

June 17, 2019

Joseph Barloon
General Counsel
Office of the United States Trade Representative
600 17th Street, N.W.
Washington, District of Columbia 20508

Re: Comments of ACT | The App Association Regarding Proposed Modification of Action Pursuant to Section 301 (Docket No. USTR-2019-0004)

Dear Mr. Barloon:

ACT | App Association represents thousands of American small business software application development companies and technology firms. Our members create technologies that drive internet of things (IoT) use cases across consumer and enterprise contexts. Today, the app ecosystem is valued at approximately \$1.3 trillion and is responsible for 5.7 million American jobs. Alongside the world's rapid embrace of mobile technology, our members have been creating innovative solutions that power IoT across modalities and segments of the economy.

The App Association notes its appreciation for USTR's efforts to address China's unfair trade practices. However, we write to express concern regarding the proposal to increase duties on various information and communications technology (ICT), such as smartphones, laptops, tablets, and other mobile wireless devices from China through which countless consumer and enterprise customers access our members' innovations. The proposed additional tariff of up to 25 percent would increase the price of this equipment, reduce our members' ability to reach American consumers and enterprise customers, and ultimately inhibiting our members' ability to invest, innovate, and create more American jobs.

A range of ICT sold in the United States comes from China. The App Association is concerned that an additional tariff of up to 25 percent on ICT products will make them unaffordable to average U.S. families. A decrease in ICT sales would mean less demand for the software apps developed and sold by our thousands of small business members. Their apps, which provide cutting-edge innovations across consumer and enterprise use cases, are used and accessed extensively via ICTs. A vibrant ICT market is therefore critical to our members' ability to provide good jobs, create new content, and continue position the U.S. as a leader in the technology economy.

The App Association therefore respectfully requests that USTR prevent injury to our small business members by removing the Harmonized Tariff Schedule subheadings 8517120050 (smartphones), 8471300100 (laptops and tablets), 8517620090 (mobile wireless devices), 8471490000 (desktops), and 8517700000 (smartphone parts) from the final tariff list.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian Scarpelli". The signature is fluid and cursive, with a prominent loop at the end.

Brian Scarpelli
Senior Policy Counsel

ACT | The App Association
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