

IMPORTANT INFORMATION ABOUT ZONE SCHEDULES

This zone schedule is being made available pursuant to 15 CFR 400.44(e), which states: “The Board shall make copies of zone schedules available on its Web site.”

Availability of this zone schedule on the FTZ Board’s website does not imply that the FTZ Board has approved any rate/charge, policy, or other content of this zone schedule. In particular, while the FTZ Board staff intends to conduct spot checks over time, zone schedules are not reviewed for compliance with the public utility requirement (19 U.S.C. 81n, 15 CFR 400.42) prior to making the zone schedules available via the Board’s website.

Pursuant to 15 CFR 400.44(b)(4), a grantee may not assess any specific rate or charge for which the amount – or formula for calculating the amount – does not appear in the zone schedule that the grantee has submitted to the FTZ Board.

Complaints about a grantee’s compliance with statutory and regulatory requirements related to public utility and uniform treatment – including rate or charge amounts/formulas, a grantee assessing a rate or charge amount/formula that does not appear in its zone schedule, and a grantee not affording uniform treatment under like conditions – may be presented to the FTZ Board under 15 CFR 400.45 (which also allows for complaints to be made on a confidential basis, if necessary).

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



PhilaPort

THE PORT OF PHILADELPHIA

ZONE SCHEDULE

FOREIGN-TRADE ZONE NO. 35

**GRANTEE: PHILADELPHIA REGIONAL PORT AUTHORITY
(currently known as PhilaPort)**

**SERVICE AREA: BERKS, BUCKS, CHESTER, DELAWARE,
LANCASTER, MONTGOMERY, AND PHILADELPHIA COUNTIES**

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DATE OF FIRST AMENDMENT: November 1, 1985
DATE OF SECOND AMENDMENT: November 1, 1999
DATE OF THIRD AMENDMENT: November 15, 2000
DATE OF FOURTH AMENDMENT: September 10, 2001
DATE OF FIFTH AMENDMENT: March 11, 2002
DATE OF SIXTH AMENDMENT: September 4, 2002
DATE OF SEVENTH AMENDMENT: May 5, 2004
DATE OF EIGHTH AMENDMENT: July 24, 2006
DATE OF NINTH AMENDMENT: January 24, 2008
DATE OF TENTH AMENDMENT: March 23, 2010
DATE OF ELEVENTH AMENDMENT: July 20, 2010
DATE OF TWELTH AMENDMENT: July 20, 2010
DATE OF THIRTEENTH AMENDMENT: August 20, 2012
DATE OF FOURTEENTH AMENDMENT: October 11, 2012
DATE OF FIFTEENTH AMENDMENT: July 29, 2013
DATE OF SIXTEENTH AMENDMENT: December 11, 2013
DATE OF SEVENTEENTH AMENDMENT: February 4, 2014
DATE OF CURRENT AMENDMENT: June 3, 2024

Table of Contents

Policy Statement	Page 5
Definitions	Pages 6-7
FTZ Designation Process	Page 8
Application of Zone Schedule and Regulations	Page 9
Zone Regulations	Pages 10-11
Zone Operators Responsibilities	Page 12
Zone Activation and Deactivation	Page 13
Reporting and Record Keeping	Page 13
Fee Schedule	Pages 14-15

Policy Statement

Foreign-Trade Zone No. 35:

On April 23, 1992, pursuant to Foreign-Trade Zones Board Order 575, The Philadelphia Regional Port Authority (also known as “PRPA” and rebranded as “PhilaPort” in 2016) was appointed Grantee of Foreign-Trade Zone No. 35.

It is the policy of PhilaPort, to maintain the Zone Project as a service to the community to improve trade and economic development by maintaining and attracting business; enhancing commerce in the Philadelphia Region; and by creating and retaining jobs. To implement this policy, the benefits accorded to Foreign-Trade Zone status will be used as an economic development tool.

PhilaPort’s enabling statute was established for the purpose of enhancing water borne commerce. Functioning as Grantee of FTZ No. 35 is fully compatible with PhilaPort’s Statutory mandate. It is the belief of PhilaPort that the greater the amount of commerce that flows through the Philadelphia Metropolitan area, the more attractive PhilaPort will be to industries supporting and engaging in water borne commerce.

All rates and charges for all services or privileges within the zone shall be fair and reasonable, and the Grantee and Zone Operator shall afford to all who may apply for the use of the zone and its facilities and appurtenances uniform treatment under like conditions, subject to such treaties or commercial conventions as are now in force, or may hereafter be made from time to time by the United States with foreign governments. (15 CFR, Chapter IV, Part 400, Section 1003a).

Any potential applicant requesting status as a Zone Operator must obtain approval from PhilaPort and CBP prior to any application being submitted to the Foreign-Trade Zones Board.

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Definitions

1. Act: the Foreign-Trade Zones Act of June 18, 1934 (48 Stat. § 998-1003; 19 U.S.C. § 81a-81u), as amended from time to time.
2. Annual Fee: service charge paid by the Operator to PhilaPort which shall cover the administrative costs and expenses incurred by the PhilaPort in connection with the maintenance of FTZ No. 35, including the costs incurred in the establishment of the Zone Site, as set forth in the FTZ No. 35 Zone Schedule.
3. Annual Report: report made by the PhilaPort to the FTZ Board containing such information as the FTZ Board may require pursuant to 19 U.S.C. §81p(b) and 15 CFR 400.46(d).
4. Area Port Director: the Area Port Director of the Customs Service in charge of the Customs Port of Entry in which the Zone Site is located.
5. CBP: the United States Customs and Border Protection Service of the Department of the Treasury.
6. CBP Correspondence: any correspondence between the CBP and the Operator related specifically to Zone Site activation, modification to Zone Site or Zone Site activities and Zone Site deactivation.
7. Customs Requirements: all requirements imposed now or in the future by the CBP for the operation of the Zone Site as part of Zone No. 35.
8. FTZ Board: the Foreign-Trade Zones Board as referred to in 49 U.S.C. § 81a (a) or the successor of such FTZ Board in functions and duties.
9. FTZ No. 35: Foreign-Trade Zone No. 35, as authorized by a grant from the FTZ Board, as such may be modified from time to time.
10. FTZ No. 35 Zone Schedule: the schedule as required by 15 C.F.R. 40. "Federal Government" means the Government of the United States of America.
11. Governmental Authorities: the Federal Government, the State of Pennsylvania, PhilaPort and any agency, department, legislative body, commission, board, bureau, instrumentality, or political subdivision of any of the foregoing, now existing or hereafter created.
12. Governmental Requirements: all laws, rules, regulations, orders, ordinances, statutes, codes, directives, resolutions, and requirements of all Governmental Authorities, whether currently in force or hereafter adopted, applicable to the Zone Site, Zone No. 35, or Operator, including, without limitation, the Act, the Regulations, Customs Requirements, and FTZ No. 35 Zone Schedule.
13. Magnet Site/General Purpose Zone: a Zone Site intended to serve or attract multiple operators or users.
14. Merchandise: goods, wares, and chattels of every description, except prohibited articles.
15. Operator: a corporation, partnership, or person that operates a zone site, whether a Usage-Driven/Subzone Site or a General-Purpose/Magnet Site of Zone No. 35 under the terms of an Operator Agreement with PhilaPort.
16. Operator Agreement: agreement between PhilaPort and Operator which sets forth the terms for conducting operations in Zone No. 35.

17. PRPA: Philadelphia Regional Port Authority.
18. Production: activity involving the substantial transformation of a foreign article resulting in a new and different name, character, and use, or activity involving a change in condition of the article which results in a change in the customs classification of the article or in its eligibility for entry for consumption.
19. Regulations: collectively the FTZ Board and CBP regulations currently published in the Code of Federal Regulations at Title 15, Part 400, and Title 19, Part 146, respectively, which are hereby incorporated by reference, and any additional regulations which now or in the future may be promulgated by the Federal Government which concern, relate or apply to the Zone Site, Zone No. 35 or to Foreign-Trade Zones in general. Said additional regulations shall also be deemed to be incorporated herein and, as appropriate, will supersede the cited regulations,
20. Usage-Driven Site/Subzone: a Zone Site tied to a single operator or user.
21. Zone Site: each separate area comprising Zone No. 35.

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FTZ Application Process

1. The prospective operator completes the online application (located on PhilaPort's and CBP's website) and sends it to PhilaPort.
2. PhilaPort will draft a concurrence letter and send the application package to the FTZ Board.
3. The operator must schedule a site visit to gain consent from CBP for their proposed site to operate as an FTZ. Ideally, PhilaPort should be included in this site visit as well or the operator must conduct a separate site visit with PhilaPort. CBP then drafts a concurrence letter for the FTZ Board, which PhilaPort sends a final copy to the FTZ Board.
4. The FTZ Board reviews and decides on the application.
5. If approved by the FTZ Board, PhilaPort enters into an operating agreement with the operator.
6. Once the agreements are executed, PhilaPort formally notifies CBP and the FTZ Board that the FTZ site should be considered active. Once CBP confirms, PhilaPort alerts the operator and payment of annual fee is due to PhilaPort within 30 days.

***If an operator is requesting production activity, this process will also be a part of the application process. ***

Application of Zone Schedule and Regulations:

Application of Foreign-Trade Zone No. 35 Zone Schedule: The rates, rules and regulations of this Zone Schedule shall apply to Foreign-Trade Zone No. 35, its Sub-Zones and Annexes unless otherwise provided for. (Operator's Agreements Supplement this Zone Schedule).

Application and Interpretation of Zone Schedule: The Grantee shall be the sole judge to interpret and determine the applicability of any of the rates, rules, regulations, or services provided for in the Zone Schedule. 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 their duly appointed representative.

Note: This Zone Schedule can be changed, corrected and/or modified at any time by the grantee and with notification to the U.S. Foreign-Trade Zones Board.

General Regulations: Foreign-Trade Zone No. 35 is regulated by the Foreign-Trade Zones Board, Washington, D.C. under the Code of Federal Regulations at 15 CFR 400.

United States Customs Regulations: Foreign-Trade Zone No. 35 is subject to special Customs regulations as defined under the Code of Federal Regulations at 19 CFR 146.

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Zone Regulations:

The following rules governing procedures within Foreign-Trade Zone #35 for any purpose whatsoever shall be bound by the lawful regulations of the Foreign-Trade Zones Board and by the zone regulations issued thereunder. Grantee reserves the right to alter, amend, revoke or delete parts or all these regulations, issue new regulations and otherwise exercise the right to control the operations of users within the zone territory to the extent necessary to enforce all applicable laws and regulations.

Inspection:

CBP Officers, Zone Operator, and Grantee may inspect the assigned area at all reasonable times to ascertain whether the covenants or conditions related to its proper use are being observed.

Compensation Insurance:

Every person employed by contractors or customers in the zone shall be properly covered by Workmen's Compensation Insurance. Proof of this shall be given to CBP and/or the Grantee.

Confidential Relationship:

The Zone Operator or Grantee will take precautions to avoid the divulging of confidential information regarding merchandise and services thereon performed in the zone. Any zone employee violating this confidential relationship will be suitably disciplined or discharged.

Foreign-Trade Zone Designation:

The Grantee maintains the right to transfer or remove the Foreign-Trade Zone designation from any area or location in the Grantee's Zone Project with or without the landowner's consent.

Procedure to Transfer or Remove Foreign-Trade Zone Designation:

Prior to filing an application with the Foreign-Trade Zones Board to transfer or remove a Foreign-Trade Zone designation from a zone, the Grantee will either:

1. Obtain a written letter of consent by the Landowner to have the Foreign-Trade Zone designation removed from the site; or
2. Send written notice to the Landowner that states following:
 - a. Identifying that the Foreign-Trade Zone designation is being removed from the site.
 - b. Identifying the reason that the Foreign-Trade Zone designation is being removed from the site.
 - c. Stating that the landowner has seven calendar days to respond to the notice with a justification why the Foreign-Trade Zone designation should not be removed; and
 - d. That final determination of the removal or transfer of the Foreign-Trade Zone designation is up to the Foreign-Trade Zones Board.

Upon filing of an application to the Foreign-Trade Zones Board for the transfer or removal of the Foreign-Trade Zone designation, the Grantee will include the letter of concurrence from the owner or the letter notifying the owner of the change along with a letter to the Foreign-Trade Zones Board that the landowner did not respond to the notice within the time-period allotted.

Limits of Liability:

The responsibility of individuals, Grantee's, and Zone Operators, in the absence of written provisions, is the reasonable care and diligence required by law. The Grantee and/or the Zone Operator is not liable and cannot assume any responsibility for any loss or damage to freight, cargo or merchandise, or other property upon the zone premises or from any cause whatsoever, including but not limited to loss or damage caused by: the elements, heat, cold, dampness, evaporation, leakage, seepage, natural shrinkage, wastage, decay, rain, floods, windstorm, hailstorm, fire, explosion, leakage or discharge from automatic fire protective or sprinkler systems, collapse of buildings or structures, floats, logs or pilings required in breasting vessels away from wharf, or accidents on tracks or roadways or elsewhere on Grantee's property; animals, rats, mice or other rodents; moths, weevils or other insects; pilferage, robbery, larceny, burglary; breakage by improper packing, insufficiency or absence of marks, names, addresses, descriptions; breakdown of cranes or power service or machinery or equipment, wear and tear; shortage of labor, combinations, insurrection, civil and military commotion, criminal acts, insufficiency of notification, acts of third persons, acts of God, the Public Enemy, the inherent nature of the merchandise itself or other causes whatsoever.

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Zone Operators/Users General Responsibilities:

Zone Operators/Users assume the following responsibilities concerning Foreign-Trade Zone activities, they shall:

- a) Exercise reasonable care in executing all zone documentation, following inventory control procedures as established by the Zone Operator, and full compliance with Customs regulations under the Code of Federal Regulations at 19 CFR 146 concerning Foreign-Trade Zone activity.
- b) Limit access to designated zone areas to only those employees or visitors with an official or dutiful need to access the zone area.
- c) Be responsible for maintaining adequate precautionary measures to ensure the security of zone merchandise.
- d) Be responsible for explaining any inventory discrepancies that may occur concerning merchandise having zone status to the Zone Operator/Grantee and/or Customs.
- e) Inform the Grantee of any spot check or audit occurring.
- f) Make payment to and /or reimbursement of Zone Operators/Grantee for any penalties or liquidated damages assessed by Customs for any violation of Zone regulations because of the Zone Operator/User's actions or inactions.

Operations Manual:

- Prior to activation each operator will submit for approval a Procedures Manual for their subzone or zone site to the U.S. Customs Service. Any amendments and /or revisions made to the procedure's manual must be sent to any amendments or revisions being implemented. Copies of prior procedure manuals shall be maintained for 10 years.

Non-Liability:

1. PhilaPort 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; commission or omission of Zone Operators/Users.
2. The Zone Operator/Users shall Indemnify and hold the Zone Grantee harmless from any loss of whatever nature arising out of Zone Operator/User's operations.

Zone Activation

- Operator shall confirm to the CBP request for activation of the foreign-trade zone at the Zone Site. Operator shall not construct any additional Zone Site facility or alter the premises comprising the Zone Site without prior approval of the CBP and prior concurrence by PhilaPort in each case.

Zone Deactivation

- If Operator deactivates the Zone Site, Operator shall provide not less than sixty (60) days prior notice of its election to deactivate the Zone Site. Said notice period shall not commence until
 - Operator has provided written notice of deactivation to PhilaPort and
 - A planning meeting occurs with CBP on the deactivation.
- **In no event shall PhilaPort be required to refund any portion of the Annual Fee for any period in which the Zone Schedule is Deactivated.**

Reporting and Record Keeping

Operator shall submit to PhilaPort in a final form by the last day of **February** of each year. All information may be necessary to enable PhilaPort to file its Annual Report with the FTZ Board, as well as any other reports which may be mandated by any Governmental Authority. The operator's failure to submit such information shall result in a late fee, as set forth in the FTZ No. 35's Fee Schedule.

Fees for Foreign-Trade Use:

Foreign-Trade Zone 35 has designed its fee schedule to fit five standard categories of clients. Fees by category are:

- **Application:** Upon submission of an application to submit to CBP, an applicant shall pay to the PhilaPort an Application fee of **\$500.00**.
- **Activation Fee:** Upon submission of an activation request to CBP, including a letter of concurrence, prospective operators shall pay PhilaPort an Application fee of **\$250.00**.
- **Annual Fee:** In consideration of the grant of this agreement to operate and maintain the Zone Site, Operator shall pay to PhilaPort an Annual Fee, which shall cover the administrative costs and expenses incurred with the maintenance of Zone No. 35, including the costs incurred in the establishment of the Zone Site, and any warehousing or production authority within the site, as set forth in the Fee Schedule for the FTZ No. 35 Zone Schedule. The Annual Fee is subject to review every year of this Agreement and may be modified upon thirty (30) days' written notice from PhilaPort to Operator. The Annual Fee is due and payable upon execution of this Agreement and on the anniversary date of each year during the term of this Agreement.
 - **General Purpose Site/Magnet Site Operators:** The annual Fee is **\$5,000**.
 - **Usage-Driven/Subzones:** The annual Fee is variable.
 - For Subzones established prior to June 2006: the annual fee is **\$15,000**.
 - For Subzones established after June 2006: the annual fee is **\$20,000**.
- **U.S. Customs Bond:** No less than the total value of all duty, fees, and taxes due on all cargo on hand at any given time. The Foreign-Trade Zone user will provide a letter holding PhilaPort harmless from any liability claims or punitive measures imposed by the U.S. Customs Service and/or others.
- 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 FTZ Users involved in the issue.

Certain Applications also have fees payable to the CBP.

1. Additional zones within a port of entry: \$3,200
2. Subzones (under 15 CFR 400.25):
 - a. Non-production or less than 3 products: \$4,000
 - b. Production activity with 3 or more products: \$6,500
3. Expansions (under 15 CFR 400.24(b)): \$1,600

There is no application fee to the FTZ Board for minor boundary modifications under the Alternative Site Framework (ASF).

Effective Date: June 3rd 2024

By: Devin Toughill

Fee Type	Description	Amount
Application Fee	One-Time Non-Refundable Paid at Time of Application Submission	\$500
Activation Fee	One-Time Non-Refundable Paid at Time of Activation Request	\$250
Magnet Site/General Purpose Zone	Annual	\$5,000
Subzone/Usage-Driven Site (Established Prior to 06/2006)	Annual	\$15,000
Subzone/Usage-Driven Site (Established After to 06/2006)	Annual	\$20,000
Annual Report Late Fee		\$150/day

Annual Fees are due each year corresponding with Activation Date

Example: Operator activates on 6/27/24. They will be invoiced annually on 6/27.