

MISCELLANEOUS TARIFF BILL

The Miscellaneous Tariff Bill (MTB) temporarily reduces or eliminates import duties on specified raw materials and intermediate products used in manufacturing that are not produced or available domestically. The MTB ensures that U.S. manufacturers are not at an unnecessary disadvantage to their foreign competitors when sourcing vital manufacturing components.

The last MTB passed by Congress expired at the end of 2012. As a result, U.S. manufacturers pay an estimated \$748 million in additional materials costs each year that the MTB issue remains unresolved. In addition, since the failure to approve an MTB ultimately undermines the competitiveness of domestic manufacturers, it is estimated that the broader cost to the U.S. economy is \$1.86 billion annually.

In an effort to increase fairness in the MTB, Congress passed the American Manufacturing Competitiveness Act (AMCA) in 2016. The AMCA revived the MTB process by creating a new mechanism for submitting, reviewing, and objecting to petitions for duty relief under the MTB. Petitions are now submitted to the nonpartisan International Trade Commission (ITC) and then posted online for public comment. The ITC and Commerce Department work jointly to identify any domestic production of products that are the subject of petitions, and to review any public objections received. A final list of petitions recommended for approval is then forwarded to Congress, where further petitions can be removed but not added. Once approved by Congress MTBs are effective for a period of three years, after which the review and approval process begins again.

The ITC provided Congress with a list of recommended petitions for approval in August 2017. After months of congressional vetting, the House passed an MTB containing 1,662 petitions earlier this year. Included in this legislation are an array of manufacturing inputs vital to many U.S. textile manufacturers, including different kinds of acrylic and rayon fibers, and various chemical compounds. Passing the MTB remains a top priority for NCTO.

NCTO Position

After passing the House in January, the MTB legislation has moved to the Senate where it is awaiting passage. NCTO urges the Senate to pass the MTB as soon as possible, whether as a standalone bill or as part of a larger package.