

DEPARTMENT OF COMMERCE**Foreign-Trade Zones Board**

[B-58-2020]

Foreign-Trade Zone (FTZ) 134—Chattanooga, Tennessee; Notification of Proposed Production Activity; Volkswagen Group of America Chattanooga Operations, LLC (Passenger Motor Vehicles), Chattanooga, Tennessee

Volkswagen Group of America Chattanooga Operations, LLC (Volkswagen), submitted a notification of proposed production activity to the FTZ Board for its facility in Chattanooga, Tennessee. The notification conforming to the requirements of the regulations of the FTZ Board (15 CFR 400.22) was received on September 18, 2020.

Volkswagen already has authority to produce passenger motor vehicles within FTZ 134. The current request would add finished products 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 products described in the submitted notification (as described below) and subsequently authorized by the FTZ Board.

Production under FTZ procedures could exempt Volkswagen 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, Volkswagen would be able to choose the duty rates during customs entry procedures that apply to electric vehicles and electric vehicle batteries (duty rate ranges from 2.5% to 3.4%). Volkswagen 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: Gap fillers (fills the space between the battery modules and battery packs); battery housings; battery housing frames; cross beams; side members; extruded aluminum structural members for battery housings; floor piece assemblies; floor piece cooling systems; crash protection assemblies; battery cover plates; automatic circuit breaker molded cases; relays; electric insulation polymer padding; plastic lids/covers for supporting plates; box assemblies comprised of supporting plates, box

insulation, box protection, fuses and cover assemblies; box cover assemblies made from a mix of nylon polymer and copper alloys; supporting plates (metal construction with a plastic shield that is used to support battery control modules); and, transportation covers used to protect the connectors for battery packs (duty rate ranges from 2.7% to 3.4%). The request indicates that certain materials/components are subject to duties under Section 232 of the Trade Expansion Act of 1962 (Section 232) and 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 November 3, 2020.

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: September 18, 2020.

Andrew McGilvray,
Executive Secretary.

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of the activity is warranted at this time. The production activity described in the notification was authorized, subject to the FTZ Act and the FTZ Board's regulations, including Section 400.14.

Dated: September 21, 2020.

Andrew McGilvray,
Executive Secretary.

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DEPARTMENT OF COMMERCE**Bureau of Industry and Security****Order Denying Export Privileges**

In the Matter of: Walid Chehade, 4855 Hawthorn Lane, Unit 20, Westlake, OH 44145.

On May 8, 2019, in the U.S. District Court for the Western District of Michigan, Walid Chehade ("Chehade"), was convicted of violating 18 U.S.C. 371. Specifically, Chehade was convicted of knowingly and willfully conspiring to export from the United States to Lebanon guns and gun parts designated as defense articles on the United States Munitions List, without first obtaining the required licenses from the U.S. Department of State. Chehade was sentenced to time served, one year of supervised release, a \$5,000 fine, and a \$100 special assessment.

Pursuant to Section 1760(e) of the Export Control Reform Act ("ECRA"),² the export privileges of any person who has been convicted of certain offenses, including, but not limited to, 18 U.S.C. 371, may be denied for a period of up to ten (10) years from the date of his/her conviction. 50 U.S.C. 4819(e) (Prior Convictions). In addition, any BIS licenses or other authorizations issued under ECRA in which the person had an interest at the time of the conviction may be revoked. *Id.*

BIS received notice of Chehade's conviction for violating 18 U.S.C. 371, and has provided notice and opportunity for Chehade to make a written submission to BIS, as provided in Section 766.25 of the Export Administration Regulations ("EAR" or the "Regulations"). 15 CFR 766.25.³ BIS

² ECRA was enacted as part of the John S. McCain National Defense Authorization Act for Fiscal Year 2019, and as amended is codified at 50 U.S.C. 4801-4852. Chehade's conviction post-dates ECRA's enactment on August 13, 2018.

³ The Regulations are currently codified in the Code of Federal Regulations at 15 CFR parts 730-774 (2020). The Regulations originally issued under the Export Administration Act of 1979, as amended, 50 U.S.C. 4601-4623 (Supp. III 2015) ("EAA"), which lapsed on August 21, 2001. The President, through Executive Order 13,222 of August 17, 2001

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DEPARTMENT OF COMMERCE**Foreign-Trade Zones Board**

[B-33-2020]

Foreign-Trade Zone (FTZ) 137—Washington Dulles International Airport, Virginia; Authorization of Production Activity; FN America, LLC (Disassembly of Machine Guns), Dulles, Virginia

On May 22, 2020, CDS Air Freight Inc., an operator within FTZ 137, submitted a notification of proposed production activity to the FTZ Board on behalf of FN America, LLC, within FTZ 137, in Dulles, Virginia.

The notification was processed in accordance with the regulations of the FTZ Board (15 CFR part 400), including notice in the **Federal Register** inviting public comment (85 FR 33622, June 2, 2020). On September 21, 2020, the applicant was notified of the FTZ Board's decision that no further review