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DEPARTMENT OF COMMERCE
Foreign-Trade Zones Board
[B-35-2019]

Foreign-Trade Zone (FTZ) 185 – Front Royal, Virginia
Notification of Proposed Production Activity

Merck & Co., Inc.
(Pharmaceuticals)
Elkton, Virginia

Merck & Co., Inc. (Merck) submitted a notification of proposed production activity to the FTZ Board for its facility in Elkton, Virginia. The notification conforming to the requirements of the regulations of the FTZ Board (15 CFR 400.22) was received on May 3, 2019.

Merck already has authority to produce pharmaceuticals within Subzone 185C. The current request would add three finished products and four foreign status materials/components to the scope of authority. Pursuant to 15 CFR 400.14(b), additional FTZ authority would be limited to the specific foreign-status materials/components and specific finished products described in the submitted notification (as described below) and subsequently authorized by the FTZ Board.

Production under FTZ procedures could exempt Merck from customs duty payments on the foreign-status materials/components used in export production. On its domestic sales, for the foreign-status materials/components noted below and in the existing scope of authority, Merck would be able to choose the duty rates during customs entry procedures that apply to Primaxin IV (Imipenem, Cilastatin) injectable for infusion, Invanz (Ertapenem), and Primaxin+ (Imipenem, Cilastatin, Relebactam) (duty-free). Merck would be able to avoid duty on foreign-status components which become

scrap/waste. Customs duties also could possibly be deferred or reduced on foreign-status production equipment.

The materials/components sourced from abroad include Imipenem, Ertapenem, Relebactam, and Cilastatin (duty rate ranges from duty-free to 6.5%). The request indicates that certain materials/components are subject to special duties under Section 232 of the Trade Expansion Act of 1962 (Section 232), depending on the country of origin. The applicable Section 232 decisions require subject merchandise to be admitted to FTZs in privileged foreign status (19 CFR 146.41).

Public comment is invited from interested parties. Submissions shall be addressed to the Board's Executive Secretary and sent to: ftz@trade.gov. The closing period for their receipt is **[INSERT DATE 40 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

A copy of the notification will be available for public inspection in the "Reading Room" section of the Board's website, which is accessible via www.trade.gov/ftz.

For further information, contact Juanita Chen at juanita.chen@trade.gov or 202-482-1378.

Dated: May 9, 2019.

Andrew McGilvray,
Executive Secretary.
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