SFIA THOUGHT LEADERSHIP WEBINAR

October 22, 2019

Reducing Tariffs Through the Miscellaneous Tariff Bill (MTB) Process

Featured Speaker:
John Brew
Partner
Crowell & Moring

SFIA Guest:
Bill Sells
Senior Vice President of Government & Public Affairs
SFIA

Webinar Host:
Alli Schulman
Coordinator, Communications & Marketing
SFIA

Questions can be submitted to the GoToWebinar toolbar
JANUARY COUNCIL MEETINGS

January 3, 2020
8:00 - 10:00 AM
SFIA Softball/Baseball
Council Meeting
Nashville, TN
Contact: Gregg Hartley

January 11, 2020
8:00 - 10:00 AM
SFIA Lacrosse Council Meeting
Philadelphia, PA
Contact: Gregg Hartley

January 13, 2020
10:00 AM - 12:30 PM
SFIA Football Council Meeting
Nashville, TN
Contact: Gregg Hartley

January 16, 2020
2:30 - 4:30 PM
SFIA Soccer Council Meeting
Baltimore, MD
Contact: Alex Kerman

January 21, 2020
2:00 - 4:00 PM
SFIA US Golf Manufacturers Council Meeting
Orlando, FL
Contact: Bill Sells
Sports and Fitness Industry Association

Reducing Tariffs Through the Miscellaneous Tariff Bill Process

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October 22, 2019
Agenda

• MTB Requirements, Process and Timeline
• MTB Players: ITC, Commerce, CBP, Congress and the President
• MTB Results from 2016-2017 Process
• Information Needed to Complete MTB Petitions
• Product selection and description
• Handling Domestic Opposition
• Common Reasons for Rejection
• Resources
MTB Requirements

- American Manufacturing Competitiveness Act 2016 – New Process
- Importer or Interested Party Petitions U.S. International Trade Commission (ITC)
- Product Specific Petition
- No Domestic Opposition
- Must be Administrable by CBP
- Cannot exceed $500,000 in total duty savings per year
- Any party who imports product must benefit
- Temporary relief for maximum of three years – two review cycles of relief ending in 2020 and 2023
MTB Process

• Day 1 -- ITC Issues Federal Register Notice Accepting Petitions
• Day 60 -- Interested Parties have 60 days from notice to file Petitions
• Day 90 -- ITC Publishes Petitions Received 30 days from of Petition Deadline
• Day 135 -- ITC Accepts Comments on Petitions, due 45 days after end of Petition publication period
• Day 180 -- Commerce Issues Report to Congress and ITC, and CBP issues Report to ITC
• Day 240 – ITC issues Preliminary Report to Congress
• Day 360 – ITC Issues Final Report to Congress
MTB Timeline – Second Cycle

• ITC Published FR on October 11, 2019 seeking petitions through its web portal
• December 10, 2019 – due date for Petitions
• January 8, 2020 – ITC publishes Petitions
• February 22, 2020 – deadline for Comments
• April 7, 2020 – Commerce issues reports to Commerce/ITC, CBP report to ITC
• June 30, 2020 – ITC preliminary report to Congress
• October 4, 2020 – ITC final report to Congress
• Congressional and Presidential approval – TBD
MTB Players

• ITC – Administration, Review, Reports
• Commerce – Domestic Production
• CBP – Administrability and HTS Classification
• Congress
  • House Ways and Means and Senate Finance Committees
  • Can remove but not add Petitions
  • Comments to ITC preliminary report and final passage of law
• President – Signature to implement HTS changes
MTB 2016 Results

• Over 3,100 petitions filed – 1,655 approved
• Over 800 petitions in Chapters 29 and Heading 3808
• ITC submitted its report to Congress August 2017
• House passed January 2018 with amendments
• Senate passed July 2018 with amendments
• President signed September 2018
• Effective October 13, 2018 through December 31, 2020
• October 2018 – ITC publishes notice of Economic Impact Investigation
MTB 2016 SFIA Results

• 36 petitions granted for over 20 members
• Over $45 million in duty savings
• Products include:
  o Golf club parts
  o Parts to exercise equipment
  o Basketballs, volleyballs, tetherballs
  o Batting, boxing, training and MMA gloves
  o Tennis, squash, racquetball and badminton rackets
  o Elliptical and exercise cycles and rowing machines
  o Martial arts uniforms and shoe insoles
MTB Required Information

- HTS code (8 digit)
- Product description
- CBP Rulings
- Prior Imports
- Industry Information
- US import data (2018-2024)
- Import Market Share
- Other Importers
- US Production
MTB Product Selection and Description

- HTS code – 10 digit
- Brochures, pictures, specifications
- CBP rulings, or documents showing CBP liquidated and accepts HTS
- Material composition, dimensions, other physical characteristics, use
- Narrow is better – emphasis on unique characteristics
- Use tariff language, other 9902 examples – details but not too much
- Ensure complete product description
- No trade marks or names
- No overlap with other petitions
- Avoid products made in US
MTB Handling Domestic Opposition

- Domestic Producer – production or imminent production of like or identical product
- Domestic Production – demonstrated production or imminent production of directly competitive product
- Identical article – same characteristics and HTS classification
- Like Article – substantially identical characteristics
- Directly competitive – if not substantially identical, then substantially identical for commercial purposes, same uses, interchangeable
- Imminent Production – planned production within three years
- Evidence of claims
MTB Common Reasons For Rejection

- Domestic Opposition
- Bad Product Description
- Incorrect HTS code
- Description not Administrable
- Petition overlap
- Petition too broad – multiple products or minimal relief
MTB Resources

- SFIA -- Questionnaires to be completed by members
- ITC web site -- https://www.usitc.gov/trade_tariffs/mtb_program_information
Questions?
Thank You!
Expert Panelist:
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Crowell & Moring LLP
Partner

SFIA Guest:
Bill Sells
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SFIA
Senior Vice President of
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Host:
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Have any questions?
Additional questions or contact information can be submitted to
webinars@sfia.org

Thank you to all of our participants!