An application has been submitted to the Foreign-Trade Zones (FTZ) Board (the Board) by the Duluth Seaway Port Authority, grantee of FTZ 51, requesting authority to reorganize the zone under the alternative site framework (ASF). The Board adopted this framework 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 October 1, 2010.

FTZ 51 was approved by the Board on November 27, 1979 (Board Order 149, 44 FR 70508; 12/7/1979) and expanded on September 23, 1982 (Board Order 197, 47 FR 43102, 9/30/1982). The current zone project includes the following sites: Site 1 (27.3 acres)—located within the Arthur M. Clure Public Marine Terminal, Duluth; and, Site 2 (3 acres)—located within the Airpark Industrial Park at Enterprise Circle and Airpark Boulevard, Duluth.

The grantee’s proposed service area under the ASF would be Carlton and Lake Counties, as well as portions of Itasca and St. Louis Counties, Minnesota, 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 Duluth Customs and Border Protection port of entry.

The applicant is requesting authority to reorganize its existing zone project to include 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. In this case, the applicant proposes that Site 1 be so exempted. The applicant has also requested that Site 1 be expanded to include an additional 34.15 acres.

Because the ASF only pertains to establishing or reorganizing a general-purpose zone, the application would have no impact on FTZ 51’s authorized subzone.

In accordance with the Board’s regulations, Elizabeth Whiteman 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 December 6, 2010. Rebuttal comments in response to material submitted during the foregoing period may be submitted during the subsequent 15-day period to December 20, 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 Web site, which is accessible via http://www.trade.gov/ftz. For further information, contact Elizabeth Whiteman at Elizabeth.Whiteman@trade.gov or (202) 482–0473.

Dated: October 1, 2010.

Andrew McGilvray,
Executive Secretary.

DEPARTMENT OF COMMERCE
Foreign-Trade Zones Board
[Docket 57–2010]
Foreign-Trade Zone 148—Knoxville, TN; Application for Subzone; Toho Tenax America, Inc. (Carbon Fiber and Oxidized Polyacrylonitrile Fiber Manufacturing); Rockwood, TN

An application has been submitted to the Foreign-Trade Zones Board (the Board) by the Industrial Development Board of Blount County, Tennessee, grantee of FTZ 148, requesting special-purpose subzone status for the carbon fiber and oxidized polyacrylonitrile fiber (OPF) manufacturing and warehousing facilities of Toho Tenax America, Inc. (Toho), located in Rockwood, Tennessee. 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 29, 2010.

The Toho facilities (154 employees) consist of two sites in Rockwood, Tennessee: Site 1 (20 acres, 192,932 sq. ft. of enclosed space)—manufacturing plant, located at 121 Cardiff Valley Road; and, Site 2—60,000 square foot warehouse facility, located at 200 Cardiff Valley Road. Activity to be conducted under FTZ procedures would include manufacturing, warehousing and distribution of polyacrylonitrile (PAN)—based carbon fiber and OPF (up to 4,000 metric tons combined annually) for export and the domestic market. The company manufactures standard grade carbon fiber for industrial and recreational uses, including wind turbine blades, specialty plastics, oil flotation devices, pressure vessels, and golf club shafts. The OPF is primarily used in aircraft brakes, but is also used in some technical yarns. Foreign-origin PAN fiber (HTSUS 5501.30, duty rate: 7.5%) is used as the primary production input, which represents some 35–45 percent of finished product value. FTZ procedures could exempt Toho from customs duty payments on the foreign PAN fiber used in export production (some 30 percent of annual shipments). On its domestic sales, Toho would be able to choose the duty rate during customs entry procedures that applies to the finished carbon fiber (HTSUS 6815.10, duty-free) for the foreign PAN fiber. The OPF is classified under the same HTSUS subheading (5501.30) as the foreign PAN fiber input and would not impact PAN-ariff savings. Toho would also be exempt from duty payments on any foreign-