



U.S. DEPARTMENT OF COMMERCE
Foreign-Trade Zones Board
[B-03-2015]

Foreign-Trade Zone (FTZ) 84 – Houston, Texas
Notification of Proposed Production Activity
MHI Compressor International Corporation
(Gas Compressors, Compressor Sets, Electrical Generators and Generating Sets)
Pearland, Texas

MHI Compressor International Corporation (MHI) submitted a notification of proposed production activity to the FTZ Board for its facility in Pearland, Texas. The notification conforming to the requirements of the regulations of the FTZ Board (15 CFR 400.22) was received on January 12, 2015.

A separate application for subzone designation at the MHI facility is planned and will be processed under Section 400.38 of the FTZ Board's regulations. The facility is currently under construction and will be used for the production of heavy industrial gas compressors, compressor sets, electrical generators and generating sets. 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 MHI from customs duty payments on the foreign status components used in export production. On its domestic sales, MHI would be able to choose the duty rates during customs entry procedures that apply to gas compressors, compressor sets, electrical generators and generating sets (duty rates: free and 2.8%) for the foreign status inputs noted below. Customs duties also could possibly be deferred or reduced on foreign status production equipment.

The components and materials sourced from abroad include: steel split taper pins; carbon steel seal rings; babbit metal seal rings; felt rings; teflon back-up rings; plastic o-rings; polymer seals; teflon back-up rings; rubber o-rings; non-asbestos packing materials; non-asbestos with rubber binder packing materials; stainless steel air hose couplings; alloy steel tubing; stainless steel bite type nuts; carbon steel sleeves; stainless steel adapters; stainless steel bolts; alloy steel stud bolts; steel set screws; steel nuts; steel cap nuts; steel lock washers; carbon steel plain washers; steel rings; steel pins; cast iron valve boxes; carbon steel motor support parts; stainless steel guide bars; copper seal rings; copper packings; pliers; steel cutters; copper bar for nuts; metal plugs; steam turbines with an output exceeding 40 megawatts; steam turbines with an output not to exceed 40 megawatts; steam turbine blades ; steam turbine parts (spindles, nozzles, baffle plates, casings, casing assemblies, bushes, bushings, governing devices, levers, oil cylinders, oil cylinder covers, hand pump and hose assemblies, pistons, and rings); hydraulic cylinder tie-rods; oil cylinder covers; hand pump assemblies; macerator pumps; hydraulic pumps; jet pumps; centrifugal pumps; compressors; heat preventative plates; oil separation units; catalytic converters; parts for couplings (inner metal for coupling, outer metal for coupling); adjusting tools for puller assemblies; USB memory sticks; control valves; throttle valves; check valves; relief valves; pilot valves; valve seats; single angular ball bearings; thrust bearings; thrust bearing shoes; bushings; bevel gears; turning gears; pinion gears; shaft seals; oil seals; electric motors, generators, and generating sets (with output up to 375 kilowatts, 750 kilovolts); brush holders; caulking compounds; junction boxes; carbon brushes; temperature transmitters; and, pointers (duty rates range from free to 9.9%).

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: January 22, 2015.

Andrew McGilvray,
Executive Secretary.