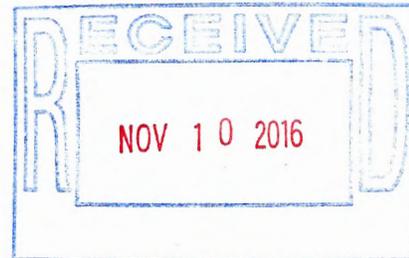




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9 November 2016

Mr. Andrew McGilvray, Executive Secretary
Foreign Trade Zones Board
U.S. Department of Commerce
1401 Constitution Avenue NW, Room 21013
Washington, DC 20230-0002



Re: Docket B-65-2016 MTD Consumer Group, Inc. FTZ 158

Dear Mr. McGilvray:

The following comments are provided on behalf of Highland Industries, Inc., in response to the Federal Register for public comments, found at 81 FR 68404 dated October 4, 2016 (FTZ Docket B-65-2016 / Textile Grass Catcher Bags).

Highland Industries strongly opposes approval of the request submitted by MTD Consumer Group, Inc. (MTD) for their submitted notification of proposed production activity to the FTZ Board for its facility in Verona, Mississippi, within FTZ 158. The notification was received on September 13, 2016 by the FTZ. As a producer of the subject products (Grass Catcher Bags) sited in the MTD application, Highland Industries stands to be adversely affected by approval of this application.

Highland Industries is a company that was originally formed in 1940 as Burlington Industrial Fabrics. We were acquired by the Takata Corporation in 1988 and renamed Highland Industries, Inc. Our corporate headquarters are in Kernersville, North Carolina with three manufacturing operations located respectively in Cheraw, South Carolina, Kernersville, North Carolina and Statesville, North Carolina. We have over 850 associates and manufacture a variety of industrial fabrics and products that range from air bags for automotive industry, blood pressure cuffs, life vests, aerospace fabrics, rubber coated fabrics for tire and transmission belt industry and an extensive line of military fabrics to list a few. We compete and ship product globally and work closely with our customer base to remain competitive.

MTD is seeking production authority for the use of numerous foreign components, including textile grass catcher bags (HTS 5911.90 / duty rate: 3.8%), used in the production of walk behind mowers and mower attachments (8433.11 and 8433.11 / duty rate: free) and other lawn and garden equipment. Production under FTZ procedures could exempt MTD from customs duty payments on the foreign status components used in export production. On its domestic sales, they would be able to choose the duty rate during customs entry procedures that applies to lawn mowers and attachments (duty free) for the foreign status components noted in the application. Customs duties also could possibly be deferred or reduced on foreign-status production equipment.

Highland produces the subject textile grass catcher bags at our facility in Cheraw, SC and contract cut and sewn in El Salvador. They are returned to our Kernersville, NC facility before they are distributed to lawn equipment producers in the U.S. and abroad. Allowing MTD to circumvent the U. S. tariff code for foreign status grass catcher bags that compete in the marketplace with our grass catcher bags would have a negative impact on our company and employees. It would provide an unfair advantage in an already competitive market that could potentially impact millions of sales dollars, exports and the jobs dependent on such volume. We do not mind competition; we do mind when rules get circumvented.

Thank you for the opportunity to comment and trust your consideration of our concern on this matter.

Sincerely,



Nick Irwin
Director of Product Development
Highland Industries, Inc.

