

Miscellaneous Tariff Program Will Reduce/Eliminate Import Duties on 1000+ Materials and Products – Is Your Company Eligible for Cost Savings?

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Congress recently passed the American Manufacturing Competitiveness Act of 2016, which will formalize an administrative process for temporarily lowering duties (or taxes) on imported raw materials and finished goods that are not made in the U.S.

This is good news for U.S. manufacturers, who have long sought a formal method that would provide more certainty than the previous legislative process, known as the Miscellaneous Tariff Bill (MTB), which required Members of Congress to introduce tariff-lowering bills for consideration. The former process had worked for decades with more-or-less regularity, but had become ensnarled in the earmark debate. The last successful measure was passed in 2010.

The MTB reform measure codifies the administrative review component of the former process, addresses earmark-related concerns and preserves a role for Congress. Under the new process, the International Trade Commission (ITC) will be the primary administrator. The ITC is charged with preparing a bill for consideration by Congress, subject to specific criteria and with input from the Department of Commerce, U.S. Customs and Border Protection, and the United States Trade Representative.

The most important criteria for consideration are: (1) there is no domestic production of the good for which the duty suspension is sought; and (2) the revenue loss to the government resulting from the duty suspension or reduction is not more than \$500,000 per year.

According to the legislation, the ITC is instructed to publish a Federal Register Notice on October 15, 2016 requesting the submission of petitions for consideration under the process. Tariff suspensions for successful petitions should be in place by mid-2017.

KDW can work with companies to help identify products for consideration in the new tariff-reduction process, assist with petition filing and pursue the petition through to ultimate suspension.

If you would like more information on this duty-savings opportunity, please contact [Greg Mastel](mailto:gmastel@kelleydrye.com) (gmastel@kelleydrye.com) or [Jennifer McCadney](mailto:jmccadney@kelleydrye.com) (jmccadney@kelleydrye.com).