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**Hearing on the Initiation of Section 301 Investigation: China's Implementation of Commitments
Under the Phase One Agreement, Oral Testimony of Ed Brzytwa Vice President, International
Trade
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Thank you for the opportunity to testify. I'm Ed Brzytwa, Vice President of International Trade at the Consumer Technology Association. CTA represents the \$537 billion U.S. consumer technology industry, supporting more than 18 million American jobs. Our membership includes over 1200 U.S. companies, the vast majority small businesses and startups. We also own and produce CES, the world's most powerful tech event.

CTA and USTR are aligned: the U.S. must challenge China's unfair, coercive, and market-distorting practices. We must keep American business globally competitive. Where we differ is on the appropriate policies to change China's behavior while engendering stability in supply chains.

Today I want to emphasize three points:

First, China has not implemented important elements of the Phase 1 deal. That's a serious, ongoing problem for U.S. technology firms. Tech companies operating in China face opaque licensing and regulatory processes and pressure to disclose sensitive technology. Discriminatory procurement and indigenization programs steer major buyers toward domestic-only products and exclude U.S. suppliers. China's cyber and data rules have only gotten more restrictive. China's export controls and inconsistent licensing on critical inputs makes supply chains volatile and uncertain. The Phase One deal promised American companies fair treatment and market access – they aren't getting either.

Second, broad tariffs on consumer technology products have not changed China's approach. After seven years of Section 301 tariffs and additional tariffs under IEEPA and Section 232, China is still a bad actor. Beijing uses forced technology-transfer, unfair market-access rules, and restrictive data measures. In many areas, China has doubled down. The tariffs have not delivered meaningful compliance or reform.

At the same time, tariffs have hurt American businesses and consumers. Tariffs raise costs for Americans on imported goods and – indirectly – domestic substitutes. American businesses face higher sourcing and production costs. Small businesses and startups have fewer resources for research and development, hiring, investments, and new innovation. Broad tariffs deprive companies of the capital and resources to diversify. In short: these tariffs weaken U.S. competitiveness.

Third, we need a coordinated strategy with allies focused on changing China's behavior. China's practices are a shared challenge across advanced and emerging economies. When the U.S. works with like-minded partners, we present a united front. That increases leverage, makes retaliation harder, and prevents Beijing from rewriting rules one market at a time. Coordinated engagement with trusted suppliers builds stable networks outside China.

CTA urges USTR to take the following approach:

First, refrain from imposing any tariffs on List 4B products and other currently untariffed “no-list” items. Phase One indefinitely suspended List 4B tariffs on price-sensitive products that Americans use daily. New duties raise costs without good evidence they change China’s behavior.

Second, remove Section 301 tariffs on consumer technology products and inputs under Lists 1, 2, 3, and especially 4A, particularly where meaningful domestic production does not exist or supply is insufficient. Using consumer technology as leverage has not worked. Continuing to tax these goods only increases prices and undercuts U.S. innovation.

Third, pair tariff relief with sustained allied engagement aimed at securing tangible Chinese compliance and preventing new barriers. Relaxing tariffs on imports from U.S. allies and aligned trading partners will steel their resolve and commitment to work with the United States.

We should be tough on China’s unfair practices, and smart about the tools we choose. Broad consumer technology tariffs that fail to deliver reforms but inflict economic pain on American businesses and consumers are not the right approach.

CTA stands ready to work with USTR and the interagency community to reform China’s behavior and advance U.S. technology leadership.