



DEPARTMENT OF COMMERCE  
Foreign-Trade Zones Board  
(B-72-2016)

Foreign-Trade Zone (FTZ) 80 – San Antonio, Texas  
Notification of Proposed Production Activity  
CGT U.S., Ltd.  
(Polyvinyl Chloride (PVC) Coated Upholstery Fabric Cover Stock)  
New Braunfels, Texas

CGT U.S., Ltd. (CGT), submitted a notification of proposed production activity to the FTZ Board for its facility in New Braunfels, Texas. The notification conforming to the requirements of the regulations of the FTZ Board (15 CFR 400.22) was received on October 18, 2016.

A separate application for subzone designation at the CGT facility was submitted and will be processed under Section 400.38 of the Board's regulations. The facility is used for the production of PVC coated upholstery fabric cover stock. Pursuant to 15 CFR 400.14(b), FTZ activity would be limited to the specific foreign-status materials and components and specific finished product described in the submitted notification (as described below) and subsequently authorized by the FTZ Board.

Production under FTZ procedures could exempt CGT from customs duty payments on the foreign-status components used in export production. On its domestic sales, CGT would be able to choose the duty rate during customs entry procedures that applies to the PVC coated upholstery fabric cover stock (duty free) 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: compound stabilizer for plastics; antimony trioxide (low-tint); flat release paper; polyester knit fabric; polycotton knit fabric; polyurethane top finish dull; polyurethane top finish gloss; polyvinyl chloride dispersion

resin; carbodimide crosslinker; aqueous (water base) polyurethane top finish; polyurethane top finish; aqueous (water base) silicone modifier; aqueous (water base) silicone hand modifier; polyurethane; polyisocyanate crosslinker; defoamer; polyfunctional aziridine crosslinker; wetting agent top coat; and, stabilizers (duty rates range from duty free to 10%).

The request indicates that CGT will admit foreign-status polyester and polycotton knit fabrics (HTSUS 6006.31.00) in privileged foreign status (19 CFR 146.43), thereby precluding inverted tariff benefits on these inputs.

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](http://www.trade.gov/ftz).

For further information, contact Diane Finver at [Diane.Finver@trade.gov](mailto:Diane.Finver@trade.gov) or (202) 482-1367.

Dated: October 27, 2016

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Andrew McGilvray  
Executive Secretary