



American Manufacturing Competitiveness Act: Effects of Temporary Duty Suspensions and Reductions on the U.S. Economy (Investigation no. 332-565)

mtbeffects@usitc.gov

Background information

The information requested by this questionnaire is for use by the United States International Trade Commission (Commission) in connection with investigation no. 332-565, *American Manufacturing Competitiveness Act: Effects of Temporary Duty Suspensions and Reductions on the U.S. Economy*, which is being conducted for the purpose of preparing the report required by Section 4 of the American Manufacturing Competitiveness Act of 2016 (AMCA). This report will be delivered to the House Committee on Ways and Means and the Senate Committee on Finance (Committees) by September 13, 2019. Section 4 of the AMCA directs the Commission to submit to the Committees “a report on the effects on the United States economy of duty suspensions and reductions enacted pursuant to this Act.” The Commission must submit its report to the Committees no later than 12 months after an MTB bill is enacted. The Miscellaneous Tariff Bill Act of 2018 (MTB Act of 2018) was enacted on September 13, 2018. The temporary duty suspensions and reductions under the MTB Act of 2018 apply to goods entered, or withdrawn for consumption from warehouse, on or after October 13, 2018.

The AMCA directs the Commission to include in its report “a broad assessment of the economic effects of such duty suspensions and reductions on producers, purchasers, and consumers in the United States, using case studies describing such effects on selected industries or by type of article as available data permit.” The AMCA also directs the Commission to solicit and append to its report “recommendations with respect to those domestic industry sectors or specific domestic industries that might benefit from permanent duty suspensions and reductions, either through a unilateral action of the United States or [through] negotiations for reciprocal tariff agreements, with a particular focus on inequities created by tariff inversions.” The questionnaire has been designed to collect the information that will allow the Commission to prepare the report.

**Your firm is required by law to respond to this questionnaire.
Please read all instructions and return the completed questionnaire
to the Commission no later than DATE.**

OMB no. XXXXXX; Expiration date XX-XX-XXXX
No response is required if a currently valid OMB control number is not displayed

The Commission is requesting this information under the authority of section 332 of the Tariff Act of 1930 (19 U.S.C. § 1332) and section 4 of the American Manufacturing Competitiveness Act of 2016 (AMCA) (19 U.S.C. § 1332 note). Completing the questionnaire is mandatory, and failure to reply as directed can result in a subpoena or other order to compel the submission of records or information in your possession (19 U.S.C. § 1333(a)).

Confidentiality

All sections of the questionnaire except section 4: Except for section 4 of the questionnaire, the Commission has designated the information you provide in response to this questionnaire as "Confidential Business Information" to the extent that the information would reveal the operations of your organization and is not otherwise available to the public. The Commission will not disclose such Confidential Business Information in this questionnaire except as provided for in section 6 of the questionnaire. Information received in response to this questionnaire will be aggregated with information from other questionnaire responses and will not be published in a way that would reveal the operations of your firm.

Section 4 of the questionnaire: Section 4 of the questionnaire (Recommendations Relating to Permanent Duty Suspensions and Reductions) requests certain information that the AMCA requires the Commission to solicit and append to its report. As the Commission intends to include such information in the report that it sends to the Committees and releases to the public, please do not include information in your response to section 4 of the questionnaire that you consider to be Confidential Business Information.

Completing the questionnaire

To complete this questionnaire, you will need the unique token found in the email you received. Please note: this token is case sensitive.

If you would like to access the entire questionnaire to distribute portions of the survey within your firm, a PDF for reference is available for download at this link: xxxx.

Additional Information and Assistance

For more information about the report, please visit the Commission's [Ongoing Investigations page](https://www.usitc.gov/research_and_analysis/what_we_are_working_on.htm), https://www.usitc.gov/research_and_analysis/what_we_are_working_on.htm. If you need any assistance with the questionnaire, please contact Kimberlie Freund, Samantha DeCarlo, or Maureen Letostak at 202-205-3342 or 202-205-3225, or email the project team at mtbeffects@usitc.gov.

More information about the Commission can be found by visiting <https://www.usitc.gov/>.

Definitions

9902 headings/provisions: The headings in the U.S. Harmonized Tariff Schedule (HTS) under which products subject to duty suspensions and reductions under the MTB Act of 2018 are classified. They are provided for in chapter 99, subchapter 2 of the HTS. See <https://hts.usitc.gov/current>.

American Manufacturing and Competiveness Act (AMCA) of 2016: A law that sets out a process for temporarily suspending or reducing tariffs on certain products and requires the Commission to prepare a report on the effects on the United States economy of such duty suspensions and reductions. A copy of the AMCA and additional information is available at: https://usitc.gov/research_and_analysis/what_we_are_working_on.htm.

Committees: The term refers to the House Committee on Ways and Means and the Senate Committee on Finance, the two Congressional committees to which the Commission must submit its report.

Customer: Another firm or an individual consumer to which your firm sells a product.

Downstream product: Product made with input(s) imported under the 9902 provisions. For example, acrylic yarn is a downstream product made with acrylic staple fibers imported under HTS heading 9902.13.11.

Harmonized Tariff Schedule of the United States (HTS): A publication that provides the applicable tariff rates and statistical categories for all merchandise imported into the United States; it is based on the international Harmonized System, the global system of nomenclature that is used to describe most world trade in goods.

Miscellaneous Tariff Bill Act of 2018 (MTB Act of 2018): Enacted September 13, 2018, the Act makes eligible for duty-free treatment or reduced rates of duty, as appropriate, the goods listed in the Act that are entered, or withdrawn from warehouse for consumption, on or after October 13, 2018, and through December 31, 2020.

Normal Trade Relations (NTR) duty rate: The rate of duty listed in the column titled “General” of the HTS. Also commonly referred to as “Most Favored Nation (MFN)” rate of duty, it is applicable to most countries (excluding North Korea and Cuba).

Production: All production in your U.S. establishment(s), including production consumed internally within your firm.

Retailer: A business that sells goods to the public for use or consumption rather than for resale.

Section 301 tariffs: Additional duties imposed on certain imports from China under the authority of Section 301 of the Trade Act of 1974 with respect to China’s acts, policies, and practices related to technology transfer, intellectual property, and innovation. Products subject to additional tariffs are listed in HTS, Chapter 99, Section 3. For additional information on the China 301 tariffs, see Office of the United States Trade Representative, “301 Investigations” at <https://ustr.gov/issue-areas/enforcement/section-301-investigations/record-section-301-investigation>.

Tariff inversion: A situation in which the duty rate on a raw material is higher than the duty rate on a finished good made using that raw material. For example, the NTR rate of duty on certain bib overalls (classified in HTS subheading 6203.49.00) is 8.5 percent ad valorem, which is lower than the 12 percent ad valorem duty rate on certain woven fabric (classified in HTS subheading 5516.33.10) used to make the overalls.

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Section 1: Firm information

The information submitted in response to this section will be treated as Confidential Business Information.

- 1) Please list your firm's primary address and a contact person.
 - a. Firm name
 - b. Address
 - c. City State Zip code Website address
 - d. Contact person's name
 - e. Contact person's job title
 - f. Contact person's telephone number (xxx-xxx-xxxx)
 - g. Contact person's email address (xxx@xxx.xxx)

- 2) How many full-time (30 hours or more per week) workers did your firm employ in the United States before the duty suspensions and reductions in the MTB Act of 2018 became effective (October 13, 2018)?
 - Less than 50 full-time employees
 - 50-499 full-time employees
 - 500 or more full-time employees

- 3) Is your firm a: (check all that apply)
 - Retailer (of products imported under the MTB Act of 2018)
 - Manufacturer (using products imported under the MTB Act of 2018)
 - Distributor/wholesaler (of products imported under the MTB Act of 2018)

If none of the above apply, please contact the project team by phone at 202-205-3225 or 202-205-3342 or by email at mtbeffects@usitc.gov.

Please provide more information about the nature of your firm's business (e.g., (1) "firm is a sporting goods manufacturer and also imports parts for wholesale"; or (2) "firm produces glufosinate ammonium for wholesale distribution to the pesticide sector").

[If Distributor/Wholesaler is chosen] Please check the box(es) that best describe the products of which your firm is a distributor/wholesaler:

- Consumer goods
- Products intended to be used in manufacturing (e.g., inputs to production, machinery and parts). Please explain or provide examples:

- Other (specify)

4) Since October 14, 2016, has your firm experienced any mergers or acquisitions affecting its U.S. operations importing a product eligible for a duty suspension or reduction under the MTB Act of 2018?

- No
- Yes

[If yes] Please describe:

5) Since October 14, 2016, has your firm closed any operations in the United States that import one or more products eligible for a duty suspension or reduction under the MTB Act of 2018?

- No
- Yes

[If yes] Please describe:

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Section 2: Potential Effects of Actions Other than the Duty Suspensions and Reductions Enacted under the MTB Act of 2018

This section is intended to explore how additional duties assessed on selected items from China under Section 301 of Trade Act of 2018, or other factors, may affect the benefits accrued to your firm as a result of the duty suspensions and reductions under the MTB Act of 2018.

The information submitted in response to this section will be treated as Confidential Business Information.

- 6) Have the additional duties assessed on selected imports from China under Section 301 of the Trade Act of 1974 affected:
- a. Your firm's use of 9902 provisions?
 - No
 - Yes

[If yes] Please describe how your use has changed:
 - b. The country or countries from which your firm sources products covered by the 9902 provisions?
 - No
 - Yes

[If yes] Please describe how your sourcing has shifted:
 - c. Benefits accrued to your firm as a result of the 9902 provisions (e.g. cost savings, increased employment, new investment, etc.)?
 - No
 - Yes

[If yes] Please describe how the benefits accrued to your firm have changed:
- 7) Other than the additional duties assessed on selected imports from China under Section 301, if your firm has not benefited from a duty suspension or reduction under the MTB Act of 2018, please explain why.

Section 3: Effects of Duty Suspensions and Reductions under the MTB Act of 2018

The AMCA directs the Commission to include in its report “a broad assessment of the economic effects of such duty suspensions and reductions on producers, purchasers, and consumers in the United States using case studies describing such effects on selected industries or by type of article as available data permit.”

The information submitted in response to this section will be treated as Confidential Business Information.

8) Does your firm import or plan to import into the United States any product eligible for a duty suspension or reduction under the MTB Act of 2018?

- Yes
- No

[If no] Please explain:

[If no the respondent will be skipped to Section 5]

9) Has your firm increased, or does your firm plan to increase, imports of products eligible for a duty suspension or reduction under the MTB Act 2018 as a result of the duty suspensions and reductions?

- Yes
- No

Please explain:

10) Has your firm made changes, or does your firm anticipate making changes, to the firm metrics that are listed in the left hand column of the following table as a direct result of the duty suspensions and reductions enacted under the MTB Act of 2018? (These suspensions and reductions are effective starting October 13, 2018 through December 31, 2020.)

[For all firms] **Please select the actual change and anticipated change for your firm in the section below (whether a retailer, wholesale/distributor, or manufacturer):**

Metric	Actual change			Anticipated change		
	Actual increase	No actual change	Actual decrease	Anticipated increase	No anticipated change	Anticipated decrease
Employment	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Wage rates	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Sales volume (based on units)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Number of customers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Investment in capital equipment or machinery	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Investment in new product development	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

[If the respondent clicks “increase” or “decrease” above, a series of questions will appear. If the respondent clicks “no change” then no questions will appear for the respondent.]

- a. Please provide details regarding how your firm’s employment has changed and/or will likely change as a result of the duty suspensions and reductions:

If response differs by product, please explain:

- b. Please provide details regarding how your firm’s domestic wage rates have changed and/or will likely change as a result of duty suspensions and reductions:

If response differs by product, please explain:

- c. Please provide details regarding how your firm’s sales volume has changed and/or will likely change as a result of duty suspensions and reductions (e.g., an increase or decrease in sales volume that is directly related to duty suspensions or reductions):

If response differs by product, please explain:

- d. Please provide details regarding how your customer base has changed and/or will likely change as a result of duty suspensions and reductions (e.g., an increase or decrease in the number of customers that is directly related to duty suspensions and reductions):

If response differs by product, please explain:

- e. Please provide details regarding how your firm's investment in capital equipment or machinery has changed and/or will likely change as a result of duty suspensions and reductions (e.g., planned purchases of capital or machinery, actual machinery purchases, new facilities):

If response differs by product, please explain:

- f. Please provide details regarding how your firm's investment in new product development has changed and/or will likely change as a result of duty suspensions and reductions:

If response differs by product, please explain:

11) Has your firm made changes, or does your firm anticipate making changes, to the metrics that are listed in the left hand column of the following table as a direct result of the duty suspensions and reductions enacted under the MTB Act of 2018? (These suspensions and reductions are effective starting October 13, 2018 through December 31, 2020.)

[If Retail and Wholesale/Distributor chosen in question 3] **Please select the actual change and anticipated change for your firm’s retail and/or wholesale/distributor operations:**

Metrics	Actual change			Anticipated change		
	Actual increase	No actual change	Actual decrease	Anticipated increase	No anticipated change	Anticipated decrease
Price(s) of imported product(s) sold to customer(s)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other (specify):	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

[If the respondent clicks “increase” or “decrease” above, a series of questions will appear. If the respondent clicks “no change” then no questions will appear for the respondent.]

- a. Please provide details regarding how the price(s) of your firm’s imported products that are sold directly to customers has/have changed and/or will likely change as a result of duty suspensions and reductions, and also what share of the duty savings is passed on to your customers and/or how has the quality or value of the product changed:

If response differs by product, please explain:

- b. Please provide details regarding how the other factor(s) specified above has/have changed and/or will likely change as a result of duty suspensions and reductions:

If response differs by product, please explain:

12) Has your firm made changes, or does your firm anticipate making changes, to the firm metrics that are listed in the left hand column of the following table as a direct result of the duty suspensions and reductions enacted under the MTB Act of 2018? (These suspensions and reductions are effective starting October 13, 2018 through December 31, 2020.)

[If Manufacturer chosen in question 3] **Please select the actual change and anticipated change for your firm’s manufacturing operations:**

Metric	Actual change			Anticipated change		
	Actual increase	No actual change	Actual decrease	Anticipated increase	No anticipated change	Anticipated decrease
Price(s) of downstream product(s) sold to customer(s)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Production costs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Production volume	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other (specify):	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

[If the respondent clicks “increase” or “decrease” above, a series of questions will appear. If the respondent clicks “no change” then no questions will appear for the respondent.]

- a. Please provide details regarding how the price(s) of your firm’s downstream product(s) that is/are sold directly to customer(s) has/have changed and/or will likely change as a result of duty suspensions and reductions:

If response differs by product, please explain:

- b. Please provide details regarding how your firm’s production costs have changed and/or will likely change as a result of duty suspensions and reductions (e.g., an increase or decrease in production costs that is directly related to duty suspensions or reductions):

If response differs by product, please explain:

- c. Please provide details regarding how your firm’s production volume has changed and/or will likely change as a result of duty suspensions and reductions (e.g., an increase/decrease in production volume, or a planned increase in production):

If response differs by product, please explain:

- d. Please provide details regarding how the other factor(s) specified above has/have changed and/or will likely change as a result of duty suspensions and reductions:

If response differs by product, please explain:

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Section 4: Recommendations Relating to Permanent Duty Suspensions and Reductions

The AMCA requires that the Commission “solicit and append to the report . . . recommendations with respect to those domestic industry sectors or specific domestic industries that might benefit from permanent duty suspensions and reductions, either through a unilateral action of the United States or through negotiations for reciprocal tariff agreements, with a particular focus on inequities created by tariff inversions.”

Warning: The information you submit in this section (Section 4) of the questionnaire will NOT be treated as Confidential Business Information and may be included in the report the Commission sends to the Committees and makes available to the public.

(See “Confidentiality” on page 2 of the questionnaire for additional information.)

13) Do you recommend that one or more current 9902 provisions become permanent duty suspensions or reductions?

- Yes [If the respondent clicks yes, follow up questions will appear for the respondent to answer.]
- No [If the respondent clicks no they will be provided a space to explain why, the questionnaire will skip to Section 5.]

[If no] Please explain why:

14) Are there specific domestic industry sectors or domestic industries that you believe might benefit from permanent duty suspensions and reductions, either through a unilateral action of the United States or through negotiations for reciprocal tariff agreements?

- Yes
- No

[If yes] Please list the industry sector(s)/industry(ies):

15) The 9902 headings that your firm either petitioned for or commented on that were granted duty suspensions or reductions through the MTB Act of 2018 are provide in the table below. Check each HTS 9902 heading for which you recommend a permanent duty suspension or reduction. Also, check if the current Normal Trade Relations (NTR, also known as Most Favored Nation (MFN)) rate of duty on the article for which you are recommending a permanent duty suspension or reduction reflects an inequity created by tariff inversions (i.e., the U.S. duty rate on intermediate/input is higher than the U.S. duty rate on the finished good). (For example, the NTR rate of duty on certain bib overalls (classified in HTS subheading 6203.49.00) is 8.5 percent ad valorem, which is lower than the 12 percent ad valorem duty rate on certain woven fabric (classified in HTS subheading 5516.33.10) used to make the overalls.)

HTS 9902 heading	Does your firm recommend a permanent duty suspension or reduction for this HTS 9902 heading? (Check if yes)	In your view does the product covered by this HTS 9902 heading have an inequity created by a tariff inversion? (Check if yes)
[Prepopulated]	<input type="radio"/>	<input type="radio"/>
	<input type="radio"/>	<input type="radio"/>
	<input type="radio"/>	<input type="radio"/>

[If the respondent checks the box above requesting a permanent duty suspension or reduction, the next questions will appear for the respondent. If the respondent does not click the box, then no questions will appear for the respondent.]

(a.) Provide your firm’s reasons for requesting a permanent duty suspension or reduction for the HTS 9902 heading(s) listed in the above table in Question 15:

(b.) [If respondent checks a circle in the table above and asserts that this HTS number has an inequity in the form of a tariff inversion] Describe how these inequities affect your firm’s production or operations:

16) If your firm would like to make any additional public comments for or against a permanent duty suspension or reduction, use the space below. Please do not use the Tab key when entering text.

Section 5: Other

17) If your firm would like to further explain any of the responses in this questionnaire, use the space below. The information submitted in response to this section will be treated as Confidential Business Information. Please do not use the Tab key when entering text.

If your organization would like to submit a separate statement for the public record, click on the link below to view the Commission's instructions for submitting such statements in the Commission's notice of this investigation published in the *Federal Register*. Such statements and all other written submissions in this proceeding are due by DATE.

[LINK TO FEDERAL REGISTER NOTICE]

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Section 6: Certification

The undersigned certifies that the information supplied herein in response to this questionnaire is complete and correct to the best of his/her knowledge and belief and understands that the information submitted is subject to audit and verification by the Commission.

Section 332(g) of the Tariff Act of 1930 (19 U.S.C. § 1332(g)) provides that the Commission may not release information which it considers to be Confidential Business Information unless the party submitting such information had notice, at the time of submission, that such information would be released by the Commission, or such party subsequently consents to the release of the information. The undersigned acknowledges that all information, including Confidential Business Information, submitted in this questionnaire response and throughout this investigation may be disclosed to and used: (i) by the Commission, its employees and Offices, and contract personnel (a) for developing or maintaining the records of this or a related proceeding, or (b) in internal investigations, audits, reviews, and evaluations relating to the programs, personnel, and operations of the Commission including under 5 U.S.C. Appendix 3; or (ii) by U.S. government employees and contract personnel for cybersecurity purposes. The undersigned understands that all contract personnel will sign appropriate nondisclosure agreements. With the exception of information that you provide in section 4 of this questionnaire or in a statement submitted for the public record (separate from the questionnaire) as described in section 5 of this questionnaire, the Commission will not otherwise disclose information that you submit in a manner that would reveal the operations of the firm supplying the information except as may be required by law. The information that you provide may be aggregated with information from other questionnaire responses and published in aggregated form, but it will not be published in a manner that would reveal the operations of your organization.

Certifier's name and title

Date of certification

Check the box below in place of a written signature to indicate that the authorized official listed has certified the information provided.

Certified

Section 7: Submitting the Questionnaire

Before submitting your firm's completed questionnaire, please report the actual number of hours required to complete this questionnaire and the cost to your organization of doing so, including all preparatory activities.

Hours Cost (\$)

To submit the questionnaire:

Click the submit button. Upon clicking the submit button, your completed questionnaire will be securely sent to the project team. If you need to change answers after submission, please contact our project team at mtbeffects@usitc.gov.

Thank you for providing your response. The Commission will be compiling the information from the questionnaire responses to analyze the effects of duty suspensions and reductions enacted under the AMCA. During the analysis phase, we may contact you with follow-up discussions about interpreting the data and other information your firm provided in response to this questionnaire.