

Congress of the United States

House of Representatives

Washington, DC 20515

May 21, 1987

Honorable Malcolm Baldrige
Secretary
Department of Commerce
Washington, D.C. 20230

Dear Mr. Secretary:

Diamond Star Motors (DSM) is a new American joint venture company currently constructing their automotive assembly plant in the Bloomington/Normal area of Illinois. DSM expects to begin automobile production in 1988. When fully operational, the plant will produce up to 240,000 units per year. The plant will directly create 2,500 new American jobs, as well as thousands of additional jobs in the surrounding area.

It is because of the significant economic benefits involved that State and local officials, supported by the entire Illinois Congressional delegation, worked very hard and successfully to convince the company to locate in Illinois.

Since the site was selected in October 1985, State and local officials have worked with DSM to develop the kind of economic environment that will allow DSM to produce the high quality product they envision at a competitive price. A part of this planning entails designation of the plant as a special purpose foreign trade subzone.

To this end, in May 1986, DSM applied for special purpose subzone status through the Economic Development Council for the Peoria area (EDC, Inc.), which is a designated Foreign Trade Zone. The application (docket #29-86) was published in the Federal Register in September 1986. During a meeting with Commerce Department officials in February 1987, additional information was requested to address certain specific and general concerns raised by this and related applications to automotive subzone status. That information was provided in early April.

We strongly support DSM's application to obtain special purpose foreign trade subzone status. We are concerned to learn that a backlog of such applications has developed. While we understand that concerns raised during consideration of these

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requests must be addressed, any significant delay would create an unreasonably severe problem for DSM.

We hope that you will do what you can to encourage the expeditious and favorable consideration of DSM's application, and keep us informed of the application's status.

Sincerely,

~~Zen Gray~~
~~John Gray~~
~~John Gray~~
~~John Gray~~
~~John Gray~~
Robert Huichel

Edward Malley
Alan Thomas
Dore Tombs
W. J. Hall
K. J. Stewart