

U.S. DEPARTMENT OF COMMERCE
Foreign-Trade Zones Board
(Docket 36-2010)

Foreign-Trade Zone 18 – San Jose, California
Application for Subzone
Lam Research Corporation
(Wafer Fabrication Equipment Manufacturing)
Fremont, Newark, and Livermore, California

An application has been submitted to the Foreign-Trade Zones Board (the Board) by the City of San Jose, grantee of FTZ 18, requesting special-purpose subzone status for the wafer fabrication equipment manufacturing facilities of Lam Research Corporation (Lam), located in Fremont, California. 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 May 18, 2010.

The Lam facilities (1,483 employees, 1,020 systems per year capacity) consist of 4 sites on 85 acres: Site 1 (29 acres) is located at 4650 Cushing Parkway, Fremont; Site 2 (20 acres) is located at 6120 Stewart Ave., Fremont; Site 3 (29 acres) is located at 38505 Cherry Street, Newark; and Site 4 (7 acres) is located at 1 Portola Avenue, Livermore. The facilities are used for the manufacture, assembly, repair, kitting, de-kitting and distribution of wafer fabrication equipment (in particular, single-wafer clean equipment and plasma etch equipment). Components and materials sourced from abroad (representing 9% of the value of the finished product) include: monofilament, tubes, belts, fittings, gaskets, washers, seals, valves, taps, bearings, stainless steel screws, pulleys, shaft couplings, gears, machinery parts, motors, quartz fittings and parts, electrical transformers, electromagnetic couplings, batteries, induction equipment, electrothermic appliances, speakers, amplifiers, magnetic and optical media, monitors, electrical circuitry and components, lamps, wiring, cable, electrical insulators, optical fibers and devices, lenses, lasers, liquid crystal devices, self adhesive and non-adhesive sheets, tempered glass, laboratory glassware, fittings and components of metal (precious, ferrous, and non-ferrous), precious stone articles,

base metal tools, pumps, fans, sprayers, electromechanical drills, calculating instruments, measuring devices, time devices, packaging materials, brochures, and printed matter (duty rate ranges from duty-free to 9%).

FTZ procedures could exempt Lam from customs duty payments on the foreign components used in export production. The company anticipates that 96.5 percent of the plant's shipments will be exported. On its domestic sales, Lam would be able to choose the duty rates during customs entry procedures that apply to wafer cleaning stand-alone systems and wafer etch process modules and systems, (duty-free) for the foreign inputs noted above. FTZ designation would further allow Lam to realize logistical benefits through the use of weekly customs entry procedures. Customs duties also could possibly be deferred or reduced on foreign status production equipment. The request indicates that the savings from FTZ procedures would help improve the plant's international competitiveness.

In accordance with the Board's regulations, Maureen Hinman 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 *[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 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 Maureen Hinman at maureen.hinman@trade.gov or (202) 482-0627.

Dated: May 18, 2010

Andrew McGilvray
Executive Secretary