

April 14, 2016

Representative Kevin Brady
Chairman, House Committee on Ways & Means
1102 Longworth House Office Building
Washington, DC 20515

Dear Chairman Brady,

On behalf of our organizations, we write in support of your legislation, the “American Manufacturing Competitiveness Act of 2016,” which would revise and improve the process for consideration of Miscellaneous Tariff Bills (MTBs). For years, MTBs served as an imperfect, yet effective means to reduce unnecessary tariffs on selected goods and materials that are not produced domestically.

By cutting or eliminating tariffs on raw materials and other products, MTBs helped create economic benefits for consumers while bolstering the competitiveness of American companies. In fact, according to the National Association of Manufacturers, passage of a MTB would provide the U.S. with \$1.875 billion of economic growth annually.

There are also strict rules as to what is eligible for tariff relief. There could not be domestic production of the imported good, the estimated cost of the waived or reduced tariff could not exceed \$500,000 and it had to be implementable by the U.S. Customs Service at the border. The International Trade Commission (ITC) was the arbiter of whether a proposal met the criteria.

Though its economic benefits are clear, since 2010 the MTB process has been halted by concerns about earmarks. Specifically, a provision in the rules of the House of Representatives prohibits the passage of a “limited tariff benefit” that affects fewer than 10 companies – a threshold triggered by many previous MTBs. Your legislation would wisely allow Congress to achieve the positive economic effects of an MTB without violating the ban on earmarks.

The revised process in your bill would require companies to file petitions for tariff relief directly to the ITC instead of to individual Members of Congress. The ITC would carefully analyze these requests and report its recommendations to Congress. Congress could exclude products from the ITC proposal, but could not add to it. This would ensure that all enacted tariff reductions were thoroughly vetted by both the ITC and Congress.

These important procedural changes should serve to eliminate any concerns about the parochialism and unethical behavior that were endemic to the earmarking process. Additionally, they add unprecedented



transparency, as all correspondence between businesses, the ITC, and Congress would be made easily available to the public in real time.

Again, we applaud you on creating a revised MTB process that increases transparency, avoids the pitfalls of earmarking, and sets the table for economic growth. Our organizations are pleased to endorse your bill and hope it will be swiftly enacted into law.

Sincerely,

Brandon Arnold, Executive Vice President
National Taxpayers Union

Grover Norquist, President
Americans for Tax Reform

Norman Singleton, President
Campaign for Liberty

Jeffrey Mazzella, President
Center for Individual Freedom

Tom Schatz, President
Council for Citizens Against Government Waste

Lisa Nelson, CEO
Jeffersonian Project

Lori Sanders, Outreach Director and Senior Fellow
R Street Institute

Karen Kerrigan, President and CEO
Small Business and Entrepreneurship Council

Steve Ellis, Vice President
Taxpayers for Common Sense

David Williams, President
Taxpayers Protection Alliance