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DEPARTMENT OF COMMERCE

Foreign-Trade Zones Board

[B-32-2020]

Foreign-Trade Zone (FTZ) 277 – Western Maricopa County, Arizona; Notification of Proposed Production Activity; Rauch North America, Inc. (Non-Alcoholic Beverages), Waddell, Arizona

Rauch North America, Inc. (RNA) submitted a notification of proposed production activity to the FTZ Board for its facility in Waddell, Arizona. The notification conforming to the requirements of the regulations of the FTZ Board (15 CFR 400.22) was received on May 15, 2020.

The RNA facility is located within FTZ 277. The facility is used for the production of energy drinks, soft drinks and other non-alcoholic beverages. Pursuant to 15 CFR 400.14(b), FTZ activity 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 RNA from customs duty payments on the foreign-status materials/components used in export production (estimated at five percent of production). On its domestic sales, for the foreign-status materials/components noted below, RNA would be able to choose the duty rates during customs entry procedures that apply to energy drinks, soft drinks and other non-alcoholic beverages (duty rate - 0.2 cents/liter). RNA 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: powder mix containing aspartame, acesulfame k and xanthan gum; powder mix containing sucralose, acesulfame k and xanthan gum; taurine crystals and crystalline powder; caffeine powder; liquid mixture for flavoring purposes containing flavor, alcohol and water; powder mix with taurine, caffeine and a mixture containing B vitamins; aluminum beverage cans; aluminum beverage can lids; aluminum beverage bottles; aluminum beverage bottle closures; citric acid; magnesium carbonate; foil (polymers of ethylene); coloring dyes: orange and blue; coloring agents of animal or vegetable origin: orange and purple; vitamin B2 (riboflavin); sodium citrate; neutral cloudifier additive containing gum and vegetable oil; and, tannic acid (duty rate ranges from duty free to 10%). The request indicates that citric acid and sodium citrate are subject to antidumping/countervailing duty (AD/CVD) orders if imported from certain countries. The FTZ Board's regulations (15 CFR 400.14(e)) require that merchandise subject to AD/CVD orders, or items which would be otherwise subject to suspension of liquidation under AD/CVD procedures if they entered U.S. customs territory, be admitted to the zone in privileged foreign status (19 CFR 146.41). The request also indicates that certain materials/components are subject to duties under Section 301 of the Trade Act of 1974 (Section 301), depending on the country of origin. The applicable Section 301 decisions require subject merchandise to be admitted to FTZs in privileged foreign status.

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 Diane Finver at Diane.Finver@trade.gov or (202) 482-1367.

Dated: May 26, 2020.

Andrew McGilvray,

Executive Secretary.

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