



DEPARTMENT OF COMMERCE
Foreign-Trade Zones Board
[B-03-2021]

Foreign-Trade Zone (FTZ) 38 – Charleston, South Carolina
Notification of Proposed Production Activity
BMW Manufacturing Company, LLC
(Passenger Motor Vehicles)
Spartanburg, South Carolina

BMW Manufacturing Company, LLC (BMW MC) submitted a notification of proposed production activity to the FTZ Board for its facility in Spartanburg, South Carolina. The notification conforming to the requirements of the regulations of the FTZ Board (15 CFR 400.22) was received on January 21, 2021.

BMW MC already has authority to produce gasoline and diesel-powered motor vehicles, motor vehicle bodies, stamped body parts, and lithium ion batteries within Subzone 38A. The current request would add a foreign-status component to the scope of authority. Pursuant to 15 CFR 400.14(b), additional FTZ authority would be limited to the specific foreign-status component described in the submitted notification (as described below) and subsequently authorized by the FTZ Board.

Production under FTZ procedures could exempt BMW MC from customs duty payments on the foreign-status component used in export production. On its domestic sales, for the foreign-status component noted below, BMW MC would be able to choose the duty rate during customs entry procedures that applies to passenger motor vehicles (duty rate 2.5%). BMW MC 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 component sourced from abroad is electronic toll collection systems (duty-free). The request indicates that electronic toll collection systems are subject to 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.

Dated: January 26, 2021.

Andrew McGilvray,
Executive Secretary.

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