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DEPARTMENT OF COMMERCE

Foreign-Trade Zones Board

[B-67-2019]

Foreign-Trade Zone (FTZ) 26 – Atlanta, Georgia; Notification of Proposed Production Activity; Kubota North America Corporation (Agricultural and Specialty Vehicles), Jefferson and Gainesville, Georgia

Kubota North America Corporation (Kubota) submitted a notification of proposed production activity to the FTZ Board for its facilities in Jefferson and Gainesville, Georgia. The notification conforming to the requirements of the regulations of the FTZ Board (15 CFR 400.22) was received on October 18, 2019.

Kubota already has authority to produce agricultural and specialty vehicles within FTZ 26. The current request would add foreign status components to the scope of authority. Pursuant to 15 CFR 400.14(b), additional FTZ authority would be limited to the specific foreign-status components described in the submitted notification (as described below) and subsequently authorized by the FTZ Board.

Production under FTZ procedures could exempt Kubota from customs duty payments on the foreign-status components used in export production. On its domestic sales, for the foreign-status components noted below, Kubota would be able to choose the duty rates during customs entry procedures that apply to agricultural and specialty vehicles (duty-free). Kubota 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: bonnet bands; radio kits; hour meters; and, air conditioning units (duty rate ranges from duty-free to 6.5%). The request indicates that bonnet bands will be admitted to the zone in privileged foreign status (19 CFR 146.41), thereby precluding inverted tariff benefits on such items. The request also indicates that certain components are 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 and sent to: ftz@trade.gov. 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 in the "Reading Room" section of the Board's website, which is accessible via www.trade.gov/ftz.

For further information, contact Christopher Wedderburn at Chris.Wedderburn@trade.gov or (202) 482-1963.

Dated: October 24, 2019.

Andrew McGilvray,
Executive Secretary.

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