



BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE
Foreign-Trade Zones Board
[B-23-2017]

Foreign-Trade Zone (FTZ) 203 – Moses Lake, Washington
Proposed Revision to Production Authority
SGL Automotive Carbon Fibers, LLC
(Carbon Fiber)
Moses Lake, Washington

SGL Automotive Carbon Fibers, LLC (SGLACF), operator of FTZ 203 – Site 3, submitted a notification that proposes a revision to its existing production authority at its facility located in Moses Lake, Washington. The notification conforming to the requirements of the regulations of the FTZ Board (15 CFR 400.22) was received on March 30, 2017.

SGLACF previously requested and received FTZ Board approval for authority to produce carbon fiber from foreign-status polyacrylonitrile (PAN) fiber for export only within Site 3 of FTZ 203 (see FTZ Board Order 1889, 78 FR 16247, 3/14/2013). Under that existing authority, SGLACF must export all carbon fiber made from foreign-status PAN fiber. In the current request, SGLACF proposes to replace the export-only limitation pertaining to carbon fiber produced from foreign-status PAN fiber with a requirement for the company to admit all foreign-status PAN fiber (duty rate 7.5%) in privileged foreign (PF) status (19 CFR 146.41).

SGLACF's notification indicates the following: Production under FTZ procedures with the proposed PF status requirement for admission of foreign-status PAN fiber could exempt the company from customs duty payments on foreign-status PAN fiber used in export production. For SGLACF's domestic sales of carbon fiber, PF status would not

allow the company to elect the carbon fiber duty rate (free) on the value of foreign-status PAN fiber used to produce the carbon fiber, thereby precluding inverted tariff savings. In addition, at the time of customs entry for each shipment of carbon fiber to the U.S. market, the company would apply the PAN fiber duty rate (7.5%) on an estimated value of PAN fiber contained in scrap resulting from the production process (based on the actual percentage of scrap from the preceding year's production). SGLACF's scrap rate was about 1% in 2016. The company is seeking these changes to its FTZ authority for "logistical recordkeeping purposes."

Public comment is invited from interested parties. Submissions shall be addressed to the FTZ Board's Executive Secretary at the address below. 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 at the Office of the Executive Secretary, Foreign-Trade Zones Board, Room 21013, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230-0002, and in the "Reading Room" section of the FTZ 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: April 11, 2017

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Andrew McGilvray
Executive Secretary

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