



DEPARTMENT OF COMMERCE
Foreign-Trade Zones Board
(B-08-2021)

Foreign-Trade Zone (FTZ) 204 – Tri-Cities, Tennessee
Notification of Proposed Production Activity
Eastman Chemical Company
(Plastics)
Kingsport, Tennessee

Eastman Chemical Company (Eastman Chemical) submitted a notification of proposed production activity to the FTZ Board for its planned facility in Kingsport, Tennessee. The notification conforming to the requirements of the regulations of the FTZ Board (15 CFR 400.22) was received on February 12, 2021.

The applicant has submitted a separate application for FTZ designation at the company's facility under FTZ 204. The facility will be used for methanolysis operations and the recycling of plastics. Pursuant to 15 CFR 400.14(b), FTZ activity would be limited to the specific foreign-status materials and components and specific finished products described in the submitted notification (as described below) and subsequently authorized by the FTZ Board.

Production under FTZ procedures could exempt Eastman Chemical from customs duty payments on the foreign-status components used in export production. On its domestic sales, for the foreign-status materials/components noted below, Eastman Chemical would be able to choose the duty rates during customs entry procedures that apply to ethylene glycol, acetic acid, acetic anhydride, and copolyester pellets of resin (duty rate ranges from 1.8% to 6.5%). Eastman Chemical 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 components and materials sourced from abroad include polyethylene terephthalate, methanol, and scrap polymers (of ethylene, styrene, vinyl chloride, or

plastic) (duty rate ranges from duty free to 5.5%). The request indicates that certain materials/components are subject to 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 Juanita Chen at juanita.chen@trade.gov or 202-482-1378.

Dated: February 18, 2021.

Andrew McGilvray,
Executive Secretary.

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