



DEPARTMENT OF COMMERCE

Foreign-Trade Zones Board

(B-97-2013)

Foreign-Trade Zone (FTZ) 3 – San Francisco, CA
Notification of Proposed Production Activity
Phillips 66 Company
(Oil Refining/Blending)
Rodeo, California

The San Francisco Port Commission, grantee of FTZ 3, submitted a notification of proposed production activity to the FTZ Board on behalf of Phillips 66 Company (Phillips 66), located in Rodeo, California. The notification conforming to the requirements of the regulations of the FTZ Board (15 CFR 400.22) was received on November 12, 2013.

A separate application for subzone status at the Phillips 66 facility was submitted and is being processed under Section 400.31 of the FTZ Board's regulations (B-89-2013, 78 FR 64196, 10/28/2013). The facility is used for refining crude and intermediate oils into fuels, gases, petrochemicals, and by-products. Phillips 66 also blends purchased petroleum products, such as gasoline, alkylates, biodiesel, renewable diesel, and additives, with products produced at the refinery. Pursuant to 15 CFR 400.14(b), FTZ activity would be limited to the specific foreign-status materials and components and specific finished products listed in the submitted notification (as described below) and subsequently authorized by the FTZ Board.

Phillips 66 has requested approval subject to the standard refinery restrictions and has indicated that it would either be admitting any foreign biodiesel in privileged-foreign (PF) status or filing a customs entry on foreign biodiesel prior to admission into the proposed FTZ. Production under FTZ procedures could exempt Phillips 66 from customs duty payments on

foreign status inputs used in export production. On its domestic sales, Phillips 66 would be able to choose the duty rates during customs entry procedures that apply to: motor gasoline; gasoline components for blending; alkylate; light distillates and light distillate blend stock (testing 25 degrees API or over); diesel; diesel blend stock (testing 25 degrees API or over); diesel containing biodiesel; Jet A fuel; benzene; toluene; xylenes; naphthalene; high aromatic mixtures; carbon black oil; methane/natural gas; refinery gases: ethane, propane, and butanes, and mixtures of such gases; liquefied refinery gas: propane, iso-butane, and mixed butane; ethylene; propylene; butylene; butadiene; buta-1,3-diene; ethane; mixtures such as propane-propylene mix; ethane-propane mix; hydrogen; sulfur; sulfuric acid; non-calcined coke, including green; calcined coke; asphalt; combined heavy uncrackate (light distillate from hydrocracker); combined U250 feed (ultra-low sulfur diesel); naphtha; pressure distillate (distillate oil with average gravity of 54.8); gas oil feed (FCC heavy gas oil; hydrocracker feed); recovered oil (heavy intermediates testing under 25 degrees API); recovered oil (light slop oil testing 25 degrees API or over); recovered gasoline slop; gas oil (testing under 25 degrees API); gas oil (testing 25 degrees API or over); U246 fluid catalytic cracker feed (low sulfur gas oil testing over 25 degrees API); U267 residual oil (heavy gas oil testing less than 20 degrees API); fuel oil (testing under 25 degrees API); and, prefractionator bottoms (testing approx. 10 degrees API; fuel oil) (duty rates range between duty-free and 52.5 cents per barrel or 3.7%) for the foreign status inputs noted below. Customs duties also could possibly be deferred or reduced on foreign status production equipment.

The components and materials sourced from abroad include: crude oil (testing under, at, or above 25 degrees API); hydrocracker feed; decant oil (fuel oil; slurry oil; testing under 25 degrees API); alkylates; combined heavy uncrackate (light distillate from hydrocracker);

combined U250 Feed (ULSD unit feed); naphtha, pressure distillate (distillate oil with average gravity of 54.8); biodiesel (B100); biodiesel other than B100; and renewable diesel (R100) (duty rates: 5.25 cents per barrel, 10.5 cents per barrel, 4.6% or 6.5%).

Public comment is invited from interested parties. Submissions shall be addressed to the FTZ Board's Executive Secretary at the address below. The closing period for their receipt is ***[insert date 40 days from date of publication]***.

A copy of the notification will be available for public inspection at the Office of the Executive Secretary, Foreign-Trade Zones Board, Room 21013, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230-0002, and in the "Reading Room" section of the FTZ Board's website, which is accessible via www.trade.gov/ftz.

For further information, contact Diane Finver at Diane.Finver@trade.gov or (202) 482-1367.

Dated: November 15, 2013

Andrew McGilvray
Executive Secretary