



TIA Comments on ITC Investigation No. 332-576 – COVID-19 Related Goods: U.S. Imports and Tariffs

The Telecommunications Industry Association (TIA) represents more than 400 global companies that enable high-speed communications networks and accelerate next-generation ICT innovation. Through leadership in U.S. and international advocacy, technology programs and standards development, and business performance solutions, TIA and its members are supporting connectivity across industries and markets as the world responds to the challenges posed by the COVID-19 pandemic.

Overview

Maintaining connectivity is vital to the ongoing medical response to the COVID-19 pandemic, and for this reason TIA recommends that the International Trade Commission include the following information relating to the ICT equipment industry in its report.

Telecommunications equipment supports the COVID-19 response by:

- Facilitating the maintenance of communications networks used by first responders;
- Supporting operations within hospitals and between medical centers;
- Enabling the deployment of telehealth applications;
- Powering remote work, thereby allowing more people to enact social distancing and other prophylactic measures;
- Facilitating efforts to track disease vectors; and
- Serving as an input into medical devices such as patient monitors, PCR machines, and ventilators.

The importance of the connectivity provided by ICT equipment has already been directly reinforced by U.S. government action, as per the following decisions:

- The DHS Cybersecurity and Infrastructure Security Agency (CISA) designated the Communications and IT sectors as critical infrastructure essential to combating COVID-19.
- In the CARES Act, Congress allocated \$200 million to a COVID-19 telehealth program designed to relieve strain on hospitals by transitioning more healthcare services to remote applications.
- Using CARES Act funding, the Federal Communications Commission (FCC) has established a dedicated telehealth program to help health care providers provide connected care services to patients at their homes or at mobile locations. Program funding will be used to provide eligible health care providers support to purchase telecommunications, information services, and connected devices necessary to provide telehealth services to patients.
- FCC actions to increase broadband availability, provide regulatory support to providers of conference calling services, and enable the use of additional spectrum by first responders.

Duty Rates

Duty rates on ICT equipment varies depending on country of origin and product type, and TIA is unable to share comprehensive information about the major countries of origins, the import value of these goods, or the effective tax rates for all products. However, TIA can share information about the specific products goods impacted by Section 301-related tariffs on products manufactured in China because of



our filing to USTR¹ last week on this topic. We can also share some general insights about tariffs on these products in the light of global agreements regulating the tariff schedules of many ICT products.

Section 301 Tariffs on ICT Products Originating in the People’s Republic of China

USTR has imposed a series of tariffs on ICT products used to support the ongoing medical response to the COVID-19 pandemic. These products are used by doctors and patients to facilitate telehealth applications and disease tracking, support maintenance of vital telecommunications infrastructure, or are a component used in the manufacture of products used for these purposes:

Products that facilitate telehealth, connectivity and network maintenance:

Product Description	HTS Codes	USTR List	Tariff Rate
PCs and Workstations	8471.49.00	4A	7.50%
Modems	8517.62.00.10	3	25%
Networking systems, e.g. switches, routers	8517.62.0020	3	25%
Radio and Infrastructure Parts	8517.70.0000	4A	7.50%
Telehealth; Conventional Health Hub	8542.31.0001	2	25%
Copper cables	8544.49.30.40, 8544.49.30.80	1	25%
Coaxial and adaptor-fitted cables	8544.20.00.00, 8544.42.90.90	3	25%
Insulated telecommunications cabling	8544.49.10.00	2	25%

Inputs into medical devices or products that facilitate telehealth, connectivity and network maintenance:

Product Description	HTS Codes	USTR List	Tariff Rate
Plastic molded parts/components (fiber trays, antenna parts)	3926.90.99	4A	7.50%
Power supply, chargers	8504.40.85.00	3	25%
Nickle-metal hydride batteries	8507.50.00	3	25%
Closed network transceivers	8517.62.0090	4A	7.50%
Duplexers, Filter Combiners	8517.69.00.00	3	25%
Printed circuit boards	8534.00.00	3	25%
Optical fiber connectors	8536.70.00.00	2	25%
Electronic integrated circuits ²	8542.31.0001	2	25%
Solid state drives ³	8471.70.6000	1	25%
Lasers, Fiber Cable, Optical Lasers, Mux/Demux	9013.80.90	4A	7.50%

¹ USTR-2020-0014 – Request for Comments on Additional Modifications to the 301 Action to Address COVID-19: China’s Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation

² Uses include medical equipment such as ventilators, patient monitoring devices, ultrasound equipment, x-ray devices, etc.

³ Solid state drives are used in sequencers, PCR machines.



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Information Technology Agreement

Many ICT products used in the response to the coronavirus outbreak are covered by the WTO's Information Technology Agreement (ITA). 82 countries are participants in the ITA. Participants are committed to eliminating tariffs on ICT products covered by the agreement, and trade between participant countries represents about 97 percent of the world trade in ICT products.⁴ TIA supports the ITA, which in turn supports the ongoing response to the coronavirus by ensuring that medical institutions, patients, and U.S. government agencies are able to access goods at competitive prices.

Recommendations:

- TIA recommends that USTR remove Section 301 duties on the listed product categories in order to support the medical response to the coronavirus outbreak.
- TIA recommends that the US government should continue to support the WTO's Information Technology Agreement, as well as efforts to reinforce compliance with that agreement.

We appreciate the opportunity to provide comment to the United States International Trade Commission on this topic. If you have any questions, please reach out to TIA's Director of Global Policy, Patrick Lozada, at plozada@tiaonline.org or at 703-907-7733.

⁴ https://www.wto.org/english/tratop_e/inftec_e/itaintro_e.htm