

DEPARTMENT OF COMMERCE

Foreign-Trade Zones Board

[Docket 21–2003]

Foreign-Trade Zone 102—St. Louis, Missouri: Application For Foreign-Trade Subzone Status, Bayer CropScience (Agricultural Chemical Products); St. Louis, MO, Area

An application has been submitted to the Foreign-Trade Zones Board (the Board) by the St. Louis County Port Authority, grantee of FTZ 102, requesting special-purpose subzone status for the manufacturing facilities (agricultural chemical products) of Bayer CropScience LP, located in the St. Louis, Missouri 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 April 29, 2003.

The Bayer CropScience facilities are located at two sites (15.77 acres, with up to eight buildings and 285,693 sq. ft. of enclosed space): Site # 1 (13.5 acres; four buildings with 26,790 sq. ft.; possible expansion to include three additional buildings with 160,000 sq. ft.)—located at 133 East Krauss Street in St. Louis; and Site # 2 (2.27 acres; one building with 98,303 sq. ft.)—located at 8921 Frost Avenue in Berkeley, Missouri. The facilities (approximately 50 full-time employees and contractors) produce agricultural chemical products, which Bayer CropScience intends to manufacture, test, package, and warehouse under FTZ procedures.

The company's application lists a wide variety of general HTS categories as potential inputs or finished products for manufacturing under subzone procedures. However, the company is only seeking FTZ authority for the input or finished-product categories listed in the application to be used in the manufacturing of plant growth regulators, seed treatments, and pesticides, including but not limited to insecticides and fungicides. Bayer CropScience indicates that initial U.S. value added will range from 10 to 30 percent.

The list of categories of imported parts and materials for possible use in the production, packaging, and distribution of plant growth regulators, seed treatments, and pesticides includes: Cane or beet sugar and sucrose; sugars, sugar syrups, artificial honey, and caramel; food preparations including protein concentrates and substances; oils and other products of coal tar; petroleum oils and mineral oils, or distillates; hydroxides and peroxides

of sodium or potassium; iron oxides and hydroxides; titanium oxides; hydrazine, hydroxylamine, other salts, inorganic bases, and metal oxides; fluorides, fluorosilicates, fluoroaluminates and other fluorine salts; chlorides, bromides, and iodides; dithianites and sulfoxylates; sulfites and thiosulfates; sulfates; phosphinates, phosphonates, phosphates, and polyphosphates; carbonates, peroxocarbonates and ammonium carbonate; silicates; borates and peroxoborates (perborates); salts of oxometallic or peroxometallic acids; other salts of inorganic acids or peroxoacids; radioactive chemical elements and radioactive isotopes, compounds, mixtures, and residues; compounds or rare-earth metals of yttrium or scandium; other inorganic compounds; halogenated derivatives of hydrocarbons; derivatives of hydrocarbons; acyclic alcohols and derivatives; phenols and phenol-alcohols, and their derivatives; ethers, ether-alcohols, ether-phenols, ether-alcohol-phenols, alcohol peroxides, ether peroxides, ketone peroxides, and their derivatives; epoxides, epoxyalcohols, epoxyphenols, and epoxyethers, and their derivatives; acetals and hemiacetals, and their derivatives; aldehydes and derivatives; ketones and quinones; saturated acyclic monocarboxylic acids and derivatives; unsaturated acyclic or cyclic monocarboxylic acids and derivatives; phosphoric esters, salts, and derivatives; esters of other inorganic salts, and their salts and derivatives; amine function compounds; oxygen-function amino-compounds; quaternary ammonium salts and hydroxides, lecithins, and other phosphoaminolipids; carboxamide-function compounds and amide-function compounds of carbonic acid; carboxyimide-function and imine-function compounds; nitrile-function compounds; diazo-, azo-, or azoxy-compounds; organic derivatives of hydrazine or of hydroxylamine; compounds with other nitrogen function; organo-sulfur compounds; other organo-inorganic compounds; heterocyclic compounds, including with oxygen hetero-atoms only and nucleic acids and their salts; sulfonamides; glycosides and their salts, ethers, esters, and derivatives; sugars, chemically pure, other than sucrose, lactose, maltose, glucose, and fructose; sugar ether and sugar esters and their salts; other organic compounds; organic surface-active agents; lubricating preparations; artificial waxes and prepared waxes; gelatin and derivatives; dextrans and other modified starches;

prepared glues and other prepared adhesives; activated carbon, activated natural mineral products, and animal black; insecticides, rodenticides, fungicides, herbicides, antisprouting products and plant-growth regulators, disinfectants, and similar products; reaction initiators and accelerators, and catalytic preparations; industrial monocarboxylic fatty acids, acid oils from refining, and industrial fatty alcohols; prepared binders for foundry molds or cores, chemical products and preparations of the chemical or allied industries, and residual products of those industries; polymers of vinyl acetate or of vinyl esters, and other vinyl polymers; acrylic polymers in primary forms; polyacetals, other polyethers, and epoxide resins, polycarbonates, alkyd resins, polyallyl esters, and other polyesters, in primary forms; silicones in primary forms; petroleum resins, coumarone-indene resins, polyterpenes, polysulfides, polysulfones and other products, in primary forms; cellulose and its chemical derivatives; natural polymers and modified natural polymers in primary forms; ion-exchangers based on polymers; self-adhesive plates, sheets, film, foil, tape, strip and other flat shapes, of plastic; other plates, sheets, film, foil, and strip, of plastics; other articles of plastic; articles for the conveyance or packing of goods, of plastics, and stoppers, lids, caps, and other closures, of plastics; other articles of vulcanized rubber; carboys, bottles, flasks, jars, pots, vials, ampoules, preserving jars, stoppers, lids, and other containers or closures of glass; aluminum foil; magnesium and articles thereof; stoppers, caps, and lids; and taps, cocks, valves, and similar appliances. Current duty rates for these input materials range up to 9.6 percent.

Zone procedures would exempt Bayer CropScience from Customs duty payments on foreign components used in export production. On its domestic sales, Bayer CropScience would be able to defer duty payments, and to choose the lower duty rate that applies to the listed finished-product categories (duty-free to 7.8 percent) for the foreign inputs listed above, among others. Bayer CropScience would be able to avoid duty on foreign inputs which become scrap/waste, estimated at less than 2 percent of imported inputs. The application also indicates that Bayer CropScience may benefit from savings derived from zone-to-zone transfers of merchandise and from simplification of the company's import and export procedures. All of the above-cited savings from zone procedures could