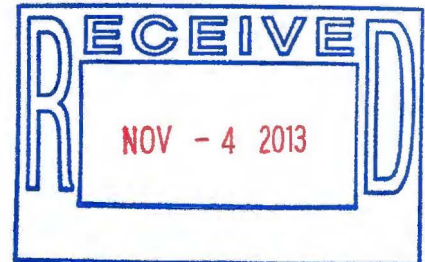


October 29, 2013

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



Re: Application for waiver under 15 CFR 400.43(f)

Dear Mr. McGilvray:

The Chattanooga Chamber Foundation, Grantee of FTZ No. 134, contracts with the Foreign-Trade Zone Corporation, which serves us as our Zone Project Administrator. The Foreign-Trade Zone Corporation has been involved in our Zone project for a number of years and has ably served us in our efforts to facilitate the use of the Zones program within our community. The Foreign-Trade Zone Corporation is a party to our Operator Agreements -- a "key function" under 15 CFR 400.43(f) -- and, as a result, must receive a waiver from you in order to continue as a party to our Operator Agreements and, at the same time, provide consulting and software services to those Zone Operators who choose to use its services.

One of our Zone Operators, Sofix Corporation, utilized the Foreign-Trade Zone Corporation to prepare its application to manufacture under Zone procedures (approved by your office under Board Order No. 1354, issued on September 13, 2004), and it uses SmartZone (the Foreign-Trade Zone Corporation's FTZ Inventory Control software service) in its day-to-day operations.

We have recently discussed that the Chamber Foundation (a non-profit corporation) relies on donations from our Chattanooga CAN DO investors, including FTZ Operators such as Volkswagen Group of America Chattanooga Operations and Sofix Corporation. Our \$2.6 million annual budget for economic development supports a staff of six within the Economic Development department and funds all our recruitment and existing business services, our research and marketing activities, and our business development trips to Europe and Asia. We have no budget for the Zone project; therefore, our Zone Project Administrator's services are funded solely by FTZ user fees, not by subsidies from our organization. A number of years ago our organization took on the mantle of

Grantee for FTZ No. 134 when Partners for Economic Progress, the original Grantee organization, ceased to exist. Having stepped into the breach in assuming grantee responsibilities, we are very happy that we are able to obtain services that help us manage our Zone project, recruit major industrial prospects such as Volkswagen, provide free FTZ seminars and cost-benefit analyses to our trade community members, and offer Zone status to our neighboring communities, without out-of-pocket costs to us or our neighboring economic development organizations.

The history of Sofix Corporation provides a good example of the commitment the Foreign-Trade Zone Corporation has demonstrated to our community.

In 1996, the Foreign-Trade Zone Corporation completed a draft application for FTZ manufacturing authority on behalf of Sofix Corporation which, if approved, would have enabled Sofix to manufacture black colorformers under Zone procedures. However, before the formal application could be submitted, an application for ESCO – another manufacturer of black colorformers – was formally submitted, invited opposition, and was subsequently approved subject to a grant restriction of “Export only.” Because operation under the same restriction would have provided Sofix with insufficient Zone benefits, the company chose not to move forward with formal submission of its own application.

Under normal circumstances a consulting firm might be expected to forget about Sofix and simply move on. However, because of its commitment to Chattanooga, the Foreign-Trade Zone Corporation regularly monitored the colorformer industry for a period of seven years, and, when significant changes within the industry manifested themselves, it reengaged Sofix Corporation, updated the application at no cost to Sofix, and coordinated its submission with us. As a result, the Sofix application was approved without the “Export only” restriction and the company has enjoyed Zone benefits for nearly a decade. There can be no doubt that the Foreign-Trade Zone Corporation has profited from having Sofix as a software client as well as an Operator within FTZ No. 134; however, the Foreign-Trade Zone Corporation’s diligence has profited Sofix to an even greater degree. In terms of the relationship between Sofix and the Chamber Foundation – and that of the Foreign-Trade Zone Corporation with the Chamber Foundation – I recognize that it is in the interests of both the Chamber and Sofix to have the Foreign-Trade Zone Corporation be directly responsible for meeting its obligations to protect the property and proprietary information of Sofix Corporation by serving as a party to the Operator Agreement with Sofix.

We have committed to reorganizing our Zone project under the Alternative Site Management Framework. The impetus for this was a request by Komatsu America Corporation to have its facility designated under the timeframe that applies to ASF

rather than that which would apply to subzone designation under the Traditional Site Management Framework. In helping us evaluate the request of Komatsu, the Foreign-Trade Zone Corporation helped us understand that the ASF model would better enable the Chamber Foundation to respond to the needs of the trade community in terms of timely site designation. Furthermore, the Foreign-Trade Zone Corporation offered to work with us in planning the reorganization of the Zone project, in preparing the application for reorganization, and in providing ongoing site management services, all as part of its ongoing services to the Chamber Foundation, without cost to anyone. As I write this letter, a draft of the application is underway, and we have identified our proposed Service Area as all of Hamilton, Marion, Grundy, Warren, Sequatchie, Bledsoe, Rhea, Meigs, McMinn, Bradley, and Van Buren Counties. As you are also aware, we have already been successful in meeting the expanding needs of Volkswagen's Zone operations during our transition to ASF.

The long and short of everything that I've shared with you is that our model works. It works for the Chamber as an economic development organization, it works for our Zone Operators, and it will work for our neighbors in surrounding communities. It also works for other Zone-related service providers (e.g. Integration Point, Miller & Company, and PointTrade Services) who have provided services to our Zone Operators. Given that the Chamber Foundation has the sole discretion with regard to any party's participation in our Zone project, our open door policy with regard to Zone-related service providers, and the overarching protection of Zone participants' interests by the provisions of 15 CFR 400.42, I see no reason why the Foreign-Trade Zone Corporation should not be able to serve those Zone participants who desire its services and also be a party to Zone Operator Agreements. I trust that you will agree, and approve our waiver request.

If you have any questions, please feel free to contact me, or Greg Jones of the Foreign-Trade Zone Corporation. Thank you for your consideration.

Sincerely,



J. Steven Hiatt
Chattanooga Area Chamber of Commerce Foundation
Grantee, Foreign-Trade Zone No. 134

Enclosures

FOREIGN-TRADE ZONE OPERATOR AGREEMENT

THIS AGREEMENT is made and entered into on this the ____ day of _____, 2013 by and among the Chattanooga Chamber Foundation, hereinafter referred to as "Grantee," the Foreign-Trade Zone Corporation, hereinafter referred to as "Administrator," and [OPERATOR COMPANY NAME], hereinafter referred to as "Operator."

WITNESSETH:

WHEREAS, Grantee has received a grant from the U.S. Foreign-Trade Zones Board, hereinafter referred to as the "FTZB", which authorizes it to establish, operate, and maintain a foreign-trade zone project, which said zone is designated as Foreign-Trade Zone No. 134, hereinafter referred to as "Zone;" and,

WHEREAS, Grantee has authorized Administrator by separate written contract to undertake the exclusive development, management, and administration of foreign-trade zone activities within said Zone and all subzone sites; and,

WHEREAS, Operator occupies real property which has been designated as Site 16 of Foreign-Trade Zone No. 134, such site or sites hereinafter singularly and collectively referred to as the "Site," and desires to conduct certain activities on the Site and to avail itself of the rights and privileges attendant to operating in a foreign-trade zone;

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, the parties hereto agree as follows:

I. AUTHORITY GRANTED/ACCEPTED

1.1 Authority Granted: Grantee hereby grants to Operator the right to utilize the Site as a foreign-trade zone, subject to all terms and conditions of this Agreement, and for the term specified herein and any extension thereof.

1.2 Authority Accepted: Operator hereby agrees to accept foreign-trade zone status for the Site and hereby agrees to operate the Site in accordance with the terms and conditions of this Agreement, the effective Zone Schedule, and any applicable standards of operation, rules or regulations which now exist, or which may in the future be instituted or amended by United States Customs and Border

Protection hereinafter referred to as "CBP", the FTZB or any other federal, state, or local authority with jurisdiction over foreign-trade zone operations.

II. EFFECTIVE DATE AND DURATION OF AGREEMENT

2.1 This Agreement shall be effective as of the _____ day of _____, 2013, and shall continue in effect for a term of one (1) year and automatically renew for successive one (1) year terms, on the same terms and conditions, unless terminated as herein provided. Should this Agreement automatically renew, Operator will be bound by any increase or decrease in published Operator Fees at the time renewal takes place, however said Operator Fees shall not increase annually more than the greater of 10% or a percentage equal to the increase in the Consumer Price Index for Professional Services for each year, as published by the US Bureau of Labor Statistics. Notwithstanding the foregoing, one year from the effective date of this Agreement, any party hereto shall have the absolute right and authority to terminate this Agreement, without cause and without liability to any other party hereto, upon giving ninety (90) days advance, written notice of such termination to all parties.

III. STANDARDS OF OPERATION

3.1 Operational Management Procedures: The Site shall be operated in conformity with all applicable requirements of Federal and State law, including CBP rules and regulations. Operator shall establish Foreign-Trade Zone procedures for the site. It shall be the Operator's responsibility to maintain said operating standards.

3.2 Right of Entry: Grantee, Administrator, CBP, the FTZB, and any other federal, state, or local authority, or their authorized agents or representatives, shall have the right to enter the Site at all reasonable times, upon reasonable advance notice and under supervision of Operator, to inspect the Site and to ensure that all activities conform to the operating standards promulgated by Grantee or Administrator and the requirements of this Agreement. Any such entry shall be limited to normal working hours and shall be made in accordance with the established security procedures of Operator.

IV. RECORD KEEPING

4.1 Annual Reporting: Within sixty (60) days after the close of each calendar year during the term of this Agreement, or the expiration hereof, Operator shall submit to Administrator such reports as may be required by the FTZB. Said reports shall include all information required for the annual report to the FTZB.

4.2 Activity Reports: Within fifteen (15) days after the end of each month during the term of this Agreement, or the expiration thereof, Operator shall, if requested in writing by Grantee or Administrator, submit financial statements or activity reports containing such information as may be reasonably required by Grantee to comply with requests of the FTZB, CBP, or any other authorized federal, state, or local agency. All such statements or reports shall be signed by an authorized employee of Operator, certifying that said statements or reports are accurate and correct to the best of his/her knowledge. All such information obtained from Operator shall be kept confidential, except for such information which is required to be made public by the FTZB, CBP or which shall be determined to be public information under applicable federal, state, or local laws. However, in the event that the information is to be made public, Operator shall be notified in advance and given an opportunity to intercede and object to such publication.

4.3 Notification: Operator shall notify Grantee or Administrator within 25 working days of any communication of any type, whether written or verbal, with CBP or the FTZB that results in Operator being notified that it is in violation of CBP or FTZB Regulations. Operator agrees to furnish to Grantee or Administrator upon its request copies of all aforementioned written communications, together with any response thereto. In the event Operator fails to comply with the aforementioned notifications two or more times in any given three year period, Operator shall pay to Grantee a fee of TWO HUNDRED DOLLARS (\$200.00) for each succeeding day that Operator fails to comply with the aforementioned notifications.

4.4 Audit: Grantee, Administrator, or their designated representatives reserve the right, at their own expense and upon reasonable advance notice, to audit Operator's books, financial statements, and records specifically relating to foreign-trade zone operations for the purpose of verifying the compliance with this Agreement and

information provided by Operator. Such audit shall occur during normal business hours and under supervision of Operator. In the event said audit finds Operator is not complying with this Agreement, CBP or FTZB regulations, Operator will reimburse Administrator and Grantee for any reasonable actual out of pocket expenditures or costs of said audit. However, no reimbursement will be made for Administrator's time.

4.5 Conformance: In the event it is determined that the operations of Operator are not in conformance with the requirements of Grantee, Administrator, CBP or the FTZB, Operator agrees to take whatever steps are reasonably necessary to promptly remedy the situation. In the event the deficiency cannot be corrected within fifteen (15) days after notification, Operator shall prepare a written plan of performance outlining the measures to be taken to ensure conformance with said requirement and the time period required to implement said plan, which shall be subject to approval by Grantee or Administrator. Said approval will not be unreasonably withheld or delayed.

4.6 Retention: Operator shall retain all receiving, shipping, financial, and accounting records concerning foreign-trade zone operations for five (5) years after the date of the act or occurrence. All such records shall be made available for inspection and audit by any appropriate governmental agency, the Grantee, the Administrator, or their designated representatives during normal business hours, upon reasonable advance notice and at such party's expense.

V. USER FEES

5.1 Operator Fees: Operator agrees to pay Administrator certain operator fees in accordance with the terms of Exhibit "A", which is attached hereto and incorporated herein by reference. In addition, within 30 days of receipt of invoice, Operator agrees to reimburse Grantee or Administrator at cost for all CBP fees paid by Grantee or Administrator that are incurred as a result of Operator's operations within Foreign-Trade Zone No. 134. Said CBP fees shall include, but not be limited to, activation fees, deactivation fees, alteration fees, transaction fees, annual fees, and bond fees. Operator agrees to pay to Grantee or Administrator interest at the rate of

one percent (1%) per month on all sums not received by the due date. In addition, any sums not received by Grantee or Administrator within 30 days of the due date shall constitute a breach of this Agreement and shall give rise to any of the remedies provided herein.

VI. INDEMNIFICATION

6.1 Hold Harmless: It is an express condition of this Agreement that Operator shall protect, defend, indemnify, and hold harmless Grantee, Administrator and their elected officials, directors, officers, agents, representatives, and employees, from and against any and all liabilities, charges, demands, suits, claims, losses, fines, expenses or judgments arising by reason of the injury or death of any person, or loss or damage to any property arising out of, or incidental to the utilization of the Site as a Foreign-Trade Zone, except to the extent caused by or related solely to gross negligence of Grantee or Administrator. The provisions of this section shall survive the expiration or earlier termination of this Agreement.

Further, Operator agrees to indemnify and hold Grantee, Administrator, and their elected officials, directors, officers, agents, representatives, and employees harmless from any fines, fees, penalties, damages, claims, expenses, or causes of action of any nature whatsoever to the extent arising out of any act, omission or incident of Operator or their officers, representatives, agents, employees, contractors, subcontractors, licensees or invitees, including but not limited to, such fines, duties, liquidated damages or penalties as might be assessed by the CBP. The provisions of this section shall survive the expiration or earlier termination of this Agreement.

Operator shall post and maintain for the duration of this Agreement a Customs Bond, at Operator's sole expense, in such amount as shall be determined by CBP.

VII. INSURANCE

7.1 Operator agrees to obtain and continuously maintain in effect during the term of this Agreement and any extension thereof, insurance against such risks as are

customarily insured against by businesses of like size and type, paying as the same come due all premiums with respect thereto. Any such policies shall be obtained and maintained in generally recognized, responsible insurance companies qualified under the laws of the State of Tennessee to assume the risks undertaken. Operator shall obtain and continuously maintain in effect during the term of this Agreement comprehensive public liability insurance with respect to its use and occupation of the Site with limits sufficient to reasonably cover all activities of Operator, but in no event less than one million dollars (\$1,000,000.00) per occurrence as to bodily injury, including death, and damage to property, with an aggregate limit of three million dollars (\$3,000,000.00). Any such policies shall name as additional insureds, to the full extent of the coverage, the Grantee and its elected officials, directors, officers, and employees. Upon request, Operator shall provide a certificate of insurance to Grantee.

VIII. TERMINATION

8.1 Default: In the event of Operator's breach of any of the provisions of this Agreement, Grantee or Administrator shall give to Operator written notice of default. In the event said default is not remedied within fifteen (15) calendar days from the date of notice of default, Grantee or Administrator shall have the right to terminate this Agreement. Grantee and Administrator reserve the right to assert whatever remedies are available, in equity or at law, to collect any sums due hereunder, to enforce any provisions of this Agreement, to collect damages for breach of contract, or to effect or obtain any other available remedy.

An assignment for the benefit of creditors, the appointment of a receiver, any proceedings in bankruptcy, whether voluntary or involuntary, or any act of Operator's insolvency shall be deemed to be a breach of this Agreement.

8.2 Attorneys' Fees: Operator agrees to pay reasonable attorneys' fees and all costs of legal proceedings if it becomes necessary to employ an attorney or legal process to collect any amounts due hereunder or to enforce any provisions of this Agreement.

8.3 Withdrawal of Grant: If the Foreign-Trade Zone Board's grant to Grantee should be revoked or canceled, this Agreement shall terminate upon notification by Grantee, and Operator shall have no claim against the Grantee or

Administrator by reason of such revocation or termination, and Operator shall have no further interest in the subject matter of this Agreement, except to remit to Administrator or Grantee such sums as may be due pursuant to this Agreement, by virtue of services provided before the date of such revocation or cancellation. Should such revocation occur, Grantee and Administrator will make every effort to ensure that Operator secures zone status with another Grantee.

IX. NOT JOINT VENTURER

9.1 Grantee, Administrator, and Operator are not, and shall never be considered as, joint venturers, partners, or agents of each other, and none shall have the power to bind or obligate the other except as set forth in this Agreement. During the term of this Agreement, and two years after its termination date, Operator, its employees, agents, or contractors agree not solicit or seek to employ, either directly or on the behalf of any other entity, employees of Administrator. Operator will inform its employees, agents, or contractors of this provision. Operator recognizes that violating the terms of this paragraph could cause irreparable harm and significant injury to Administrator that may be difficult to ascertain.

X. MISCELLANEOUS

10.1 Waiver: No failure of any party hereto to exercise any right or power given it hereunder, or to insist upon strict compliance by any other party hereto of any obligations hereunder, and no custom or practice at variance with the terms hereof, shall constitute a waiver of any party's right to demand exact compliance with the terms hereof.

10.2 Integration: This Agreement contains the entire agreement of the parties, and no representation, inducement, promise, or agreement, oral or otherwise, not embodied herein shall be of any force or effect, and cannot be altered or amended except in writing and signed by all parties hereto. The terms of this Agreement take precedence over any conflicting provisions contained in the Zone Schedule issued by Grantee.

10.3 Binding Effect: This Agreement shall be binding upon and inure to the benefit of the parties hereto, their respective successors and assigns. This paragraph is in no way to be construed as granting to Operator the right to assign this Agreement or any interest herein without the express prior written approval of Grantee, which may be withheld for any reason.

10.4 Nonassignability: Operator shall not assign this Agreement or any interest hereunder to any other party without the prior written approval of Grantee, which may be withheld for any reason.

10.5 Construction: This Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee, except where federal law has preempted such application. If any provision of this Agreement is held to be invalid, illegal, or unenforceable in any respect by a court of competent jurisdiction, such holding shall not affect the validity of any other provision of this Agreement which shall continue in full force and effect.

10.6 Notices: All notices required or permitted by this Agreement, unless otherwise provided, shall be mailed to Grantee by first class mail at the following address:

Chattanooga Area Chamber of Commerce
811 Broad Street
Chattanooga, TN 37402

All notices required or permitted by this Agreement, unless otherwise provided, shall be mailed to Administrator by first class mail at the following address:

Foreign-Trade Zone Corporation
2062 Old Shell Road
Mobile, AL 36607
Attn: Legal

All notices required or permitted by this Agreement, unless otherwise provided, shall be mailed to Operator by first class mail at the following address:

[OPERATOR NAME AND ADDRESS]

10.7 Confidentiality: Grantee and Administrator hereby acknowledge and agree that they and their respective directors, officers, agents, representatives, and employees are subject to the Trade Secrets Act as it relates to confidentiality of information concerning Operator's operations at the zone site.

IN WITNESS WHEREOF, the parties hereto set their hands on the date first written above.

CHATTANOOGA CHAMBER FOUNDATION

ATTEST:

BY: _____

BY: _____

Its: _____

Its: _____

FOREIGN-TRADE ZONE CORPORATION

ATTEST:

BY: _____

BY: _____

Its: _____

Its: _____

[OPERATOR NAME]

ATTEST:

BY: _____

BY: _____

Its: _____

Its: _____

EXHIBIT "A"

SCHEDULE OF OPERATOR FEES

NON-MANUFACTURING GENERAL PURPOSE ZONE OPERATORS

I. START-UP FEE

Amount: \$10,000

Payable: Upon execution of Foreign-Trade Zone Operator Agreement

For: Review of Foreign-Trade Zone inventory control system

Note: The term "transaction" means the movement or manipulation of any merchandise requiring a CBPF 214, CBPF 216, CBPF 7512, local transfer document, local control or authorization number, or customs entry. Weekly consolidated shipments (weekly entry) will count as 5 transactions for the purpose of this document.

MANUFACTURING AND PROCESSING ZONE AND SUBZONE OPERATORS

I. START-UP FEE

Amount: \$10,000

Payable: Upon execution of Foreign-Trade Zone Operator Agreement

For: Assistance in or review of development of Foreign-Trade Zone inventory control system, preparation of systems and procedures manual, and activation application to U.S. Customs Service

II. ANNUAL USER FEE

\$24,000

Payable: Operator Fee is due and payable upon activation. Quarterly payments are optional.

For: Routine Foreign-Trade Zone operations.

Note: The term "Primary Manufacturer" refers to a Zone or Subzone manufacturer whose products are of the highest value within the FTZ No. 134 production sequence.

Questionnaire – Application for Waiver under 15CFR 400.43(f)

Identity of Applicant and Affected FTZ

1. State your name (individual or organization, as appropriate) as the applicant for a waiver.

This application is made by the Chattanooga Chamber Foundation on behalf of the Foreign-Trade Zone Corporation.

2. State the specific FTZ (zone number and city/state) to which your application pertains.

This application pertains to activities of Foreign-Trade Zone No. 134, Chattanooga, Tennessee. The grantee of the Zone project is the Chattanooga Chamber Foundation

Key Functions (15 CFR 400.43(d)(1))

3. If your application for a waiver is approved, do you propose to:

- a. Take action on behalf of the grantee of the FTZ identified in your response to Question 2, or make recommendations to that grantee, regarding the disposition of proposals or requests by zone participants pertaining to FTZ authority or activity (including activation by CBP)? If yes, explain fully. Explain the specific actions you propose to take, or the specific types of recommendations you propose to make, regarding the disposition of zone participants' proposals/requests.

No. While the Foreign-Trade Zone Corporation reviews requests by Zone participants pertaining to FTZ authority or activations, its function is to ascertain whether those requests meet the minimum standards required by the federal agencies involved. While the Foreign-Trade Zone Corporation may provide relevant information to Zone participants and the Grantee, it does not make recommendations to the Grantee *per se*. It is the sole decision of the Chattanooga Chamber Foundation as grantee to act upon participants' proposals/requests. (To date, all such requests have been approved by the grantee. Moreover, it is the duty of the Foreign-Trade Zone Corporation to make sure that the Chattanooga Chamber Foundation does what it is supposed to do for members of the business community in keeping with the grantee's responsibilities under the Foreign-Trade Zones Act.)

- b. Approve, or be a party to, a zone participant's agreement with the grantee of the FTZ identified in your response to Question 2 (or person acting on behalf of that grantee)

pertaining to FTZ authority or activity (including activation by CBP)? If yes, explain fully. Explain the specific types of agreement that you propose to approve, or to which you propose to be a party.

Yes. The Foreign-Trade Zone Corporation is a party to all User/Operator Agreements. As a party to such Agreements, the Foreign-Trade Zone Corporation is directly bound by certain provisions that are designed to protect the interests of the Zone Operator or User. Please see the attached User Agreement.

c. Oversee zone participants' operations on behalf of the grantee of the FTZ identified in your response to Question 2? If yes, explain fully. Explain the specific oversight activities that you propose to conduct.

No. The Foreign-Trade Zone Corporation exercises a monitoring function; however, it does not oversee Zone participants' operations – that is, it does not direct or police Zone participants' operations. Each participant that is an Operator or User conducts its own Zone operations, and is directly and solely responsible for operational compliance. When the Foreign-Trade Zone Corporation is made aware of non-compliance, it serves as a resource available to the Operator or User in order to enable the Operator or User to make educated decisions about corrective action. Should a case arise in which Operator or User non-compliance rises to the level of fraudulent or criminal actions, then upon discovery, the Foreign-Trade Zone Corporation would be expected to help the grantee meet its responsibilities to encourage corrective action. Any enforcement responsibilities of the Foreign-Trade Zone Corporation would be on an as needed basis as determined by consultation with, and the direction of, the Grantee.

Key Categories of Persons (15 CFR 400.43(d)(2))¹

4. For the FTZ identified in your response to Question 2, do you currently engage in, or have you during the preceding twelve months engaged in a) offering/providing a zone-related product/service to or b) representing a zone participant? If yes, explain fully. Describe the type of zone-related product/service you offered or provided, or the type of representation of zone participant(s) you undertook. How often have you done so? Also explain the importance – in terms of income derived and resources committed – of offering/providing zone-related

¹ Although the questions in this section are written in the present tense, if you are seeking a waiver because you at some point in the future intend or expect to fall within one of the key categories of persons, then please answer these questions in the context of your intent or expectation.

products/services, or representing zone participants, for the FTZ identified in your response to Question 2.

The Foreign-Trade Zone Corporation does provide ongoing Zone-related services to one Zone participant – specifically, Sofix Corporation, which utilizes the Foreign-Trade Zone Corporation’s software service. (Two other Zone participants – Volkswagen Group of America and Komatsu America – utilize the software services of another software provider.) The Foreign-Trade Zone Corporation has provided consulting services in instances in which the Zone participant has requested specific Zone-related services (*e.g.* application for manufacturing authority and activation with CBP). In cases of consulting and software services, All such relationships have been entered into with the mutual consent of each party. Other Zone participants utilize other Zone-related services as they wish. With regard to the importance of providing Zone-related services or products, such services and/or products are, in terms of the Foreign-Trade Zone Corporation’s services as the Zone Project Administrator, entirely distinct and separate. If the Foreign-Trade Zone Corporation derives income from providing consulting and software services to participants within the FTZ 134 Zone project, then the income derived from those services and products is to its benefit. Likewise, the resources – including personnel, expenses, and overhead – are entirely the responsibility of the Foreign-Trade Zone Corporation. With regard to its services as the Zone Project Administrator, those remain the same whether or not the Foreign-Trade Zone Corporation has any clients from among the population of FTZ 134 Zone participants. Accordingly, the Foreign-Trade Zone Corporation remains entirely responsible for providing the resources necessary to serve the Zone project. Under the Zone Project Administration Agreement between the Foreign-Trade Corporation and the Grantee, the Foreign-Trade Zone Corporation’s income is entirely dependent on its success in seeing that members of the greater Chattanooga area’s trade community successfully utilize Zone procedures. The Foreign-Trade Zone Corporation’s income from its consulting and software product is entirely dependent on its success in seeing that members of the U.S. trade community successfully utilize Zone procedures, regardless of which Zone project sponsors their participation. With regard to the Chattanooga Zone project, the offer of a complete set of services and products by a firm that also has a responsibility to local and regional public entities is seen as an asset. At the same time, individual Zone participants are free to use Zone-related services and products from whomever they may choose.

5. Do you stand to gain from a person's offer/provision of a zone-related product/service to, or representation of, a zone participant in the FTZ identified in your response to Question 2? If yes, explain fully (including an explanation of the nature and extent of the gain you may receive).

The Foreign-Trade Zone does stand to gain when it provides consulting or software services to Zone participants of FTZ 134. The Foreign-Trade Zone Corporation stands to gain in exactly the same manner as it does when it provides similar services to participants of other Zone projects. Likewise, the resources – including personnel, expenses, and overhead – it must devote to providing those services are one and the same as those devoted to clients that are participants of other Zone projects.

6. With respect to the FTZ identified in your response to Question 2, are you related (within the meaning of 15 CFR 400.43(e)) to a) any person that currently engages in, or has during the preceding twelve months engaged in, offering/providing a zone-related product/service to or representing a zone participant or b) any person that stands to gain from a person's offer/provision of a zone-related product/service to or representation of a zone participant? If yes, explain fully.

No. The Foreign-Trade Zone Corporation is organized as a regular corporation under the laws of the State of Alabama. Its shareholders are Craig. M. Pool and Gregory Jones. Neither the Foreign-Trade Zone Corporation nor its shareholders have any relationship or stake of ownership to any person or firm that provides Zone-related products or services, or representation of, Zone participants within FTZ 134.

7. Please provide any other information that you would like the FTZ Board to consider in evaluating your request.

Please see the letter of transmittal from Mr. J. Steven Hiatt of the Chatta nooga Chamber Foundation, Grantee of the FTZ No. 134, which should provide some much-needed description of the context in which services to the trade community and the Grantee are provided.

Also, please consider a rather simple matter of reason: Even if the Foreign-Trade Zone Corporation is mistakenly regarded as what has sometimes been referred to as the “Gatekeeper” of the Zone project, it stands to gain nothing unless the “gate” is open. Any action aimed at excluding or in any way discouraging a Zone participant would be self-defeating.