



ITI Comments Submission for USTR-2019-0004 Response to “List 4” Tariffs on Chinese Goods Imports

Overview

The Information Technology Industry Council (ITI) welcomes the opportunity to comment on the proposed tariffs on Chinese products issued in USTR-2019-0004.

ITI appreciates the administration’s focus on China’s unfair trade practices; however, the continued escalation of tariffs, including the recently proposed 25 percent tariffs on nearly \$300 billion worth of Chinese goods, accelerates harm to all American consumers, workers, and businesses - both large and small - with no negotiated outcomes to show for it. In this submission, ITI will highlight the harmful impact of the United States Trade Representative’s (USTR) proposed List 4 tariffs on American consumers, businesses, supply chains, and technological competitiveness. While ITI addresses several product lines in our comments, we do not support the imposition of tariffs on any of the proposed products, particularly as a method of resolving the issues identified through USTR’s Section 301 investigation.

Introduction

ITI represents over 65 of the world’s leading information and communications technology (ICT) companies. We promote innovation worldwide, serving as the ICT industry’s premier advocate and thought leader in the United States. ITI’s membership comprises top innovation companies from all corners of the technology sector, including hardware, software, digital services, semiconductor, network equipment, and internet, as well as “technology-enabled” companies that rely on ICT to evolve their businesses. Trade is critical to ITI members, while China, including its economic relationship with the United States, draws a great deal of attention.

Since the launch of USTR’s August 2017 investigation into China’s unfair trade policies and practices, ITI has supported the administration’s efforts to address the market access barriers and technology transfer pressures that our member companies face in China. USTR’s Section 301 report provides a comprehensive illustration of the policies, laws, regulations, and strategies that impede fair competition in China and enable coercive practices towards non-Chinese companies. We fully acknowledge that the U.S.-China bilateral trade relationship needs to be rebalanced; however, tariffs are not the appropriate policy tools to address the problems outlined in the Section 301 report. Further, tariffs have not proven effective in leading to a negotiated settlement with China or a change in unfair Chinese policies and practices. They have, however, placed a significant tax on consumers and businesses, creating a chain of negative consequences that ultimately have an adverse impact on American consumers, workers, businesses, and jobs.

Tariffs Are the Wrong Approach

Tariffs Stymie Employment and Curb Market Growth

Tariffs have proven to be counterproductive time and again throughout history and across numerous administrations. Even the limited 2002 steel tariffs enacted by President Bush led to the estimated loss of 200,000 American jobs and the loss of \$4 billion in wages¹. The 2009 tire tariffs, applied at different rates between 25 to 35 percent over three years under President Obama, cost American consumers over \$1.1 billion.² Notably, these tariffs were limited to certain targeted sectors and failed to achieve their intended aims in both instances. Imposing 25 percent tariffs on \$300 billion worth of imports across many sectors, as is proposed now, is unprecedented and would cause adverse effects on an unforeseen scale. The imposition of 25 percent tariffs on the 818 products in List 1, the 279 items from List 2, and the more than 6,100 products from List 3 have all disrupted the otherwise steady growth projections of U.S. jobs and the U.S. economy that we have observed so far under this administration.³

With existing tariffs already driving up prices, the threat of even more tariffs only creates new anxieties in the market at a time when many factories and small business owners have already been forced to significantly downsize or shutter their operations and have laid off hundreds of workers across the country.^{4 5}

Tariffs Create a Negative Chain Reaction

Consumer Products

While the administration has claimed to have taken steps to avoid placing tariffs on consumer products, there is simply no way to protect consumers from tariffs on \$300 billion worth of goods, now slated to increase to \$500 billion worth of goods. The imposition of 25 percent additional duties on List 4 products would cause direct, additional harm to U.S. consumers, cost U.S. jobs, and undermine U.S. technology companies in the intense competition for global leadership. Among other items, List 4 specifically affects the following final consumer tech-enabled products:

- Batteries, including lithium ion (8507.60.00)
- Flash and SD memory cards (8523.51.0000)
- Digital cameras (8525.80.40)
- Video game consoles, machines, and remotes (9504.50.0000, 8526.92.10)
- Lamps, including LED lamps (8539.29.30, 8539.29.40, 8539.50.00)

¹ http://www.tradepartnership.com/pdf_files/2002jobstudy.pdf

² <http://www.aei.org/publication/2009-tire-tariffs-cost-us-consumers-926k-per-job-saved-and-led-to-the-loss-of-3-retail-jobs-per-factory-job-saved/>

³ <https://www.scmp.com/news/world/united-states-canada/article/2144259/trumps-china-tariffs-risk-costing-134000-us-jobs>

⁴ https://www.washingtonpost.com/business/2018/07/30/after-trumps-farmer-bailout-manufacturers-ask-what-about-us/?noredirect=on&utm_term=.1e2c06d630d2

⁵ <https://www.nytimes.com/aponline/2018/08/07/us/ap-us-south-carolina-layoffs-tariffs.html>

- Discs, tapes, and sound recordings (8519.81.40, 8523.29.90, 8523.41.00, 8523.51.00, 8523.80.20)
- Laptops, tablets, music players, and other computing devices (8471.41.01, 8471.30.01, 8471.49.00)
- Smartphones (8517.12.00.50)
- Computer and television monitors, including smart TVs (8528.52.00, 8528.59.25, 8528.72.16, 8528.72.32, 8528.72.48, 8528.72.52, 8528.72.56, 8528.72.62, 8528.72.64, 8528.72.68, 8528.72.72, 8528.72.76, 8528.72.80, 8528.72.84, 8528.72.97)
- Set top boxes and reception apparatus (8525.50.1000, 8528.71.10, 8528.71.20, 8528.71.30, 8528.71.40, 8528.71.45)
- Keyboards (8417.60.20)
- Wired head/earphones (8518.30.20)
- Connected wireless devices (8517.62.0090)
- Plastic phone cases, covers, and other fittings (3926.90.9990)
- Speakers, smart audio, and subwoofers (8518.20.00, 8518.22.00, 8518.21.0000, 8518.10.8030)
- Print, copy, and fax machines, including inkjet and thermal printers (8443.31.0000, 8443.32.1010, 8443.32.1030, 8443.32.1040, 8443.32.1050, 8443.32.1080)
- Projectors (8528.62.00, 8528.69.15, 8528.69.25, 8528.69.35, 8528.69.40, 8528.69.45, 8528.69.50, 8528.69.55, 8528.69.60, 8528.69.70)
- E-readers (8543.70.87)
- Wall clocks (9105.21.80)
- Optical devices, appliances, and instruments (9013.80.90)
- Microphones (8518.10.80)
- Video recording and reproduction (8521.90.00)
- Education devices for children (8543.70.93)
- Digital still image video cameras (8525.80.40)

A 25 percent tariff would be one of the highest rates applied to these products globally and pose significant harm to American consumers, businesses, and public institutions. Many consumer electronics are already expensive. Adding tariffs to the cost of production – and ultimately, the consumer’s price – of these items runs counter to the administration’s objectives of making technology more accessible across the country. Tariffs on connected devices for example will cost U.S. consumers approximately \$3.2 billion more, according to the Consumer Technology Association.⁶ Tariffs will slow the spread of digital solutions, making the benefits of the information age less accessible to Americans, especially those in already underserved areas.

List 4 includes finished computing devices and accessories that are used widely in the workplace and in homes. Lists 1, 2, and 3 already placed duties on various types of computer monitors, screens, and networking equipment. Therefore, implementation of List 4 tariffs will mean that every single office and home computing machine from printers to standalone desktops to landline telephones – and even the cables that connect them – will become more expensive for all U.S. enterprises and consumers.

The proposed list also includes equipment for video games, a thriving industry in which millions of Americans partake. As with many other consumer electronics, tariffs on video game consoles and accessories will make the benefits of modern technology inaccessible for low income consumers driving

⁶ <https://www.cta.tech/News/Press-Releases/2018/August/CTA-Study-China-Tariffs-Will-Cost-the-U-S-Econom.aspx>

a decline in demand as well as a drive in overall inequality.⁷ Such a decline will have a significant negative impact across an ecosystem of independent developers that supports tens of thousands of jobs across the United States, and a broader video gaming industry that supports hundreds of thousands of U.S. jobs.

Some of the same components captured by List 4 relevant to the video game industry and network connectivity also factor into the design of augmented reality and virtual reality (AR/VR) products (8471.41.01, 8525.50.10, 8517.62.0090, and 9504.50.000). Tariffs on AR/VR products, which is still relatively new technology in the market, may stifle growth, diminish product adoption, and undermine companies' ability to invest and drive the industry forward. The duties would also have a significant negative impact on the highly-skilled U.S. workers who are employed in this nascent U.S. industry. It is a sensitive time for the industry as consumers decide whether to adopt this emerging technology. Industries across the U.S. are just beginning to adopt AR/VR products for use in advanced research, worker training, healthcare, commerce, communications, and many other high-value economic and social uses. If duties are imposed on U.S. companies' products, non-U.S. competitors would gain a significant competitive advantage in the U.S. market that would curtail industry leadership of the United States.

U.S. companies are competing among each other and with non-U.S. competitors to drive down prices for American consumers, enabling lower-income Americans to gain access to the internet through cutting edge mobile devices and smart tools. Mobile phones in particular are a daily necessity for Americans, and an increasing number of American households are buying connected devices that help to support energy efficiency and home security. Accordingly, these connected devices have become critical productivity tools for a wide range of industries such as agriculture, financial services, healthcare, manufacturing, and other key parts of the U.S. economy.

Many U.S. consumer hardware firms –and almost all U.S. phone, tablet, and e-reader producers – are already heavily invested in current production cycles for the critical fall sales season. Shifting production for this cycle to a new location is no longer feasible. Moreover, in the low-margin and high-risk consumer hardware business, few if any U.S. firms would be able to absorb a 25 percent surcharge on products without losing significant market share to foreign competitors. The reality is that many smaller U.S. firms in these sectors would simply go out of business, while larger firms would become less competitive globally in the fast-moving tech sector.

Components

List 4 includes a massive number of components, which ultimately would affect final consumer products as well as industrial inputs and technological infrastructure, such as:

⁷ <https://www.bloomberg.com/news/articles/2019-05-14/trump-s-china-tariffs-hit-america-s-poor-and-working-class-the-hardest>

- Printer and fax machine parts, including ink and toner cartridges (8443.99.50, 8443.99.25)
- Laptop and computing parts (8471.60.9050)
- Data transmission and processing parts (8517.70.00)
- Printed circuits (8534.00.0080)
- Camera strobes and flash accessories (9006.61.0020, 9006.99.00)
- Opto-electronically displayed watches (9102.91.20)
- Rubber fittings (4009.12.00)
- Metal mountings, fittings, and other components (7306.40.50, 7318.16.00, 7606.12.30, 7609.00.00, 8301.10.40, 8301.40.60, 8301.60.00, 8302.42.30, 8302.42.60)
- Solid state drives (8523.51.00)
- Tape libraries (8523.29.10)
- Sound recording and reproduction apparatuses (8519.89.30, 8527.91.60)
- Watch bands (9113.30.40.00, 9113.90.40.00, 9113.90.80.00)
- Hygrometers and related measurement instruments (9025.80.35, 9026.20.80, 9026.80.60)
- TV reception apparatus (8528.72.08)

Impact on Community Services, Jobs, and Connectivity

Tariff Lists 1, 2, and 3 already target a number of products and inputs key to the provision of basic health, emergency, educational, and community services. List 4 has increased the likelihood that such basic community services would become more expensive, directly harming American citizens. Not only would List 4 impose new tariffs on essential final products like laptops, computers and monitors, tablets, desktops, smartphones, and keyboards, but it would also place tariffs on common replacement parts and components such as solid state drives (8523.51.00), which store device data.

Because of the broad nature of List 4's proposed tariffs, there would inevitably be costs to the U.S. services sector and a rise in prices of essential technologies for daily business operations. These services and technologies are used every day by healthcare providers, emergency responders, and communities across the nation to enable cost-effective and efficient operations that support numerous critical aspects of Americans' lives, and have implications well beyond price increases at the checkout counter. Educational institutions, which are already beleaguered by budget restrictions and significant resource needs, would suffer from increased costs on computing hardware, software, and telecommunications services. Schools and libraries are looking increasingly to modernize their systems, acquire up-to-date hardware, and incorporate new digital solutions into their operations to stimulate and facilitate learning and increase efficiency. Tariffs would make these improvements far less accessible at a time when public school systems across the country are already struggling to meet operational costs.

Households, businesses, farmers, and community service providers rely on computing, telecommunications products, and the internet every day. Lists 1 and 2 have added costs to essential computing and telecommunications hardware like optical fiber cables, which allow for faster data transmission speeds for high-performance networking and greater bandwidth. List 3 placed tariffs on communications equipment and components of data centers, making all digital connections more expensive. List 4 would further increase costs by placing tariffs on data transmission and processing parts (8517.70.00), which are key components in networking

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equipment, smartphones, laptops, tablets, and everyday consumer electronics. Without these products, the 350 million plus wireless device users in the United States would not be able to make or receive calls, send or receive data, or send or receive video

Tariffs and the Global Supply Chain

ITI understands that the administration is hopeful that companies will be able to source products from outside of China – and ideally from the United States – as a means of avoiding costs associated with tariffs. However, this aspiration fails to account for the realities of the global marketplace. Companies distribute their operations globally in order to produce goods and deliver services cost effectively, which results in lower prices for consumers. While companies in various sectors do source components from some countries in South and Southeast Asia, China has long been a reliable supplier with a solid understanding of components, products, and processes to make for a sophisticated set of business operations along with unmatched capacity. The fact is practically no electronic devices can be made entirely within the United States; to the extent U.S. companies manufacture domestically, some components must be sourced from overseas.

The notion that product component supply lines can be shifted overnight overlooks, or ignores, the complexity and interconnectedness of the global supply chain. Such a notion also discounts the market reality that U.S. companies must sell products and services globally in order to remain competitive, and they must manage modern supply chains in order to maximize time-to-market advantages. Companies often spend months negotiating contracts with suppliers, analyzing their components and then deciding how to assemble and test products in the most cost-effective ways, customized for specific regions of the world. Terminating a relationship with a supplier and establishing a contract with another of equal quality (assuming one exists) typically results in significant costs associated with shifting capital and workers. In these situations, market share could be lost and never regained. From a security perspective, companies spend years, if not decades, putting strict security measures in place to ensure that they maintain control of product supply lines and facilities and have experienced company experts in place to oversee operations. This type of complex operation cannot be moved easily without potentially introducing new and uncertain factors into supply chain security.

Disrupting supply lines would in turn decrease U.S. exports of finished products if companies opt to shift products to a foreign country for final assembly and export in order to avoid a tax upon import into the United States. For many companies, especially small businesses, it is not realistic to source components from the United States or from third countries outside of China, as the necessary production facilities do not currently exist. For instance, very few components of a phone are assembled in a fully automated way, so a U.S. producer cannot simply move equipment to another factory and immediately restart production. This is also true for new emerging technologies like AR/VR and connected devices, like tablets, smart speakers, and e-readers. To create such facilities would be resource-intensive, with a minimum of one to two years to establish such operations and draining capital that U.S. companies could otherwise invest in R&D and creating additional U.S. jobs. Establishing operations is not just the building of a facility, but also includes training new employees, reengineering an assembly line, installing new logistics networks, locating new sourcing, establishing new contracts, and finding new partners who are less familiar and likely less adept. In addition, given the cutting-edge and rapidly changing nature of AR/VR products, the resultant delay in bringing new U.S. products to the market would be extremely harmful for U.S.

competitiveness. This harm, in turn, would benefit Chinese companies in these industries to be more competitive, contrary to the goals of the Section 301 investigation.

The global supply chain not only affects the assembly of new products but also repair and remanufacturing. As of 2012, the U.S. was the largest producer, consumer, and exporter of remanufactured goods – a key component of U.S. economic leadership.⁸ Remanufacturing all manner of goods supports the U.S. economy, creates American jobs, and benefits the environment. This is particularly necessary for small business owners who can reduce equipment costs, as well as for consumers who can purchase refurbished goods at lower prices. U.S. small- and medium-enterprises (SMEs) account for 36 percent of U.S. remanufacturing employment and 25 percent of U.S. production of remanufactured goods.⁹ A great deal of companies' remanufacturing and repair occurs within the United States. Remanufacturing relies heavily on the shipment of parts around the world to be distributed for repair and remanufacture, parts that are often sourced from China. Equipment can also be shipped back to China for the purpose of remanufacture with readily available facilities in the country. The equipment can then be shipped back to the U.S. before being exported elsewhere. Just as the global supply chain for manufacturing new products is incredibly complex, so too is the remanufacturing supply chain. U.S. products are frequently shipped from China as one step in the remanufacturing process, even though these products are largely "American made" in their origins and innovative value. Routing these products to an economy other than China would only make otherwise cost-efficient practices more expensive and potentially reduce economic resilience and leadership in the long-term.

The Impact of Retaliation & Government Protection

China is clearly willing and able to respond with retaliatory tariffs, as it has demonstrated through tariffs on 545 U.S. products, targeting agriculture, manufacturing, and automobiles as a response to List 1 tariffs; a list of 114 items in response to List 2 that including chemicals, oil and gas products, and medical devices; and finally, in list of 5,200 products responding to List 3 tariffs that focused on American chemicals, metals, meats, and fabrics, but also included important ICT products such as semiconductors, sensors, and computing devices. While China imports fewer U.S. products and thus has fewer products upon which to apply tariffs, China can employ other regulatory and investment restrictions as a means of retaliating against U.S. actions.

Given the Chinese government's broad authorities and willingness to exercise industrial policy, China can also introduce other measures to subsidize losses as well as further limit market access or market participation of U.S. companies selling products and services in China. Indeed, we are already seeing China mirror recent U.S. policies, including the introduction of China's Unreliable Entities List and the potential introduction of restrictive foreign investment and export control laws. In effect, Chinese companies may bear some of the burden of tariffs in the short term and ultimately emerge unscathed in the long term as a result of China's industrial policy supporting impacted sectors and manipulating the market. The same cannot be said of the United States, where the U.S. government cannot and should not subsidize affected companies in the same manner that the Chinese government has signaled it will do. Even if the U.S. government does

⁸ <https://www.usitc.gov/publications/332/pub4356.pdf>

⁹ https://static1.squarespace.com/static/59544a94b8a79b397110a39a/t/5a7477140d9297e98a62edb6/1517582158332/Accelerating+growth+of+the+US+remanufacturing+industry_a+stakeholder+guide.pdf

choose to subsidize industries, it is not a sustainable long-term solution, nor can it adequately compensate for the loss of jobs, market share, and potential growth sacrificed through tariff imposition. The U.S. government also cannot effectively assist in renegotiating supplier contracts, making it difficult to impossible to mitigate the negative consequences of tariffs on consumers and business. Moreover, the breadth of the proposed \$300 billion worth of tariffs spans across nearly every industry in the United States, making any moves to subsidize or assist affected sectors extremely difficult.

Should List 4 tariffs be implemented, the rise in production costs and consumer prices alone will have a deep negative impact on the U.S. economy. We have already seen market growth projections and many small businesses suffer from the imposition of List 3 tariffs and their May 10 escalation from 10 to 25 percent.¹⁰ These are neither short-term nor minor impacts. They are self-inflicted wounds that will have lasting negative consequences for consumers, the economy, and U.S. technological competitiveness. Before pursuing further duties on imports, we urge the administration to carefully examine the effect of tariffs it has already implemented and measure how these actions have achieved the objectives of the 301 investigation.

Jeopardizing America's Technological Future and Competitiveness

The U.S. must invest in its own future as a means of maintaining its competitive edge. Serious investment in science and technology is also a proactive method to retain global U.S. leadership in ICT, enabling it to combat objectionable Chinese trade and cybersecurity practices. Making the technologies that support and enable innovation more expensive via tariffs has the perverse impact of disadvantaging American workers, researchers, companies of all sizes, and students that the United States relies on to ensure that the United States can remain technologically and economically competitive in the years to come.

Tariffs have already exacted a severe toll on many American small businesses and startups in ways that may have a critical long-term impact, such as diverting resources from important research & development (R&D).¹¹ Continued R&D activities are critical to American economic and technological competitiveness and leadership. The U.S. tech sector was in many ways born from startups and small businesses that operated in an environment ripe with opportunity and encouragement to engage in cutting-edge research. At a time when the United States should be focused on supporting and enabling these economic engines of the U.S. economy, these tariffs serve to restrict opportunities for small businesses by limiting their ability to research and stifling the next generation of technologies such as 5G, AI, and IoT. Developing solutions through emerging technologies and maintaining affordable research facilities, equipment, and research is vital to American competitiveness in the information age. In short, the vibrant American ecosystem for innovation is what has enabled a net surplus in its services trade and boosted its global economic leadership. The U.S. tech industry needs serious investment, not tariffs, to continue to make gains in innovation.

¹⁰ <https://tradepartnership.com/wp-content/uploads/2019/02/All-Tariffs-Study-FINAL.pdf>

¹¹ <https://www.cnbc.com/video/2019/01/23/cisco-ceo-china-tariffs-will-lead-to-rd-cuts.html>

Given the U.S. desire to lead in the development of 5G technology, tariffs on such a broad category of devices essential for the deployment of next generation networks would result in a significant setback for U.S. technological development and leadership. Additionally, critical sectors of the global economy such as transportation, health care, and education are preparing for a digital transformation via 5G that will not only provide stronger and faster connectivity but also drive cutting-edge emerging technologies related to the Internet of Things (IoT), machine learning, and artificial intelligence (AI). Enabling innovation in these fields will increase American competitiveness in emerging technologies, supporting U.S. security objectives.

Trade policies that increase the cost of deploying networks will discourage rapid, ubiquitous deployment of 5G and put the U.S. at a disadvantage in the 5G and broader technological race. The imposition of duties on ICT products would likely affect the pace of American digitalization and technology-based innovation. In order for the U.S. to retain global leadership in 5G deployment it is critical that 5G can be affordably and widely deployed to allow all sectors, as well as both rural and urban Americans, to reap the benefits of increased connectivity, efficiency, and business competitiveness. Given the potential benefits of 5G, governments across the globe are racing to deploy 5G networks, with the U.S. and China currently in the lead. In placing tariffs on related ICT products, the U.S. may inadvertently cede the race for 5G to China by obstructing deployment of the technology.

The United States must be prepared to compete and maintain comparative advantages in out-innovating and outrunning China. Regardless of whether China plays by the rules or not, Chinese inventors, entrepreneurs, and businesses will continue innovating and will close the technological gap between the U.S. and China if the U.S. does not take the necessary proactive steps to stay ahead. While U.S. companies of course want a level playing field, the United States must also step up its game. The United States still has four times the researchers per million people than China, but China is making a concerted and strategic effort to invest and plan for its economic and technological future. The same cannot be said of the United States; in fact, U.S. federal research & development spending has dropped to an all-time low.¹² [The U.S. spent nearly \\$477 billion](#) on R&D in 2016, about 2.7 percent of GDP. Meanwhile, China is quickly catching up by dedicating 2.2 percent of GDP to R&D in 2016, a number that continues to go up.¹³ According to [the World Economic Forum](#), China had 4.7 million recent STEM graduates while the United States had 568,000 graduates in 2016. In 2017, China accounted for 48 percent of the total global investment in AI startup funding, while the U.S. accounted for 38 percent. In monetary terms, China invested \$7.3 billion in AI while the U.S. invested \$5.77 billion.¹⁴ China is on track to outpace the United States in a number of ICT-related areas. For example, according to a 2018 International Data Corporation report, the U.S. will spend \$22 billion on smart city development this year. China is close behind with projected spending at \$21 billion.¹⁵

In order to compete effectively, the U.S. government should consider formulating its own strategy and objectives for U.S. competitiveness in the long-term, working closely with industry to identify areas of opportunity and research as well as the best ways to craft policies for the future. ITI and its

¹² <https://www.aip.org/fyi/2016/us-rd-spending-all-time-high-federal-share-reaches-record-low/>

¹³ <https://data.worldbank.org/indicator/GB.XPD.RSDV.GD.ZS>

¹⁴ <https://www.technologyreview.com/the-download/610271/chinas-ai-startups-scored-more-funding-than-americas-last-year/>

¹⁵ <https://www.techrepublic.com/article/smart-cities-expected-to-invest-80b-in-technologies-in-2018/>

members welcome the administration’s continued leadership on science and technology policy, particularly in strategic emerging technologies. We urge the Administration not to jeopardize continued U.S. leadership in the hope that tariffs will pay off.

Conclusion

Market access and technology transfer issues in the Chinese market are complex problems that require a strategic, nuanced, and long-term approach. USTR has appropriately identified the problems of greatest concern to the ICT sector and documented them comprehensively. ITI and its members stand ready to assist the administration in its pursuit of fair trade with China, and we emphasize the need for a concerted approach between government and industry that is transparent and consistent.

The continued implementation of tariffs hurts the American consumer and economy, while creating significant business uncertainties from how companies distribute products and services to hiring decisions and new investments. For American businesses to remain competitive and continue innovating in the future, they need a stable business environment that includes a stable U.S.-China relationship. We urge the administration to return to the negotiating table and secure a deal with China that addresses long-standing issues and establishes a lasting foundation for fair, improved trade practices.