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DEPARTMENT OF COMMERCE
Foreign-Trade Zones Board
(B-66-2017)

Foreign-Trade Zone (FTZ) 134 – Chattanooga, Tennessee
Notification of Proposed Production Activity
Volkswagen Group of America – Chattanooga Operations, LLC
(Passenger Motor Vehicles)
Chattanooga, Tennessee

Volkswagen Group of America – Chattanooga Operations, LLC (VW) submitted a notification of proposed production activity to the FTZ Board for its facility in Chattanooga, Tennessee, within FTZ 134. The notification conforming to the requirements of the regulations of the FTZ Board (15 CFR 400.22) was received on October 13, 2017.

VW already has authority to produce passenger motor vehicles within Site 3 of FTZ 134. 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 VW 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, VW would be able to choose the duty rates during customs entry procedures that apply to passenger motor vehicles (duty rate - 2.5%). VW 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 are anti-theft alarm sensors and unframed mirror glass (duty rates - 1.3% and 7.8%, respectively).

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 Kemp at Christopher.Kemp@trade.gov or (202) 482-0862.

Dated: October 18, 2017

Andrew McGilvray
Executive Secretary

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