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**Hearing on the Section 301 Investigations of Acts, Policies, and Practices of
Certain Economies Relating to Structural Excess Capacity and Production in
Manufacturing Sectors**

Oral Testimony of Ed Brzytwa

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May 5th, 2026

Thank you for the opportunity to testify today. I'm Ed Brzytwa, Vice President of International Trade at the Consumer Technology Association.

Our members are the world's leading innovators helping to support more than 17 million American jobs. CTA owns and produces CES – the most powerful tech event in the world.

CTA supports strong trade enforcement to stop foreign governments from distorting markets and harming American businesses. Section 301 is most effective when applied with discipline, transparency, and restraint. Broad enforcement action raises costs, disrupts supply chains, and weakens U.S. competitiveness without curbing market distorting practices.

Today, I offer six principles to guide this investigation:

First, USTR should adopt a clear, consistent definition for “structural excess capacity.”

Section 301 requires USTR to identify a specific “act, policy, or practice” that is unreasonable or discriminatory and burdens U.S. commerce. The statute targets conduct, not outcomes.

A trade surplus alone does not meet this standard. USTR must identify what foreign governments are doing, explain how that conduct harms U.S. commerce, and show how proposed remedies would change that behavior.

This is especially important in sectors like semiconductors and electronics. In many cases, access to products produced outside the United States benefits U.S. manufacturers and consumers.

USTR must clearly define what it means by “structural excess capacity” and apply that definition consistently. A single standard lends credibility to the investigation and provides clarity for U.S. businesses and global partners.

Second, USTR should distinguish between non-market and market economies.

In non-market economies, governments may direct investment, subsidize production, or control prices. These actions can create excess capacity by design, and they warrant close scrutiny.

In contrast, firms in market economies respond to demand, competition, and innovation. Capacity changes in these systems often reflect normal economic behavior and are not the result of government intervention in the marketplace.

Let’s not misidentify normal market behavior as unfair trade.

Third, USTR should pursue alternatives to unilateral tariffs.

Coordination with allies and trading partners is often more effective than unilateral action. Tools created through institutions like the OECD, WTO, APEC or other fora can address the root causes of excess capacity, including subsidies and non-market practices.

We should work with allies to increase leverage and avoid unnecessary disruption to trusted supply chains.

Fourth, USTR should account for good-faith efforts by trading partners.

Section 301 enforcement is most effective when it creates a clear path to compliance. When countries take meaningful steps to address problematic practices, USTR should recognize that progress.

Several countries have already demonstrated such good-faith efforts. In eight of the nine Agreements on Reciprocal Trade posted on the USTR website, trading partners have agreed to provide information regarding all forms of non-commercial assistance or subsidies and to take action to address the distortive impacts of those subsidies.

Imposing tariffs despite good faith reform efforts can undermine cooperation with aligned trading partners and weaken incentives for change.

Fifth, USTR should avoid broad-based tariffs.

Broad, economy-wide tariffs raise costs for U.S. manufacturers, retailers, and consumers while delivering limited enforcement benefits.

Modern manufacturing depends on global supply chains. Many critical inputs and components are sourced from trusted partners and allies – and that’s a good thing!

Restricting access or increasing the cost of inputs that aren't manufactured at all or in sufficient quantities in the United States can increase costs, reduce competitiveness, and discourage investment in U.S. manufacturing.

Targeted, evidence-based remedies are far more effective. They focus on the specific conduct at issue while minimizing unintended consequences.

We also urge USTR to consider the cumulative impact of overlapping trade measures. Stacking Section 301 tariffs on top of existing MFN, Section 122, and Section 232 tariffs would significantly raise input costs and weaken domestic production.

Finally, USTR should exercise caution when using its modification authority under Section 307.

Significant changes to tariffs – including the scope of covered products or tariff rates – should go through full notice-and-comment procedures. Transparency and public participation strengthen the integrity of the Section 301 process and ensuring sound decision-making.

In closing, Section 301 can be an effective tool to address barriers to trade when applied carefully, and we urge USTR to use Section 301 in a transparent and disciplined manner.

Thank you for the opportunity to testify.