



DEPARTMENT OF COMMERCE
Foreign-Trade Zones Board
[B-16-2021]

Foreign-Trade Zone (FTZ) 185 – Culpeper, Virginia
Notification of Proposed Production Activity
Merck & Co., Inc.
(Pharmaceutical Products)
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 March 2, 2021.

Merck already has authority to produce pharmaceutical products within Subzone 185C. The current request would add finished product and foreign status materials to the scope of authority. Pursuant to 15 CFR 400.14(b), additional FTZ authority would be limited to the specific foreign-status materials and specific finished product 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 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 applies to PRIMAXIN/TIENAM (imipenem/cilastatin) (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 sourced from abroad are BIS (2, 4-Dichlorophenyl) Chlorophosphate and Enol Phosphate (duty rate 6.5%). The request indicates that the

materials 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 (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 Christopher Wedderburn at Chris.Wedderburn@trade.gov.

Dated: March 4, 2021.

Andrew McGilvray,
Executive Secretary.

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