

July 10, 2026

The Honorable Jamieson Greer
United States Trade Representative
Office of the United States Trade Representative
600 17th Street, N.W.
Washington, District of Columbia 20508

RE: Comments of Association for Competitive Technology (ACT), Request for Comments on the Scope and Operation of a Mechanism to Promote Reciprocal Managed Trade with China [USTR-2026-0430]

Dear Ambassador Greer:

In response to the request for comments published on June 5, 2026,¹ the Association for Competitive Technology (ACT) submits these comments to the Office of the United States Trade Representative (USTR) on the scope and operation of the proposed mechanism to promote reciprocal managed trade with China. Our comments address the products that should be eligible for favorable tariff modification, and in particular the information and communications technology (ICT) products on which the small business technology developer community depends and that we urge USTR to prioritize for tariff reduction.

I. Statement of Interest

ACT is a global policy trade association for the small business technology developer community. Our members are entrepreneurs, innovators, and independent developers within the global app ecosystem that engage with verticals across every industry. We work with and for our members to promote a policy environment that rewards and inspires innovation while providing resources that help them raise capital, create jobs, and continue to build technology. The value of the ecosystem ACT represents, which we call the app ecosystem, is approximately \$1.8 trillion and is responsible for 6.1 million American jobs, while serving as a key driver of the \$8 trillion internet of things (IoT) revolution.²

The small business technology developers ACT represents are especially sensitive to the cost of the hardware, components, and connected devices on which their products and services depend. Affordable and widely available ICT products are the foundation of the app ecosystem. The devices that consumers and businesses use to reach our members' applications and services, along with

¹ Office of the United States Trade Representative, Request for Comments on the Scope and Operation of a Mechanism to Promote Reciprocal Managed Trade with China, 91 Fed. Reg. 34269 (June 5, 2026), Docket No. USTR-2026-0430.

² ACT, State of the App Economy, available at <https://actonline.org/wp-content/uploads/APP-Economy-Report-FINAL-1.pdf>.

the servers, networking equipment, storage, and components that support them, determine the size of the installed base our members can serve and the pace at which American developers can build, test, and deliver new products. When tariffs raise the cost of these ICT products, they raise costs across the digital economy, narrow the market available to small developers, and slow domestic investment in the data centers and infrastructure on which the app ecosystem relies. ACT has consistently urged USTR to avoid ICT tariffs that raise device costs and to maintain and, where appropriate, expand exemptions for ICT inputs, components, and finished devices used by U.S. small businesses.³

II. Products That Should Benefit From Favorable Tariff Modification

We welcome USTR's request for input on the types of non-sensitive products that would benefit from favorable tariff modifications by both sides. Consistent with the views described above, we urge USTR to include ICT products among the non-sensitive products eligible for reduced tariffs under the mechanism, and to ensure that any tariff modification reduces, rather than increases, the burden on these products.

Reducing tariffs on the ICT products identified below would lower costs for the American consumers and small businesses that make up the app ecosystem, support continued investment in domestic data centers, servers, and manufacturing capacity, and help correct tariff inversions in which duties on components and inputs exceed the duties on the finished products into which they are incorporated. These are widely used, non-sensitive ICT products whose affordability directly affects the ability of American developers to build and deliver their products.

³ See Comments of Association for Competitive Technology (ACT), Notice of Determination and Request for Comments Concerning Action Pursuant to Section 301: Brazil's Acts, Policies, and Practices Related to Digital Trade and Electronic Payment Services; Unfair, Preferential Tariffs; Anti-Corruption Enforcement; Intellectual Property Protection; Ethanol Market Access; and Illegal Deforestation, Docket No. USTR-2026-0331 (July 1, 2026) (urging USTR to maintain and, where appropriate, expand exemptions for ICT inputs, components, and finished devices used by U.S. small businesses).

The following ICT products, identified at the HTSUS 8-digit level consistent with the notice, merit priority consideration for favorable tariff modification:

Product category	HTSUS subheading	Product description
Computing and data-processing units	8471.50.01	Processing units, whether or not presented with storage, input, or output units
	8471.70.40	Storage units, magnetic disk drive units (e.g., hard disk drives)
	8471.70.60	Storage units, other than magnetic disk drive units
	8471.70.90	Storage units, other
	8471.80.10	Units of automatic data-processing machines, control or adapter units
	8471.80.90	Units of automatic data-processing machines, other
Parts and accessories	8473.30.11	Parts and accessories of data-processing machines, printed circuit assemblies
	8473.30.51	Parts and accessories of data-processing machines, other
Networking and communications equipment	8517.62.00	Machines for the reception, conversion, and transmission or regeneration of voice, images, or data, including modems and switching and routing apparatus
Memory and storage media	8523.51.00	Solid-state non-volatile storage devices (e.g., flash memory cards and modules)
Components and interconnects	8534.00.00	Printed circuits, including flexible printed circuits
	8537.10.91	Boards, panels, and consoles for electric control or the distribution of electricity, for a voltage not exceeding 1,000 V
	8544.42.20	Insulated electric conductors fitted with connectors, for a voltage not exceeding 1,000 V, of a kind used for telecommunications
	8544.42.90	Insulated electric conductors fitted with connectors, for a voltage not exceeding 1,000 V, other
Semiconductor manufacturing equipment	8486.40.00	Machines and apparatus for the manufacture of semiconductor devices or integrated circuits (e.g., diffusion furnaces)

III. The Design of the U.S.-China Board of Trade

As USTR develops the proposed U.S.-China Board of Trade, we encourage USTR to treat the affordability of ICT products as a standing consideration in identifying non-sensitive products for favorable tariff treatment, and to establish a predictable and transparent process through which stakeholders, including the small businesses ACT represents, can identify products for tariff modification over time. We also encourage USTR to keep the mechanism focused on trade in goods, so that it does not become a vehicle for commitments affecting digital trade, cross-border data flows, or intellectual property. Those subjects are addressed through other channels and should continue to reflect the United States' established digital trade priorities, including the free flow of data across borders, the avoidance of data localization mandates, and the effective protection of intellectual property.

ACT appreciates the opportunity to submit these comments. We stand ready to work with USTR and other stakeholders to promote balanced and reciprocal trade that supports America's small business innovators and the consumers they serve.

Sincerely,

A handwritten signature in black ink, appearing to read 'B. Scarpelli', with a stylized flourish at the end.

Brian Scarpelli
Senior Global Policy Counsel

Chapin Gregor
Policy Counsel

Association for Competitive Technology (ACT)
1401 K St NW (Ste 501)
Washington, DC 20005