade Zones Board deems such return to be in the public interest, in which event the article shall be subject to the provisions of paragraph 1615 (F) of the Tariff Act of 1930 as amended;

Provided further, that no operation involving any foreign or domestic merchandise brought into a zone which operation would be subject to any provision or provisions of section 1807, chapter 15, chapter 16, chapter 17, chapter 21, chapter 23, chapter 24, chapter 25, chapter 26 or chapter 32 of the Internal Revenue Code if performed in Customs territory, or involving the manufacture of any article provide for in paragraph 367 or paragraph 368 of the Tariff Act of 1930, shall be permitted in a zone except those operations (other than rectification of distilled

spirits an wines, or the manufacture of production of alcoholic products unfit for beverage purposes) which were permissible under this Act prior to July 1, 1949;

Provided further, that articles produced or manufactured in a zone and exported therefrom shall on subsequent importation into the Customs territory of the United States be subject to the import laws applicable to like articles manufactured in a foreign country with the use of domestic merchandise, the identity of which has been maintained in accordance with the second provision of this section, may, on such importation, be entered as American goods returned.

19 U.S.C. § 81c.

III. FOREIGN-TRADE ZONE NO. 142

A. Description

South Jersey Port Corporation, a State agency of the State of New Jersey is the Grantee of Foreign-Trade Zone No. 142, a public utility under Foreign-Trade Zones Board Regulations.

The Zone has adequate electric, gas, water, waste disposal, communications, and access to all modes of transportation. The zone is equipped to provide general storage, manipulation, manufacturing, and exhibition.

The Zone has highway, rail, and airport access.

A short line railroad connects to Conrail main line. Rail cars may be loaded and unloaded directly within the Zone and warehouse area.

Air service is available at Millville Airport or Philadelphia International Airport, which has landing capability for 747 (Double Dual-Tandem wheels) freight aircraft of 900,000-pound capacity.

The Zone was initially established pursuant to a Grant issued by the Foreign-Trade zones Board, United States Department of Commerce, Washington, D.C. on August 25, 1987, under Provisions of Public Law No. 397, 73rd Congress, approved June 19, 1934, as amended (52 FR 33855 (September 8, 1987)).

The Zone currently operates under the Alternative Site Framework Regulations ("ASF"), an optional framework for organizing and designating sites that allows a quicker and less complex procedures to obtain FTZ designation for eligible facilities, through usage driven sites. The ASF allows zone designation of usage driven sites, through application, at any location within the seven counties through application.

FTZ 142 currently has one Usage Driven Site and four subzones. The Usage Driven Site is Operated by National Refrigerants at 661 Kenyon Avenue, Rosenhayn, Cumberland County (30 acres), designated as Site 5.

FTZB approved Usage Driven Sites, Subzones and Magnet Sites are collectively referred to as "Zone Sites."

B. Permitted Activities

Permitted within approved Zone Sites are warehousing, repackaging, re-labeling, inspections, demonstrations, exhibitions, and assembly. Manufacturing or substantial transformation of a product is not allowed under the current grant. Companies interested in manufacturing under zone procedures will have to apply for a special purpose Foreign-Trade Zone or a subzone.

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.

C. Foreign-Trade Zone Privileges

The South Jersey Port Corporation makes no representations or warranties as to the particular privileges and benefits which may accrue to the FTZ 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 CBP, and operational decisions of the FTZ Zone Site operator. The South Jersey Port Corporation board 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.

D. Establishing a Zone Site

1. Zone Site Operator/Facility/Site Agreement- All Zone Site operator/facility/sites will be required to sign a Zone Site operator/grantee agreement before the site can be activated with Customs. This agreement states that the Grantee does not

participate in the day-to-day operations of the Zone Site and this responsibility, therefore, is placed upon the Zone Site operator/facility/site to comply with all rules and regulations.

2. Landowner Agreement- Landowners will be required to sign a Landowner/Developer/Grantee agreement before the site can be activated with CBP. This agreement outlines all responsibilities that the landowner will have to complete in order to maintain FTZ status at the property.

E. Removing FTZ Status

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

1. No part of the property has been activated within the time limits set by the FTZ board (not to exceed five years) from receipt of FTZ board approval.

2. There is a default in the agreement between the zone site operator/facility/site and grantee or between the property owner and grantee.

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 associate with FTZ status.

F. Hours

FTZ 142 is open for business during normal business hours. Those legal holidays during which the Zone is closed for regular business are as follows:

*New Year's Day	1st of January
*Martin Luther King Jr. Day	3rd Monday in January
*Presidents' Day	3rd Monday in February
*Memorial Day	Last Monday in May
*Juneteenth	Third Friday in June
*Independence Day	4th of July
*Labor Day	1st Monday in September

*Columbus Day	2nd Monday in October
*Veteran's Day	11th of November
*Thanksgiving Day	4th Thursday in November
Christmas Eve	24th of December
*Christmas	25th of December

*Federal holidays observed by U.S. Customs

Note: These proposed days are subject to change.

IV. NO LIABILITY

A. The South Jersey Port Corporation as Zone Grantee shall not be liable and will not assume responsibility for injury to persons or for loss or damage to freight, cargo or merchandise or other property within the Zone, or for loss or damage arising from acts or commission of omission of Zone Operators/Users.

B. **Zone Site owner and/or Zone Site operator/facility/site agrees to defend, protect, indemnify, and hold harmless the Grantee, its officials, employees, and agents from and against liability, obligation, damage, penalty, claim, cost, charge, or expense, including attorneys' fees and costs, whether insured or not, of whatever nature, arising out of or incident to Operator's/Users Operations or the Zone Site.**

C. **The risk of loss and damage to personal property, including, but not limited to, cargo, commodities, and equipment, that has been stored at or moved within the Zone shall be borne solely by the FTZ User, FTZ Operator, or Subzone Operator, as applicable, or the owner of such property. Grantee has no liability or responsibility for any loss or damage to such personal property arising from any act or omission of any FTZ User, FTZ Operator, or Subzone Operator, or any owner, employee, or representative thereof. Furthermore, Grantee has no liability or responsibility for any loss or damage to personal property within the Zone relating to an Uncontrollable Force. The term "Uncontrollable Force" shall mean any event that results in the prevention or delay of performance by Grantee or Grantee's Operator due to forces beyond the reasonable control of Grantee or Grantee's**

Operator, and includes, without limitation, fire, earthquake, hurricane, tornado, storm, lightning, epidemic, pandemic, war, riot, civil disturbance, sabotage, transportation security incident, and governmental action.

D. All FTZ Users, FTZ Operators, and Subzone Operators, at all times during their use or occupancy of the Zone, assume sole responsibility for the condition of the Activated Areas, and Grantee shall not be liable for injury or damage caused by the condition thereof or any defect therein, whether such injury or damage is to property or person.

E. Nothing herein is intended to serve as a waiver of sovereign immunity by Grantee nor shall anything included herein be construed as consent by Grantee to be sued by third parties in any matter related to this Tariff, or any Zone activity.

V. ROLE OF FOREIGN TRADE ZONE BOARD ("FTZB" OR "BOARD")

1. Prescribe rules and regulations concerning foreign-trade zones and issue Board Orders (Grants of Authority). 15 C.F.R. 400.3.

2. FTZ applications, expansion applications, subzone applications, production requests and boundary modification requests are reviewed by FTZB staff. 15 C.F.R. 400.4.

3. All ongoing activities are subject to review 15 C.F.R.400.49.

4. The FTZB may revoke a grant in whole or in part for repeated and willful violations of the FTZ Act. 15 C.F.R.400.61.

5. The Executive Secretary and/or the FTZB may entertain complaints filed by zone participants regarding conditions or treatment that are alleged to be inconsistent with the public utility and uniform treatment requirements of the FTZ Act and Regulations.15 C.F.R. 400.45.

6. A request for production authorization in a designated zone or subzone must be approved by the FTZB prior to initiation of the

production operation under FTZ procedures. 15 C.F.R. 400.14 and 400.23.

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

8. Zone-restricted merchandise may be permitted to be returned into the customs territory only when the Board determines that the entry would be in the public interest, through request to the FTZB 15 C.F.R. 400.48.

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

10. The FTZB shall submit an Annual Report to Congress 15 C.F.R. 400.51(c)(2).

VI. ROLE OF CUSTOMS AND BORDER PROTECTION ("CBP"):

1. Port Director is local Representative of the FTZB 19 C.F.R. 146.2.

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 provide 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).

VII. ROLE/OBLIGATIONS OF ZONE GRANTEE:

1. File all applications with the FTZB.

2. Assist in marketing of zone project.

3. Select Operators and enter into agreements with entities authorizing said entities to function as an Operator.

4. Insure maintenance of facilities. 19 U.S.C. 81l.

5. Ensure zone is run as public utility. 19 U.S.C. 81n; 15 C.F.R. 400.42.

6. Ensure all parties that apply to make use of or participate in the zone are provided uniform treatment under like conditions. 15 C.F.R. 400.43

7. Concur in all activation requests filed with Customs 19 C.F.R. 146.6.

8. Ensure that the Annual Report is timely filed with the FTZ Board. 19 U.S.C. 81p(b); 15 C.F.R. 400.51(c).

9. Submit the Zone Schedule to the Executive Secretary. 15 C.F.R. 400.44.

10. Submit requests to the Executive Secretary of the FTZB with regard to whether an activity constitutes retail trade and can be conducted within the zone 15 C.F.R. 400.47.

VIII. ROLE/OBLIGATIONS OF OPERATOR OF MAGNET SITES/ ZONE SITE OR SUBZONE:

1. Comply with all applicable laws and regulations.

2. 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.

3. Exercise reasonable care in executing all Zone documentation following inventory control procedures as established by the Zone Operator, and full compliance with Part 146 of the Customs Regulations concerning Foreign-Trade activity.

4. Payment of any applicable activation fee and annual fee. 15 C.F.R. 400.42 as is set forth in the attached schedule.

5. Prepare written application to the Port Director for activation of zone. 19 C.F.R. 146.6.

6. Make written application to the Port Director for approval of an alteration of an activated area. 19 C.F.R. 146.7.

7. File the requisite CBPF 301 Foreign Trade Zone Operator's Bond with CBP. 19 C.F.R.146.7.

8. Submit application permitting merchandise to be admitted into the zone. 19 C.F.R.146.9.

9. Each Operator will submit a Procedures Manual for his magnet site, sub-zone or zone site(s) to the Grantee and the U.S. Customs Service, outlining the inventory control system and record keeping system to be followed at the zone. 19 C.F.R. 146.21.

10. Responsible for preparing a reconciliation report within 90 days after the end of the zone/subzone year. 19 C.F.R. 146.25.

11. Perform an annual internal review of the inventory control and recordkeeping system and report discrepancies to the Port Director. 19 C.F.R. 146.26.

12. Limit access to designated Zone areas to only those employees or visitors with an official or dutiful need to access the Zone area, and to maintain admission documentation. 19 C.F.R. 146.37.

13. Collect all in-bond documentation. 19 C.F.R. 146.40.

14. Filing of a CBPF 216 for permission to manipulate, manufacture, exhibit or destroy merchandise in a zone. 19 C.F.R. 146.52.

15. Be responsible for explaining any inventory discrepancies that may occur concerning merchandise having Zone status to the Zone Operator/Grantee and/or Customs.

16. Report shortages and overages to CBP. 19 C.F.R. 146.53.

17. Make payment to and/or reimbursement of Zone Grantee for any penalties liquidated damages assessed by Customs for any

violation of Zone regulations as a result of Zone Operator/User's actions of inactions.

18. Secure and maintain an FTZ Operator's bond in the amount required by Customs.

19. Prior to activation, operators must maintain all necessary permits from federal, state, and local authorities and comply with the requirements of those activities.

20. Act in conformance with the Operator's Agreement with Grantee.

IX. ROLE/OBLIGAITONS OF ZONE USER (IN MANY INSTANCES THE USER IS THE OPERATOR):

1. Compliance with Foreign Trade Board and CBP laws and regulations.

2. Payment of customs duties for merchandise entering customs territory.

3. In many instances, the User is responsible for maintenance of inventory control records, particularly where the User has physical possession of zone merchandise. 19C.F.R. 146.4.

4. Payments of fees to Operator and/or Grantee.

X. GENERAL RULES AND REGULATIONS

The Grantee, Operators, users, and all persons and entities doing business within the Zone must comply with provisions of the Foreign-Trade Zone Act, as amended; with the lawful and effective Rules, Regulations and Procedures of Foreign-Trade Zones Board; with such of the laws and lawful regulations of the United States, the States, or the subdivision and agencies thereof as may be applicable to operators, occupants, their employees and invitees, and users of subzones; and with such of the provisions of the Operator's agreement with the Grantee, this Tariff and subsequent issues and modifications thereof as may be applicable to the operations conducted in the subzone.

Zone Regulations – The following rules governing procedures within Foreign-Trade Zone No. 142 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 a Zone Site within Zone No. 142 for any purpose whatsoever shall be bound by the lawful regulations of the Foreign-Trade Zones Board and Customs and Border Protection and by the Zone regulations issued thereunder. If the terms of these Zone Regulations differ than those of the Foreign Trade Zones Board or Customs and Border Protection, then the more restrictive regulations shall be applied. If these Zone Regulations are in contravention of regulations of the Foreign Trade Zone Board or Customs and Border Protection, then the regulations of the Foreign Trade Zone Board or Customs and Border Protection will take precedence.

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 by Operators, contractors, or customers in the Zone shall be properly covered by State Workers Compensation Insurance, or insurance under the Longshore and Harbor Workers' Compensation Act, as may be applicable, at statutory limits. 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 Grantee.

Public Interest, Health, and Safety – No operation or process of treatment will be permitted in a Zone Site that, in the judgment of the Grantee, is detrimental to the public interest, health and safety.

Confidential Relationship – The Operator will take precaution to avoid the divulging of confidential information regarding merchandise and services thereon performed in a Zone Site. Any Zone Site employee violating this confidential relationship will be discharged immediately.

Admittance Of Persons – Persons desiring admittance to a FTZ authorized Zone Site shall make application to a representative of the Operator. The pass issued must be worn or shown upon request. Upon leaving the site, 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 site will enter and leave at the prescribed entrance.

Charges By Government Agencies – Charges made by government agencies are not included in this Tariff and payment should be arranged by the Operator or User, or his agent with the government bureau concerned.

Merchandise Arriving After Hours – Merchandise arriving after regular business hours may, by special arrangements with the Operator, be placed in a designated location and received subject to special charges.

When Charges Are Payable/Service Charge – Zone charges are due and payable as they accrue. A service charge of 1.5% per month may be charged on all accounts receivable of 30 days age. No proration will be made and 1.5% will be charged every monthly anniversary date thereafter.

Merchandise Held for Charges – An Operator may reserve the right to withhold permission to withdraw merchandise from a Zone Site for users with unpaid charges for Zone Site use.

Charges, How Enforced – For the purpose of enforcing the payment of charges named in this Tariff on merchandise handled over, stored, or manipulated on a Zone Site facility, the Operator may take possession of such merchandise and may remove and store some at the charge, risk, and expense of the owner or consignee thereof and/or may sell the goods by public auction and/or pursue such other remedies as may be provide by law. An Operator may also reserve the right, in his discretion, to deny the use of zone facilities and/or services to any user until all outstanding delinquent charges have been paid.

Charges For Special Customs Services – U.S. Customs Service charges special fees for the activation of a new foreign-trade zone or subzone, for zone relocation, for zone boundary alterations, and for Usage Driven Sites. When such fees are assessed as a result of a specific request by an Operator or user, the Operator or user shall bear the expense thereof.

Charges For Special Zone Staff Services – The Grantee maintains at the Zone a legally assigned staff of employees to assist in the normal operations of the Zone during regular business hours set forth in this Tariff.

Zone staff services rendered during National holidays, Saturdays, and Sundays or during overtime hours at the specific request of the user of zone

facilities for such purpose, will be provided at the discretion of the Zone Staff and will be charged to the user of such services at applicable overtime rates.

Creation Of Subzones --Where applicant desires to have subzone located within Grantee's jurisdiction and Grantee has no site available for its location or where sites available are not suited for proposed operations, the applicant must arrange for the acquisition of a suitable and available site. The Grantee will provide cooperation with all State or local industrial development agencies, public or private, to assist applicants to the fullest extent possible in securing a suitable location.

All persons and entities who request the Grantee to apply for authority to establish a sub-zone must first enter into an agreement with the Grantee 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, audit, or spot check; and charges for Grantee's special services not provided in this Tariff. Applicants for the establishment of a sub-zone will bear application costs and charges of preparing and filing of application by Grantee whether or not the application is favorably acted upon by the Foreign-Trade Zones Board.

Inspection – Grantee may inspect the assigned area at any and all reasonable times to ascertain whether or not the covenants or conditions related to its proper use are being observed.

Insurance – Grantee does not carry insurance on Zone Sites or on the contents stored therein. Operator is obligated to put nothing within a Zone Site which will cause the cancellation or forfeiture of the insurance or affect the premium rate thereof on the building or buildings, of which the leased premises forms a part. Insurance on commodities or other property stored on the leased premises, if desired, must be carried by and at the expense of Lessee or owner of the commodities or other properties.

Insurance On Merchandise in Warehouse – Merchandise stored, manipulated, or transferred within a Zone Site is not insured by the Grantee and the Zone Tariff rates does not include insurance on merchandise.

Access- Representatives of the Grantee, FTZ Board, Customs, and other authorized U.S. government officers, shall have the right to enter the Zone Site for

the authorized and lawful purpose of examining same, conferring with the Zone Site operator/facility/site 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.

XI. APPLICATIONS/ALTERATIONS TO THE ZONE

The FTZB has adopted an optional alternative site framework ("ASF") to manage FTZ sites. 15 CFR 400.2(c). FTZ 142 has been reorganized under the ASF. Under the ASF, pursuant to 15 C.F.R. 400.38, Usage Driven Sites can be established within 30 days of the filing of a minor boundary modification request by the Grantee.

Pursuant to 15C.F.R. 400.25, subzones can generally be established, if there is no objection encountered, within 5 months of the filing of the subzone request by the Grantee. All persons and entities who request the Grantee to apply for authority to establish a Usage Driven or subzone site must first enter into an agreement with the Grantee governing the proposed operations at the site.

All requests for Usage Driven Sites and/or subzone designation will be reviewed by the Grantee and all entities will be afforded uniform treatment with respect to the handling of the request by the Grantee. Should the Grantee determine to sponsor the Usage Driven Site or subzone site application, it will be the obligation of the applicant for the new site to prepare the application and bear all costs associated with the preparation and filing of the application, including any filing fees assessed by the FTZB.

Pursuant to 15 C.F.R, 400.24(b) Magnet Sites can be established provided that certain criteria are satisfied. All requests for the establishment of a new Magnet Site will be reviewed by the Grantee and all entities will be afforded uniform treatment with respect to the handling of the request by the Grantee. Should the Grantee determine to sponsor the expansion application, it will be the obligation of the applicant for the new Magnet Site to prepare the expansion application and bear all costs associated with the preparation and filing of the application, including any filing fees assessed by the FTZB.

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.

All requests and applications to the FTZB by Operators and Users of FTZ No. 142 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. 142 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.

XII. OPERATION OF ZONE

A. Operations

1. **Operations, Forms And Procedures** – Foreign and domestic merchandise of every description, except such as is prohibited by law, may, without being subject to CBP laws of the United States, except as otherwise set forth in the FTZ Act, may be brought into a Zone Site and stored, sold, exhibited, broken up, repacked, assembled, distributed, sorted, graded, cleaned, mixed with foreign or domestic merchandise or otherwise manipulated, or be manufactured except as otherwise set forth in the FTZ Act, and be exported, destroyed, or sent into the Customs territory of the United States therefrom in the original package or otherwise (19 U.S.C. §81c).

2. **Merchandise Permitted in A Zone** – Foreign and domestic merchandise of every description, except as is specifically prohibited by law, may, without being subject to the Customs laws of the United States except as otherwise provide in the Act and the regulations made thereunder, be brought into a Zone site.

    a) Merchandise which is specifically and absolutely prohibited by law shall not be admitted into a Zone Site. Any merchandise so prohibited by law which is found within a Zone Site shall be disposed of in the manner

provided for in laws and regulations applicable to such merchandise. A distinction is made between (1) merchandise which is specifically and absolutely prohibited by law on the grounds of policy and morals, such as immoral or subversive literature, obscene articles, or lottery matter, and (2) merchandise which is subject to conditional prohibition only, for example, articles which are subject to permits or licenses for the protection of economic or national security or which may be reconditioned to bring them into compliance with the laws administered by various Federal agencies, Directors of Customs are required to exclude the first class of articles and may not permit them to be transferred to a zone if they are aware of their prohibited status, except that the Director may permit the temporary deposit of any such merchandise in a Zone Site pending final determination of its status. The transfer of articles of the second class to a zone is subject to any requirements of the Federal agency concerned. There is no prohibition against placing over-quota merchandise in a Zone Site pending its right to transfer to Customs territory pursuant to the applicable quota provisions.

b) The application for the admission of merchandise, into a Zone Site shall be approved or disapproved by the Director as the representative of the Board, where the merchandise is not excluded by any other Federal agency having jurisdiction over the merchandise.

3. Application And Permit for Admission of Merchandise – Merchandise may only be admitted to a Zone Site upon application on a customs Form 214 by the applicant having right to make entry and the issuance of a permit by the district director. Exceptions to this requirement are for merchandise temporarily deposited in a Zone Site or transiting a Zone Site. Domestic status merchandise, including packing and repair material may be admitted to a Zone Site without application or permit except: (1) when it is mixed or combined with merchandise in another zone status, or (2) upon order of the Commissioner of Customs.

4. **Disposition Of Merchandise In A Zone** – In general, merchandise lawfully brought into a Zone Site may, in accordance with these and other regulations made under the provisions of the Act, be exported, destroyed, or sent into Customs territory of the United States there from, the original package or otherwise, but then foreign merchandise, and domestic merchandise whose identify has been lost, is so sent from a Zone Site into Customs territory of the United States it will be treated as foreign merchandise. Any domestic merchandise will be considered to have lost its identity if the District Director determines that it cannot be identified positively by a Customs officer as domestic merchandise on the basis of an examination of the articles or consideration of any proof that may be submitted by a party-in-interest.

5. **Manipulation, Manufacture, Exhibition, Destruction Of Merchandise** – In general, merchandise lawfully brought into a Zone Site may, in accordance with these and other regulations made under the provisions of the Act, be stored, sold, exhibited, broken up, repacked, assembled, distributed, sorted, graded, cleaned, mixed with foreign and domestic merchandise, or other manipulated, or be manufactured, or destroyed except as otherwise provided by the Act.

   a) Permission for any manipulation, manufacture, exhibition, or destruction in a Zone Site shall be obtained from the Director of Customs. Destruction of merchandise may be permitted outside a Zone Site, in whole or in part and under such conditions necessary to protect the revenues, if proper destruction cannot be accomplished within the Zone Site.

   b) The District Director shall approve the application unless (1) the proposed operation would be in violation of law of regulation; (2) the place designated for the operation is not suitable for the preservation of identity or status of the merchandise, or safeguarding the revenues; (3) the District Director is not satisfied that the destruction will be effective; or (4) the Executive Secretary of the Board

has not granted approval of a new manufacturing operation.

c) If an approved application is subsequently rescinded by the District Director for any reason, the applicant or grantee may appeal the adverse ruling and request a hearing pursuant to Section 146.83(b)(2).

d) The District Director may approve a blanket application for a period of up to one year for a continuous or repetitive operation.

6. **Status Of Merchandise in A Zone Site** – For the purposes of the Act and the regulations of this Section all merchandise within a Zone Site, except that as defined in Item 107 shall, in accordance with Subpart C of customs regulations, be given a zone status as:

a) privileged foreign merchandise,

b) non-privileged foreign merchandise,

c) domestic merchandise, or

d) zone-restricted merchandise,

7. Use Of Zone Sites By Carriers – The docking facilities and loading or unloading stations of a Zone Site are intended primarily for the use of vehicles, for unloading merchandise into the Zone Site or loading merchandise from the Zone Site and their use for other purposes may be terminated by the Secretary of the Treasury if found to endanger the revenue or by the Board if found to interfere with the primary uses of the Zone Site.

8. Subsequent Importation Of Zone Merchandise – Articles produced or manufactured in a Zone Site and exported there from shall, on subsequent importation into the Customs territory of the United States, be subject to the import laws applicable to like articles manufactured in a foreign country, except that articles produced or manufactured in a Zone Site

exclusively with the use of domestic merchandise, the identity of which has been maintained in accordance with the Second Proviso of Section 3 of the Act, as amended, may on such importation, be entered as American goods returned.

9. **Exclusion From Zone Site of Goods or Process Of Treatment** – when it shall be reported to the Board that any goods or process of treatment is detrimental to the public interest, health, or safety, the Board shall cause such investigation to be made as it may deem necessary. The Board may order the exclusion from a Zone Site of any goods or process of treatment that in its judgment is detrimental to the public interest, health, or safety.

10. **Retail Trade Within Zone Site** – No retail trade; sales or offers to sell goods or services to individuals for personal use, shall be conducted within a Zone Site except under permits issued by the grantee and approved by the Board. Such permittees shall sell no goods except such domestic or duty paid or duty-free goods as are brought into a zone from Customs territory. Permits which are sent to the Board for approval shall be accompanied by a sworn statement, as specified in Section 400.808, Foreign-Trade Zone Regulations. No goods shall be offered for sale or sold in a Zone Site which are not of the same kind and quality permitted to be offered for sale or sold in the political jurisdiction in which a zone is located.

11. **Erection Of Buildings Within Zone Site** - The Grantee may, with the approval of the Board, and under reasonable and uniform regulations for like conditions and circumstances to be prescribed by it, permit other persons, firms, corporations, or associations to erect such buildings and other structures within a Zone Site as will meet their particular requirements, provided (a) that such permissions shall not constitute a vested right as against the United States, nor interfere with or complicate the revocation of the grant by the United States; (b) that in the event of the United States or the grantee desiring to acquire the property of the permittee, no good will/shall be considered as accruing from the privilege granted to the Zone Site; and (c) that

such permits shall not be granted on terms that conflict with the public use of the Zone Site as set forth in the Act; and provided further, that accepted sanitary practices be followed in the construction, equipment and operation of such buildings and other structures.

12. **Residence Within Zone Site** – 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 Board.

13. **Hours Of Business and Service** – Hours of business and service, for Customs purposes, shall be the same as those prescribed in Customs regulations. Regular or normal business house shall be between the hours of 8:00 a.m. and 4:30 p.m., Monday through Friday.

A Zone Site may be opened at other times, on an irregular or regular basis, upon application and with approval of the Operator and Customs Officials.

14. **Employees And Persons Entering and Leaving Zone Site** – Employees and other persons entering or leaving a Zone Site shall pass through the designated entrances to the Zone Site. Employees and other persons shall be subject to such examination upon entering and leaving a Zone Site as the Director may deem necessary for the protection of the revenue.

15. **All Persons Entering Zone Site Bound by Regulations** - All persons entering a Zone Site for any reason whatsoever shall be bound by the regulations promulgated by the Board, Customs and by the Operator of the Zone.

16. **Identification Of Employees Within Zone** – Every employee within the Zone Site shall be required while within the zone to carry identification cards or wear appropriate identification badges to be provided by the Operator of the Zone Site.

17. **Identification Of Visitors and Non-Employee Personnel Within the Zone** - All persons having business within the Zone Site, but not possessing appropriate Zone Site-issued badges,

passes or other approval to enter the Zone Site, shall apply for the appropriate approval and entry identification at the Zone Site Operator office

B. Inventory Control and Recordkeeping System

1. An inventory control and recordkeeping system must be maintained by Operator that meets the requirements of the Customs Audit-Inspection Procedures for Foreign-Trade zones. The system may be manual, automated or a combination of the two; capable of:

    a) Accounting for all merchandise, including domestic, admitted, granted a Zone status and/or status change, stored, exhibited, manipulated, manufactured, destroyed, transferred, and/or removed from a Zone Site;

    b) Producing accurate and timely reports and documents as required;

    c) Identifying shortages and overages of merchandise in a Zone Site in sufficient detail to determine the quantity, description, tariff classification, Zone Site status, and value of the missing excess merchandise.

    d) Providing all the information necessary to make entry for merchandise being transferred to the Customs territory from the Zone Site.

    e) The inventory control and recordkeeping system for the merchandise transfers must have the capability to tract all transfers back to a Zone Site admission under a Customs authorized inventory method.

2. A Unique Identifier (UIN) will be assigned to each line item of merchandise to be entered into the Zone Site. This number will appear on the exterior of all containers, packages, etc., and on all documents pertaining to the respective item. An inventory record will be maintained for each UIN and will contain the following information:

a) Transaction Date

b) Document Type – CF 214, CF 7501, etc.

c) Document Number

d) Quantity

e) New Balance

f) Weight

g) Cost of Value

h) Zone Status

i) Unit of Measure (EA, DOZ, etc.)

j) Unit Packed

k) Description

l) Location

m) Destruction of merchandise, scrap waste and by-products.

3. For the end of year reconciliation report, the Inventory Control System must be capable of providing for each UIN, Zone Site status, quantity on hand at the Beginning of the year, cumulative receipts, and transfers (by unit), quantity on hand at the end of the year, and cumulative positive and negative adjustments (by unit) made during the year.

4. For the end of year annual report, the inventory Control System must be capable of providing the total weight and value of merchandise in the Zone Site, received in the Zone Site, transferred from the Zone Site by Zone status. Also, by commodity received and transferred from the Zone Site and duties paid for the fiscal year. See Subsection 1 for details.

5. A file will be maintained by CF 214 document control number for all documents relating to that CF 214.

a) Receipts – CF 214, FTZ-R

b) Manipulations, etc. – CF 216

c) Transfers – CF 3461, CF 7501, 7525V, CF 7512E, FTZ-T

d) Adjustments – FTZ-AJ, CF 5931

e) Invoices

f) Bills of Lading

g) Licenses, Permits, etc.

C. Annual Inventory and Reconciliation Report

1. Physical Inventory: The Operator shall take at least an annual physical of all merchandise in the Zone Site (unless continuous cycle counts are taken as part of an ongoing inventory control program) with prior notification of the date(s) given to Customs for any supervision of the inventory deemed necessary. The Operator shall notify the Port Director of Customs of any major inventory discrepancies in the annual reconciliation report or sooner, if deemed appropriate.

2. Annual Reconciliation:

   a) Report: The Operator shall prepare a reconciliation report within 90 days after the end of the Zone/Subzone year, unless the District Director authorizes an extension for reasonable cause. The Operator shall retain that annual reconciliation report for a spot check or audit by Customs and need not furnish it to Customs unless requested. There is no form specified for the preparation of the report.

   b) Information Required: The report must contain a description of merchandise for each unique identifier, Zone status, quantity on hand at the beginning of the year, cumulative receipts, and transfers (by unit), quantity on hand at the end of the year, and cumulative

positive and negative adjustments (by unit) made during the year.

c) Certification: The Operator shall submit to the District Director within 10 working days after the annual reconciliation report, a letter signed by the Operator certifying that the annual reconciliation has been prepared, is available for Customs review, and is accurate. The certification letter must contain the name and street address of the Operator, where the required records are available for Customs review; and the name, title, and telephone number of the person having custody of the records. Reporting of shortages and overages based on the annual reconciliation will be made in accordance with 19 CFR 146.53. These reports must accompany the certification letter.

d) Certain Domestic Merchandise: Except in a case of theft or suspected theft, the Operator need not file a report with the District Director, or note in the annual reconciliation report, any shortage or overage concerning domestic status merchandise for which no permit is required.

D. Foreign-Trade Zone Annual Report

1. Foreign-Trade Zones, Subzones, and Zone Sites will submit an annual report to the Foreign-Trade zones Board within 90 days of the end of the FTZ fiscal year. The FTZ fiscal year is October 1 to September 30. Subzones and Zone Sites will submit their Reports to the Grantee by December 1, for consolidation with the Grantees and other Operators. The annual report shall contain such data as is required by the FTZ Board and CBP. All such reports shall be signed by appropriate officials, certifying the accuracy of the reports. The FTZ Zone Site operator/facility/site or owner shall prepare a narrative and submit photographs as required for the annual report to the Grantee. An original and four (4) copies will be submitted along with at least two pictures showing one or more of the Subzones' or Zone Site's activities.

Prints should be of suitable quality for reproduction, size 8X10 on glossy paper, dated and captioned.

E. Shipment-In-Bond Seals

1. The sealing policy requires that conveyances and compartments used to transport in-bond merchandise be sealed with red in-bond seals, except under certain bonded land bridge carriers or air carriers using TACM procedures.

2. Seals for bonded shipments are procured and controlled by the Area Customs Office. Seals may be purchased from Customs as required. Removal and sealing of containers, trucks, etc. shall be under the supervision of a Customs Officer. When a Customs Officer is not available, the Area Customs Director may delegate this authority to the FTZ Operator.

3. The Operator shall notify Customs of any irregularities and get the carriers written concurrence on the condition of the seals and quantities delivered.

   Discrepancy reports are required if the quantities at the Zone vary from the Quantities of the Customs documents for the arriving goods.

F. Direct Delivery

1. Direct delivery procedures allow a qualifying operator to receive merchandise in the zone without prior application and approval on Customs Form 214.

2. Applicants must review 19 CFR 146.39 and 146.40 for details.

G. Weekly Entry/Export

An operator qualifying for direct delivery may also qualify for weekly entry and export procedures. This procedure authorizes projected shipments exportations for a one-week period without individual approval by Customs for each shipment. Applicants must review Parts 19 CFR 146.63 and 146.68 for details.

H. Other Considerations/Requirements

1. RESTRICTIONS ON THE ADMISSSION OF MERCHANDISE TO THE ZONE

   a) Merchandise prohibited entry into Customs territory cannot be admitted into the zone and if found therein, will be removed, seized, or destroyed according to applicable law.

   b) Merchandise withdrawn from a bonded warehouse or covered by a warehouse entry, may enter the zone only under zone restricted status, unless the duty is paid.

   c) Merchandise admitted to the zone under zone restricted status may not be returned to Customs territory for domestic consumption except where the Foreign-Trade Zones Board deems such return to be in the public interest.

   d) Merchandise subject to the control of other governmental agencies, such as food products, meats, or plants, may not be admitted to the zone until the approval of the proper agencies has been acquired.

2. QUOTA MERCHANDISE ADMITTED TO THE ZONE

   a) Merchandise covered by a quota (except tariff rate quotas) may be admitted to a Zone Site in excess of the quota amount unless it is excluded by an order of the Foreign-Trade Zones Board. The general rule is that merchandise in a Foreign-Trade Zone Site is considered for quota purposes, only in the condition it is in at the time of removal from the Zone Site into Customs territory. Therefore, quota considerations normally come into play only at the time merchandise is removed from a foreign-trade Zone Site into Customs territory for consumption.

b) Merchandise subject to a tariff rate quota for which privileged foreign status has been granted must be liquidated only at the higher or non-quota rate.

c) Any questions regarding special quota-like restrictions should be directed to Customs prior to requesting admittance to the zone.

3. U.S.D.A. RELEASE OF CARGO TO ENTER THE ZONE

a) Each CF 214 application for the admission of merchandise to a Zone Site will be checked by Customs against the U.S.D.A. detention list prior to approval. If the merchandise is included on the list, they will send two photocopies of the CF 214 to the U.S. Department of Agriculture. When the U.S.D.A. releases the merchandise, the two CF 214 copies will be stamped as released and distributed to the zone operator and the importing carrier. Importing carriers will hold the delivery of merchandise on the U.S.D.A. detention list until they receive the CF 214 with the U.S.D.A. release stamp. Customs may order the redelivery of any merchandise erroneously delivered to the zone without U.S.D.A. release. Recurring incidents of mis-delivered cargo may result in penalties.

4. PENALTIES FOR NONCOMPLIANCE WITH CUSTOMS REGULATIONS

a) Customs requires strict adherence to its published regulations and procedures. Noncompliance will result in the levying of liquidated damages and/or suspension or activation. Liquidated Damages may be levied not only for loss and mishandling of merchandise, but also for improper recording in the inventory control system, improper documentation, and untimely submission of documentation to Customs.

b) Bond requirements for Foreign-Trade Zone, Chapter 1, Title 19, CFR Part 113.73 is quoted for information and to convey the seriousness of noncompliance:

(1) "113.73-Foreign-Trade Zone Operator Bond Conditions. A bond of a Foreign-Trade Zone Operator shall contain the conditions listed in this section and shall be a continuous bond.

(a) Receipt, Handling, and Disposition of Merchandise. The Principal agrees to comply with:

(i) The law and Customs Regulations relating to the receipt, admission, status, handling, transfer, and removal of merchandise from the foreign-trade zone or subzone; and

(ii) The Customs Regulations concerning the maintenance of inventory control and recordkeeping systems covering merchandise in the foreign-trade zone or subzone. If the principal defaults and the default involves merchandise other than domestic merchandise for which no permit for admission is required, the obligors (principal and surety, jointly and severally) agree to pay liquidated damages equal to the value of the merchandise involved in the default, or three times the value of the merchandise involved in the default if the merchandise is restricted merchandise or alcoholic beverages, or such other amount as may be authorized by law or regulation. It is understood and agreed that whether the default involves merchandise is a determination may by Customs, that the amount to be collected under this condition shall be based upon the quantity and value of the merchandise as determined by Customs, and that

value as used in these provisions means value as determined under 19 U.S.C. 1401 a. If the principal defaults and the default does not involve merchandise, the obligors agree to pay liquidated damages of $1,000 for each default, or such other amount as may be authorized by law or regulations.

(b) Agreement to Pay Duties, Taxes, and Charges. The obligors agree to pay any duties, taxes, and charges found to be due on any merchandise, properly admitted to the Foreign-Trade Zone or Subzone, which is found to be missing from the zone or cannot be accounted for in the zone, it being expressly understood and agreed that the amount of said duties, taxes, and charges shall be determined solely by CBP.

XIII. ZONE SCHEDULE OF FEES AND RATES

Foreign Trade Zone 142 currently operates under the Alternative Site Framework Regulations ("ASF"), an optional framework for organizing and designating sites that allows a quicker and less complex procedures to obtain FTZ designation for eligible facilities, through usage driven sites. The ASF allows zone designation of usage driven sites, through application, at any location within the seven counties through application.

FTZ 142 currently has one Usage Driven Site and four subzones. The Usage Driven Site is Operated by National Refrigerants at 661 Kenyon Avenue, Rosenhayn, Cumberland County (30 acres), designated as Site 5.

South Jersey Port Corporation is the Zone Grantee.

Pursuant to Title 15 of the Code of Federal Regulations Part 400.42(a), the Zone Grantee is authorized to charge fees to operators for the privilege of operating under the auspices of Foreign Trade Zone No. 142. These monetary entitlements, in the form of fees, are charged to operators and users to recover both the direct and indirect costs of zone operating expenses such as applications,

Foreign Trade Zones Board reports, Customs documentation, marketing and advertising programs.

All fees in this schedule are payable to:

South Jersey Port Corporation
2 Aquarium Loop Dr. Suite 100,
Camden, NJ 08103

Zone Fees are due and payable upon the execution of an Operator's Agreement, application and/or activation request or when invoiced. All fees are non-refundable.

A. Fee Schedule

1. Application Fees:

An application fee of Ten Thousand Dollars ($10,000) shall be paid to Grantee by any company/operator requesting the Grantee to begin the application process with the FTZB for a Usage Driven Site or Subzone. The application fee covers Grantee's expenses for site research (ownership, zoning), documentation, CBP coordination, obtaining necessary approvals, resolutions, documentation, administration, and staff support,

The application fee is payable to Grantee in advance of submitting the application. The user/Operator will also be responsible for paying any application fees required by the Foreign Trade Zones Board and/or Customs.

2. Operating Agreement Fee/Activation

An Operating Agreement fee in the amount of Ten Thousand Dollars ($10,000.00) will be paid by a user/operator upon activation of its site. This fee will cover Grantee's expenses for the preparation and processing of the Operating Agreement with required attachments, providing the Grantee concurrence letter to CBP for activation and review of other related procedures. The fee does not include the preparation of the actual activation request, procedures manual, or other documents that may be required by Customs' Regulations.

3. Alteration Request Fee:

An Alteration Request Fee of Two Thousand Five Hundred Dollars ($2,500.00) shall be paid to Grantee each time an existing FTZ User/Operator requests an alteration of the Zone site to include a new area or facility. An alteration is defined as any change in the dimensions of the active space secured for Zone activity.

4. Annual Fees:

The User/Operator is to pay Grantee an annual user fee of Fifteen Thousand Dollars ($15,000) per Zone Site for each calendar year the Zone Site is in existence. This is in addition to the Application Fee, Operating Agreement Fee, and Alteration Agreement Fee. This fee covers Zone Grantee's administrative costs, preparation of the Annual Report to the Foreign Trade Zones Board, and other staff services.

Where the Zone Grantee is acting as an Operator, Users shall pay the following fees intended to recover the cost of processing and maintaining records:

1) Rental Fee of $0.25 per square foot per month for activated FTZ space and/or space being used for FTZ purposes: and

2) Transaction Fee based on the volume of transactions, the minimum annual fee being $3,000 which is payable with the first entry of merchandise to the Foreign-Trade Zone Site:

    a. Transactions Fees Shall be as follows:

Tier	Transactions	Fee
1	0-300	$3,000
2	301+	$10 per transaction

5. Extended Legal Costs

Any extended legal costs or unusually high expenses involved with unforeseen, complex issues will be proportionally shared by the Subzone Operators, General Purpose Site Operators, and/or FTZ Users involved in the issue.

6. Annual Report Deadline and Late Fee:

By March 1st of each calendar year, Operators are required to submit an annual report through the Online FTZ Information System (OFIS). A $100 late fee per calendar day will be imposed upon a Zone Site User/Operator who, after the aforementioned date, has not submitted their annual report through OFIS.

7. Customs Fees:

The Operator of the Zone Site will pay all applicable CBP fees, including merchandise processing fees. Additionally, all other fees and charges assessed by Customs for services provided to the affected Zone Site will be invoiced to the User/Operator of that site. The Grantee is not liable or responsible for Customs fees or charges.

8. Other:

a) Applicant, Zone Site User/Operator agrees to pay, or cause to be paid, all legal expenses and costs which Grantee incurs in conjunction with, or arising out of, any of the services provide in this fee schedule or in accordance with any Operation agreement.

b) Zone Site User/Operators are also responsible for the following fees:

(1) Foreign Trade Zones Board Fees

(2) Other Government Agency Fees

(3) Customs fines, penalties, or liquidated damages affecting zone merchandise or zone activities.

(4) All payments are due according to the terms of the billing document of the Grantee. Failure to pay any

fees, charges and expenses to the board shall be a basis for termination of appropriate agreement and/or removal of FTZ status. Late payments will incur an interest charge of 1 ½% per month. Zone Site User/Operator will also be responsible to pay for all of Grantee's costs of collection, including attorneys' fees.

XIV. GLOSSARY/DEFINITION OF TERMS

Absolute Quota- Quota status of merchandise (except textiles) in a Zone Site is considered at the time of entry into the Customs territory for consumption. Quota merchandise may be admitted into a Zone Site whether quota is open or closed. Orderly Marketing Agreements and Voluntary Restraint Agreements are not considered Absolute Quotas.

Attributive Basis- An attributive method attributes a transfer from inventory according to generally recognized and accepted accounting principles, such as First in, First Out (FIFO).

Act- The Foreign-Trade Zones Act of June 19, 1984 (48 Stat. 998-1003; 19 U.S.C. 81a-81u), as amended by Public Law 566, 81st Congress, approved June 17, 1950.

Activation -- Filing of an application with CBP by the User/Operator, with Grantee's concurrence, results in the actual utilization of an FTZ eligible site as an FTZ. 19 C.F.R.146.1.

Admission To Zone (Admit)- Means to bring merchandise into a Zone Site with Zone Site status.

Alternative Site Framework (ASF) -- An optional approach to FTZ designation and management that provides Grantees with greater flexibility and responsiveness in serving FTZ Users. 15 C.F.R. 400.2(c). FTZ No. 142 was reorganized under ASF through Board Order No. 2083 on June 11, 2019.

Bulk- In trade, a product, or a mass (of a product) that is not packaged, bundled, bottled, or otherwise packed, so that it is designated as bulk or bulk merchandise.

Board/ Or 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).

Central Inventory Control System (CICS)- A computerized accounting system maintained by the Zone User/Operator, fed by Customs form input prepared by each FTZ User. This system will provide perpetual and specific inventory information concerning FTZ User transactions. The primary purpose of this system is protection of proper Customs revenue, preparation of Zone Site Management reports and smoothness of Zone Site operations.

Conditionally Admissible Merchandise- Merchandise which may be imported into the United States under certain conditions. Merchandise which is subject to permits or licenses, or which may be reconditioned to bring it into compliance with the laws administered by various Federal agencies is an example of conditionally admissible merchandise.

Constructive Transfer-A legal fiction which permits acceptance of a Customs entry for merchandise in a Zone Site before its physical transfer to the Customs territory.

Countervailing Duties and Antidumping-Countervailing duties and antidumping duties are applied when privileged status is requested. Non-privileged merchandise is subject to antidumping and countervailing duties at the time of entry into the Customs territory.

Customs Supervision- Enforcement of a law or regulation through the presence of a Customs officer to observe or be capable of observing, a given activity so as to assure compliance. Supervision consists of such activities as reviewing documents; inspection of shipments; quantity verification; checking, affixing, or breaking seals; and physical examination of the contents of containers of merchandise.

Customs Territory- The territory of the United States in which the general tariff law of the United States applies but which is not included in any foreign-trade Zone Site.

Director Of Customs- The Port Director of Customs, Phila., Pa. – U.S. Customs Service.

Domestic Exports- Domestic merchandise exported from the United States and particularly such merchandise exported through a foreign-trade Zone Site. It includes merchandise of every description (except articles specifically and absolutely prohibited by statue) which has been (1) grown, produced, or manufactured in the United States and not exported therefrom, or (2) previously imported into Customs territory and properly released from Customs custody.

For the purposes of marking and labeling, it includes (1) the product of manipulation or manufacture in a Zone Site in which only privileged domestic merchandise is used, (2) the product of manipulation or manufacture in a Zone Site in which there is a mixture of foreign and domestic merchandise which results in a change in form or nature of the commodities, and in which the domestic merchandise consists of a component part or parts or a substantial portion of the finished product, and (3) foreign merchandise which by manipulation or manufacture in a Zone Site has been so changed inform and nature or enhanced in value that the product is deemed to be one of domestic manufacture.

Domestic Merchandise- Merchandise of every description (except articles specifically and absolutely prohibited by statue) which has been (1) grown, produced, or manufactured in the United States and on which all internal taxes have been paid or (2) previously imported into Customs territory and properly released from Customs custody on which duty and tax has been paid or which was previously entered free of duty and tax. 19 C.F.R.146.43.

Drawback- A refund or remission, in whole or in part, of a Customs duty, internal revenue tax or fee.

Duty- A tax on imports. (tariff)

Entry- An entry is the transfer of merchandise from the Foreign-Trade Zone Site either to Customs territory (CF 7501) or for export (CF 7512).

First In, First Out (FIFO)-An accounting method based on an assumption regarding the flow of goods that older stock is disposed of first, in accordance with good merchandising policy. This method requires that the merchandise be fungible without regard to the source, e.g., foreign, or domestic. Use of the method in Foreign-Trade Zone Site requires a perpetual inventory system which identifies the merchandise by (1) the date the merchandise is admitted into the Zone Site, (2) a unique identification number (UIN) which distinguishes the goods from all other goods, (3) Zone Site status for each increment of the UIN to the inventory, and (4) the unit value of each such increment.

Foreign Merchandise- Imported merchandise of every description (except articles specifically and absolutely prohibited by statue) which has not been properly released from Customs custody into Customs territory.

Foreign-Trade Zones Board (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).

FTZ Eligibility – A site becomes eligible to be used as an FTZ upon receipt of designation from the FTZB in response to a request from the Grantee.

Foreign Trade Center Forms-

Customs Form 214- Application for Foreign-Trade Zone Admission and/or Status Designation.

Customs form 214A- Bureau of Census statistical copy.

Customs Form 216 – Application for Foreign-Trade zone Activity Permit. Required for any activity which in any way alters merchandise in a zone, including but not limited to manipulation, manufacture, destruction, or exhibition.

Fungible Merchandise- Merchandise which for commercial purposes is identical and interchangeable in all situations. Originally applied to liquids or free-flowing substances which arrived in bulk, unpacked condition, the concept is now applied in Zone Sites, for inventory control purposes, to shipments of goods which arrive packed, but are unpacked and placed together in storage or manufacturing locations, so that identification with the shipment to wide use in manufacturing environments where it is infeasible to store goods in their original lots awaiting manufacture.

Generalized System of Preferences (GSP)- G.S.P./C.B.I./Israel Free Trade Area Act: The Generalized System of Preferences, Caribbean Basin Initiative and Israel Free Trade Area Act allow duty-free treatment for certain merchandise from designated countries.

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). The South Jersey Port Corporation is the Grantee of FTZ No. 142.

Importer's Agent/Broker- A firm, representative or individual who acts on behalf of the FTZ User under an authorized power of attorney.

Imports- Foreign merchandise of every description (except articles specifically and absolutely prohibited by statue) entered into Customs territory to become a part of the domestic supply for the purpose of domestic commerce or consumption, and particularly that which is entered into Customs territory to become a part of the domestic supply for the purpose of domestic commerce or consumption, and particularly that which is entered into Customs territory through a Zone Site and foreign merchandise which, under the laws and regulations of various other Federal agencies having jurisdiction within a Zone Site, is said to be "imported" into a foreign-trade zone, Customs bonded warehouse, or Customs custody. This latter merchandise, in relation to operation of a Zone Site, is considered to be foreign merchandise until its entry into the commerce of the United States.

In-Transit Merchandise- The term "in-transit merchandise" includes all foreign merchandise transported into and out of the United States, whether in and out of the same port or across the country to another port, with or without transshipment, warehouse, breaking bulk, or charge in mode of transportation, which originated in one foreign country and is destined at the same time of the original shipment to another foreign country, under a through bill of lading or other documentation for a completed journey. The term is particularly applied to foreign merchandise shipped in transit through a foreign-trade Zone Site.

Inventory Record- The FTZ Inventory Record specifies by unique identifier merchandise, lot number, location, zone status, beginning balance, cumulative receipts, disbursements or removals, adjustments, and current balance on hand, by date and quantity, destruction of merchandise, and scrap/waste and by-products.

Lease- The document of agreement entered into between the Operator and User/Client for assignment of space within Foreign-Trade Zone No. 142.

Lot Number- An optional procedure for controlling merchandise by individual receipt within the UIN Inventory Control Record. A sequential control number assigned to an invoice or to each UIN on the invoice. All exterior packages will be marked with this number and stored separately. This procedure provides controls for FIFO and traceability back to receipt documents.

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

Manipulation- Means breaking up, repacking, assembling, distributing sorting, grading, cleaning, mixing with foreign or domestic merchandise, or other processing which does not constitute a manufacture.

Merchandise-"Merchandise" includes goods, wares, and chattels of every description, except prohibited merchandise. Building materials, production equipment, and supplies for use in operation of a Zone Site are not "merchandise" for the purpose of this part.

Non-Privileged Foreign Merchandise- (1) Foreign merchandise properly in a Zone Site which does not have the status of (a) privileged foreign merchandise or (b) zone restricted merchandise; (2) waste recovered from any manipulation or manufacture of privileged foreign merchandise; or (3) domestic merchandise in a Zone Site which by reason of noncompliance with the regulations has lost its identity as domestic merchandise. Non-Privileged Foreign Status Merchandise has not cleared Customs and for which the 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. 19C.F.R. 146.42.

Operator -- Corporation, partnership, or person that operates a Zone Site under the terms of an Agreement with the Grantee. 15 C.F.R. 400.2(w). The term "Operator" also applies to a "Grantee" that operates its own Zone Site.

Person Of Record- The person, firm, or corporation in whose name the applicant to admit merchandise into the Zone Site (Customs Form 214) is made, recognized by the Zone Site Grantee as having the legal right to make the application. Evidence of this right of the applicant is the same as would be required to establish the right to apply for release of the merchandise from Customs custody at the end of its transit through Customs territory, and usually consists of an original bill of lading in the same of the applicant, an original bill of lading endorsed to him, or a carrier's certificate.

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

Privileged Foreign Merchandise- Foreign merchandise which has not been manipulated or manufactured so as to effect a change in tariff classification and which is subject to tariff classification according to its character, condition, and quantity at the rate of duty and tax in force on the date of filing application on Customs Form 214. Privileged foreign status may not be abandoned and remains applicable even if the merchandise is changed in form by manipulation or manufacture. Privileged Foreign Status Merchandise has not cleared Customs and for which the 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. 19 C.F.R. 146.41.

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 customs classification of the article or its eligibility for entry for consumption. 15 C.F.R. 400.2(o)

Prohibited Merchandise- Any merchandise which is prohibited by law from entry into the United States, e.g., treasonable, or obscene materials, would also be prohibited from admission into a Foreign-Trade Zone Site. Further, merchandise prohibited importation into the United States by Presidential Proclamation or Congressional Act may well be prohibited from a Foreign-Trade Zone Site depending on the language utilized. However, goods that have been rejected for entry may be admitted to a Foreign-Trade Zone Site. This is true if the other federal agencies are satisfied that Zone Site restricted status in a Foreign-Trade Zone Site satisfies their requirements.

Prohibited Operations- See Foreign-Trade Zones Act, 19 U.S. C. 81c. Certain operations involving the following merchandise may be prohibited.

A. Tobacco, cigars, cigarettes, and cigarette papers and Tubes – 26 U.S. C. 5701-5706.

B. Firearms – 26 U.S.C. 4181-4141/5811.

C. Distilled spirits, alcohol, wines, and beer – 26 U.S.C. 5001-6008, 5010.

D. Sugar – 26 U.S.C. 4501-4503.

E. Watches – Tariff Act of 1930, Paragraphs 367/368.

Bicycle parts have been prohibited for a limited time period – 19 U.S.C. 81.

All other provisions cited in the Act have been repealed. Approval for operations involving such merchandise should be secured from the U.S. Customs Service and the Foreign-Trade Zones Board as necessary.

Retail sales are prohibited in a Zone Site by statute.

Quota- A set limit of a given item that may be imported during a set period of time (normally one year) Tariff rate quota only limits the quantity that may be imported at the lower rate, imports above the quota quantity would be at the higher rate of duty.

Re-Exports or Reshipments- Merchandise from one foreign country initially destines to the United States which, after being unladen, stored and/or manipulated or manufactured in this country, is transported under a new bill of lading or other new documentation to another foreign country. The term is particularly applied to re-exports or reshipments through a Foreign Trade Zone Site.

It includes privileged, non-privileged, or Zone Site-restricted foreign merchandise which (1) is in the same condition as when transported into the United States, or (2) has been manipulated without any change in its form or nature, or (3) has been manipulated or processed in such a manner as to change its form, whether or not mixed with domestic merchandise, provided the domestic merchandise is not a component part or substantial ingredient thereof.

Generally, it includes all merchandise of foreign origin which has not been so manipulated or manufactured as to be deemed a product of the United States and which has not been released from Customs custody into Customs territory.

Secretary- The term "Secretary" means the Secretary of Commerce.

Service Area -- Jurisdiction 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). The Service Area for FTZ No. 142 encompasses the following seven counties: Mercer, Burlington, Camden, Gloucester, Salem, Cumberland, and Cape May.

Storage- The keeping of merchandise in or upon the premises within the Foreign-Trade Zone Site. Covered storage means keeping within a covered and enclosed structure affording weather protection. The term "storage," without other designation, ordinarily implies covered storage.

Subzone- "Subzone" is a special-purpose Zone Site established as part of a zone project for a limited purpose, that cannot be accompanied within an existing Zone. The term "Zone" also applies to a Subzone, unless specified otherwise. 15 C.F.R. 400.2(s).

Ton- means weight ton of 2,00 pounds, unless otherwise indicated, measurement ton 40 cubic feet.

Transfer- Means to take merchandise with Zone status from a Zone Site for consumption, transportation, exportation, warehousing, cartage or lighterage, vessel supplies and equipment, admission to another Zone Site, and like purposes.

Transshipment Merchandise- Foreign merchandise which enters and leaves the United States through the same port, being transferred from one vessel to another directly, or by way of a Foreign-Trade Zone Site or Customs bonded warehouse. The term is particularly applied to such merchandise transferred through a Foreign-Trade Zone Site.

United States- The several States, the District of Columbia, and Puerto Rico. The term "United States" includes all territories and possessions of the United States, except the Virgin Islands, American Samoa, Wake Island, Midway Islands, Kingman Reef, and the Island of Guam.

Unique Identifier Number (UIN)- Number, letters, or a combination of both (alphanumeric), or a description unique to a fungible article or product assigned by the FTZ User for control and identification purposes. May be a stock number, part number of a model number.

Unit Of Quantity- Means the customary grouping of a commodity as a unit to indicate the medium or method of measure.

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

User/Client- -- A person or firm using a Zone Site for storage, handling, or processing of merchandise. 15 C.F.R. 400.2(aa).

Warehouse- A covered and enclosed structure, affording weather protection, used primarily for short or long-term storage of merchandise, and often containing business offices. In a Foreign-Trade Zone Site it also is used for manipulation, manufacture, and exhibition of merchandise.

Weight- Means the gross weight of the merchandise including container, except as noted to the contrary.

Zone- The term "Zone" means a "Foreign-Trade Zone" and/or Foreign-Trade Zone No. 142.

Zone Lot- A unit of merchandise maintained under an inventory control method based on specific identification of merchandise admitted to a zone by lot.

Zone Lot Number- The sequential controlled number assigned to a Zone lot.

Zone Project -- All of the Zone Sites (General Purpose, Magnet, Usage Driven and subzone) established by the Board under a single Grantee.

Zone Restricted Merchandise- Foreign or domestic merchandise taken into a Zone Site for the sole purpose of exportation, destruction (except destruction of distilled spirits, wines, and fermented malt liquors), or storage prior to exportation or destruction. Zone restricted status may be requested at the time of admittance to a Zone Site or at any time thereafter but may not be abandoned once granted. Zone restricted merchandise may only be returned to Customs territory for domestic consumption where the Board determines the return to be in the public interest. Zone Restricted Merchandise cannot re-enter the U.S. customs territory. 19 C.F.R. 146.44

Zone Site- "Zone Site" means the physical location of FTZB approved Usage Driven Sites, Magnet Sites and Subzones.

Zone Status- That designation applied for on Customs Form 214 for merchandise admitted to a Zone Site. i.e., non-privileged foreign, privileged foreign, Zone restricted or domestic. Zone status determines the manner in which merchandise shall be classified, appraised, and handled.

Zone User- As individual, partnership or corporation which holds title to merchandise within a Zone Site and which is primarily responsible for the payment of duties, taxes, and/or fees levied by appropriate government agencies. This is the entity responsible for submission of the Custom Forms and which is requesting use of the Zone privileges under the regulations. The term FTZ User as used in this manual refers to the Zone User or its Customhouse Broker.