

U.S. DEPARTMENT OF COMMERCE  
Foreign-Trade Zones Board  
Docket 42-2010

Foreign-Trade Zone 77 — Memphis, Tennessee  
Application for Subzone  
Delta Faucet Company  
(Faucets)  
Jackson, Tennessee

An application has been submitted to the Foreign-Trade Zones Board (the Board) by the City of Memphis, grantee of FTZ 77, requesting special-purpose subzone status for the faucet manufacturing facility of Delta Faucet Company (Delta), located in Jackson, 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 June 7, 2010.

The Delta facility (668 employees/90 acres) is located at 3441 Ridgecrest Road Ext., Jackson (Madison County), Tennessee. The facility is used to manufacture, warehouse and distribute faucets and related products for the U.S. market and export. At full capacity the plant can manufacture up to nine million units annually. The manufacturing activity under FTZ procedures would include machining, assembly, joining, finishing, and testing. Components to be purchased from abroad (representing between 36 – 40% of the value of the finished faucets) would include: parts of faucets, hoses, plastic sanitary ware, plastic bags, stoppers, lids, plastic builders' ware, handles/knobs, tubes/pipes of rubber, o-rings, seals, grommets, gaskets, labels, ceramic parts, fasteners, washers, springs, copper tubes and fittings, showerheads, aerators, spray assemblies, articles of zinc, wrenches and tools, and valves (duty rate range: free – 9.0%).

The application indicates that Delta would also assemble retail display cabinets with the following inputs: parts of display cabinets, faucets, and parts of faucets (duty rate range: free – 4.0%) for domestic distribution and export. Foreign-origin finished products to be distributed from the facility include: mirrors, decorative glass vases, retail slatwalls, faucets and related parts, and wall lighting.

FTZ procedures could exempt Delta from customs duty payments on the foreign components used in export production. The company would be exempt from duty payments on foreign-origin finished products that would be exported from the subzone. On domestic shipments, Delta would be able to elect the duty rates that apply to finished faucets (4.0%) and retail display cabinets (duty free) for the foreign inputs noted above. Subzone status would further allow Delta to realize logistical benefits through the use of weekly customs entry procedures. Customs duties could possibly be deferred or reduced on foreign status production equipment. Delta would also be exempt from duty payments on any foreign-origin inputs that become scrap or waste during manufacturing. The application indicates that the savings from FTZ procedures would help improve the facility's international competitiveness.

In accordance with the Board's regulations, Pierre Duy 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 following address: Office of the Executive Secretary, Room 2111, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230-0002. The closing period for receipt of comments is ***[insert 60***

*days from date of publication*]. Rebuttal comments in response to material submitted during the foregoing period may be submitted during the subsequent 15-day period to *[insert 75 days from date of publication]*.

A copy of the application will be available for public inspection at the Office of the Foreign-Trade Zones Board's Executive Secretary at the address listed above and in the "Reading Room" section of the Board's website, which is accessible via [www.trade.gov/ftz](http://www.trade.gov/ftz). For further information, contact Pierre Duy at [Pierre.Duy@trade.gov](mailto:Pierre.Duy@trade.gov) or (202) 482-1378.

Dated: June 7, 2010

---

Andrew McGilvray  
Executive Secretary

[FR Doc. 2010-14389 Filed 06/14/2010 at 8:45 am; Publication Date: 06/15/2010]