



FOR IMMEDIATE RELEASE

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BAUCUS ANNOUNCES PROCESS FOR MISCELLANEOUS TARIFF BILL

Washington, DC – Senate Finance Committee Chairman Max Baucus (D-Mont.) today announced the process for Senators to introduce individual bills for possible inclusion in a miscellaneous tariff bill (MTB). In the announcement, Baucus emphasized that individual bills must, in accordance with long-running Committee practice, meet specific criteria in order to be eligible for inclusion in the MTB. For example, any MTB bill must be non-controversial and any duty suspension must amount to less than \$500,000 in annual lost revenue. House Ways and Means Committee Chairman Dave Camp (R-Mich.) also announced today his committee will begin their MTB process.

“The miscellaneous tariff bill helps manufacturers in Montana and across the country stay competitive in the global economy and create jobs here at home by making it cheaper and easier for them to operate,” Baucus said. **“Our manufacturers and workers will always win out when they’re on a level playing field with their competitors overseas, and this bill is exactly the kind of smart, targeted support they need.”**

Full text of the announcement follows:

Miscellaneous Tariff Bill (MTB) Process

Senate Finance Committee Chairman Max Baucus announced today that all Senators who plan to introduce temporary miscellaneous tariff legislation must do so by Monday, April 30, 2012, for such legislation to be considered for inclusion in a miscellaneous tariff bill (MTB) this year.

I. Background

Since 1982, Congress has passed legislation to temporarily reduce or suspend tariffs on certain imported products and make technical corrections to U.S. tariff laws. These bills, known as miscellaneous tariff bills (MTBs), are designed to boost the competitiveness of U.S. manufacturers by lowering the cost of imported inputs without harming domestic firms that produce competing products. In addition, in the case of finished goods, MTBs similarly reduce costs for consumers where there is no domestic production and thus no impact on domestic firms. Overall, the tariff relief contained in MTBs is designed both to be broadly available to any entity that imports and pays duties pursuant to the specified tariff heading and to benefit downstream producers, purchasers, and consumers.

The Senate Finance Committee initiates the MTB process by issuing a public notice inviting Senators to introduce bills by a set deadline. The provisions will be aggregated at the end of the process into a single Miscellaneous Tariff Bill.

To be included in the MTB, a tariff modification (e.g. duty suspension or reduction) must (1) be non-controversial, (2) cost under \$500,000 per year, and (3) be administrable. In determining whether an MTB meets these criteria, each bill undergoes a thorough vetting process by the Committee; the independent U.S. International Trade Commission (ITC) and the Administration, including the Department of Commerce (DOC) and U.S. Customs and Border Protection (CBP); and is scored by the Congressional Budget Office (CBO).

Senate offices will be required to submit certain information to the Committee and the reviewing agencies involved and to adhere to strict requirements and deadlines. The Committee then makes the final determination as to whether each bill meets the requirements and is eligible for inclusion in the MTB.

Overview of Senate Process

Today's announcement specifies the deadline by which Senators must introduce bills for inclusion in the MTB, as well as an explanation of the process and requirements. Following the deadline of Monday, April 30, 2012, the Committee will post on its website each bill under consideration (i.e., introduced) for inclusion in the MTB. The Committee will also post the requisite forms (i.e., the Bill Description Form, Preliminary Miscellaneous Tariff Bill Disclosure Form and Final Miscellaneous Tariff Bill Disclosure Form) that must be submitted to the Committee by each Senator introducing a bill. Once all of the bills are posted, the Committee will issue an advisory that requests comments from the public on bills under consideration for inclusion in the MTB. The Committee will post the public comments on the Committee website after the comment period concludes. The Committee will also post comments from the ITC and the Administration upon completion of their respective reviews and the CBO scores. After reviewing all of the information available, including the comments from the ITC, the Administration (including DOC and CBP) and the public and the CBO score, the Committee will determine whether a bill meets the requirements and thus is eligible for inclusion in the MTB.

Interested individuals who wish to participate should contact their Congressional representatives in both the House and the Senate. Provided below is a detailed outline of the MTB process and requirements. For questions, please contact Rory Murphy on the Finance Committee staff at 202-224-4515.

Information for Senate Offices

Each Senator should introduce his or her bill(s) prior to the April 30, 2012, deadline for inclusion in the MTB. Bills should fall into one of the following categories:

1. A new temporary duty suspension or duty reduction on one product or item;
2. An extension of an existing temporary duty suspension or duty reduction on one product or item; OR
3. A technical correction.

A duty suspension occurs when the duty rate is temporarily reduced to zero, whereas a duty reduction occurs when a duty rate is temporarily reduced but remains greater than zero.

Each Senate office should contact the Office of the Legislative Counsel about drafting a bill. If a corresponding bill was previously introduced in the House, please provide Legislative Counsel with the current H.R. bill number.

If a bill has not been introduced in the House, the Senate office should finalize technical details of the bill before submitting a drafting request to Legislative Counsel. Finalizing technical details means complying with the requirements of this announcement on proper format, nomenclature, Harmonized Tariff Schedule of the United States (HTSUS) numbers, Chemical Abstract Service (CAS) registry numbers in the description of chemical names, and Color Index numbers for dyes, pigments, and other coloring matter, where appropriate. In addition, if a bill was included in [Public Law No. 111-227](#) or the [House-passed version of H.R. 6517](#) in the 111th Congress, please provide Legislative Counsel with the relevant section number.

Not later than 5 business days after the date on which the bill is introduced, or by April 30, 2012 for bills already introduced, each Senator and cosponsor is required to submit to the Committee a Bill Description Form and Preliminary Miscellaneous Tariff Bill Disclosure Form. Senators and cosponsors will be required to submit to the Committee, at a time to be determined by the Committee, a Final Miscellaneous Tariff Bill Disclosure Form upon receipt of information provided through the MTB public comment period and the ITC's Congressional Bill Report. These forms will be made available to Senate offices via the Committee website.

Additional Information on the Review Process

The ITC, DOC, and CBP will initiate relevant reviews after bills are introduced and will conduct reviews independently of each other.

- *U.S. International Trade Commission:* Once bills are introduced, the ITC will seek information about the existence of domestic production and whether a domestic producer objects to a bill. The ITC will also seek information about the amount of tariff revenue that would no longer be collected upon entry into force of the bill in the present year and in future years. The ITC may also suggest technical changes to the product description in the bill. The information compiled by the ITC will be provided in the Congressional Bill Report, which will be posted on the ITC website.
- *U.S. Department of Commerce:* DOC will formulate an Administration position on each bill after determining whether domestic production exists and whether any domestic producer opposes the bill. DOC will also work with the Office of Management and Budget to coordinate interagency review and clearance of the Administration's positions on the bills. The DOC may also suggest technical modifications to a bill.
- *U.S. Customs and Border Protection:* CBP will determine if a bill is administrable when goods are presented for importation. Among other things, CBP may suggest technical changes to the product description.

The State Department, USTR, and other agencies may also conduct a broad review of bills. Senate offices should make themselves available to discuss the bills and promptly provide information to the agencies, if requested. The Committee will request the Congressional Budget Office score of each bill to ensure that it complies with the MTB eligibility requirements.

After the public comment period concludes and comments have been posted on the Committee website, each Senate office is encouraged to review the comments. If a bill is deemed controversial in nature, it will be ineligible for inclusion in the MTB.

Failure to provide the Committee with any of the required documents and supporting information within the designated period will disqualify an otherwise eligible bill from inclusion in the MTB. Incomplete documents will not satisfy the requirements.

II. Senate Bill Requirements

Below is an explanation of the requirements that must be met in order for a bill to be considered for inclusion in the MTB. A bill must meet **all** the requirements listed below.

1. The bill must be introduced by the sponsoring Senator as stand-alone legislation on or before April 30, 2012.
2. The bill must fall into one of following categories:
 - a. A new temporary duty suspension or duty reduction on one product or item;
 - b. An extension of an existing temporary duty suspension or duty reduction on one product or item; OR
 - c. A technical correction.

A duty suspension occurs when the duty rate is temporarily reduced to zero, whereas a duty reduction occurs when a duty rate is temporarily reduced but remains greater than zero.

3. A bill providing for a new temporary duty suspension or temporary duty reduction must include the following:
 - i. Only one product;
 - ii. A precise physical description of the product at the time of entry. Avoid using protected terms or trade names for products. Also avoid defining a product by its end-use in such a manner that the product can be identified only by tracking the end product after it leaves the point of entry. For example, a Senate office should not introduce a duty suspension on “steel screws used in furniture,” because CBP officials would be unable at the border to distinguish those particular screws from any others. The Senate office would need to find a unique and function feature of the screws present upon importation for description purposes;
 - iii. The correct 8-digit HTSUS number;
 - iv. A CAS registry number in the description of a chemical name. Similarly, dyes, pigments, and other coloring matter should be identified by a Color Index name. Senate offices should also consider identifying chemicals by using widely recognized naming conventions, such as the International Union of Pure and Applied Chemistry (IUPAC).
4. A bill that extends an existing provision should simply modify the effective date of the existing temporary 8-digit HTSUS number on Chapter 99 of the HTSUS (note that the number begins with “9902”).

5. The final MTB package cannot contain more than one bill covering the same product. In determining whether more than one bill covering the same product has been introduced, the Committee will take into consideration whether multiple bills have been introduced for products falling under the same 8-digit subheading of the HTSUS.
6. The Congressional Budget Office estimated revenue that would be lost upon entry into force of the bill cannot exceed \$500,000 per year.
7. A bill must be administrable.
8. It is essential that each MTB provision is non-controversial. A bill will be considered controversial if, for instance, another Member objects to the bill or if a domestic producer objects to the bill. (A domestic producer is a person or firm who demonstrates production, or imminent production, of the article or a like or directly competitive article.) The Committee will consider concerns raised by relevant parties.
9. Each Senator introducing a bill is required to submit a Bill Description Form, which provides general information about the bill. As this year's MTB process will be fully electronic, a PDF version of the signed Form must be sent via email to 2012_mtbdocuments@finance.senate.gov not later than five (5) business days after the date on which the bill is introduced or, if a bill has already been introduced, by April 30, 2012. A confirmation email will be generated automatically. If such a confirmation is not received, staff should contact the Committee. Each Senator should retain the signed original Form and the email confirmation.
10. Each Senator introducing as well as each Senator cosponsoring a bill is required to submit a Preliminary Miscellaneous Tariff Bill Disclosure Form. As this year's MTB process will be fully electronic, a PDF version of the signed Form must be sent via email to 2012_mtbdocuments@finance.senate.gov not later than five (5) business days after the date on which the bill is introduced or, if a bill has already been introduced, by April 30, 2012. A confirmation email will be generated automatically. If such a confirmation is not received, staff should contact the Committee. Each Senator should retain the signed original Form and the email confirmation.
11. At the conclusion of the vetting process, each Senator introducing as well as each Senator cosponsoring a bill is required to submit a Final Miscellaneous Tariff Bill Disclosure Form. Senators will be required to submit this Final Miscellaneous Tariff Bill Disclosure Form at a time to be determined by the Committee. Failure to file these disclosures will disqualify an otherwise eligible bill from inclusion in the MTB. As this year's MTB process will be fully electronic, a PDF version of the signed Form must be sent via email to 2012_mtbdocuments@finance.senate.gov at a time to be determined by the Committee. A confirmation email will be generated automatically. If such a confirmation is not received, staff should contact the Committee. Each Senator should retain the signed original Form and the email confirmation.

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