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DEPARTMENT OF COMMERCE

Foreign-Trade Zones Board

[B-33-2017]

Foreign-Trade Zone (FTZ) 50 – Long Beach, California; Notification of Proposed Production Activity; Mercedes Benz USA, LLC, (Accessorizing Passenger Motor Vehicles); Long Beach, California

The Port of Long Beach, California, grantee of FTZ 50, submitted a notification of proposed production activity to the FTZ Board on behalf of Mercedes Benz USA, LLC (MBUSA), located in Long Beach, California. The notification conforming to the requirements of the regulations of the FTZ Board (15 CFR 400.22) was received on May 8, 2017.

MBUSA already has FTZ authority for accessorizing passenger motor vehicles within Site 41 of FTZ 50. The current request would add foreign-status materials/components to the scope of authority. Pursuant to 15 CFR 400.14(b), FTZ activity would be limited to the specific foreign-status materials and components described in the submitted notification (as described below) and subsequently authorized by the FTZ Board.

Production under FTZ procedures could exempt MBUSA from customs duty payments on the foreign-status components used in export production. On its domestic sales, MBUSA would be able to choose the duty rate during customs entry procedures that applies to passenger motor vehicles (duty rate - 2.5%) for the foreign-status inputs noted below and in the existing scope of authority. Customs duties also could possibly be deferred or reduced on foreign-status production equipment.

The components and materials sourced from abroad include plastic statuettes and other ornamental articles, carpets of man-made fibers, smart cards/memory cards for data storage and steering wheels (duty rates range from free to 5.3%). The applicant indicates that carpets of man-made fibers would be admitted to the FTZ in privileged foreign status (19 CFR 146.41). This would preclude inverted tariff benefits on the foreign-status carpets used in its domestic sales of passenger motor vehicles.

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 **July 11, 2017**.

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: May 26, 2017.

Elizabeth Whiteman,

Acting Executive Secretary.

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