



## MISCELLANEOUS TARIFF BILL

### *A Critical Manufacturing Competitiveness Mechanism*

#### ISSUE:

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 domestically. The MTB ensures that U.S. manufacturers are not unnecessarily disadvantaged compared to foreign competitors when sourcing vital manufacturing components.

After a four-year lull, Congress revived the MTB process through passage of the American Manufacturing Competitiveness Act (AMCA) in 2016. AMCA cleared the way for passage of H.R. 1662 in 2018 providing duty relief on over 1,600 items.

#### 2020 MTB

The process for vetting the next round MTB candidates began in October of 2019. The most recent MTB application period saw nearly 4,000 petitions for duty relief filed with the International Trade Commission (ITC). The ITC, along with the U.S. Department of Congress, is now vetting each individual petition to determine whether it warrants inclusion in a final MTB package to be considered by Congress prior to end of this calendar year.

The MTB is critical to many U.S. manufacturers of technical textiles and narrow fabrics, since we often use components, such as acrylic and rayon that are unavailable from domestic sources. These materials are then processed in our domestic manufacturing facilities, helping to support U.S. jobs, output and investment. The revamped process also allows the possibility of permanent duty elimination for products that have been repeatedly approved for MTB suspensions. USIFI and NFI staunchly support the adoption of MTB benefits for items that are not available from a domestic manufacturing source.

#### Finished Goods

At the same time, we believe that MTB eligibility should be restricted to inputs that are further processed in the United States. USIFI and NFI are opposed to duty suspensions or reductions on finished products. Finished products are fully processed and ready for sale to consumers with no need for further value enhancement through domestic manufacturing. Granting reduced or suspended duty status to finished goods directly undermines U.S. manufacturers of that or a competitive product's upstream component parts and works at cross purposes with the stated intent of the MTB.

**USIFI & NFI support MTB benefits for goods that further the foundational premise of providing duty relief on inputs not available domestically that undergo further processing by U.S. manufacturers. Goods that fall under this definition help to mitigate costs on manufacturing components that are not available from a U.S. supplier. We also support permanent duty elimination on textile-related inputs that have consistently received duty relief through the MTB process. We oppose including finished products in any MTB package.**