



BILLING CODE 3510-DS-P

**DEPARTMENT OF COMMERCE
Foreign-Trade Zones Board
[B-75-2018]**

Foreign-Trade Zone (FTZ) 87 – Lake Charles, Louisiana, Notification of Proposed Production Activity, Driftwood LNG, LLC (Liquified Natural Gas Processing), Sulphur, Louisiana

The Lake Charles Harbor and Terminal District, grantee of FTZ 87, submitted a notification of proposed production activity to the FTZ Board on behalf of Driftwood LNG, LLC (Driftwood LNG), located in Sulphur, Louisiana. The notification conforming to the requirements of the regulations of the FTZ Board (15 CFR 400.22) was received on November 16, 2018.

The Driftwood LNG facility is located within Subzone 87G. The facility (currently proposed for construction) will be used for liquified natural gas processing. Pursuant to 15 CFR 400.14(b), FTZ activity would be limited to the specific foreign-status material and specific finished products described in the submitted notification and subsequently authorized by the FTZ Board.

Production under FTZ procedures could exempt Driftwood LNG from customs duty payments on the foreign-status gaseous natural gas (duty-free) used in export production. On its domestic sales, for the foreign-status gaseous natural gas, Driftwood LNG would be able to choose the duty rates during customs entry procedures that apply to: liquified natural gas and stabilized condensate by-product (duty rates are duty-free and 10 cents/barrel, respectively). Driftwood LNG would be able to avoid duty on the foreign-status material which becomes scrap/waste. Customs duties also could possibly be deferred or reduced on foreign-status production equipment.

The request indicates that gaseous natural gas is subject to special duties under Section 301 of the Trade Act of 1974 (Section 301), depending on the country of origin. The applicable Section 301 decisions require subject merchandise to be admitted to FTZs in privileged foreign status (19 CFR 146.41).

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 Diane Finver at Diane.Finver@trade.gov or (202) 482-1367.

Dated: November 16, 2018.

Elizabeth Whiteman,
Acting Executive Secretary.

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