



1919 S. Eads St.
Arlington, VA 22202
703-907-7600
CTA.tech

**Testimony of Ed Brzytwa, Vice President, International Trade
Consumer Technology Association (CTA)[®]
Before the Office of the United States Trade Representative (USTR)**

March 11, 2025

Good afternoon. My name is Ed Brzytwa, and I am Vice President of International Trade at the Consumer Technology Association. Thank you to USTR and the interagency members of the Section 301 Committee for the opportunity to testify today.

CTA represents the more than \$537 billion U.S. consumer technology industry, which supports more than 18 million U.S. jobs. Our members include over 1200 companies from every facet of the consumer technology industry, with 80 percent being start-ups or small and mid-sized companies. We also own and produce CES[®], the most powerful technology event in the world, which showcases international policies concerning existing and new technologies.

CTA supports USTR's efforts to identify and investigate non-market policies and practices that pose disruptive barriers to trade and unfairly manipulate the competitive landscape, including in the semiconductor sector. We agree that mitigating risks such as single-market dependencies is an important objective. But lowering the costs of trade for U.S. businesses to strengthen their supply chain diversification efforts is even more important. In this regard, we urge USTR to be mindful of the limitations and consequences of even targeted unilateral action as it considers possible proposed actions resulting from this investigation.

Inflation continues to undermine our economic potential and increase costs for U.S. businesses and workers. Tariffs, which are taxes that American businesses and consumers pay, may increase the costs of technology products and inputs sold in the United States, which would undermine the goal of reducing inflation. According to CTA research, 55% of industry experts indicate tariffs will increase retail prices for consumers. Ultimately, trade barriers such as tariffs do not shift supply chains or promote resilience. Instead, they decrease productivity among U.S. industries, fail to spur widespread job creation, and do not create lead to significant new domestic investments in manufacturing.

Legacy chips are crucial inputs for consumer technology products and the global economy. In fact, CTA research found that 72% of industry experts indicate their company will continue to source legacy semiconductors from China, stating that performance and quality over alternative sources and supply chain reliability are main

factors for continued use. Unilateral action through a Section 301 investigation, even though focused on Chinese semiconductor products and practices, could harm part of the U.S. industry and downstream users that the action aims to protect. We are particularly concerned about the vague references in the Biden Administration's notice of initiation to downstream products, which risks bringing an undefined and expansive universe of products into the scope of the investigation.

With these factors in mind, we encourage the Section 301 Committee to consider a wide range of potential remedies and avoid focusing exclusively on tariffs. Instead, we recommend pursuing remedies aligned with existing Entity Lists and actions from Section 5949 of the 2023 National Defense Authorization Act (NDAA), focusing on Chinese chipmakers and foundries of concern. Countervailing duties that focus on Chinese subsidization of its semiconductor industry are key.

Furthermore, we believe that a multi-geography "team approach" is best suited to counter non-market policies and practices. Acting with the support of and coordinating measures with U.S. allies and like-minded trading partners is a force multiplier when confronting such challenges. This approach must also include the interagency, industry, and U.S. allies working together to support the competitiveness and resilience of the semiconductor sector and related supply chains. After all, private sector companies create and operate supply chains—not governments.

To conclude, we urge USTR to lead a whole-of-government approach and engage stakeholders in like-minded countries to address the challenges posed by China. We look forward to providing more detailed comments in post-hearing written comments.

Thank you for your time and consideration.