



BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE  
Foreign-Trade Zones Board  
(B-48-2017)

Foreign-Trade Zone (FTZ) 230 – Piedmont Triad Area, North Carolina  
Notification of Proposed Production Activity  
Klaussner Home Furnishings  
(Upholstered Furniture)  
Asheboro and Candor, North Carolina

Klaussner Home Furnishings (Klaussner) submitted a notification of proposed production activity to the FTZ Board for its facilities in Asheboro and Candor, North Carolina within Subzone 230D. The notification conforming to the requirements of the regulations of the FTZ Board (15 CFR 400.22) was received on July 24, 2017.

Klaussner currently has authority to conduct cut-and-sew activity using certain foreign micro-denier suede upholstery fabrics to produce upholstered furniture and related parts (upholstery cover sets) on a restricted basis (see Board Order 1745 (76 FR 11426, March 2, 2011) and Doc. B-1-2016 (81 FR 37570, June 10, 2016)).

The current request would add 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 described in the submitted notification (as described below) and subsequently authorized by the FTZ Board.

Production under FTZ procedures could exempt Klaussner 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, Klaussner would be able to choose the duty rates during customs entry procedures that apply to:

upholstered seats (duty-free). Klausner 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: spring actuators; motors exceeding 74.6 watts but not exceeding 735 watts; AC/DC adapters having a power handling capacity of 1 kVA; transformers; lithium battery packs; handsets with USB; and, cables (duty rate ranges from free to 4%). The request indicates that lithium battery packs 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](http://www.trade.gov/ftz).

For further information, contact Elizabeth Whiteman at [Elizabeth.Whiteman@trade.gov](mailto:Elizabeth.Whiteman@trade.gov) or (202) 482-0473.

Dated: August 3, 2017

Andrew McGilvray  
Executive Secretary

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