DEPARTMENT OF COMMERCE
Foreign-Trade Zones Board
[Docket 24–2010]

Foreign–Trade Zone 75 -- Phoenix, Arizona, Application for Reorganization under Alternative Site Framework

An application has been submitted to the Foreign–Trade Zones (FTZ) Board (the Board) by the City of the Phoenix, grantee of FTZ 75, requesting authority to reorganize the zone under the alternative site framework adopted by the Board (74 FR 1170, 1/12/09; correction 74 FR 3987, 1/22/09). The ASF is an option for grantees for the establishment or reorganization of general–purpose zones and can permit significantly greater flexibility in the designation of new “usage–driven” FTZ sites for operators/users located within a grantee’s “service area” in the context of the Board’s standard 2,000–acre activation limit for a general–purpose zone project. The application was submitted pursuant to the Foreign–Trade Zones Act, as amended (19 U.S.C. 81a–81u), and the regulations of the Board (15 CFR part 400). It was formally filed on March 31, 2010.

FTZ 75 was approved by the Board on March 25, 1982 (Board Order 185, 47 FR 14931, 04/07/82), and was expanded on July 2, 1993 (Board Order 647, 58 FR 37907, 07/14/93), on February 27, 2008 (Board Order 1545, 73 FR 15331, 03/13/08), and on March 23, 2010 (Board Order 1672).

The current zone project includes the following sites: Site 1 (338 acres) - within the 550–acre Phoenix Sky Harbor Center and adjacent air cargo terminal at the Phoenix Sky Harbor International Airport, Phoenix; Site 2 (18 acres) CC&F South Valley Industrial Center, 7th Street and Victory Street, Phoenix; Site 3 (74 acres) - Riverside Industrial Center, 4747 West Buckeye Road, Phoenix; Site 4 (18 acres) - Santa Fe Business Park, 47th Avenue and Campbell Avenue, Phoenix; and, Site 5 (32.5 acres) - the jet fuel storage and distribution system at and adjacent to the Phoenix Sky Harbor International Airport, Phoenix.

The grantee’s proposed service area under the ASF would be Maricopa County and portions of Pinal and Yavapai Counties, Arizona, as described in the application. If approved, the grantee would be able to serve sites throughout the service area based on companies’ needs for FTZ designation. The proposed service area is within and adjacent to the Phoenix Customs and Border Protection port of entry.

The applicant is requesting authority to reorganize its existing zone project to include all of the existing sites as “magnet” sites. The ASF allows for the possible exemption of one magnet site from the “sunset” time limits that generally apply to sites under the ASF, and the applicant proposes that Site 1 be so exempted. No usage–driven sites are being requested at this time. Because the ASF only pertains to establishing or reorganizing a general–purpose zone, the application would have no impact on FTZ 75’s authorized subzones.

In accordance with the Board’s regulations, Christopher Kemp of the FTZ Staff is designated examiner to evaluate and analyze the facts and information presented in the application and case record and to report findings and recommendations 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 the address below. The closing period for their receipt is June 7, 2010. Rebuttal comments in response to material submitted during the foregoing period may be submitted during the subsequent 15-day period to June 21, 2010.

A copy of the application will be available for public inspection at the Office of the Executive Secretary, Foreign–Trade Zones Board, Room 2111, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230–0002, and in the “Reading Room” section of the Board’s website, which is accessible via www.trade.gov/ftz. For further information, contact Christopher Kemp at Christopher.Kemp@trade.gov or (202) 482–0862.

Dated: March 31, 2010.

Andrew McGilvray, Executive Secretary.
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DEPARTMENT OF COMMERCE
Foreign-Trade Zones Board
[Docket 51–2006]

Foreign-Trade Zone 82; Application for Subzone Authority; ThyssenKrupp Steel and Stainless USA, LLC; Invitation for Public Comment on Preliminary Recommendation

The FTZ Board is inviting public comment on its staff’s preliminary recommendation pertaining to the application by the City of Mobile, grantee of FTZ 82, to establish a subzone at the ThyssenKrupp Steel and Stainless USA, LLC (ThyssenKrupp) facility in Calvert, Alabama. The staff’s preliminary recommendation is for approval of the application with a restriction limiting the FTZ benefits to ThyssenKrupp’s production for export. The bases for this finding are as follows:

Analysis of the application record indicates that full approval of the ThyssenKrupp application could have a negative impact on domestic raw material suppliers as well as other domestic steel producers. Regarding raw material suppliers, while there may not be sufficient quantities available from domestic sources for all raw materials proposed in the application, significant U.S. production remains of several key materials. Unrestricted use of FTZ procedures in the steel industry could harm certain domestic raw material producers if cost savings are provided for imported materials used in ThyssenKrupp’s production for the U.S. market.

As to impact on other domestic steel producers, while ordinarily all companies in an industry would have an equal opportunity to use FTZ procedures for their operations, the structure of many existing U.S. steel plants could make those companies’ use of FTZ procedures overly complicated and costly. Unlike the ThyssenKrupp plant, many existing facilities are “mini-mills” and have less integration at a single site. Product may move between several facilities during the manufacturing process. This structure would require FTZ applications, CBP activations, and bonds to be done separately for each facility, whereas ThyssenKrupp will only face those burdens (and costs) once due to the nature of its Alabama facility.

In addition, ThyssenKrupp will be souring the “slab” for its carbon steel operations from Brazil, and will be shipping some stainless steel production to Mexico for certain cold-rolling operations. Other domestic producers conduct such operations in