



Linda M. Dempsey

*Vice President
International Economic Affairs*

April 27, 2016

U.S. Senate
Washington, DC 20510

Dear Senators:

The National Association of Manufacturers (NAM), the largest manufacturing association in the United States, representing manufacturers in every industrial sector and in all 50 states, urges you to support the House-passed “American Manufacturing Competitiveness Act of 2016”, also known as the Miscellaneous Tariff Bill (MTB). The Senate version of the bill was introduced on April 13 by Senate Finance Committee Chairman Orrin Hatch (R-UT) and Ranking Member Ron Wyden (D-OR), and with co-sponsors including Senators Rob Portman (R-OH), Claire McCaskill (D-MO), Richard Burr (R-NC), Bob Casey (D-PA), Pat Toomey (R-PA), Sherrod Brown (D-OH), John Cornyn (R-TX), Johnny Isakson (R-GA), Jeff Flake (R-AZ), Daniel Coats (R-IN) and Roy Blunt (R-MO). The “American Manufacturing Competitiveness Act of 2016” would establish a new process to eliminate unnecessary taxes on imported inputs and products not available domestically.

MTBs play a critical role in the operations of domestic manufacturers as they 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.

The American Manufacturing Competitiveness Act will correct this problem and improve the competitiveness of manufacturers across America, particularly small- and medium-sized manufacturers in industries ranging from agriculture and textiles to chemicals, electronics, machinery and beyond, as they seek to grow their operations, invest in research and development and sustain and grow American jobs.

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.

We strongly urge the Senate 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, reading "Linda M. Dempsey". The signature is written in a cursive style with a large, looping initial "L".

Linda Dempsey