

July 23, 2018

ELECTRONIC SUBMISSION TO <http://regulations.gov>

Ambassador Robert E. Lighthizer
U.S. Trade Representative
Office of the United States Trade Representative
600 17th Street NW
Washington, DC 20508

**Re: Consumer Technology Association
Public Comment on Federal Register Docket Number USTR-2018-0018**

Dear Ambassador Lighthizer:

The Consumer Technology Association (CTA) hereby submits its comments to the Office of the United States Trade Representative (USTR) on the additional proposed tariffs pursuant to Annex C of USTR's Notice of June 20, 2018 (Annex C)¹ issued as part of the follow-up actions from the Section 301 Investigation against China's discriminatory acts, practices and policies regarding intellectual property.

CTA appreciates the administration's removal of various items from its original list of proposed tariffs in response to concerns expressed by CTA and other commenters.² CTA also appreciates that the administration accounted for the concerns of our member companies about China's practices, submitted in CTA's comments³ to USTR on the Section 301 Investigation of China.⁴

However, as stated in our earlier submissions and testimony regarding the investigation and proposed tariffs, CTA remains categorically opposed to the use of tariffs to address inequity in the trade relationship with China. Tariffs raise prices for American manufacturers and consumers, generate business uncertainty, and create long-term negative consequences to the U.S. economy.

¹ Notice of Action and Request for Public Comment Concerning Proposed Determination of Action Pursuant to Section 301: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation, 83 Fed. Reg. 28710 (June 20, 2018).

² **Attachment 1**, Comment of CTA to Docket No. USTR-2018-0005.

³ **Attachment 2**, Comment of CTA to Docket No. USTR-2017-0016.

⁴ See OFFICE OF THE U.S. TRADE REPRESENTATIVE, FINDINGS OF THE INVESTIGATION INTO CHINA'S ACTS, POLICIES, AND PRACTICES RELATED TO TECHNOLOGY TRANSFER, INTELLECTUAL PROPERTY, AND INNOVATION UNDER SECTION 301 OF THE TRADE ACT OF 1974 at 39, 40, 43, 179, 180 (citing CTA's submission).

Mirroring our comments on the original list of proposed tariffs, CTA believes that tariffs on the additional products listed in Annex C will not reduce China's harmful trade practices and will instead do damage to U.S. interests. CTA provides specific comments on 54 line items, identified in **Appendix A**, which will cause disproportionate harm to our member companies. CTA requests those items be removed from the Annex C proposed list. The import value of Chinese products under these codes amounts to \$9.8 billion (2017).

This submission proceeds as follows: **Section I** provides background on CTA and our member companies; **Section II** outlines how the proposed tariffs negatively impact CTA member companies; **Section III** explains the proposed tariffs will be ineffective to obtain elimination of China's acts, policies and practices; **Section IV** explains the proposed tariffs will further cause disproportionate harm to U.S. businesses and consumers; and **Section V** provides our conclusion and recommendation. **Appendix A** identifies each HTSUS code for which CTA requests removal from the list of products subject to additional duties, as well as comments from CTA and our member companies providing our rationale as to why increased tariffs on that product will be ineffective to achieve USTR's stated policy goals and cause disproportionate harm to U.S. interests.

Attachment 1 provides, for ease of reference, CTA's prior submission to USTR on its April 6, 2018 *Federal Register* notice requesting comments on the original list of tariffs proposed as a result of the Section 301 Investigation. **Attachment 2** provides, for ease of reference, CTA's prior submission to USTR on its August 24, 2017 *Federal Register* notice requesting comments on China's acts, policies and procedures related to technology transfer, intellectual property. **Attachment 3** presents a second joint CTA/NRF study entitled, *Tariffs on Imports from China: Estimated Impacts on the U.S. Economy*.

I. Background on Consumer Technology Association

CTA is the trade association representing the \$351 billion U.S. consumer technology industry, which supports more than 15 million U.S. jobs. More than 2,200 companies—80 percent are small businesses and startups; others are among the world's best known brands—enjoy the benefits of CTA membership including policy advocacy, market research, technical education, industry promotion, standards development and the fostering of business and strategic relationships. CTA also owns and produces CES[®], the world's gathering place for all who thrive on the business of consumer technologies. Profits from CES are reinvested into CTA's industry services.

II. The Proposed Tariffs Negatively Impact CTA Members

The United States' overall trading relationship with China is fundamentally important to CTA's members, who rely on the global supply chain—including China—to be competitive in the modern economy. CTA member companies have expressed opposition to tariffs in a multitude of ways, including contacting USTR, using social media, engaging strategic coalitions of concerned industries and communicating with their elected officials.

Of the 284 proposed products in Annex C to receive tariffs of an additional 25 percent, CTA members identified 54 products they import from China which would disproportionately impact their businesses. CTA requests removal of these codes from the proposed list. These codes are identified and discussed in detail in **Appendix A**. The import value of Chinese products under these codes amounts to \$9.8 billion (2017).

Of the companies that responded to CTA's internal survey requesting information on the economic and operational impact of the proposed tariffs, 79 percent are small businesses. Of those small businesses, four out of five say they either cannot switch their sourcing from China to another country or cannot do so without a costly disruption to their business. Of those CTA members that can potentially switch sourcing, the majority find it economically or otherwise impractical to consider shifts to the United States.

CTA members report concerns about the impact of tariffs on their supply chains and their ability to deliver the quality products desired by U.S. consumers. As with USTR's original list of tariffs imposed under Section 301 via Annex A in the June 20 Notice, our members remain concerned that the proposed additional tariffs will:

- Put their businesses at a disadvantage relative to their competitors in other nations who can continue importing critical components from China at a fraction of the cost;
- Increase the costs of technology products used by U.S. businesses, workers, and consumers across every sector; and
- Raise the cost of living for most Americans, particularly given the enhanced risk of retaliatory tariffs by China.

III. The Proposed Tariffs will be Ineffective to Obtain Elimination of China's Discriminatory Acts, Policies and Practices related to Intellectual Property

American companies doing business in China often face limitations, including ambiguous and ever-changing regulations and a lack of clarity in Chinese law, many of which USTR specifically addressed in its Report on the Section 301 Investigation. But CTA has long argued that actions taken to address inequity in the trade relationship with China should not include tariffs that will harm our own economy. Indeed, the retaliation already promised by China on U.S.-origin products will create a dangerous race to the bottom in the world trading system, wreaking havoc on global supply chains. The resulting economic harm risks destroying up to 455,000 U.S. jobs and reducing U.S. GDP by \$49 billion.⁵ More, the ongoing cycle of bilateral retaliations between the U.S. and China often has detrimental effects on U.S. companies, who see retaliation in the form of regulatory delay and stalled opportunities. CTA members have been hurt by these tariff-related actions.

A better approach is to promote and encourage innovation and technological progress here in the United States. Appropriate laws, regulations, and deregulation at both the state and

⁵ Attachment 3, at 3, 10.

federal levels will help U.S. companies strengthen their comparative advantage in technological innovation vis-à-vis China and the rest of the world.

For example, CTA encourages the administration to better promote existing trade tools and enforcement programs so that U.S. companies can understand the many avenues already available to obtain trade assistance. Many of these programs—such as Section 337, online resources like “StopFakes.gov,” and in-person international assistance at U.S. embassies via the Foreign Commercial Service—are not widely known, especially among small and medium-sized companies.

Section 337 investigations by the U.S. International Trade Commission are a heavily-used mechanism that has brought much relief to U.S. companies in the areas of patent infringement and other unfair trade practices involving imported products. Two of CTA’s larger member companies, Canon U.S.A. Inc. (and its affiliates) and HP Inc., have successfully used Section 337 to obtain general exclusion orders against Chinese manufacturers, distributors and sellers of toner cartridges and photosensitive drum units that infringe Canon patents, and of inkjet printer cartridges that infringe HP patents. Focused and aggressive use of such laws, combined with cooperative efforts with U.S. Customs and Border Protection, is far more effective against discriminatory Chinese acts, policies, and practices than the imposition of broad-based tariffs. These programs ensure investments in intellectual property stay in the hands of U.S. companies and reduce the unfair advantage of Chinese companies. The proposed tariffs would have the opposite effect on intellectual property owners such as Canon and HP. The tariffs are an indirect and blunt tool that would saddle U.S. companies and consumers with the costs, not China. This is especially unfair for those companies already actively engaged in efforts using other legal means to combat Chinese patent infringers and counterfeiters.

Rather than imposing self-harming tariffs, CTA prefers to see the administration engage diplomatically with China alongside our international allies who are also injured by China’s unfair trade practices. Diplomatic engagement can address the concerns of governments and industries in a trade-neutral fashion. Key priorities for these efforts should include: clarification and increased transparency in Chinese IP laws; continued implementation of China’s specialized and unified IP court system; encouragement of innovation with progressive rather than protectionist laws; increased legal and regulatory due process; increased fines for IP violations; and increased enforcement activities, including joint or plurilateral programs.

USTR has recognized the value of diplomacy by filing a World Trade Organization (WTO) request for consultations with the Chinese government as part of its Section 301 actions to directly address Chinese laws that discriminate against foreign intellectual property rights holders and fail to ensure full patent rights for foreign patent holders. This is a welcome step in the right direction. In contrast to unilateral tariffs, the WTO is an effective forum in which to engage China on trade and investment concerns, including technical barriers to trade, intellectual property rights and the discriminatory treatment of goods and services. Multilateralism is effective, and the United States should use the WTO platform to engage our trading partners in the fight for fair trade rules with China.

CTA stands willing to help in such multilateral efforts. CTA has a rich history of working with our member companies on U.S. patent reform, and with sister organizations in foreign jurisdictions on similar issues. Modernizing China's patent system would not only create a fairer trade environment, it would also save our innovative companies years of lost production and significant costs on litigation by addressing IP challenges now.

Continuing to negotiate and enter into strategic trade agreements will also aid U.S. competitiveness. President Trump's willingness to reconsider membership in the Trans-Pacific Partnership (TPP) was positively received within the technology industry and would allow the United States to shape a world trading system in line with America's values, interests, and priorities.

TPP would benefit the U.S. technology industry with the most advanced digital provisions ever set forth in a trade agreement, including rules against forced data localization and balanced copyright provisions that help innovations flourish. Because China is not a member of the TPP, involvement would give U.S. companies a competitive edge in the region relative to China. More, China has indicated it aspires to join the TPP. In that event, TPP members would determine the terms of engagement—a negotiation the United States should not miss. As with the TPP, the Trade in Services Agreement (TiSA) can also be used as a counterbalance to China's influence—the United States has a growing services trade surplus with China.⁶

IV. The Proposed Tariffs Cause Disproportionate Harm to U.S. Businesses and Consumers

Administration officials have stated the proposed tariffs should have little negative impact on American business and consumers, but two studies commissioned by CTA and NRF from Trade Partnership Worldwide tell a more troubling story.

Our study on the overall economic impacts of the tariffs (**Attachment 3**) finds the administration's proposed tariffs on \$50 billion of Chinese imports, coupled with retaliation promised by China, will reduce U.S. gross domestic product (GDP) by nearly \$3 billion and destroy 134,000 American jobs.⁷ Four jobs will be lost for every job gained.⁸

The study warns that imposing tariffs on an additional \$100 billion of Chinese imports will come at an even higher cost to the U.S. economy – destroying 455,000 jobs and reducing GDP by \$49 billion.⁹ Even the best case scenario, assuming no Chinese retaliation, will result in a net loss of more than 76,000 jobs and a \$1.6 billion drop in GDP.¹⁰

⁶ U.S.-China Trade Facts, <https://ustr.gov/countries-regions/china-mongolia-taiwan/peoples-republic-china>.

⁷ **Attachment 3**, at 9.

⁸ *Id.*, at 1, 10.

⁹ *Id.*, at 2, 10.

¹⁰ *Id.*, at 8.

The ten states that will suffer the highest job losses are Florida, California, Texas, Washington, New York, Georgia, Missouri, Pennsylvania, North Carolina and Ohio.¹¹ That said, Job loss is expected in every state, mostly for less-skilled workers.¹² More, the tariffs will significantly reduce the economic benefits of the administration's recent tax reform and deregulatory efforts, bringing uncertainty to U.S. businesses and devastation to workers in key states.

The tariffs will also harm millions of U.S. businesses and workers across every sector that use innovative technology products to increase productivity, as well as consumers who depend on connected devices to access the internet on a daily basis. China is the exclusive or primary manufacturer of a range of goods that Americans enjoy every day, from cell phones to household goods. Tariffs on these products will put consumers at risk of price increases on numerous consumer goods, raising most Americans' cost of living. Tariff-driven price increases will boost inflation, and the impact will fall disproportionately on older and lower-income Americans who are more likely to rely on lower-cost Chinese imports.

Ironically these tariffs will harm the very industries they seek to protect, all while failing to influence China's behavior or help the administration's stated goal of eliminating China's discriminatory trade practices.

For example, the thermometer tariff line (HTS 9025.19.80) covers a broad range of consumer goods, negatively impacting nearly every American household. The common consumer products covered include products like outdoor thermometers, kitchen meat thermometers, digital thermometers that parents use for their children, and temperature sensors used in household thermostats.

Americans purchase 17 million thermostats each year to help manage energy costs, and thermostats are already subject to a 25% tariff (which took effect on July 6). Tariffs on thermostats will hurt U.S. consumers by imposing a double burden of (1) higher prices on a consumer necessity, and (2) higher energy bills because consumers will be less able to afford energy-efficient smart thermostat systems. Tariffs will also harm the retailers who sell these consumer goods, as well as the small businesses who install thermostat systems.

A similar case can be made against the proposed tariffs on motion sensors (HTS 8543.70.45), a product which comprises a core part of home security systems that millions of Americans purchase to enhance household safety. U.S. sales of motion sensors and home security systems reached \$4.69 billion in 2017. As with thermometers, tariffs on motion sensors will subject U.S. consumers to higher prices and compromise household safety. These tariffs will likewise hurt the retailers and small business installers who sell and install home security systems by increasing prices and depressing demand. The proposed tariffs on thermometers and motion sensors thus contradict USTR's stated aim in the product selection process of avoiding goods "commonly purchased by American consumers." More, thermometers and motion sensors

¹¹ *Id.*, at 11.

¹² *Id.*

are not products targeted in China's Made in China 2025 plan, and not part of China's core industrialization strategy.

As an additional example, the Annex C list is heavy in both semiconductors and the machinery that makes them. China represents just 5% of the global semiconductor market, but the United States is the world's market share leader. Most semiconductors which the U.S. imports were actually made in the United States, shipped to China for final, low-end assembly and packaging, and then shipped back to the United States. Tariffs placed on the equipment used to manufacture semiconductors therefore impose a double cost for semiconductor companies that manufacture in the United States and employ hundreds of thousands of Americans.

Costs of tariffs on these items would be passed downstream to other American companies and sectors, exacerbating costs all along supply chains. As costs on key components rise, the inputs for small companies manufacturing in the United States will threaten their business models and competitiveness. In sum, the tariffs would penalize the U.S. semiconductor industry while failing to curtail discriminatory trade and unlawful IP practices outlined in the 301 investigation.

V. Conclusion & Recommendation

CTA urges USTR to engage China on specific, concrete issues to achieve the elimination of its laws and regulations that discriminate against U.S. businesses. The administration has unique opportunities to leverage multilateral action, join strategic trade agreements and aggressively promote existing enforcement programs, all of which will disincentivize China's troubling trade behavior without risking the economic future of U.S. companies and workers. More, the administration is in danger of harming the very industries it seeks to protect by the imposition of the proposed tariffs. The administration is increasingly placing companies in a position of double jeopardy by placing tariffs on their own products while simultaneously disincentivizing manufacturing in the United States by placing tariffs on needed machinery.

In formulating responses to China's unfair and discriminatory trade practices, the U.S. government should avoid punitive tariffs which harm the American economy and disproportionately burden U.S. businesses and consumers. The administration must also avoid ad-hoc retaliatory measures, which would severely and detrimentally affect the U.S. technology industry with its inherently global and interconnected supply chains. Given the significant U.S. services trade surplus with China, the administration should adopt policies with China that push for greater transparency, competition and open markets, while resisting the imposition of taxes and trade barriers that would harm American interests.

A trade war based on increasing tariffs will hurt both the United States and China, and both businesses and consumers. Such a trade war would have no winners—our markets would tumble, inflation would rise and Americans would suffer economically. While China's trade behavior is troubling, diplomacy through constructive bilateral, plurilateral or multilateral processes can achieve the desired objectives without the disproportionate harm to U.S. businesses and consumers.

Best regards,

A handwritten signature in black ink, appearing to read "Gary Shapiro".

Gary Shapiro
President and CEO
Consumer Technology Association™

A handwritten signature in black ink, appearing to read "E. Sage Chandler".

E. Sage Chandler
Vice President, International Trade
Consumer Technology Association™

APPENDIX A

HTSUS 8-Digit Heading	Product Description	Rationale for Recommending Removal from Proposed Tariff List
34039900	Lubricating preparations (incl. lubricant-based preparations), nesoi	Highlighted by CTA member company as critical to their business. These products are not targeted in China's Made in China 2025 plan, and not part of China's core industrialization strategy.
39019090	Polymers of ethylene, nesoi, in primary forms, other than elastomeric	Highlighted by CTA member company as critical to their business.
39031900	Polystyrene, other than expandable, in primary forms	Highlighted by CTA member company as critical to their business.
39100000	Silicones in primary forms	Highlighted by CTA member company as critical to their business. The impact of the inclusion of this HTS code falls greatest on CTA members who are chipmakers.
39131000	Alginic acid, and its salts and esters, in primary forms	Highlighted by CTA member company as critical to their business. These products are not targeted in China's Made in China 2025 plan, and not part of China's core industrialization strategy.
39172300	Tubes, pipes and hoses, rigid, of polymers of vinyl chloride	Highlighted by CTA member company as critical to their business. These products are not targeted in China's Made in China 2025 plan, and not part of China's core industrialization strategy.
39173100	Flexible plastic tubes, pipes and hoses, having a minimum burst pressure of 27.6 Mpa	Highlighted by CTA member company as critical to their business. These products are not targeted in China's Made in China 2025 plan, and not part of China's core industrialization strategy.
39173200	Tubes, pipes and hoses, of plastics, other than rigid, not reinforced or otherwise combined with other materials, without fittings	Highlighted by CTA member company as critical to their business. These products are not targeted in China's Made in China 2025 plan, and not part of China's core industrialization strategy.
39174000	Fittings of plastics, for plastic tubes, pipes and hoses, nesoi	Highlighted by CTA member company as critical to their business. These products are not targeted in China's Made in China 2025 plan, and not part of China's core industrialization strategy.

39191010	Self-adhesive plates, sheets, other flat shapes, of plastics, in rolls n/o 20 cm wide, light-reflecting surface produced by glass grains	Highlighted by CTA member company as critical to their business. These products are not targeted in China's Made in China 2025 plan, and not part of China's core industrialization strategy.
39191020	Self-adhesive plates, sheets, other flat shapes, of plastics, in rolls n/o 20 cm wide, not having a light-reflecting glass grain surface	CTA member company imports items under this code because there is no U.S. production and it would not be able to switch sourcing. These products are not targeted in China's Made in China 2025 plan, and not part of China's core industrialization strategy.
39199050	Self-adhesive plates, sheets, other flat shapes, of plastics, not having a light-reflecting surface produced by glass grains, nesoi	CTA member company imports items under this code because it is unaware of any U.S. production and it would not be able to switch sourcing. These products are not targeted in China's Made in China 2025 plan, and not part of China's core industrialization strategy.
39201000	Nonadhesive plates, sheets, film, foil and strip, noncellular, not reinforced or combined with other materials, of polymers of ethylene	Highlighted by CTA member company as critical to their business. These products are not targeted in China's Made in China 2025 plan, and not part of China's core industrialization strategy.
39202000	Nonadhesive plates, sheets, film, foil and strip, noncellular, not reinforced or combined with other materials, of polymers of propylene	Highlighted by CTA member company as critical to their business. These products are not targeted in China's Made in China 2025 plan, and not part of China's core industrialization strategy.
39204900	Nonadhesive plates, sheets, film, foil, strip, noncellular, not combined w/other materials, of polymers of vinyl chloride, < 6% plasticizers	Highlighted by CTA member company as critical to their business. These products are not targeted in China's Made in China 2025 plan, and not part of China's core industrialization strategy.
39206200	Nonadhesive plates, sheets, film, foil and strip, noncellular, not combined with other materials, of polyethylene terephthalate	Highlighted by CTA member company as critical to their business. These products are not targeted in China's Made in China 2025 plan, and not part of China's core industrialization strategy.
39206900	Nonadhesive plates, sheets, film, foil and strip, noncellular, not combined with other materials, of polyesters, nesoi	CTA member company imports items under this code because it is unaware of any U.S. production and it would not be able to switch sourcing. These products are not targeted in China's Made in China 2025 plan, and not part of China's core industrialization strategy.

39211100	Nonadhesive plates, sheets, film, foil and strip, cellular, of polymers of styrene	Highlighted by CTA member company as critical to their business. These products are not targeted in China's Made in China 2025 plan, and not part of China's core industrialization strategy.
39211900	Nonadhesive plates, sheets, film, foil and strip, cellular, of plastics nesoi	CTA member company imports items under this code because it is unaware of any U.S. production and it would not be able to switch sourcing. These products are not targeted in China's Made in China 2025 plan, and not part of China's core industrialization strategy.
39211211	Nonadhesive plates, sheets, film, foil, strip, cellular, of polymers of vinyl chloride, with man-made textile fibers, over 70% plastics	Highlighted by CTA member company as critical to their business. These products are not targeted in China's Made in China 2025 plan, and not part of China's core industrialization strategy.
39219040	Nonadhesive plates, sheets, film, foil and strip, flexible, nesoi, of noncellular plastics	Highlighted by CTA member company as critical to their business. These products are not targeted in China's Made in China 2025 plan, and not part of China's core industrialization strategy.
73089095	Iron or steel, structures (excluding prefab structures of 9406) and parts of structures, nesoi	Highlighted by CTA member company as critical to their business.
84198995	Industrial machinery, plant or equipment for the treatment of materials, by process involving a change in temperature, nesoi	Highlighted by CTA member company as critical to their business.
84248200	Agricultural or horticultural projecting or dispersing equipment including irrigation equipment	Highlighted by CTA member company as critical to their business.
84248990	Other mechanical appliances for projecting, dispersing or spraying liquids or powders, nesoi	Highlighted by CTA member company as critical to their business.
84861000	Machines and apparatus for the manufacture of boules or wafers	Highlighted by CTA member company as critical to their business. Tariffs on this product would disincentivize U.S. manufacturing of semiconductors.
84862000	Machines and apparatus for the manufacture of semiconductor devices or electronic integrated circuits	Highlighted by CTA member company as critical to their business. Tariffs on this product would disincentivize U.S. manufacturing of semiconductors.

84863000	Machines and apparatus for the manufacture of flat panel displays	Highlighted by CTA member company as critical to their business. Tariffs on this product would disincentivize U.S. manufacturing of semiconductors.
84864000	Machines and apparatus for the manufacture of masks and reticles; for the assembly of electronic integrated circuits; or for the lifting, ha	Highlighted by CTA member company as critical to their business. Tariffs on this product would disincentivize U.S. manufacturing of semiconductors.
84869000	Parts and accessories of the machines and apparatus for the manufacture of semiconductor devices, electronic integrated circuits and flat pa	Highlighted by CTA member company as critical to their business. Tariffs on this product would disincentivize U.S. manufacturing of semiconductors.
84735090	Parts and accessories, nesoi, suitable for use with machines of two or more of the headings 8469 to 8472	Highlighted by CTA member company as critical to their business.
85012040	Universal AC/DC motors of an output exceeding 74.6 W but not exceeding 735 W	Highlighted by CTA member company as critical to their business.
85013140	DC motors, nesoi, of an output exceeding 74.6 W but not exceeding 735 W	Highlighted by CTA member company as critical to their business.
85013180	DC generators of an output not exceeding 750 W	Highlighted by CTA member company as critical to their business. Products in this HTS code are found in many consumer technology products. Product may be manufactured in the United States but packaged in China, meaning U.S. companies and manufacturers may pay the tariff on their own products.
85078081	Other storage batteries nesoi, other than of a kind used as the primary source of power for electric vehicles	CTA member company imports items under this code because there is no U.S. production and it would not be able to switch sourcing.
85291091	Other antennas and antenna reflectors of all kinds and parts, for use	CTA member company imports items under this code because there is no U.S. production and it would not be able to switch sourcing.
85363080	Electrical apparatus for protecting electrical circuits, for a voltage not exceeding 1,000 V, nesoi	CTA member company imports items under this code because there is no U.S. production and it would be unable to switch sourcing.

85365070	Certain specified electronic and electromechanical snap-action switches, for a voltage not exceeding 1,000 V	Highlighted by CTA member company as critical to their business.
85367000	Connectors for optical fibers, optical fiber bundles or cables	CTA member company imports items under this code because there is no U.S. production and it would be unable to switch sourcing.
85411000	Diodes, other than photosensitive or light-emitting diodes	CTA member company imports items under this code because there is no U.S. production and it would be unable to switch sourcing.
85414060	Diodes for semiconductor devices, other than light-emitting diodes, nesoi	CTA member company imports items under this code because there is no U.S. production and it would be unable to switch sourcing. Products in this HTS code are common electronic circuit components.
85423100	Electronic integrated circuits: processors and controllers	CTA member company imports items under this code because it would be unable to switch sourcing and is not yet able to further expand domestic manufacturing capability. A tariff on imports of products under this HTS code would upend the member's supply chain, undermine its U.S. manufacturing operations, and make the company uncompetitive against foreign manufacturers. Products in this HTS code are found in many consumer technology products. Product may be manufactured in the United States but packaged in China, meaning U.S. companies and manufacturers may pay the tariff on their own products.
85423200	Electronic integrated circuits: memories	CTA member company imports items under this code because it would be unable to switch sourcing. Products in this HTS code are found in many consumer technology products. Product may be manufactured in the United States but packaged in China, meaning U.S. companies and manufacturers may pay the tariff on their own products.

85423300	Electronic integrated circuits: amplifiers	CTA member company imports items under this code because there is no U.S. production and it would be unable to switch sourcing. Products in this HTS code are found in many consumer technology products. Another CTA member company imports items under this code because there is no U.S. production, but it uses the imported products to assemble products in the United States.
85423900	Electronic integrated circuits, nesoi	CTA member company imports items under this code because it would be unable to switch sourcing. Products in this HTS code are found in many consumer technology products. Product may be manufactured in the United States but packaged in China, meaning U.S. companies and manufacturers may pay the tariff on their own products.
85429000	Parts of electronic integrated circuits and microassemblies	Highlighted by CTA member company as critical to their business. Products in this HTS code are found in many consumer technology products.
85437045	Other electric synchros and transducers; defrosters and demisters with electric resistors for aircraft	CTA member company imports items under this code because it would be unable to switch sourcing. These items include motion sensors for everyday household use and which are key components of home security systems. These products are not targeted in China's Made in China 2025 plan, and not part of China's core industrialization strategy. Tariffs on these products will punish the US consumer, imposing a double burden of (1) higher prices on a consumer necessity, and (2) compromised household safety because consumers will be less able to afford technologically advanced home security systems. Tariffs will also hurt the retailers and small business installers who sell and install home security systems by increasing prices and depressing demand.

85437099	Other machinery in this subheading	CTA member company imports items under this code because there it would be unable to switch sourcing. Products in this HTS code are found in many consumer technology products. Product may be manufactured in the United States but packaged in China, meaning U.S. companies and manufacturers may pay the tariff on their own products.
85444910	Insulated electric conductors of a kind used for telecommunications, for a voltage not exceeding 80 V, not fitted with connectors	Highlighted by CTA member company as critical to their business.
85444920	Insulated electric conductors nesoi, for a voltage not exceeding 80 V, not fitted with connectors	Highlighted by CTA member company as critical to their business.
90141090	Direction finding compasses, other than optical instruments, gyroscopic compasses or electrical	CTA member company imports items under this code because there is no U.S. production and it would be unable to switch sourcing. These products are not targeted in China's Made in China 2025 plan, and not part of China's core industrialization strategy.
90251980	Thermometers, for direct reading, not combined with other instruments, other than liquid-filled thermometers	CTA member company imports items under this code because there is no U.S. production and it would be unable to switch sourcing. These items are for everyday household use and are key components of connected home systems. These products are not targeted in China's Made in China 2025 plan, and not part of China's core industrialization strategy. Some thermometers are already subject to the 25% tariff which took effect on July 6. Further tariffs will hurt consumers by imposing a double burden of (1) higher prices on thermostat systems, a consumer necessity, and (2) higher energy bills because consumers will be less able to afford energy-efficient smart thermostat systems. Tariffs will also hurt the retailers who sell these consumer goods. And for temperature sensors, tariffs will hurt the small businesses who install thermostat systems.

90292040	Speedometers and tachometers, other than bicycle speedometers	CTA member company imports items under this code because there is no U.S. production and it would be unable to switch sourcing. These products are not targeted in China's Made in China 2025 plan, and not part of China's core industrialization strategy.
90303100	Multimeters for measuring or checking electrical voltage, current, resistance or power, without a recording device	Highlighted by CTA member company as critical to their business. These products are not targeted in China's Made in China 2025 plan, and not part of China's core industrialization strategy.
