

February 21, 2024

Ambassador Katherine Tai  
United States Trade Representative  
Office of the U.S. Trade Representative  
600 17<sup>th</sup> St. NW  
Washington, DC 20508

**Re: Extension of Exclusions and Request for Comments: China's Acts, Policies and Practices Related to Technology Transfer, Intellectual Property and Innovation (88 FR 90225; Docket ID: USTR-2024-0001)**

Dear Ambassador Tai:

The Consumer Technology Association (“CTA”) respectfully submits these comments to the Office of the U.S. Trade Representative (“USTR”) in response to its request for comments on extension of exclusions regarding China's acts, policies, and practices related to technology transfer, intellectual property, and innovation pursuant to Section 301 of the Trade Act of 1974.

We appreciate the opportunity to file comments, especially during the ongoing necessity review of the Section 301 tariff actions, which started in May 2022, almost two years ago. The lack of conclusion of the necessity review, which is required by the Section 301 statute, has increased the difficulty of crafting appropriate comments to respond this request by USTR. Your steadfast commitment to transparency is a hallmark of your leadership of USTR. We offer our comments in good faith and hope that USTR will consider them as you determine the best path forward for these 429 exclusions within the scope of the Federal Register Notice from December 29, 2023. Our expectation is that USTR will conclude that making these exclusions permanent is consistent with the U.S. national interest.

CTA represents the more than \$505 billion U.S. consumer technology industry, which supports more than 18 million U.S. jobs. Our members are comprised of over 1000 companies from every facet of the consumer technology industry, including manufacturers, distributors, developers, retailers, and integrators, with 80 percent of CTA members being start-ups or small and mid-sized companies. CTA also owns and produces CES®—the most influential technology event in the world—which showcases and serves as a forum for discussion of international policies concerning existing and new technologies, international technology trade and investment, and global opportunities and challenges facing the consumer technology industry.

CTA has filed comments with USTR at every stage of its original Section 301 investigation and subsequent actions against China.<sup>1</sup> In each of those comments, CTA expressed strong concerns about the direction of USTR's policymaking and its compliance with the statutory guardrails set by Congress. CTA repeatedly warned that the tariffs actions would cause disproportionate harm to U.S. interests, undermine U.S. companies' competitiveness against foreign companies, burden U.S. innovation and technological development, have inflationary effects, and result in significant U.S. job losses. These predictions unfortunately have happened and continue today.

USTR has intentionally dwindled the exclusions from the tariffs over time, which has increased the burden that U.S. consumer technology companies and consumers face through higher costs and higher prices. This comment opportunity seems to be the last chance to argue for exclusions from the tariffs, with USTR signaling that it would like to terminate the remaining exclusions entirely.

When CTA submitted its comments to USTR for the necessity review<sup>2</sup>, we advocated for comprehensive tariff elimination, as the tariff actions have not met their stated objectives. We also advocated for making the exclusions past and present permanent to alleviate the tariff burdens of U.S. businesses and consumers. More, we called for USTR to initiate a comprehensive, transparent, and fair exclusions process with due process until it removes all the tariffs under the Section 301 actions. We encourage USTR to re-read Section III.D on pgs. 10-11 of our necessity review comments, which further outlines our views on the exclusions process, the experience of the consumer technology industry with that process, and the impact of the process on our industry's competitiveness.

Our current comments to USTR concern only the 429 exclusions within the scope of the December 29, 2023, Federal Register Notice. As USTR has extended the exclusions for these products many times over several years, CTA advocates for making them permanent. Our comments also highlight specific products identified by our members. Long-term extension or permanent exclusions for these products from the Section 301 tariffs would support U.S. companies manufacturing and operating in the United States. Such an approach would also enhance their global competitiveness vis-à-vis competitors in China and in other markets, who do not face the same tariff burdens for inputs or finished goods. These products are contained in the Annex to our comments.

CTA fully supports the Biden-Harris Administration's vision of manufacturing more in America. The continued or future imposition of tariffs undermines that vision and places current and future U.S. jobs at risk. The U.S. International Trade Commission in its 2023 report ("Economic Impact of Section 232 and 301 Tariffs on U.S. Industries")<sup>3</sup> concluded that the Section 301 tariffs increased the price of U.S. products by 0.2 percent. These exclusions have mitigated the price increases caused by the Section 301 tariffs. Letting them expire will impose higher costs for inputs into manufacturing processes, the construction of plants, and the

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<sup>1</sup> See comments of CTA to Docket Nos. USTR-2017-0016 (investigation), USTR-2018-0005 (List 1), USTR-2018-0018 (List 2), USTR-2018-0026 (List 3), and USTR-2019-0004 (List 4).

<sup>2</sup> <https://cdn.cta.tech/cta/media/media/pdfs/final-cta-comments-to-ustr-for-four-year-review-of-china-section-301-tariffs-20230117.pdf>

<sup>3</sup> <https://www.usitc.gov/publications/332/pub5405.pdf>

maintenance of facilities and equipment. Expiry of the exclusions will make it more expensive for U.S. companies to access spare parts for warranty repair done in the United States.

As we have stated many times in the past, tariff relief will increase U.S. economic competitiveness. Higher tariffs punish competitive sectors and shield non-competitive firms from progress and innovation in the marketplace, at the expense of our economy, workers, and consumers. Making the exclusions under this request for comments permanent is the only appropriate path forward. CTA stands ready to support the Administration in reaching this decision.

Sincerely,

Handwritten signature of Michael Petricone in black ink.

Michael Petricone  
Senior Vice President, Government Affairs  
Consumer Technology Association

Handwritten signature of Ed Brzytwa in black ink.

Ed Brzytwa  
Vice President, Government Affairs  
Consumer Technology Association

Annex

Reinstatement Note (87 FR 17380)	CTA Member HTS Code	Exclusion Product Description
20(ttt)(ii)(2)	3919.10.2020	Electrical tape of polyvinyl chloride, in rolls, measuring not more than 2 cm in width, not more than 20.2 m in length, and not more than 0.18 mm in thickness (described in statistical reporting number 3919.10.2020)
20(ttt)(ii)(3)	3919.10.2030	Transparent tape of plastics with an acrylic emulsion adhesive, in rolls measuring not over 4.8 cm in width, valued not over \$.25 per square meter (described in statistical reporting number 3919.10.2030)
20(uuu)(iii)(16)	3923.10.9000	Container units of plastics, each comprising a tub and lid therefore, configured or fitted for the conveyance, packing, or dispensing of wet wipes (described in statistical reporting number 3923.10.9000)
20(ttt)(iii)(7)	3923.21.0095	3923.21.0095
20(ttt)(iv)(10)	3924.90.5650	Shower heads of plastics, designed to be fixed, hand-held, height-adjustable or combinations thereof, and parts of such shower heads (described in statistical reporting number 3924.90.5650)
20(uuu)(iv)(11)	3926.90.9985	Coverings, of plastics, designed to fit over wound sites or casts thereby forming a protective seal for keeping the covered area dry and debris free while showering or bathing (described in statistical reporting number 3926.90.9990 prior to July 1, 2020; described in statistical reporting number 3926.90.9985 effective July 1, 2020)
20(ttt)(iii)(47)	4202.12.8130	Messenger bags of polyester, each measuring not more than 50 cm by 38 cm by 11 cm, weighing not more than 2.5 kg (described in statistical reporting number 4202.12.8130)
20(ttt)(iii)(48)	4202.92.0400	Backpacks with hydration system, each measuring not more than 51 cm by 28 cm by 9 cm, weighing not more than 1 kg (described in statistical reporting number 4202.92.0400)
20(ttt)(iii)(49)	4202.92.3120	Backpacks with outer surface of textile materials of man-made fibers, each measuring at least 35 cm but not more than 75 cm in height, at least 19 cm but not more than 34 cm in width, and at least 5 cm but not more than 26 cm in depth (described in statistical reporting number 4202.92.3120)
20(ttt)(iv)(30)	6302.31.9040	Protective covers of cotton for pillows, not knitted or crocheted, of cotton, not napped or printed, each with full encasement construction and zipper opening (described in statistical reporting number 6302.31.9040)
20(ttt)(iv)(33)	6506.10.6045	Athletic, recreational and sporting headgear comprising shells of polyvinyl chloride, polycarbonate plastic or acrylonitrile butadiene styrene, each with an inner liner of expanded polypropylene or expanded polystyrene, designed for use with bicycles (described in statistical reporting number 6506.10.6045)

Reinstatement Note (87 FR 17380)	CTA Member HTS Code	Exclusion Product Description
20(ttt)(iii)(76)	7007.19.0000	Screen protectors of tempered safety glass, transparent, cut, and treated, with adhesive on one side, in rectangular sheets, each weighing at least 6 g but not more than 77 g, each measuring not less than 2.8 cm but not more than 28 cm in height, not less than 1.9 cm but not more than 21 cm in width, and not more than 0.1 cm in thickness (described in statistical reporting number 7007.19.0000)
20(ttt)(iii)(91)	8302.50.0000	Stamped and formed brackets of steel (described in statistical reporting number 8302.50.0000)
20(ttt)(iii)(93)	8409.91.92	Parts suitable for use solely or principally with spark-ignition internal combustion piston engines of heading 8407 for marine propulsion (other than cast-iron parts, not advanced beyond cleaning, and machined only for the removal of fins, gates, sprues and risers or to permit location in finishing machinery or connecting rods) (described in statistical reporting number 8409.91.9290)
20(ttt)(i)(10)	8413.30.90	Housings for water pumps of subheading 8413.30.90 (as described in subheading 8413.91.9010)
20(ttt)(iii)(97)	8413.30.9090	Cooling medium pumps for internal combustion piston engines of the motor vehicles of headings 8703 or 8704 (described in statistical reporting number 8413.30.9090)
20(ttt)(i)(8)	8413.70.2004	Centrifugal pumps, submersible, other than for use with machines for making cellulosic pulp, paper or paperboard; the foregoing pumps rated not over 1.5 kW (described in statistical reporting number 8413.70.2004)
20(ttt)(iii)(103)	8418.50.0080	Upright coolers incorporating refrigerating equipment, each measuring not more than 77 cm in width, not more than 78 cm in depth and not more than 200 cm in height, weighing not more than 127 kg, with one swing-type transparent glass door (described in statistical reporting number 8418.50.0080)
20(ttt)(i)(17)	8419.90.3000	Heat exchanger plates, cores, finned tubes, cones, shells, bonnets, flanges and baffles (described in statistical reporting number 8419.90.3000)
20(ttt)(i)(23)	8421.21.0000	Filtering or purifying machinery or apparatus of a kind used for waste water treatment (described in statistical reporting number 8421.21.0000)
20(ttt)(i)(27)	8421.39.0115	Air purification equipment, electrically powered, weighing less than 36 kg (described in statistical reporting number 8421.39.8015 prior to January 27, 2022; described in statistical reporting number 8421.39.0115 effective January 27, 2022)
20(ttt)(i)(27)	8421.39.8015	Air purification equipment, electrically powered, weighing less than 36 kg (described in statistical reporting number 8421.39.8015)
20(ttt)(i)(29)	8421.99.0040	Parts of swimming pool vacuum cleaners (described in statistical reporting number 8421.99.0040)
20(ttt)(ii)(11)	8424.89.9000	Dispensers of hand-cleaning or hand-sanitizing solutions, whether employing a manual pump or a proximity-detecting battery-operated pump, each article weighing not more than 3 kg (described in statistical reporting number 8424.89.9000)
20(ttt)(i)(31)	8428.90.0290	Garage door opener/closers (described in statistical reporting number 8428.90.0290)

<b>Reinstatement Note (87 FR 17380)</b>	<b>CTA Member HTS Code</b>	<b>Exclusion Product Description</b>
20(ttt)(i)(34)	8431.20.0000	Tines, carriages, and other goods handling apparatus and parts designed for use on fork lift and other works trucks (described in statistical reporting number 8431.20.0000)
20(ttt)(ii)(12)	8432.29.0060	Walk behind rotary tillers, electric powered, individually weighing less than 14 kg (described in statistical reporting number 8432.29.0060)
20(ttt)(i)(37)	8436.80.0090	Animal feeding machinery (described in statistical reporting number 8436.80.0090)
20(ttt)(i)(39)	8471.70.6000	Automated data processing storage units (other than magnetic disk drive units), not assembled in cabinets for placing on a table or similar place, not presented with any other unit of a system (described in statistical reporting number 8471.70.6000)
20(ttt)(iii)(108)	8473.30.1180	Printed circuit assemblies for rendering images onto computer screens ("graphics processing modules") (described in statistical reporting number 8473.30.1180)
20(ttt)(iii)(109)	8473.30.1180	Printed circuit assemblies to enhance the graphics performance of automatic data processing (ADP) machines ("accelerator modules") (described in statistical reporting number 8473.30.1180)
20(ttt)(iii)(110)	8473.30.1180	Printed circuit assemblies, constituting unfinished logic boards (described in statistical reporting number 8473.30.1180)
20(ttt)(iii)(111)	8473.30.5100	Parts and accessories of machines of heading 8471, whether or not incorporating fan hubs or LEDs but not incorporating other goods of heading 8541 or 8542 (described in statistical reporting number 8473.30.5100)
20(ttt)(i)(2)	8481.10.0090	Pressure-reducing Valves, Others (8481.10.0090)
20(ttt)(i)(3)	8483.50.9040	Grooved Pulleys, Others (8483.50.9040)
20(ttt)(iii)(122)	8508.11.0000	Robotic vacuum cleaners designed for residential use, each with a self-contained electric motor of a power not exceeding 50 W and dust bag/receptacle capacity not exceeding 1 L, whether or not shipped with accessories (described in statistical reporting number 8508.11.0000)
20(ttt)(iii)(130)	8516.60.4070	Portable countertop air fryers of a kind used for domestic purposes (described in statistical reporting number 8516.60.4070)
20(ttt)(iii)(131)	8516.80.8000	Tubular electric heating resistors (described in statistical reporting number 8516.80.8000)
20(ttt)(iv)(35)	8517.62.0090	Tracking devices, each device measuring not more than 86 mm on a side (if rectangular) or 28 mm in diameter (if circular) and not more than 7.5 mm in thickness, not weighing more than 15 g, designed to be attached to another article and to establish a Bluetooth connection with another device for the purposes of providing relative location information (described in statistical reporting number 8517.62.0090)
20(ttt)(iv)(36)	8518.22.0000	Wireless communication apparatus that can receive audio data to be distributed to wireless speakers (described in statistical reporting number 8518.22.0000)
20(ttt)(iii)(136)	8534.00.0020	Printed circuit boards, each with a base wholly of plastics impregnated glass, not flexible, with 4 layers of copper (described in statistical reporting number 8534.00.0020)

<b>Reinstatement Note (87 FR 17380)</b>	<b>CTA Member HTS Code</b>	<b>Exclusion Product Description</b>
20(ttt)(iii)(137)	8534.00.0020	Printed circuit boards, with a base of glass reinforced epoxy laminate material that is compliant with NEMA grade FR-4 fire resistance, not flexible, with 10 layers, designed for use in a flow meter, and measuring not more than 6.35 cm by 6.35 cm by 0.1575 cm (described in statistical reporting number 8534.00.0020)
20(ttt)(i)(67)	8536.50.9065	Switches designed for use in motor vehicles, driver or passenger activated (described in statistical reporting number 8536.50.9065)
20(ttt)(iii)(141)	8544.42.2000	Insulated electric conductors for a voltage not exceeding 1,000 V, fitted with connectors of a kind used for telecommunications, each valued over \$0.35 but not over \$2 (described in statistical reporting number 8544.42.2000)
20(ttt)(iv)(39)	9004.90.0000	Protective articles (described in statistical reporting number 9004.90.0000)
20(ttt)(iv)(39)	9004.90.0090	Protective Articles (described in statistical reporting number 9004.90.0000 prior to January 1, 2021; described in statistical reporting number 9004.90.0010 or 9004.90.0090 effective January 1, 2021)
20(ttt)(i)(73)	9011.10.8000	Stereoscopic microscopes, not provided with a means for photographing the image, valued not over \$500 per unit (described in statistical reporting number 9011.10.8000)
20(ttt)(i)(89)	9032.89.4000	Battery balancers designed for regulating voltage across batteries, other than for 6, 12 or 24 volt systems (described in statistical reporting number 9032.89.4000)
20(ttt)(iii)(173)	9401.79.0050	Unassembled non-upholstered chairs with metal frames (other than household chairs) with seats and backs having a shell of plastics or wood and measuring at least 48 cm but not more than 61 cm in width (described in statistical reporting number 9401.79.0050)
20(ttt)(iv)(41)	9401.90.1085	Parts of child safety seats incorporating springs (described in statistical reporting number 9401.90.1085)
20(ttt)(iii)(177)	9401.90.5081	Foot assemblies of base metal and rubber, designed for folding chairs (described in statistical reporting number 9401.90.5081)
20(ttt)(iii)(179)	9403.20.0081	Adjustable wire shelving units of steel, other than for household use, comprising vertical poles, foot caps or casters, clips and shelves, each when fully assembled measuring at least 35 cm or more but not more than 183 cm in width, at least 35 cm but not more than 77 cm in depth, and at least 137 cm but not more than 183 cm in height (described in statistical reporting number 9403.20.0081)
20(ttt)(iv)(42)	9404.90.1000	Pillow shells of cotton, each filled with goose or duck down (described in statistical reporting number 9404.90.1000)
20(ttt)(iii)(184)	9405.40.8440	Flameless pillar candles with LED lamps powered by batteries, each measuring at least 7.6 cm but not more than 20 cm in diameter and having a wax exterior (described in statistical reporting number 9405.40.8440)

Reinstatement Note (87 FR 17380)	CTA Member HTS Code	Exclusion Product Description
20(ttt)(iii)(185)	9405.42.8440	Flexible strips, each having embedded light-emitting diodes electrically connected to a molded electrical end connector, each strip wound onto a reel measuring not more than 25 cm in diameter and not more than 1.5 cm in width (described in statistical reporting number 9405.40.8440 prior to January 27, 2022; described in statistical reporting number 9405.42.8440 effective January 27, 2022)
20(ttt)(iii)(187)	9405.99.4090	Lamp shades of fabric over metal frame (described in statistical reporting number 9405.99.4090)