

SUPPORTING STATEMENT
UNITED STATES INTERNATIONAL TRADE COMMISSION QUESTIONNAIRE

*American Manufacturing Competitiveness Act: Effects of Duty Suspensions and Reductions
on the U.S. Economy*

Part B—Collection of Information Employing Statistical Methods

1. Response universe, sample sources, and sampling strata

a. Survey objectives

Section 4 of the American Manufacturing Competitiveness Act of 2016 (AMCA) requires the U.S. International Trade Commission (USITC or Commission) to submit a report to the House Committee on Ways and Means and Senate Committee on Finance (Committees) on the economic effects of duty suspensions and reductions on the U.S. economy, including the effects on U.S. producers, purchasers, and consumers after enactment of a miscellaneous tariff bill. The Miscellaneous Tariff Bill Act of 2018 (MTB Act of 2018) was enacted on September 13, 2018. The AMCA requires that the Commission use case studies to describe such economic effects on selected industries or by type of article. As part of the investigation, the USITC will survey U.S. firms that have successfully petitioned for duty suspensions or reductions and those firms that commented on these petitions about the economic effects of such duty suspensions or reductions. The AMCA also directs that the USITC “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.”

b. Respondent Universe

The respondent universe includes all firms that submitted petitions to the USITC through the Miscellaneous Tariff Bill Petition System¹ Portal (including those submitted through a representative) and were granted duty suspensions or reductions through the MTB Act of 2018, as well as those firms that commented on these petitions. The USITC has identified approximately 400 such firms. One questionnaire would be distributed to each of these firms.

c. Statistical methods

No statistical methods will be applied to the data collected in the questionnaire. These data will be used for qualitative analysis in case studies and appended as recommendations for permanent duty suspensions or reductions.

With the exception of section 4, responses will be reported directly in an aggregated format rather using statistical methods to weight to a population or industry. Responses in section 4 may be reported in a non-aggregated format. The law requires the Commission to report on the effects of duty suspensions or reductions and to solicit and append recommendations for permanent duty suspensions or reductions. The questionnaire will be sent to firms that were granted duty suspensions or reductions

¹ For further information on the Miscellaneous Tariff Bill Petition System see <https://mtbps.usitc.gov/external>.

through the MTB Act of 2018. The respondent pool does not represent full industries or industry sectors. Therefore, there is no information with which to effectively weight the responses to represent the surveyed population. Additionally, it is not possible to weight responses because of the limited scope and the disparate types of firms that can have multiple roles (e.g., be a manufacturer and a retailer) in the respondent pool and products can have multiple uses. Also, firm-specific information such as employment or revenue is not available for every firm. Therefore, weighting results is not feasible.

The questionnaire will ask respondents if they have fewer than 50 employees (small firms), 50 to 499 employees (medium firms), or 500 or more employees (large firms). The firms will also be asked if they are a retailer, manufacturer, or distributor/wholesaler. If they are a distributor or wholesaler, they will also be asked if their products are consumer goods or goods intended to be used in manufacturing operations. These questions will be used to group the firms into similar categories for analytical purposes.

We expect a response rate of 25 to 50 percent, which would result in 100-200 questionnaires received from the firms (assuming 400 questionnaires are sent out). Responses in previous and ongoing USITC surveys have not differed significantly by firm size or across industries.

2. Collection of information employing statistical methods

a. Estimation Procedure

The Commission intends to group responses into sectors based on the products covered by duty suspensions and reductions under the MTB Act of 2018 and responses received from the firms. Responses will be aggregated in such a way that results do not contain Confidential Business Information, except with respect to the recommendations submitted by firms in section 4 of the questionnaire. The questionnaire collects mostly qualitative information, and, for the limited collected quantitative data, simple shares and ratios will be reported.

b. Degree of accuracy needed for the purpose described in the justification

No statistical methods will be applied. The results of the survey will be presented in case studies and no statistical calculations or estimation techniques will be performed. Although a high response rate is preferred, results will be reported regardless of the response rate because no weighting will be performed. Results will be aggregated in such a way as to not reveal confidential business information.

c. Unusual problems requiring specialized sampling procedures

No statistical methods will be applied.

d. Any use of periodic (less frequent than annual) data collection cycles to reduce burden.

This data collection will only occur once. As such, the total recurring cost burden is zero.

3. Methods to maximize response rates and deal with non-response

Commission staff will use the street addresses and email addresses firms provided in their initial MTB submission to contact the firms. The Commission will validate the emails beforehand. If the

Commission's initial email does not reach the intended recipient, Commission staff will seek to identify other viable emails for those firms. Commission staff will also reach out to firms that did not fill out the questionnaire once the deadline has passed.

a. Maximizing response rates

Commission staff will employ several techniques to increase the response rates of questionnaire recipient firms. Recipients will receive separate notices to (1) notify them (via postcard) that their firm will receive a questionnaire, (2) direct them (via email) to complete the questionnaire, and (3) remind them (via email), if necessary, to complete the questionnaire before the deadline through two additional emails sent approximately two weeks apart. Once the submission deadline has passed, firms that still have not responded will receive an additional reminder. Each of these communications will include a phone number and email address of a person who can help firms with filling out the questionnaire or answer their questions regarding the survey and/or study. Commission staff may also contact firms directly, via phone or email, to urge them to complete the questionnaire and to answer any questions they may have regarding this information collection or the study in general. Commission staff may also contact firms, via phone or email, to correct information or fill in incomplete responses, or solicit additional information about a response. The burden associated with follow up calls or emails is included in the total response burden amount.

In addition to pre-contact and follow-up, the questionnaire itself has been designed to be as clear and succinct as possible in order to gather the specific material required by the AMCA. (See discussion of testing below.) This clarity and brevity should reduce burden and improve response rates. Finally, the ability to access, fill out, and submit the questionnaire via the web may also increase response.

b. Accuracy and reliability of information collected

The Commission is surveying every firm that submitted or commented on a petition for a duty suspension or reduction that met the requirements of the AMCA and resulted in a duty suspension or reduction under the Miscellaneous Tariff Bill Act of 2018.

4. Tests of procedures or methods to minimize burden or improve utility

The Commission sought public comment on the questionnaire with industry representatives of several different industry sectors. These representatives provided feedback in areas such as availability of data, product coverage, definitions, and clarity of instructions. See part A for information about the 9 field testers, the comments they made, and the subsequent changes made to the questionnaire.

In addition to field testing, the questionnaire has been made available for public comment. Notice of the draft questionnaire was published in the *Federal Register* (83 FR 48333). It has also been extensively reviewed within the Commission. Industry analysts have reviewed the document to ensure it contains information needed to adequately answer the questions posed in the AMCA while imposing a minimum burden on the responding businesses.

5. Contact information

Collection and analysis of the responses will be the responsibility of the Office of Industries within the Commission. You may contact the project leaders Kimberlie Freund, Samantha DeCarlo, or Maureen Letostak, at mtbeffects@usitc.gov. You may also call the team at 202-205-3225 or 202-205-3342.