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**Testimony of Ed Brzytwa, Vice President, International Trade, Consumer Technology Association  
Before the Office of the U.S. Trade Representative  
September 24, 2024**

**Re: China's Compliance with WTO Commitments**

**Introduction:**

Good morning. My name is Ed Brzytwa, and I am the Vice President of International Trade at the Consumer Technology Association (CTA). Thank you for the opportunity to testify today on China's compliance with its World Trade Organization (WTO) commitments. This matter is of upmost importance to CTA members, who have experienced firsthand both the increasing trade tensions between the United States and China and the related deterioration of the business climate in China.

CTA represents over 1,300 companies in the consumer technology industry, supporting 18 million U.S. jobs. We produce CES®, the world's most influential technology event, which in 2024 attracted over 145,000 attendees, including 50,000 international visitors, over 8,300 of which were from China.

CTA is a strong supporter of the multilateral trading system, the rule of law, and adherence to WTO Agreements and norms. We also advocate for the use of WTO tools, such as dispute settlement, regular committee processes, and the trade policy review process, to address trade problems in China where applicable. Historically, China has been a key manufacturing hub for consumer technology products destined for the U.S. market. However, the imposition of Section 301 tariffs, the ongoing the tensions between the United States and China and the deteriorating business environment in China have prompted companies to seek alternative sourcing options.

As USTR recently admitted in its final determination of modifications to the existing Section 301 tariffs after the necessity review, those tariffs have not effectively changed China's harmful practices, such as intellectual property theft and forced technology transfer. In fact, they have worsened. Instead, these tariffs have contributed to inflation in the U.S. and increased costs for American consumers and businesses.

Tariffs alone will not change China's behavior. Additional tools, which CTA has outlined in detail in its 2023 submission to USTR regarding the necessity review, are necessary. These tools include: 1) dialogue with China; use of Section 337 of the Tariff Act of 1930; 3) listing Chinese companies that benefit from forced tech transfer and IP theft; 4) making greater use of WTO tools; 5) working with allies to confront China on acts, policies, and practices; 6) negotiating new rules in trade

agreements that circumscribe China's acts, policies, and practices; and 7) withdrawing U.S. WTO Concessions for China on services trade and intellectual property protection.

## **A New Strategy at the WTO Is Necessary to Change China's Behavior**

CTA believes that a unilateral tariff strategy is insufficient to pressure China into compliance with its WTO commitments or change its non-market economy practices. We advocate for the use of offensive dispute settlement cases at the WTO, in collaboration with key allies, to hold China accountable.

USTR in the past has said that China's non-market economy practices do not relate to its WTO commitments, and they are not worth the time and effort with respect to WTO dispute settlement proceedings. **CTA disagrees with this perspective.** In our written submission we have outlined a range of issues regarding China's compliance with its WTO commitments that USTR could consider for further action.

USTR recently launched a public consultation on a dispute settlement case China is taking against the United States regarding the Inflation Reduction Act of 2022. We urge USTR to undertake similar public consultations on offensive cases it could take against China at the WTO to consider broader information and perspectives from stakeholders on specific trade barriers in China.

We recognize that USTR has kneecapped the Appellate Body at the WTO, which no longer functions. But that should not stop USTR from requesting consultations with China on specific trade barriers and eventually initiating dispute settlement proceedings as a matter of increasing pressure on China. Further, USTR should request those consultations and initiate those proceedings in concert with its key allies. The U.S., EU, and Japan victory over China on its raw materials export restraints is instructive in this regard.

### **Conclusion:**

In conclusion, CTA urges USTR to adopt a more comprehensive strategy to address China's non-compliance with its WTO commitments. This strategy includes: 1) leveraging a broader set of tools at and outside of the WTO, including initiating offensive dispute settlement cases against China; 2) working with allies to present a united front and increase leverage in negotiations with China; and 4) addressing China's non-market economy practices and ensuring fair competition for U.S. companies.

We stand ready to support USTR in this effort and look forward to collaborating on solutions that benefit American businesses and consumers. Thank you for your time and consideration. I am happy to answer any questions you may have, including on the specific issues in the annex to our written submission.