

The application indicates a need for zone services in the Plaquemines Parish, Louisiana, area. Several firms have indicated an interest in using zone procedures for warehousing/distribution activities for a variety of products. Specific production approvals are not being sought at this time. Such requests would be made to the FTZ Board on a case-by-case basis.

In accordance with the FTZ Board's regulations, Camille Evans of the FTZ Staff is designated examiner to evaluate and analyze the facts and information presented in the application and case record and to report findings and recommendations to the FTZ Board.

Public comment is invited from interested parties. Submissions shall be addressed to the FTZ Board's Executive Secretary and sent to: [ftz@trade.gov](mailto:ftz@trade.gov). The closing period for their receipt is May 27, 2022. Rebuttal comments in response to material submitted during the foregoing period may be submitted during the subsequent 15-day period to June 13, 2022.

A copy of the application will be available for public inspection in the "Online FTZ Information Section" section of the FTZ Board's website, which is accessible via [www.trade.gov/ftz](http://www.trade.gov/ftz).

For further information, contact Camille Evans at [Camille.Evans@trade.gov](mailto:Camille.Evans@trade.gov).

Dated: March 22, 2022.

**Andrew McGilvray,**  
Executive Secretary.

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## DEPARTMENT OF COMMERCE

### Foreign-Trade Zones Board

[B-79-2021]

#### Foreign-Trade Zone (FTZ) 138— Columbus, Ohio; Authorization of Limited Production Activity; Fluvitex USA, Inc.; (Quilts, Comforters and Cushions); Groveport, Ohio

On November 23, 2021, Fluvitex USA, Inc., submitted a notification of proposed production activity to the FTZ Board for its facility within FTZ 138, in Groveport, Ohio.

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 67903-67904, November 30, 2021). On March 23, 2022, the applicant was notified of the FTZ Board's decision that further review of part of the proposed activity

is warranted. The FTZ Board authorized the production activity described in the notification on a limited basis, subject to the FTZ Act and the Board's regulations, including Section 400.14, and further subject to a restriction requiring all foreign-status materials be admitted to the zone in privileged foreign status (19 CFR 146.41) with the exception of foreign-status polybags.

Dated: March 23, 2022.

**Andrew McGilvray,**  
Executive Secretary.

[FR Doc. 2022-06405 Filed 3-25-22; 8:45 am]

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## DEPARTMENT OF COMMERCE

### Bureau of Industry and Security

#### Reporting for Calendar Year 2021 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 2021 and must be submitted to Commerce no later than June 15, 2022.

**ADDRESSES:** Submit reports in both hard copy and electronically. Address the hard copy to "Offsets Program Manager, U.S. Department of Commerce, Office of Strategic Industries and Economic Security, Bureau of Industry and Security (BIS), Room 3876, Washington, DC 20230." Submit electronic copies to [OffsetReport@bis.doc.gov](mailto:OffsetReport@bis.doc.gov).

**FOR FURTHER INFORMATION CONTACT:** Emily Noel and Marina Youssef, Office of Strategic Industries and Economic Security, Bureau of Industry and Security, U.S. Department of Commerce, telephone: 202-482-4506; email: [OffsetReport@bis.doc.gov](mailto:OffsetReport@bis.doc.gov).

**SUPPLEMENTARY INFORMATION:**

## Background

Section 723(a)(1) of the Defense Production Act of 1950, as amended (DPA) (50 U.S.C. 4568 (2022)) 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 price of the aircraft, the foreign government may require this sort of extra compensation as a condition of awarding the contract to purchase the aircraft. As described in the Offsets Regulations, U.S. firms are required to report 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 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.

Commerce's annual report to Congress includes an aggregated summary of the data reported by industry in accordance with the offsets regulation and the DPA (50 U.S.C. 4568 (2022)). As provided by section 723(c) of the DPA, BIS will not