

# Lasko®

August 21, 2019

Mr. Andrew McGilvray  
Executive Secretary  
Foreign-Trade Zones Board  
U.S. Department of Commerce  
1401 Constitution Avenue N.W., Room 21013  
Washington, D.C. 20230

Dear Mr. McGilvray,

Lasko Products, LLC (“Lasko”) intends to act as the Foreign Trade Zone (“FTZ”) Operator of its Nashville, Tennessee facilities and submits this Production Notification in accordance with 15 C.F.R. § 400.14(a), § 400.22, and § 400.37(a). Lasko is a producer of small appliances, fans, and household portable heaters. Lasko will conduct manufacturing, assembly, packing, and storage at the facilities.

Lasko’s facilities are located within the service area of FTZ No. 78, and we have requested the sponsorship of Metropolitan Government of Nashville and Davidson County, Grantee of FTZ No. 78, to obtain FTZ designation for the facility. The application for FTZ designation has been submitted by the Grantee.

Lasko will manufacture small appliances, fans, and household portable heaters. Production will utilize numerous foreign-status inputs with duty rates ranging from duty-free to 6.7%. FTZ status will give Lasko the operational flexibility and US Customs tariff benefits necessary to meet Lasko’s business goals. The FTZ will allow Lasko faster US Customs clearance, reduced US Customs processing fees, deferral of duty payments while goods remain in the zone, and elimination of duties as part of the manufacturing process. These benefits are essential for optimizing Lasko’s supply chain, and positioning Lasko to be successful in Nashville.

Lasko respectfully requests approval for the proposed production activities described herein. If you have any questions about this application, please do not hesitate to contact me at (972) 973-4667.

Sincerely,



Patrick McGreal  
Controller

CC: Audra Ladd, Metropolitan Government of Nashville and Davidson County  
Port Director Treanor, U.S. Customs & Border Protection, Port of Nashville  
James Grogan, Ernst & Young, LLP

## **Notification Requesting FTZ Production Authority**

Grantees or operators may submit production notifications to the Board's Executive Secretary at: [ftz@trade.gov](mailto:ftz@trade.gov). If an operator submits the application, it must also provide a copy to the grantee. The grantee or operator submitting the notification must at the same time provide a copy to the U.S. Customs and Border Protection (CBP) office with oversight responsibility for the zone.

To help us review your notification as quickly as possible, please include the question number and the text of the question prior to your response to each question. If you have questions, contact the FTZ Board staff at (202) 482-2862.

### **Company and FTZ Site(s)**

1. State a) the FTZ user (company for whose benefit the activity would be conducted) and b) the zone/subzone locations (including site numbers) at which the activity would be conducted.

#### **a) Lasko Products, LLC (Lasko)**

**b) Production activity will be conducted at the contiguous Lasko facilities located at:**

- **300 Confederate Drive, Franklin, TN, 37064;**
- **1715 Columbia Ave, Franklin, TN, 37064;**
- **1725 Columbia Ave, Franklin, TN, 37064**

**The facilities are located within the Service Area of FTZ No. 78.**

**Concurrent with this production notification, Lasko will be requesting subzone status under the Alternative Site Framework for its facilities.**

### **Proposed Activity**

2. Provide a short summary (generally no more than a few paragraphs) of the activity that you propose to conduct under FTZ procedures.

**Lasko is an American company founded in 1906 by Henry Lasko. The company was started in a small facility in Philadelphia. It has grown over the last 100 years and now distributes products around the globe.**

**Lasko will import components for use in the production of various finished products including small appliances such as fans and household portable heaters. Box fans, desk fans, pedestal fans, furnace humidifiers, etc. are produced by combining imported components including but not limited to motors, cordsets, speed controllers and handles along with domestically made components such as steel fan housing, plastic fan blades, plastic grills which are ultimately**

**assembled into a complete unit and packaged for retail sales.**

**The FTZ will provide Lasko with inverted tariff savings, merchandise processing fee savings and export savings.**

### **Products and Components**

3. Are any of the listed foreign-status component/inputs are subject to a trade-related measure or proceeding (such as an AD/CVD order or proceeding, suspension of liquidation under AD/CVD procedures, or Section 201/204/232/301/337/421 investigations)? If yes, explain. *Note that FTZ authority is not specific to country of origin so this question should be answered for all trade measures regardless of whether the component/input is currently sourced from a country subject to such a measure.*

**There are imported foreign status components that are subject to the punitive tariffs under Section 301 of the Trade Act of 1974 (19 U.S.C. § 2411). Lasko will comply with the regulations in place that require admission of these imports in privileged-foreign status.**

**The imported products are not subject to any other trade measure or proceedings.**

**See Table 2 below for a list of imported items subject to punitive tariffs.**

4. Using the tables that follow (inserting additional rows, as needed), list the finished products and foreign-status components/inputs that you propose for production under FTZ procedures. Your list of finished products and foreign-status components/inputs should encompass both actual/planned activity and potential activity for which you request authority. Any FTZ Board authorization of the activity in your notification would only extend to the specific finished products and foreign-status components/inputs listed in your notification (that is, your “scope of authority”). For each finished product and foreign-status component/input, provide a physical description (not the description from the HTSUS), 6-digit HTSUS number, and current U.S. duty rate.

**Finished Products:**

Physical Description (not HTSUS description)	HTSUS No.	Duty Rate
Box Fan	8414.51	4.7%
Pedestal Fan	8414.51	4.7%
Window Fan	8414.51	4.7%
Fan Blower	8414.59	2.3%
Floor and Wall Heater	8516.29	3.7%
Evaporative Humidifier	8509.80	4.2%
Furnace Humidifier	8481.80	2%

**Foreign-Status Components:**

Physical Description (not HTSUS description)	HTSUS No.	Duty Rate	Subject to 301
Fan Motor	8501.40, 8414.90, 8501.10	3.3%, 4.7%, 6.7%	Yes
Plastic Fan Handle	8414.90	4.7%	Yes
Metal or Plastic Fan Guard	8414.90	4.7%, 5.3%	Yes
Copper Wire Harness	8544.42	2.6%	Yes
Copper Wire Cordset	8544.42	2.6%	Yes
Plastic Fan Knob	3926.90	5.3%	Yes
Steel Screws	7318.14	6.2%	Yes

Humidifier Springwire Clamp	8509.90	4.2%	Yes
Humidifier Orifice Insert	8509.90	4.2%	Yes
Humidifier Water Nozzle	8509.90	4.2%	Yes
Furnace Humidifier	8481.80	2%	Yes
Transmitter	8543.70	2.6%	Yes
Fridge Ionizer	8543.70	2.6%	Yes
Humidistat with Rocker Switches	9032.89	1.7%	Yes
Humidifier Box Assembly	9032.89	1.7%	Yes
Transmitter	8543.70	0.6%	Yes
Capacitors for Electronic	8532.25	Free	Yes
Transformer	8504.40	0.3%	Yes
Fan Ionizer	8421.39	Free	Yes
Transformer	8504.50	0.7%	Yes
Plastic fan ornament	4911.99	5.3%	No
Plastic box fan feet set	3926.90	3.5%	Yes
Aluminum name plate	7616.99	2.5%	Yes
Plastic Waterpan	8509.90	4.2%	Yes
Plastic Valve	8509.90	4.2%	Yes
Lower Pump	8509.90	4.2%	Yes
Humidistat Kit	9032.89	1.7%	Yes
Humidifier Kit	8504.40	0.3%	Yes
Speed Controller	8504.40	0.3%	Yes