

DEPARTMENT OF COMMERCE**Foreign-Trade Zones Board**

(Docket 53-2005)

Foreign-Trade Zone 84 - Houston, Texas, Foreign-Trade Zone 38 - Spartanburg Co., South Carolina, Foreign-Trade Zone 126 - Reno, Nevada, Foreign-Trade Zone 70 - Detroit, Michigan, Request for Manufacturing Authority, Michelin North America (Wheel Assembly)

Applications have been submitted to the Foreign-Trade Zones Board (the Board) by the following grantees, on behalf of Michelin North America (MNA), requesting authority to assemble wheels under FTZ procedures at the sites listed below. The applications were formally filed on October 20, 2005.

Grantee: FTZ 84, Port of Houston Authority

Site: SZ 84R

Location: 8800 City Park Loop, Houston, Texas

Employees: 50 employees

Grantee: FTZ 38, South Carolina State Ports Authority

Site: FTZ 38, Site 5

Location: 101 Michelin Drive, Laurens, South Carolina

Employees: 96 employees

Grantee: FTZ 126, Economic

Development Authority of Western Nevada

Site: FTZ 126, Site 7

Location: 14551 Industry Circle, Reno, Nevada

Employees: 36 employees

Grantee: FTZ 70, Greater Detroit

Foreign Trade Zone, Inc.

Site: FTZ 70, Site 18

Location: 7111 Crabb Road,

Temperance, Michigan

Employees: 40 employees

The general-purpose zone sites are warehouses operated by TNT Logistics for MNA. The applicants are requesting to perform wheel assembly using domestic and foreign components on behalf of auto manufacturer clients at each of the sites. Foreign-sourced components include tires (HTSUS 4011.10, 4011.20, 4011.61, 4011.62, 4011.63, 4011.92, 4011.93, 4011.94, 4011.99, duty-free to 4.0%), wheel rims (HTSUS 8708.70, duty-free to 2.5%), flaps (HTSUS 4012.90, duty-free to 4.2%), valves (HTSUS 8481.80, duty-free to 5%), tubes (HTSUS 4013.10, duty-free to 3.7%), gaskets (HTSUS 4016.93, duty-free to 2.5%), sensors (HTSUS 8525.10, duty-free), and nuts (HTSUS 7318.16, duty-free).

FTZ procedures would exempt MNA from Customs duty payments on the

foreign components used in production for export to non-NAFTA countries. On shipments for U.S. consumption and to NAFTA markets, MNA could elect the wheel assembly duty rate (generally dutiable as an auto part - 2.5%) for the foreign components (mostly tires dutiable at 4%) listed above. The auto part duty rate (2.5%) would apply if the wheel assemblies are shipped via zone-to-zone transfer to U.S. motor vehicle assembly plants with subzone status. The applications indicate that the savings from FTZ procedures would help improve the facilities' international competitiveness.

In accordance with the Board's regulations, a member of the FTZ Staff has been designated examiner to investigate the application and report to the Board.

Public comment is invited from interested parties. Submissions (original and 3 copies) shall be addressed to the Board's Executive Secretary at one of the following addresses:

1. *Submissions Via Express/Package Delivery Services:* Foreign-Trade-Zones Board, U.S. Department of Commerce, Franklin Court Building - Suite 4100W, 1099 14th St. NW, Washington, D.C. 20005; or

2. *Submissions Via the U.S. Postal Service:* Foreign-Trade-Zones Board, U.S. Department of Commerce, FCB - Suite 4100W, 1401 Constitution Ave. NW, Washington, D.C. 20230.

The closing period for their receipt is December 30, 2005. Rebuttal comments in response to material submitted during the foregoing period may be submitted during the subsequent 15-day period (to January 17, 2006).

Copies of the requests will be available for public inspection at the Office of the Foreign-Trade Zones Board's Executive Secretary at address Number 1 listed above.

Dated: October 21, 2005.

Dennis Puccinelli,
Executive Secretary.

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DEPARTMENT OF COMMERCE**Bureau of Industry and Security****[Docket No: 051017266-5266-01]****Revision to the Unverified List—Guidance as to “Red Flags”**

AGENCY: Bureau of Industry and Security, Commerce.

ACTION: Notice.

SUMMARY: On June 14, 2002, the Bureau of Industry and Security (“BIS”) published a notice in the **Federal Register** that set forth a list of persons in foreign countries who were parties to past export transactions where pre-licence checks or post-shipment verifications could not be conducted for reasons outside the control of the U.S. Government (“Unverified List”). Additionally, on July 16, 2004, BIS published a notice in the **Federal Register** that advised exporters that the Unverified List would also include persons in foreign countries in transactions where BIS is not able to verify the existence or authenticity of the end-user, intermediate consignee, ultimate consignee, or other party to the transaction. These notices advised exporters that the involvement of a listed person as a party to a proposed transaction constitutes a “red flag” as described in the guidance set forth in Supplement No. 3 to 15 CFR part 732, requiring heightened scrutiny by the exporter before proceeding with such a transaction. This notice adds five entities to the Unverified List. The entities are: T.Z.H. International Co. Ltd., Room 23, 2/F, Kowloon Bay Ind Center, No. 15 Wany Hoi Rd, Kowloon Bay, Hong Kong, Special Administrative Region; Design Engineering Center, House 184, Street 36, Sector F-10/1, Islamabad, Pakistan; Kantry, 13/2 Begovaya Street, Moscow, Russia 125284; Elaton Company, 20B Berezhkovskaya Naberezhnaya, Moscow, Russia; and Pskovenergo Service, 47-A Sovetskaya Street, Pskov, Russia Federation, 180000.

DATES: This notice is effective October 31, 2005.

FOR FURTHER INFORMATION CONTACT: Thomas W. Andrukonis, Office of Enforcement Analysis, Bureau of Industry and Security, Telephone: (202) 482-4255.

SUPPLEMENTARY INFORMATION: In administering export controls under the Export Administration Regulations (15 CFR parts 730 to 774) (“EAR”), BIS carries out a number of preventive enforcement activities with respect to individual export transactions. Such activities are intended to assess diversion risks, identify potential violations, verify end-uses, and determine the suitability of end-users to receive U.S. commodities or technology. In carrying out these activities, BIS officials, or officials of other federal agencies acting on BIS's behalf, selectively conduct pre-licence checks (“PLCs”) to verify the bona fides of the transaction and the suitability of the end-user or ultimate consignee. In addition, such officials sometimes carry out post-shipment verifications