

May 25, 2011

Mr. Andrew McGilvray
Foreign-Trade Zones Board
1401 Constitution Avenue, NW
Room 2111
Washington, D.C. 20230

Re: Foreign-Trade Board Proposed Rule
75 Federal Register 82340-82362, December 30, 2010
Docket # ITA-2010-0012, RIN 0625-AA81

Dear Mr. McGilvray:

We are Eli Lilly and Company, Subzone Operator of Foreign-Trade Subzone No. 72B in Indianapolis, Indiana. We have successfully used the Foreign-Trade Zones Program to enhance our domestic manufacturing operations for several years. We embrace the update of the Foreign-Trade Zones Board Regulations. The proposed revisions by the National Association of Foreign-Trade Zones are positive. Many of the proposed changes reflect the current circumstances in the global economy. However, we do have concern regarding proposed changes to the Scope of Authority and notification provisions.

Our subzone was approved in 1985. We have a long history of operating a U.S. manufacturing facility under zone procedures. It is our understanding that any company that produces or manufactures products in foreign-trade zones would be significantly impacted by the new FTZ Board Proposed Rule. As written, the proposed Regulations are burdensome. The proposed Regulations require a one-time re-filing of the entire scope of FTZ productions/manufacturing authority and quarterly reporting thereafter. We believe this is a very significant change that would create an onerous burden on the entire FTZ community since failure to obtain the advance approval from the FTZ Board could result in the imposition of fines and penalties on the Operator, User, and potentially the Grantee.

We agree with the National Association of Foreign-Trade Zones approach to this process by changing the application process so that the applications are focused on the production or manufacturing of the intermediate/finished products without specific reference to all the materials/parts utilized. This approach would enhance our ability to react to the global market more quickly.

Sincerely,

ELI LILLY AND COMPANY

A handwritten signature in black ink that reads "Shaun Wallisa". The signature is written in a cursive style with a small dot above the letter 'i' in Wallisa.

Shaun Wallisa
FTZ Subzone 72B Administrator