



BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE
Foreign-Trade Zones Board
[B-15-2018]

Foreign-Trade Zone (FTZ) 38 – Charleston, South Carolina;
Notification of Proposed Production Activity
BMW Manufacturing Co., LLC
(Hybrid Passenger Vehicles)
Spartanburg, South Carolina

BMW Manufacturing Co., LLC (BMW MC) submitted a notification of proposed production activity to the FTZ Board for its facility in Spartanburg, South Carolina. The notification conforming to the requirements of the regulations of the FTZ Board (15 CFR 400.22) was received on February 27, 2018.

BMW MC already has authority to produce gasoline and diesel-powered motor vehicles, motor vehicle bodies, stamped body parts, and lithium ion batteries within FTZ38A. The current request would add hybrid passenger vehicles and foreign-status materials/components to the scope of authority. Pursuant to 15 CFR 400.14(b), additional FTZ authority would be limited to the specific foreign-status materials/components and finished products described in the submitted notification (as described below) and subsequently authorized by the FTZ Board.

Production under FTZ procedures could exempt BMW MC from customs duty payments on the foreign-status materials/components used in export production. On its domestic sales, for the foreign-status materials/components noted below and in the existing scope of authority, BMW MC would be able to choose the duty rates during customs entry procedures that apply to previously authorized finished products and

hybrid passenger vehicles (duty rate 2.5%). BMW MC 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/components sourced from abroad include: lubricating grease; touch-up paint; polyester band; rubber window guides; rubber seals; weather and damping strips of non-cellular rubber; tool bags of man-made fibers; acrylic coated cloth tape; warp knit fabric; seat protectors; mica seals; fiberglass heat shields; steel insertion brackets (similar to staples); aluminum alloy tube connectors; aluminum threaded fasteners (such as bolts, screws, nuts, washers); cylinder coils; gearbox oil coolers; cupholder warmers; parts of heat exchange units (multi-flow adaptors/connectors used to connect pipes or hoses to the battery cooler assembly); fire extinguishers; car jack cranks; card readers for common interface (CI) plus card to receive special television (TV) channels in the vehicle; housed ball bearings; inductors; actuators; Bluetooth antennas; speakers; audio frequency amplifiers; radar sensors; radios; acoustic warning signals; LED lighting; integrated lighting circuits; lens TV contour illumination; range-finding sensors; checking/locking fixtures; temperature sensors; weather sensors; oxygen sensors; voltage power testers; and, battery sensors (duty rate ranges from duty-free to 17.6%).

The request indicates polyester band, acrylic coated cloth tape, warp knit fabric, and seat protectors will be admitted to the zone in privileged foreign status (19 CFR 146.41), thereby precluding inverted tariff benefits on such items.

Public comment is invited from interested parties. Submissions shall be addressed to the 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 Board's website, which is accessible via www.trade.gov/ftz.

For further information, contact Juanita Chen at juanita.chen@trade.gov or 202-482-1378.

Dated: March 1, 2018.

Andrew McGilvray,
Executive Secretary.
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