

Linda M. Dempsey

Vice President

International Economic Affairs

April 14, 2016

The Honorable Orrin Hatch
Chairman
Senate Committee on Finance
219 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Kevin Brady
Chairman
House Committee on Ways and Means
1102 Longworth House Office Building
Washington, DC 20515

The Honorable Ron Wyden
Ranking Member
Senate Committee on Finance
219 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Sander Levin
Ranking Member
House Committee on Ways and Means
1102 Longworth House Office Building
Washington, DC 20515

Dear Chairmen Hatch, Chairman Brady, Ranking Member Wyden and Ranking Member Levin:

The National Association of Manufacturers (NAM) applauds the introduction of the "American Manufacturing Competitiveness Act of 2016," which would establish a new miscellaneous tariff bill (MTB) process to eliminate unnecessary taxes on imported inputs and products not available domestically. The NAM strongly urges expeditious consideration of this legislation.

The House version of the legislation was introduced by House Ways and Means Committee Chairman Kevin Brady (R-TX) and Ranking Member Sander Levin (D-MI) and Trade Subcommittee Chairman Dave Reichert (R-WA) and Ranking Member Charles Rangel (D-NY), with original co-sponsors including Representatives Pat Tiberi (R-OH), Earl Blumenauer (D-OR), Tom Reed (R-NY), Bill Pascrell (D-NJ), Jim Renacci (R-OH), Danny Davis (D-IL), Mark Walker (R-NC), Jim Clyburn (D-SC), Mick Mulvaney (R-SC), Michael Doyle (D-PA), Tom McClintock (R-CA), Sanford Bishop (D-GA), Todd Rokita (R-IN), Joseph Courtney (D-CT) and Rod Blum (R-IA). The Senate version was introduced by Senate Finance Committee Chairman Orrin Hatch (R-UT) and Ranking Member Ron Wyden (D-OR), with original co-sponsors including Senators Rob Portman (R-OH), Claire McCaskill (D-MO), Richard Burr (R-NC), Bob Casey (D-PA), Pat Toomey (R-PA) and Sherrod Brown (D-OH).

The NAM has long supported bipartisan and bicameral efforts to pass MTBs, which correct, on a temporary basis, distortions in the U.S. tariff code by eliminating duties on imported products for which there is no or insufficient domestic production and availability. Such distortions undermine the competitiveness of manufacturers in the United States by imposing unnecessary costs and, in some cases, imposing a higher cost on manufacturers' inputs than the competing foreign imported product.

While Congress had addressed these distortions through the enactment of MTBs with strong bipartisan support for three decades, Congress has not renewed a new MTB package since the U.S. Manufacturing Enhancement Act in 2010 expired at the end of 2012. Since then, manufacturers throughout the country have faced an annual \$748 million tax increase on their inputs and the U.S. economy has suffered a \$1.875 billion economic loss, according to an analysis by the NAM.

As a result, manufacturers, in particular small- and medium-sized manufacturers in industries ranging from agriculture and textiles to chemicals, electronics, machinery and beyond, have seen their costs go up for inputs not produced in the United States, undermining American competitiveness and innovation and the ability of these companies to retain and create manufacturing jobs in the United States.

Leading Innovation. Creating Opportunity. Pursuing Progress.

Passage of the "American Manufacturing Competitiveness Act of 2016" would create a transparent, objective, predictable and regularized process for Congress to consider and enact MTBs, and would require an intensive review of domestic availability by the U.S. International Trade Commission and input from the Executive Branch before Congress undertakes its role in assembling and considering a final MTB package.

Action on a new MTB process is long overdue. We strongly urge Congress to eliminate distortions in the U.S. tariff code that are undermining the competitiveness and job growth of our industries by passing the "American Manufacturing Competitiveness Act of 2016" as expeditiously as possible.

Sincerely,

A handwritten signature in black ink, appearing to read "Linda M. Dempsey". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

Linda Dempsey