Airbus OneWeb Satellites North America LLC (Airbus OneWeb) submitted a notification of proposed production activity to the FTZ Board for its facility in Merritt Island, Florida. The notification conforming to the requirements of the regulations of the FTZ Board (15 CFR 400.22) was received on May 26, 2021.

Airbus OneWeb already has authority to produce satellites for commercial, private, and military applications within FTZ 136. The current request would add a finished product and 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 and specific finished product described in the submitted notification (as described below) and subsequently authorized by the FTZ Board.

Production under FTZ procedures could exempt Airbus OneWeb 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 and in the existing scope of authority, Airbus OneWeb would be able to choose the duty rate during customs entry procedures that applies to unfinished satellites – modules of communication satellites (duty-free). Airbus OneWeb 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: adhesives of silicone; propulsion piping of nickel alloy steel; assorted steel fasteners - shanks (less than 6mm diameter); threaded articles of bronze or brass; support stands of hall effect thrusters; magnetotorquers; thermistors; cylindrical electrical plugs, sockets, or connectors for cables or wires; electrical sockets or connectors; star tracker connection boxes; and, solar array panels (duty rate ranges from duty-free to 6.2%). The request indicates that certain materials/components are subject to duties under Section 232 of the Trade Expansion Act of 1962 (Section 232) or Section 301 of the Trade Act of 1974 (Section 301), depending on the country of origin. The applicable Section 232 and 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: June 1, 2021.

Andrew McGilvray,
Executive Secretary.

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