

April 20, 2020

Electronic Submission

Re: SIA Comments to USTR-2020-0014 on Additional Modifications of the 301 Action to Address COVID-19

Office of the U.S. Trade Representative (USTR):

The Semiconductor Industry Association (SIA) is the voice of the semiconductor industry, one of America's top export industries and a key driver of America's economic strength, national security, and global competitiveness. Semiconductors – the tiny chips that enable modern technologies – power many of the healthcare and medical devices being used to combat the health crisis. We appreciate the opportunity to provide input as USTR considers further modification of tariffs imposed under Section 301 with the view of increasing access to and affordability of vital goods needed to battle the COVID-19 pandemic.

Semiconductors are a key enabling technology of electronic products critical to virtually all sectors of the economy, including healthcare and medical devices, but also telecommunications, energy, finance, transportation, agriculture, and manufacturing. Semiconductors also underpin the IT systems that enable remote work and access to essential services across every domain, including medicine, finance, education, government, food distribution, law enforcement and more. In its recent guidance, the U.S. Department of Homeland Security's Cybersecurity and Infrastructure Security Agency (CISA) designated semiconductor and supply chain workers on its list of essential critical infrastructure workers.

Semiconductors are an integral component of many medical devices used in the hospital today, including many that are critical to treating COVID-19 patients, such as ventilators. Medical devices that rely on semiconductor technology include:

- Positron Emission Tomography (PET) /Computed Tomography (CT) equipment
- X-Ray equipment
- Ultrasound equipment
- Picture Archiving and Communications Systems (PACS)/Vender Neutral Archive (VNA)
- Capnography
- Clinical review displays
- Disinfection robots
- Drug delivery devices
- Electronic beds
- Infusion pumps
- Nebulizers and ventilators
- Patient monitors
- RFID for patients and inventory
- Telepresence and therapy robots
- Vital sign monitors

According to market research firm, Omdia, the medical end use market for semiconductors accounted for \$5.6 billion in total semiconductor sales in 2019, roughly 11% of the global industrial semiconductor market, and 1.3% of the total semiconductor

market. In addition, the medical semiconductor segment is growing faster than the overall industrial semiconductor market, driven by long-term trends such as the aging population, the rise of telehealth, the move to portable and wearable devices, and the rise of artificial intelligence (AI).

Semiconductors are foundational to these and many other life-saving devices and healthcare services. Lifting the Section 301 tariffs on these items will help promote access to and affordability of health-care products and services during this time of strained resources, and directly contribute to the battle against the pandemic. SIA stands ready to support policymakers as they consider measures to effectively respond to this global crisis.

Semiconductor Utilization in the Medical Market

US HTS	Sector of Utilization:	Product Name	List	Duty rate	
8542.31.0001	CT & PET	CT & PET Equipment	List 2	25%	
8542.31.0001	General Radiography & Fluoroscopy X-Ray	General Radiography & Fluoroscopy X-Ray	List 2	25%	
8542.31.0001	Interventional & Electrophysiology X-Ray Equipment:	Interventional & Electrophysiology X-Ray Equipment	List 2	25%	
8542.31.0001	Mobile C-Arm X-Ray	Mobile C-Arm X-Ray; FPD	List 2	25%	
8542.31.0001 (CPU/MPU)	Ultrasound	Ultrasound Equipment	List 2	25%	
8542.39.0001 (Unprogrammed FPGA)					
8542.31.0001	Miscellaneous	PACS/VNA	List 2	25%	
8542.31.0001		Capnography	List 2	25%	
8542.31.0001		Clinical Review Display	List 2	25%	
8542.31.0001		Diagnostic Display	List 2	25%	
8542.31.0001		Disinfection Robot	List 2	25%	
8542.31.0001		Drug Delivery Device	List 2	25%	
8542.31.0001		Electronic Bed	List 2	25%	
8542.31.0001		Infusion Pump	List 2	25%	
8542.31.0001		Infusion Pump; PCA	List 2	25%	
8542.31.0001		Infusion Pump	List 2	25%	
8542.31.0001		Nebulizer	List 2	25%	
8523.51.0000			Sequencers/PCR	List 4A	7.5%
8471.70.6000				(Housed SSD) List 1 (Unhoused)	25%

8542.31.0001	Ventilator	Nebulizer, Ventilator; Compressor/Jet Nebulizer	List 2	25%
8542.31.0001		Nebulizer, Ventilator; Critical Care Ventilator	List 2	25%
8542.31.0001		Nebulizer, Ventilator; Emergency Ventilator	List 2	25%
8542.31.0001		Nebulizer, Ventilator; Liquid Oxygen	List 2	25%
8542.31.0001		Nebulizer, Ventilator; Sub- Acute Ventilator	List 2	25%
8542.31.0001		Nebulizer, Ventilator; Ultrasonic/Mesh Nebulizer	List 2	25%
8542.31.0001		Nebulizer, Ventilator; Ventilator/Wall-Air Nebulizer	List 2	25%
8542.31.0001		Neonatal; Neonatal Ventilators	List 2	25%