

# ITI Supplemental Comments to USTR-2020-0014 on Additional Modifications of the Section 301 Action to Address COVID-19

June 1, 2020

## About ITI

ITI is a global trade association that represents over 70 the world's leading information and communications technology (ICT) companies. ITI's membership comprises the leading global innovators from all corners of the technology sector, including hardware, software, digital services, semiconductors, network equipment, and platforms, as well as "technology-enabled" companies that rely on ICT to evolve their businesses. ITI engages policymakers around the world to promote innovation, security and sustained economic opportunity.

## Overview

The ICT sector plays a crucial role in facilitating a comprehensive U.S. response to the COVID-19 crisis, from manufacturing critical healthcare-related devices and components to providing products and services to support telework, distance learning, and tele-health arrangements. We applaud USTR and the Administration for already having moved to exclude some products subject to Section 301 tariffs, recognizing that such exclusions directly facilitate U.S. access to essential goods such as personal protective equipment and other medical-care related products. We appreciate the opportunity to provide input as USTR considers further modification of tariffs imposed under Section 301 with a view to enabling U.S. healthcare providers, companies and consumers to access the goods necessary to stem the impact of the COVID-19 outbreak.

In this addition to our previous [April 2, 2020 submission](#), we have further identified specific products for which relief from Section 301 tariffs would directly contribute to the U.S. economic and public health response to the ongoing crisis. In addition to modification of Section 301 tariffs, we urge the administration to extend existing product exclusions for ICT products, many of which are integral to U.S. manufacturing processes.

## How the ICT Industry Supports COVID-19 Recovery

Our April 2 submission details the ICT sector's extensive support of the healthcare system and its role in enabling a comprehensive U.S. response to the COVID-19 pandemic. Tariff alleviation for those products listed in both this and our previous submission would support workers at the frontline in healthcare and other essential sectors who rely on such goods to safely carry out their work.

More broadly, Americans are in need of economic relief and greater spending flexibility. Removing tariffs on even a subset of ICT products would put as much as [\\$3.2 billion back in the pockets](#) of American consumers, and broad tariff elimination would help businesses at a time when cash flows are strained and new operating procedures in the face of COVID-19 demand increased liquidity. The strain extends to supply chains, where more than ever firms depend on the ability to obtain products and components as nimbly and flexibly as possible. Ensuring that businesses retain the

ability to secure those goods – wherever they may be most readily available – is essential to providing that flexibility. To further enable a comprehensive response effort and to provide businesses across all industries with the necessary flexibility to address the challenges presented by COVID-19, we encourage USTR to defer collection of all tariffs, and extend product exclusions for tariffs imposed under Section 301 authority.

As American states, cities, and towns continue to tackle the spread of COVID-19 and begin re-opening, our companies are taking significant measures to reduce risk to their employees and contribute to relief efforts across the country.<sup>1</sup> In many manufacturing facilities, production has continued with new arrangements to reschedule and limit the density of workers, along with increased sanitation and health precautions. Cybersecurity companies are rapidly deploying technologies to secure remote workers. Our members have also contributed medical supplies and donations to heavily affected areas and are striving to eliminate disinformation and instead promote well-researched best practices and advice to workers and consumers.

Efforts to prevent COVID-19 and ease recovery are also heavily data-driven. Our companies are working to collaborate with each other, local governments, and researchers to develop contact tracing and other tools that will give policymakers and other institutions the information they need to make key decisions for public health. In a time when investment in R&D is so vital, it is equally critical that companies and organizations have greater flexibility to invest in rapid, life-saving and -sustaining solutions. We hope that USTR will consider alleviating the burden of tariffs to enable the ICT industry to continue to proactively respond to the outbreak.

#### [Specific ICT Codes for Additional Healthcare-essential Products](#)

As households, hospitals, and other care facilities cope with increased efforts in safety and sanitation, the use of certain products and appliances has become particularly pronounced.

##### **Dishwashers (8422.11.00)**

##### **Washing Machine Parts (8450.90.60)**

- This line includes items such as door lock switches, window control panel, clutch assemblies and encoders used to adjust settings.

##### **Reinforced Pipe Assemblies (4009.12.00)**

- These assemblies are hoses for a large range of machinery, providing essential functions to connect tubs and drains in washing machines, along with supporting brakes in vehicles.

## Conclusion

ICT goods and services are a fundamental part of the U.S. healthcare system. Better access to ICT for both healthcare providers and patients enables healthier outcomes for society. This is true all of the time, but is particularly imperative in our current crisis. Similarly, greater access to productivity enhancing ICT goods and services empowers the broader U.S. economic response to the outbreak.

Lifting tariffs on the items included in this submission will help to alleviate the strain on the healthcare system in the midst of dealing with COVID-19. Tariffs act as direct impediments to U.S.

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<sup>1</sup> <https://www.itic.org/policy/coronavirus-response>

governments, consumers and businesses, and we would encourage the removal of tariffs by any measure to increase confidence in the COVID-19 response and support economic recovery.

Thank you for the opportunity to comment. ITI and its members stand ready to continue to support governments and communities as we all respond to this pandemic and support recovery efforts around the nation.