DEPARTMENT OF COMMERCE

Foreign Trade Zones Board

[B–03–2021]

Foreign Trade Zone (FTZ) 38—Charleston, South Carolina; Authorization of Production Activity; BMW Manufacturing Company, LLC (Passenger Motor Vehicles), Spartanburg, South Carolina

On January 21, 2021, BMW Manufacturing Company, LLC (BMW MC) submitted a notification of proposed production activity to the FTZ Board for its facility within Subzone 38A, in Spartanburg, South Carolina.

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 (86 FR 7694–7695, February 1, 2021). On May 21, 2021, the applicant was notified of the FTZ Board’s decision that no further review 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: May 21, 2021.

Elizabeth Whiteman,
Acting Executive Secretary.

[FR Doc. 2021–11135 Filed 5–25–21; 8:45 am]
BILLING CODE 3510–05–P

DEPARTMENT OF COMMERCE

Bureau of Industry and Security

[Docket No. 210325–0066]

RIN 0694–XC076

Reporting for Calendar Year 2020 on Offsets Agreements Related to Sales of Defense Articles or Defense Services to Foreign Countries or Foreign Firms

AGENCY: Bureau of Industry and Security, Department of Commerce.

ACTION: Notice; annual reporting requirements.

SUMMARY: This notice is to remind the public that U.S. firms are required to report annually to the Department of Commerce (Commerce) information on contracts for the sale of defense articles or defense services to foreign countries or foreign firms that are subject to offsets agreements exceeding $5,000,000 in value. U.S. firms are also required to report annually to Commerce information on offsets transactions completed in performance of existing offsets commitments for which offsets credit of $250,000 or more has been claimed from the foreign representative. This year, such reports must include relevant information from calendar year 2020 and must be submitted to Commerce no later than June 15, 2021.


FOR FURTHER INFORMATION CONTACT:

SUPPLEMENTARY INFORMATION:

Background

Section 723(a)(1) of the Defense Production Act of 1950, as amended (DPA) (50 U.S.C. 4568 (2021)) requires the President to submit an annual report to Congress on the impact of offsets on the U.S. defense industrial base. Section 723(a)(2) directs the Secretary of Commerce (Secretary) to prepare the President’s report and to develop and administer the regulations necessary to collect offsets data from U.S. defense exporters.

The authorities of the Secretary regarding offsets have been delegated to the Under Secretary of Commerce for Industry and Security. The regulations associated with offsets reporting are set forth in part 701 of title 15 of the Code of Federal Regulations (Offsets Regulations). Offsets are compensation practices required as a condition of purchase in either government-to-government or commercial sales of defense articles and/or defense services, as defined by the Arms Export Control Act (22 U.S.C. 2778) and the International Traffic in Arms Regulations (22 CFR 120–130). Offsets are also applicable to certain items controlled on the Commerce Control list (CCL) and with an Export Control Classification Number (ECCN) including the numeral “6” as its third character. The CCL is found in Supplement No. 1 to part 774 of the Export Administration Regulations.

An example of an offset is as follows: A company that is selling a fleet of military aircraft to a foreign government may agree to offset the cost of the aircraft by providing training assistance to plant managers in the purchasing country. Although this distorts the true