



DEPARTMENT OF COMMERCE  
Foreign-Trade Zones Board  
(B-97-2013)

Foreign-Trade Zone 3 – San Francisco, California  
Authorization of Limited Production Activity  
Phillips 66 Company  
(Oil Refining/Blending)  
Rodeo, California

On November 12, 2013, the San Francisco Port Commission, grantee of FTZ 3, submitted a notification of proposed production activity to the Foreign-Trade Zones (FTZ) Board on behalf of Phillips 66 Company, within Subzone 3E, in Rodeo, California.

The notification was processed in accordance with the regulations of the FTZ Board (15 CFR part 400), including notice in the *Federal Register* inviting public comment (78 FR 69815 November 21, 2013). The FTZ Board has determined that further review of part of the proposed activity is warranted at this time. The production activity described in the notification is authorized on a limited basis, subject to the FTZ Act and the Board's regulations, including Section 400.14, and further subject to a restriction requiring that all biodiesel and renewable diesel products be admitted to the zone in domestic (duty-paid) status (19 CFR 146.43) and to the standard oil refining restrictions listed below:

1. Foreign status (19 CFR 146.41, 146.42) products consumed as fuel for the refinery shall be subject to the applicable duty rate.
2. Privileged foreign status (19 CFR 146.41) shall be elected on all foreign merchandise admitted to the subzone, except that non-privileged foreign (NPF) status (19 CFR 146.42) may be elected on the refinery inputs, not containing biodiesel or renewable diesel products: crude oil (Testing done under, at or above 25 degrees API) (HTSUS 2709.00); hydrocracker feed (HTSUS 2710.19); decant oil (fuel oil; slurry oil; testing under 25 degrees API) (HTSUS 2710.19); alkylates (HTSUS 2710.12); combined heavy unicrackate (light distillate from hydrocracker) (HTSUS 2710.19); combined U250 Feed (ULSD unit feed) (HTSUS 2710.19); naphtha (HTSUS 2710.12); and, pressure distillate (distillate oil with average gravity of 54.8) (HTSUS 2710.12 and HTSUS 2710.19) which are used in the production of:

- petrochemical feedstocks and refinery by-products (Examiner's Recommendation, Appendix "D");
- products for export;
- and, products eligible for entry under HTSUS 9808.00.30 and 9808.00.40 (U.S. Government purchases).

Dated: March 12, 2014

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Andrew McGilvray  
Executive Secretary