

International Trade Alert

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The 2019 Miscellaneous Tariff Bill Petition Process Is Now Open

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Key Points:

- The MTB process allows importers to petition to suspend or reduce normal duties paid on certain imported products for three years, as approved by Congress.
- The petition process opened on October 11, 2019 and interested parties will have 60 days to submit a petition. The public will then have 45 days to comment on submitted petitions.
- The USITC has made changes to what must be included in a petition. Under the new process, petitions must now include (1) an estimate of total value and dutiable value for the next five calendar years; (2) an estimate of the petitioner's share of total imports of the good; (3) if available, a CBP classification ruling that pertain to the product at issue; and (4) if available, the names of all domestic producers.

Parties interested in submitting a petition should review current imports to prepare for filing an MTB petition.

The U.S. International Trade Commission (USITC) opened the 2019 Miscellaneous Tariff Bill (MTB) filing process on October 11, 2019. Under the MTB process, interested parties may petition to suspend or reduce duties usually paid on certain imported products for three years.

By way of background, the current MTB process is governed by the American Manufacturing Competitiveness Act of 2016 (AMCA). The previous round of MTB duty suspensions or reductions are set to expire in 2020. The USITC opened this round on October 11, 2019. Under the AMCA, USITC must begin accepting MTB petitions for the next round on or before October 15, 2019.

Notably, there is no automatic renewal process for those products that currently enjoy suspended or reduced duties as a result of the 2016 round. Instead, parties who benefitted from suspended or reduced duties must re-file a petition under the new round to ensure similar treatment for the next three years.

Interested parties have 60 days from the opening of the process to submit a petition. Thirty days after the 60-day window closes, interested individuals have 45 days to

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submit public comments on the MTB petitions. Ultimately, USITC must review all petitions and submit a final report with MTB recommendations to Congress 300 days from initially opening the petition process. If those recommendations are accepted, we expect they will be signed into law sometime in late 2020 or early 2021, and will be valid for the following three years.

Although there is no restriction on the type of goods an interested party may submit to this process, successful petitions generally have been raw inputs that are not produced in the United States. In addition, the estimated loss in revenue from suspended or reduced duties associated with a granted petition cannot exceed \$500,000 in a calendar year.

On August 27, 2019, the USITC published a [final rule](#) updating the 2019 process for filing MTB petitions. Included in these updates are changes to the information that must be included in an MTB petition. Under the new process, petitioners must now submit all of the following:

- If available, a CBP classification ruling that pertains to the product at issue
- An estimate of both total value and dutiable value for the next five calendar years
- An estimate of the petitioner's share of total imports of the good
- If available, the names of all domestic producers.

Finally, petitioners must now submit a certification stating that “the petition is complete and correct to the best of the petitioner’s knowledge and belief and that the petitioner understands that the information submitted is subject to audit and verification by the Commission.”

In preparation for filing an MTB petition, importers should take stock of their imported goods to determine whether any are eligible for, or are likely to be successful in, any petitions for duty suspension/reduction. Likewise, those importers who currently import duty-free goods under the MTB should review their import processes to ensure those goods still qualify, and should review old petitions to determine if there are new or additional arguments that can be made to support a previously denied petition. With respect to the actual petition preparations, importers should gather all necessary information, including, but not limited to, petitioner contact information, import sources, industry information, the value of imports, correct Harmonized Tariff Schedule of the United States (HTSUS) classification, etc., as insufficient information in a petition can lead to a denial of the benefits. Moreover, importers should think about how strategically to craft their product description language to, amongst other things, ensure that they fall under the \$500,000 threshold.

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