

DEPARTMENT OF COMMERCE

Foreign-Trade Zones Board

[Docket 39-2006]

Foreign-Trade Zone 29 – Louisville, Kentucky, Application for Subzone Status, NACCO Materials Handling Group, Inc., Plant (Forklift Trucks), Berea, Kentucky

An application has been submitted to the Foreign-Trade Zones Board (the Board) by the Louisville and Jefferson County Riverport Authority, grantee of FTZ 29, requesting special-purpose subzone status for the forklift truck manufacturing facility of NACCO Materials Handling Group, Inc. (NMHG), located in Berea, Kentucky. The application was submitted pursuant to the provisions of 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 September 8, 2006.

The NMHG plant (52 acres/508,000 sq. ft.) is located at 2200 Menelaus Road, in Berea (Madison County), Kentucky, about 40 miles south of Lexington. The facility (1,000 employees) is used to produce forklift trucks (Class IV and Class V) powered by gasoline, propane, or diesel engines, and forklift truck components. The manufacturing process at the facility involves machining, cutting, sawing, shearing, milling, welding, bending, and assembly of up to 25,000 units annually. Components purchased from abroad (representing up to 20% of finished forklift truck value) used in manufacturing include: engines, parts of engines, control panels, control centers, switchgear assemblies, distribution boards, printed circuits, torque converters, parts of transmissions, gears, bearing housings, parts of forklift trucks, electric motors, hydraulic pumps, crankshafts, camshafts, transmission shafts, relays, flywheels, pulleys, tubes/pipes, ignition parts, harnesses, catalytic converters, filters, heat exchangers, hydraulic cylinders and related fluid power components, parts of valves and check appliances, fuel injection pumps, electromagnetic couplings/clutches/brakes, wire, electric conductors/converters, steering components, caps/lids, parts of pumps/compressors, starters, bearings, floor coverings, electrical connectors and related assemblies, wiring harnesses, fasteners, couplings/u-joints, chains, gaskets, generators, carbon brushes, transformers, rotors, stators, power supplies, converters, spark plugs, ignition coils and distributors, starter motors, relays, switches, horns,

capacitors, resistors, fuses, controllers, circuit breakers and protectors, conductors, lamps/lighting equipment, wheel hubs, and parts of seats (duty rate range: free – 9.0%).

FTZ procedures would exempt NMHG from Customs duty payments on the foreign components used in export production. On its domestic sales and exports to NAFTA markets, the company would be able to choose the duty rate that applies to forklift trucks and forklift truck components (duty free) for the foreign-sourced inputs noted above. The forklift truck duty rate would apply to the foreign inputs if the finished forklift truck components are shipped via zone-to-zone transfer to U.S. forklift truck assembly plants with subzone status. Duties would be deferred or reduced on foreign production equipment admitted to the proposed subzone until such time as it becomes operational. The application indicates that subzone status would help improve the facility's 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 the address below. The closing period for their receipt is November 17, 2006. Rebuttal comments in response to material submitted during the foregoing period may be submitted during the subsequent 15-day period to December 4, 2006.

A copy of the application and accompanying exhibits will be available for public inspection at each of the following locations: U.S. Department of Commerce Export Assistance Center, 1600 World Trade Center, 333 W. Vine Street, Lexington, Kentucky 40507; and, Office of the Executive Secretary, Foreign-Trade Zones Board, Room 1115, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, District of Columbia 20230-0002; Tel: (202) 482-2862.

Dated: September 8, 2006.

Pierre V. Duy,

Acting Executive Secretary.

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DEPARTMENT OF COMMERCE

Foreign-Trade Zones Board

[Order No. 1478]

Grant of Authority for Subzone Status, Pfizer Inc (Pharmaceutical Products), Kalamazoo, Michigan

Pursuant to its authority under the Foreign-Trade Zones Act, of June 18, 1934, as amended (19 U.S.C. 81a-81u), the Foreign-Trade Zones Board (the Board) adopts the following Order:

WHEREAS, the Foreign-Trade Zones Act provides for “* * * the establishment * * * of foreign-trade zones in ports of entry of the United States, to expedite and encourage foreign commerce, and for other purposes,” and authorizes the Foreign-Trade Zones Board to grant to qualified corporations the privilege of establishing foreign-trade zones in or adjacent to U.S. Customs and Border Protection ports of entry;

WHEREAS, the Board's regulations (15 CFR Part 400) provide for the establishment of special-purpose subzones when existing zone facilities cannot serve the specific use involved, and when the activity results in a significant public benefit and is in the public interest;

WHEREAS, the City of Battle Creek, grantee of Foreign-Trade Zone 43, has made application to the Board for authority to establish a special-purpose subzone at the pharmaceutical products manufacturing and warehousing facilities of Pfizer Inc, located in Kalamazoo, Michigan (FTZ Docket 1-2006, filed 1/3/06);

WHEREAS, notice inviting public comment was given in the **Federal Register** (71 FR 2018, 1/12/06); and,

WHEREAS, the Board adopts the findings and recommendations of the examiner's report, and finds that the requirements of the FTZ Act and the Board's regulations are satisfied, and that approval of the application is in the public interest;

NOW, THEREFORE, the Board hereby grants authority for subzone status for activity related to pharmaceutical products manufacturing at the facilities of Pfizer Inc, located in Kalamazoo, Michigan (Subzone 43E), as described in the application and **Federal Register** notice, and subject to the FTZ Act and the Board's regulations, including Section 400.28.