

**ANNOUNCEMENT**  
**Baucus and Grassley Request Introduction of**  
**Miscellaneous Tariff Bills by October 30, 2009**

Senators Max Baucus (D-MT) and Charles Grassley (R-IA), Chairman and Ranking Member of the Senate Committee on Finance, announced today that all Senators who plan to introduce temporary miscellaneous tariff legislation must do so by Friday, October 30, 2009, for such legislation to be considered for inclusion in a miscellaneous tariff bill this year.

Since the early 1980s, the Senate Committee on Finance (the Committee), which has jurisdiction over international trade matters, has incorporated non-controversial individual miscellaneous tariff bills into a larger piece of legislation known as the miscellaneous tariff bill (MTB). The MTB provides an opportunity to temporarily eliminate or reduce duties on imported products, to reliquidate entries in instances of customs error and for which no litigation is pending, and to make technical corrections to U.S. tariff laws.

To be included in the MTB, bills must meet numerous requirements and undergo a thorough vetting process by the Committee, the independent U.S. International Trade Commission (ITC), the U.S. Department of Commerce (DOC), and the U.S. Customs and Border Protection agency (CBP). Senate offices will be required to submit various forms and 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 or ineligible for inclusion in the MTB.

Provided below is a detailed outline of the MTB process and requirements. For questions that concern the Committee, please contact Rory Murphy on the Democratic trade staff or David Johanson on the Republican trade staff at 202-224-4515.

### **Senate Process**

Below is an explanation of the MTB process in the Senate, including the roles of the Committee, Senate offices, ITC, DOC, CBP, and the public.

#### *Committee on Finance*

The first step in the MTB process in the Senate is the issuance of this announcement by the Chairman and Ranking Member of the Committee. 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 October 30, 2009, 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 corresponding requisite forms (i.e. the *Bill Description Form* and the *Limited Tariff Benefit Disclosure Statement*) that must be submitted to

the Committee by each Senator after introducing a bill. The forms are attached to this announcement. 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 comments on the Committee website after the comment period concludes. After reviewing all of the information available, including information from the ITC, CBP, DOC, and public comments, the Committee will determine whether a bill meets the requirements and thus is eligible or ineligible for inclusion in the MTB.

### *Senate Offices*

Each Senator should introduce his or her bills prior to the October 30, 2009, deadline for inclusion in the MTB. Before introduction of a bill, each Senate office must ensure that a proposed bill falls into one of four categories: (1) a new temporary duty suspension or duty reduction on a narrowly defined product; (2) an extension of an existing temporary duty suspension or duty reduction on a narrowly defined product; (3) a reliquidation of specific entries in instances of customs error and for which no litigation is pending; or (4) a technical correction to U.S. tariff laws. In addition, a bill cannot reduce or eliminate tariffs retroactively, or reduce or eliminate tariffs imposed as a result of U.S. antidumping duty orders, countervailing duty orders, safeguard measures, or retaliatory sanctions. 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 Legislative Counsel about drafting a bill. If a corresponding bill was previously introduced in the House of Representatives, please provide Legislative Counsel with the current H.R. bill number. If a bill has not been introduced in the House of Representatives, the Senate office should finalize the technical details of the bill before submitting a drafting request to Legislative Counsel. Finalizing technical details means complying with the requirements of this announcement and contacting the ITC and CBP to obtain technical assistance on proper format, nomenclature, Harmonized Tariff Schedule of the United States (HTSUS) numbers, Chemical Abstracts Service (CAS) registry numbers in the description of chemical names, and Color Index numbers for dyes, pigments, and other coloring matter, where appropriate. This should be done well in advance of the October 30, 2009, deadline, because there often is a flurry of requests as the deadline approaches.

Not later than 5 business days after the date on which a bill is introduced, each Senator is required to submit to the Committee a *Bill Description Form* and a *Limited Tariff Benefit Disclosure Statement*. These forms will be made available to Senate offices via the Committee website. The forms are also attached to this announcement.

The ITC, DOC, and CBP will initiate relevant reviews after bills are introduced and will conduct reviews independently of each other. A Senate office should, where appropriate, consult with the agencies regarding the status of the agencies' reviews. Senate offices should make themselves available to discuss the bills and provide additional information to the agencies if

requested. The ITC, DOC, and CBP may recommend technical modifications to a bill. The Committee will strongly weigh all agency recommendations.

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 domestic producer submits comments objecting to a bill, such bill will be deemed controversial in nature and thus be ineligible for inclusion in the MTB.

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

#### *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 revenue that would be lost upon entry into force of the bill in the present year and in future years. This is known as the estimated annual revenue loss, which cannot exceed \$500,000 per year. The estimate is not limited to what is attributable to the proponent, but rather will include all goods that would qualify if the bill were to enter into force. The ITC may also suggest technical changes to the product description in the bill.

The information compiled by the ITC may be provided in a Congressional Bill Report, which may be found on the ITC website. For questions that concern the ITC, please contact Daniel Shepherdson at 202-205-2598 or at [Daniel.Shepherdson@usitc.gov](mailto:Daniel.Shepherdson@usitc.gov).

#### *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 a bill. DOC will also work with the Office of Management and Budget to coordinate interagency review and clearance of Administration positions on the bills. For questions that concern the DOC, please contact Erin Mewhirter at 202-482-8244 or at [Erin.Mewhirter@ita.doc.gov](mailto:Erin.Mewhirter@ita.doc.gov).

#### *U.S. Customs and Border Protection Agency*

CBP will determine if a bill will be administrable when goods are presented for importation. Among other things, CBP may suggest technical changes to the product description. For questions that concern CBP, please contact Shaun Keller at 202-344-3615 or at [Shaun.Keller@dhs.gov](mailto:Shaun.Keller@dhs.gov).

## **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 of the requirements listed below.

1. The bill must be introduced by the sponsoring Senator as stand-alone legislation on or before October 30, 2009.
2. The bill must fall into one of four categories: (a) a new temporary duty suspension or duty reduction on a narrowly defined product; (b) an extension of an existing temporary duty suspension or duty reduction on a narrowly defined product; (c) a reliquidation of specific entries in instances of customs error and for which no litigation is pending; or (d) a technical correction to U.S. tariff laws. A duty suspension occurs when the duty rate is temporarily reduced to zero, while a duty reduction occurs when a duty rate is temporarily reduced but remains greater than zero.
3. A bill cannot reduce or eliminate tariffs retroactively, or reduce or eliminate tariffs imposed as a result of U.S. antidumping duty orders, countervailing duty orders, safeguard measures, or retaliatory sanctions.
4. (a) 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. 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 steel screws from any others. The Senate office would need to find a unique and functional 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).

(b) A bill that extends an existing provision should simply modify the effective date of the existing temporary 8-digit HTSUS number in Chapter 99 of the HTSUS (note that the number begins with “9902”).

(c) A bill that reliquidates specific certain entries due to customs error should include the date(s) of entry of the product and the 11-digit entry number(s).

5. There cannot be more than one bill covering the same product. If multiple bills are introduced that each contains a narrow description of substantially similar articles falling under the same 8-digit subheading of the HTSUS, only one such bill will be eligible for inclusion in the MTB.
6. For bills that temporarily eliminate or reduce duties, the estimated revenue that would be lost upon entry into force of the bill cannot exceed \$500,000 per year.
7. Because the MTB is passed by unanimous consent, it is essential that each of its provisions be non-controversial. A bill will be considered controversial if another Senator objects to the bill or if a domestic producer objects to the bill. A domestic producer is a person or firm who demonstrates actual production of the article in commercially available quantities prior to the date of introduction of the bill.
8. Each Senator introducing a bill is required to submit a *Bill Description Form*, which provides general information about the bill. A signed hard copy of the form must be delivered to the Clerk of the Committee located at 219 Dirksen Senate Office Building and a PDF version of the signed copy must be sent via email to [mtb2009@finance-dem.senate.gov](mailto:mtb2009@finance-dem.senate.gov) not later than 5 business days after the date on which the bill is introduced.
9. To assist in complying with Senate Rule XLIV, each Senator introducing a bill is required to submit a *Limited Tariff Benefit Disclosure Statement*. A signed hard copy of the form must be delivered to the Clerk of the Committee located at 219 Dirksen Senate Office Building and a PDF version of the signed copy must be sent via email to [mtb2009@finance-dem.senate.gov](mailto:mtb2009@finance-dem.senate.gov) not later than 5 business days after the date on which the bill is introduced.