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DEPARTMENT OF COMMERCE

Foreign-Trade Zones Board

[B-010-2019]

Foreign-Trade Zone (FTZ) 78 – Nashville, Tennessee; Notification of Proposed Production Activity; Calsonic Kansei North America (Automotive Parts), Shelbyville and Lewisburg, Tennessee

Calsonic Kansei North America (CKNA) submitted a notification of proposed production activity to the FTZ Board for its facilities in Shelbyville and Lewisburg, Tennessee. The notification conforming to the requirements of the regulations of the FTZ Board (15 CFR 400.22) was received on February 21, 2019.

A separate application for FTZ designation at the CKNA facilities under FTZ 78 is currently pending. The facilities will be used to produce a variety of automotive parts and subassemblies for use in the automotive industry. Pursuant to 15 CFR 400.14(b), FTZ activity would be limited to the specific foreign-status materials and components and specific finished products described in the submitted notification (as described below) and subsequently authorized by the FTZ Board.

Production under FTZ procedures could exempt CKNA from customs duty payments on the foreign-status components used in export production. On its domestic sales, for the foreign-status materials/components noted below and in CKNA's other pending production notification for its Tennessee facilities (Docket B-65-2018), CKNA would be able to choose the duty rates during customs entry procedures that apply to: condensers and compressors for air conditioning (a/c) systems; a/c blower assemblies;

shrouds and motor fans for engine cooling assemblies; heaters and a/c unit assemblies; a/c amplifiers; manual a/c control units; automatic a/c control units; rear wheel wind deflectors; catalytic convertor assemblies; antenna digital control modules; smart keyless antennas; audio control switches; airbag occupant electronic control units; sensor and diagnosis air bag service kits; air bag unit sensors; interior vehicle sub-harnesses; main interior vehicle harness assemblies; harnesses for occupant detection systems; rubber radiator hoses; console finishers; center console assemblies; glove box assemblies; knee protector bracket assemblies; glove box latches; air guide for front end module assemblies; speakers; radiator core supports; exhaust center tube assemblies; exhaust front tube assemblies; exhaust main and center muffler assemblies; power steering tubes; automatic transmission oil cooler assemblies; radiator grille assemblies; fuel tank level sensors; instrument cluster assemblies; and, relays (duty rate ranges from duty-free to 6%). CKNA 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 components and materials sourced from abroad include: safety, warning, and identification labels; glove box dampers; rubber grommets, mounts, and seals; steel hex screws; polypropylene and talc plastic fuse covers; steel exhaust tubes; air vents; motor fan housings; a/c evaporators with seals; plastic air intake doors; mechanical links and levers for intake doors; plastic switch retaining brackets; center console boxes; plastic switch brackets; plastic covers; air duct center vents; dashboard speaker covers; cup holders; plastic lids; hinge plastic covers; console removable liners; windshield defrost ducts; dashboard pads; plastic center console pockets; motor fan splash guards;

radiator reserve tanks; center console trays; air filter covers; steel reinforcement brackets for consoles; steel muffler end plates; and air intake ducts (duty rate ranges from duty-free to 7%). The request indicates that certain materials/components are subject to special duties under Section 232 of the Trade Expansion Act of 1962 (Section 232) or Section 301 of the Trade Act of 1974 (Section 301), depending on the country of origin. The applicable Section 232 and Section 301 decisions require subject merchandise to be admitted to FTZs in privileged foreign status (19 CFR 146.41).

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 Christopher Wedderburn at Chris.Wedderburn@trade.gov or (202) 482-1963.

Dated: March 6, 2019.

Andrew McGilvray,

Executive Secretary.

[FR Doc. 2019-04627 Filed: 3/12/2019 8:45 am; Publication Date: 3/13/2019]