

wireless communications equipment, and private radio equipment. Some of the components used in manufacturing these products are purchased from abroad (comprising 50 to 60 % of parts value), including keypads, pin connectors, amplifiers, coaxial cable, storage batteries, transformers, switches, electric motors, clasps, loud speakers, screws, rubber parts, filter paper, and storage battery parts (duty rates on these items range from 1.8% to 6.6%).

Zone procedures would exempt Ericsson from Customs duty payments on foreign components used in export production. On domestic shipments, the company would be able to defer Customs duty payments on foreign materials, and to choose the duty rates that apply to the finished products (ranging from duty free to 3.4%) instead of the rates otherwise applicable to the foreign input materials (noted above). The company would also be exempt from duty payments on foreign merchandise that becomes scrap/waste (scrap rate estimated at 1% of parts). FTZ procedures will help Ericsson to implement a more cost-effective system for handling Customs requirements (including reduced Customs merchandise processing fees). FTZ status may also make a site eligible for benefits provided under state/local programs. The application indicates that the savings from zone 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 on the application is invited from interested parties. Submissions (original and three copies) shall be addressed to the Board's Executive Secretary at the address below. The closing period for their receipt is December 27, 1999. Rebuttal comments in response to material submitted during the foregoing period may be submitted during the subsequent 15-day period to January 10, 2000.

A copy of the application and the accompanying exhibits will be available for public inspection at each of the following locations:

Office of the Executive Secretary,
Foreign-Trade Zones Board, U.S.
Department of Commerce, Room
3716, 14th and Pennsylvania Avenue,
N.W., Washington, DC 20230
U.S. Department of Commerce Export
Assistance Center, 400 North 8th
Street, Suite 540, Richmond, VA
23240-0026

Dated: October 15, 1999.

Dennis Puccinelli,

Acting Executive Secretary.

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DEPARTMENT OF COMMERCE

Foreign-Trade Zones Board

[Docket 47-99]

Foreign-Trade Zone 207—Richmond International Airport, Virginia; Application for Foreign-Trade Subzone Status; Alfa Laval Thermal, Inc. (Heat Exchangers); Richmond, VA, Area

An application has been submitted to the Foreign-Trade Zones Board (the Board) by the Capital Region Airport Commission, grantee of FTZ 207, requesting special-purpose subzone status for the manufacturing facilities (heat exchangers and parts) of the Alfa Laval Thermal, Inc. (Alfa Laval), located at sites in the Richmond, Virginia, area. 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 October 14, 1999.

The Alfa Laval facilities are located at three sites in the Richmond, Virginia, area (23 acres, 115,000 sq. ft. total): *Site 1* (1 building/80,000 square feet on 17 acres)—headquarters and main manufacturing facilities, located at 5400 International Trade Drive, Richmond; *Site 2* (portion of 1 building/23,000 sq. ft.)—space used for repairs, light manufacturing, and warehousing, at 520 East Park Court, Woodland Center, Richmond; and *Site 3* (1 building/10,500 sq. ft. on 2.2 acres)—stocking and repair facility, located at 11100 Air Park Road, Hanover Industrial Park, Ashland.

The facilities (200 employees) are used for the engineering, manufacture, service, and distribution of Alfa Laval's heat exchanger products, which include plate heat exchangers, brazed heat exchangers, spiral heat exchangers, scraped surface heat exchangers, and new or reconditioned heat exchanger parts. Some of the components used in the manufacturing process are purchased from abroad (an estimated 38% of finished product value), including: nuts; screws; gaskets; washers; adhesives; stainless steel angles, shapes, and section; needle roller bearings; and titanium sheet (duty rates on the imported items range from 0.4% to 15.0%). The company will also use several foreign-sourced items that are duty free. The company indicates

that it will admit the aforementioned stainless steel products to the proposed subzone in privileged-foreign status.

Zone procedures would exempt Alfa Laval from Customs duty payments on foreign components used in export production. FTZ procedures will help Alfa Laval to implement a more efficient and cost-effective system for handling Customs requirements (including reduced Customs merchandise processing fees). On its domestic sales, Alfa Laval would be able to choose the lower duty rate that applies to the finished products (0.8%) for the foreign components noted above, with the above-noted exception of stainless steel products. The company also would benefit from duty savings on scrap and waste resulting from the production process (Alfa Laval estimates its scrap rate as one percent of all components and materials). FTZ status may also make a site eligible for benefits provided under state/local programs. The application indicates that the savings from zone procedures would help improve the facilities' international competitiveness, and would enable the company to shift additional production from overseas to the Richmond-area facilities.

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 on the application is invited from interested parties. Submissions (original and three copies) shall be addressed to the Board's Executive Secretary at the address below. The closing period for their receipt is December 27, 1999. Rebuttal comments in response to material submitted during the foregoing period may be submitted during the subsequent 15-day period to January 10, 2000.

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Assistance Center, 400 North 8th
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23240-0026

Dated: October 14, 1999.

Dennis Puccinelli,

Acting Executive Secretary.

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