



**United States Council for International Business (USCIB) 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**

**Docket No. USTR-2020-0014**

**May 15, 2020**

The United States Council for International Business (USCIB) welcomes the opportunity to provide comments and recommendations on the Additional Modification to the 301 Action To Address COVID-19: China’s acts, policies, and practices related to technology transfer, intellectual property, and innovation. USCIB promotes open markets, competitiveness and innovation, sustainable development and corporate responsibility, supported by international engagement and regulatory coherence. Its members include top U.S.-based global companies and professional services firms from every sector of our economy, with operations in every region of the world.

As the U.S. affiliate of the International Chamber of Commerce, the International Organization of Employers and the Business and Industry Advisory Committee to the OECD, USCIB has a unique global network through which it provides business views to policy makers and regulatory authorities worldwide, and works to facilitate international trade and investment. USCIB submitted comments on previous Section 301 actions including those under Docket No. USTR-2018-0005, USTR-2018-0018, USTR-2018-0026, and USTR-2019-0004.

As noted in those previous comments, it continues to be USCIB’s position that these tariffs stifle the U.S. economy, and will not achieve the Administration’s goal of changing China’s behavior. Rather than creating more opportunities for U.S. business, sweeping tariffs restrict U.S. agriculture, goods, and services exports and raise costs for businesses and consumers. China’s retaliation further exacerbates uncertainties caused by these actions. The economic crisis caused by the COVID-19 pandemic has amplified the negative impacts of the tariffs on companies’ supply chains and the U.S. economy.

The following outlines specific tariff lines and concerns our members have with their inclusion on the tariff list. USCIB therefore recommends these products be taken off the tariff list:

**Medical Equipment**

**(HTSUS 9018.12.00.00, 9018.19.95.60, 9018.90.30.00, 9022.12.00.00, 9022.14.00.00, 9022.90.25.00, 9022.90.60.00, 9026.80.20.00, 9403.20.00.90)**

These tariff lines related to medical equipment – respiratory/ventilator and anesthesia systems, X-ray systems, patient monitoring systems, ultrasound systems, computer tomography systems,



magnetic resonance imaging systems, and other hospital equipment – as well as their dedicated parts and accessories, should be removed. These machines are central to the diagnosis and treatment of COVID-19 response and of related ailments.

### **Medical Equipment Parts and Components**

**(HTSUS 7419.99.50.50, 8418.69.01.80, 8471.30.01.00, 8471.50.01.50, 8471.70.60.00, 8471.80.10.00, 8481.80.90.05, 8481.80.90.35, 8504.40.95.30, 8504.40.95.40, 8504.40.95.80, 8523.49.20.10, 8523.51.00.00, 8537.10.9150, 8537.10.91.70, 8542.31.00.01, 8544.20.00.00, 8544.42.20.00, 8544.42.90.90, 8544.60.20.00, 8544.70.00.00, 8547.10.80.00, 8716.90.50.60)**

The tariff lines related to parts and components used in medical equipment, i.e. electrical and mechanical parts and components used in medical equipment used in the COVID-19 response should be removed. This includes HTS codes for integrated circuits/”chips” products; processing, controller and adapter units; converters; boards, panels and consoles; cables and wires, vales, and chiller units for different medical device/platforms.. This includes products for Ventilators, X-ray, Patient Monitors, Ultrasound, Computed Tomography, General Radiography, Interventional & Electrophysiology, Mobile C-Arm X-Ray, PC, Telehealth and Therapy Robots and other miscellaneous equipment. The bulk of these products are currently burdened with a 25% tariff that were imposed on Lists 1-3.

### **PCs, Workstations, Printers, Parts for Power Equipment**

**(HTSUS 3215.11.90.60, 3215.19.90.60, 4202.xx.xx<sup>1</sup>, 8411.99.90.85, 8412.90.90.81, 8412.90.90.85, 8443.19.30.00, 8443.31.00.00, 8443.32.10.10, 8443.32.10.20, 8443.32.10.40, 8443.32.10.50, 8443.91.30.00, 8443.99.20.10, 8443.99.20.50, 8443.99.25.10, 8443.99.25.50, 8443.99.50.11, 8443.99.50.15, 8443.99.50.50, 8471.41.01.50, 8471.49.00.00, 8471.50.01.50, 8471.60.80.00, 8471.60.90.50, 8471.70.40.65, 8471.70.50.65, 8471.70.60.00, 8471.70.90.00, 8471.80.10.00, 8471.80.90.00, 8471.90.00.00, 8473.30.11.80, 8473.30.11.40, 8473.30.51.00, 8483.40.50.10, 8517.62.00.10, 8517.62.00.20, 8517.62.00.90, 8523.51.00.00, 8523.52.00.10, 8523.52.00.90, 8529.90.00.00, 8544.42.20.00, 8544.42.90.90, 9013.80.70.00)**

These tariff codes related to (1) finished goods and parts for PC’s, workstations and other computing devices; (2) finished goods and parts (including ink/toner) for printers; and (3) parts for power equipment should be removed.

These products are for critical IT and power infrastructure necessary to respond to the COVID medical crisis. On March 19, 2020, the Department of Homeland Security (DHS) originally issued a Memorandum on Identification of Essential Critical Infrastructure Workers during COVID-19

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<sup>1</sup> All tariff lines included on List 3 are encompassed in this citation.



Response, most recently updated on April 17, 2020.<sup>2</sup> As indicated in the guidance from DHS, workers in the IT industry and the energy/power industry are deemed critical during the coronavirus crisis to support healthcare and public health; maintenance of the communications infrastructure; and support remote learning and other critical activities; and maintenance and provision of stable power including for medical facilities and shelter-in-place requirements. The information technology equipment and power equipment parts used by these workers is necessary for these efforts. These products provide a critical link between hospitals, healthcare provider offices, pharmaceutical companies, patients, and government agencies, and they are critical to the success of the U.S. response to, and efforts to limit, the COVID-19 outbreak.

### **3D Printers, Components and Material Supplies (HTSUS 8477.80.00, 8477.90.85.95)**

3D printers, components and associated supplies directly enable crucial responses to the COVID-19 pandemic. Examples include 3D printing of personal protective equipment, such as FFP3 masks and face shields, which directly contribute to the U.S. economic and public health response to the current crisis.

These products, components and supplies are classified within Harmonized Tariff Schedule of the United States in HS codes 8477.80.00.00 and 8477.90.85.95, which are on China 301, List 1. The impacted items are not produced in China and so 301 tariffs are not applied. Nevertheless, they are subject to a 3.1% MFN rate. We request suspension of this tariff by creating Chapter 98 break-outs covering the impacted products.

### **Chemicals and plastics**

Chemicals and plastics specifically have been recognized for their critical role in adding value to the production of life-saving products, including cleaning and disinfecting products, medical equipment including face masks, diagnostic equipment, disposable gowns, shoe booties, and hoods; and medical supplies such as test tubes, housings for test kits, goggles, surgical gloves and surgical instruments. Unfortunately, the speed of production, availability, and use is being limited by additional tariffs on critical inputs to manufacturing processes and disruptions to the supply chain that now have been exacerbated by the spread of COVID-19. Therefore, we request to exclude specific, essential products under Chapters 22, 28, 29, 32, 24, 28, 29, and 84 of the HTSUS from the additional tariffs on imports from China under Section 301 of the Trade Act of 1974.

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<sup>2</sup> See Version 3 of the Advisory Memorandum on Identification of Essential Critical Infrastructure Workers During COVID-19 Response:  
[https://www.cisa.gov/sites/default/files/publications/Version\\_3.0\\_CISA\\_Guidance\\_on\\_Essential\\_Critical\\_Infrastructure\\_Workers\\_4.pdf](https://www.cisa.gov/sites/default/files/publications/Version_3.0_CISA_Guidance_on_Essential_Critical_Infrastructure_Workers_4.pdf)



**ANNEX**

The following are all the products addressed in our submission

<b><u>HTUS Subheading</u></b>	<b><u>Product Name</u></b>	<b><u>Section 301 List</u></b>
<b><i>CHAPTER 32 – Printing Ink</i></b>		
3215.11.90.60	Ink black	List 3
3215.19.90.60	Ink other colors	List 3
<b><i>CHAPTER 42 – Computer Bags and Cases</i></b>		
4202.xx.xx <sup>3</sup>	Cases, Bags for computers	List 3
<b><i>CHAPTERS 74, 84, 85, 87 – Electrical and Mechanical Parts, Components and Accessories</i></b>		
7419.99.5050	Sump assembly for vaporization, for use in respiratory care and anesthesia systems, as used in treatment of COVID-19	List 3
8411.99.90.85	Parts of (nonaircraft) gas turbines, used to generate power to ensure stable power supply through COVID-19 medical crisis and shelter-in-place requirements	List 1
8412.90.90.81	Wind turbine blade, to ensure stable power supply throughout the COVID-19 medical crisis and shelter-in-place requirements.	List 3
8412.90.90.81	Wind turbine bedplate, to ensure stable power supply throughout the COVID-19 medical crisis and shelter-in-place requirements.	List 3
8412.90.90.85	Wind turbine machined hub, to ensure stable power supply throughout the COVID-19 medical crisis and shelter-in-place requirements.	List 3
8418.69.01.80	Recirculating chillers (refrigeration units) for use in magnetic resonance (MR) systems, as used in diagnosis of COVID-19 and its effects	List 1
8443.19.30.00	Digital Press	List 1
8443.31.00.00	MFP	List 4A
8443.32.10.10	SFP	List 4A

<sup>3</sup> All tariff lines included on List 3 are encompassed in this citation.



8443.32.10.20	SFP	List 4A
8443.32.10.40	SFP	List 4A
8443.32.10.50	SFP	List 4A
8443.91.30.00	Digital Press Parts	List 4A
8443.99.20.10	Supplies / Parts of Printer	List 1
8443.99.20.50	Supplies / Parts of Printer	List 1
8443.99.25.10	Supplies / Parts of Printer	List 4A
8443.99.25.50	Supplies / Parts of Printer	List 4A
8443.99.50.11	Supplies / Parts of Printer	List 4A
8443.99.50.15	Supplies / Parts of Printer	List 4A
8443.99.50.50	Supplies / Parts of Printer	List 4A
8471.30.01.00	PC (Laptop)	List 4B (Pending)
8471.41.01.50	AiO DT PCs touchscreen	List 4A
8471.49.00.00	DT PC Computer Systems	List 4A
8471.50.01.50	PC (Desktop)	List 2
8471.50.01.50	Next Unit of Computing (NUC)	List 3
8471.50.01.50	DT PCs standalone (no display) / Workstations / Thin Clients	List 3
8471.50.01.50	Processing units (host computers for image capture and re-construction), for use in ultrasound systems, as used in diagnosis and treatment of COVID-19	List 3
8471.50.01.50	Processing units (host computers for image capture and re-construction), for use in computed tomography (CT) systems, as used in diagnosis of COVID-19 and its symptoms	List 3
8471.60.80.00	Scanners	List 4A
8471.60.90.50	Mice	List 3



8471.70.40.65	Storage Unit	List 1
8471.70.50.65	Storage Unit	List 3
8471.70.60.00	Storage Unit Sequencers/PCR (Unhoused)	List 1
8471.70.90.00	Storage Unit	List 1
8471.80.10.00	Docking Stations, USB Hubs, Adapters	List 3
8471.80.10.00	Control and adapter units for use in computed tomography (CT) systems (for human use), as used in diagnosis of COVID-19 and its symptoms	List 3
8471.80.10.00	Control and adapter units for use in ultrasound systems (for human use), as used in diagnosis of COVID-19 and its symptoms	List 3
8471.80.90.00	Thin Clients	List 3
8471.90.00.00	Card readers	List 3
8473.30.11.80	Motherboards	List 3
8473.30.11.40	Memory Modules	List 3
8473.30.51.00	Other Parts of computer	List 3
8477.80.00.00	3D printer products, components and supplies	List 1
8477.90.85.95	3D printer products, components and supplies	List 1
8481.80.90.05	Solenoid valves (to control the flow of gas), for use in respiratory care and anesthesia systems, as used in treatment of COVID-19	List 3
8481.80.90.35	Control valve (to control the flow of gas) for artificial breathing circuits, for use in respiratory care and anesthesia systems, as used in treatment of COVID-19	List 3
8483.40.50.10	Wind turbine gearbox, to ensure stable power supply throughout the COVID-19 medical crisis and shelter-in-place requirements	
8504.40.9530	Static converters, of power output exceeding 150 W but not exceeding 500 W, for use in respiratory care and anesthesia systems, as used in treatment of COVID-19	List 3



8504.40.95.40	Static converters for use in computed tomography systems, as used in diagnosis of COVID-19 and its symptoms	List 3
8504.40.95.80	Printed circuit board assemblies for use in anesthesia and respiratory care systems, as used in treatment of COVID-19	List 3
8517.62.00.10	Modems, Switching and routing apparatus, Mobile Hotspot devices	List 3
8517.62.00.20	Modems, Switching and routing apparatus, Mobile Hotspot devices	List 3
8517.62.00.90	Wireless headset connectible to computers	List 4A
8523.49.20.10	Prepackaged software options on digital media for use in computed tomography systems, as used in diagnosis of COVID-19 and its symptoms	List 4A
8523.51.00.00	Sequencers/PCR (Housed SSD), SSD 2.5-inch form factor	List 4A
8523.52.00.10	Smart Cards	List 3
8523.52.00.90	Smart Cards	List 3
8529.90.99.00	Parts of Computer Monitors	List 1
8537.10.91.50	Panel and distribution boards (operator console) for use in computed tomography systems, as used in diagnosis of COVID-19 and its symptoms	List 3
8537.10.91.70	Boards, panels, consoles, desks, cabinets and other bases (for the control or distribution of electricity), for use in respiratory care and anesthesia systems, as used in treatment of COVID-19	List 3
8542.31.00.01	Electronic processors and controllers for CT & PET Equipment, General Radiography & Fluoroscopy X-Ray, Interventional & Electrophysiology X-Ray Equipment, Mobile C-Arm X-Ray, FPD, ultrasound equipment, PACS/VNA, Capnography, Clinical Review Display, Disinfection Robot, Drug Delivery Device, Electronic Bed, Infusion pump, PCA Infusion Pump, Nebulizer, Nebulizer/Ventilator (Compressor/Jet Nebulizer, Critical Care Ventilator, Emergency Ventilator, Liquid Oxygen, Sub-Acute Ventilator,	List 2





	Ultrasonic/Mesh Nebulizer, Ventilator/Wall-Air Nebulizer), Neonatal Ventilators, RFID (patient, asset and inventory), Telehealth, Conventional Health Hub, Telepresence and Therapy Robots, Telepresence Robots, Vital Sign Monitor	
8542.31.00.01	Electronic processors and controllers for Patient Monitor; Central Station	List 3
8544.10.91.70	Boards, panels, consoles, desks, cabinets and other bases (for the control or distribution of electricity), for use in X-Ray systems, as used in COVID diagnosis and treatment	List 3
8544.10.91.70	Boards, panels, consoles, desks, cabinets and other bases (for the control or distribution of electricity), for use in computed tomography systems, as used in diagnosis of COVID-19 and its symptoms	List 3
8544.10.91.70	Boards, panels, consoles, desks, cabinets and other bases (for the control or distribution of electricity), for use in ultrasound systems, as used in COVID diagnosis and treatment	List 3
8544.20.00.00	Coaxial cables for use in ultrasound systems (for human use), as used in COVID diagnosis and treatment	List 3
8544.42.20.00	Cables with Connectors for telecommunications, for a voltage not exceeding 1,000 V	List 3
8544.42.20.00	Insulated cables for use in respiratory care and anesthesia systems, as used in treatment of COVID-19	List 3
8544.42.20.00	Insulated cables for use in computed tomography system, as used in diagnosis of COVID-19 and its symptoms	List 3
8544.42.90.90	Other Cables with Connectors for a voltage not exceeding 1,000 V	List 3
8544.42.90.90	Insulated wire and optical cable (whether or not fitted with connectors), for use in respiratory care and anesthesia systems, as used in treatment of COVID-19	List 3
8544.42.90.90	Insulated wire and optical cable, whether or not fitted with connectors, used in overhead tube suspensions for use in X-Ray systems, as used in COVID diagnosis and treatment	List 3





8544.42.90.90	Insulated wire and optical cable, whether or not fitted with connectors, for use in computed tomography systems, as used in diagnosis of COVID-19 and its symptoms	List 3
8544.60.20.00	Insulated cables for voltage exceeding 1000V fitted with connectors, for overhead tube suspensions used in X-Ray systems, as used in COVID diagnosis and treatment	List 1
8544.70.00.00	Optical fiber cables for use in computed tomography systems, as used in diagnosis of COVID-19 and its symptoms	List 1
8547.10.80.00	Cables with ferrite filters used to connect catheter probes to ultrasound systems, for use in ultrasound systems, as used in COVID diagnosis and treatment	List 3
8716.90.50.60	Parts for trollies and dollies to transport equipment within hospitals and clinics, for use in respiratory care and anesthesia systems, as used in treatment of COVID-19	List 3
<b><i>CHAPTERS 90, 94 – Medical Instruments and Apparatus, Parts</i></b>		
9013.80.70.00	LCD Display Panels	List 1
9018.12.00.00	Ultrasonic scanning apparatuses (ultrasound systems) for human imaging, as used in COVID diagnosis and treatment	List 1
9018.19.95.60	Parts and accessories of respiratory care and anesthesia systems, as used in COVID diagnosis and treatment	List 1
9018.19.95.60	Parts and accessories of patient monitoring systems, as used in COVID diagnosis and treatment	List 1
9018.19.95.60	Parts and accessories for (hybrid) PET-CT and Nuclear CT systems (for human use), as used in COVID diagnosis and treatment	List 1
9018.19.95.60	Parts and accessories of ultrasound systems for human imaging, as used in COVID diagnosis and treatment	List 1
9018.19.95.60	Parts and accessories of magnetic resonance systems for human imaging, as used in COVID diagnosis and treatment	List 1
9018.90.30.00	Anesthetic instruments and appliances and parts and accessories (for human use), as used in COVID diagnosis and treatment	List 1



9022.12.00.00	Computed tomography apparatuses (CT systems) (excluding systems for dental or veterinary use), as used in COVID diagnosis and treatment	List 1
9022.14.00.00	X-Ray systems (excluding systems for dental or veterinary use), as used in COVID diagnosis and treatment	List 1
9022.14.00.00	C-arm systems for use in surgical imaging (excluding systems for dental or veterinary use), as used in COVID diagnosis and treatment	List 1
9022.90.25.00	Power distribution units for use in computed tomography systems, as used in COVID diagnosis and treatment	List 1
9022.90.25.00	Consoles and assemblies for use in computed tomography systems, as used in COVID diagnosis and treatment	List 1
9022.90.60.00	Parts and accessories of X-ray systems (excluding systems for dental or veterinary uses), as used in COVID diagnosis and treatment	List 1
9026.80.20.00	Apparatus for measuring or checking the flow, level, pressure, or other variables of liquids or gases, in the use of anesthesia and respiratory care systems, as used in COVID diagnosis and treatment	List 1
9403.20.00.90	Desks for use as part of a computed tomography system, as used in COVID diagnosis and treatment	List 3