



Ambassador Katherine Tai
Office of the United States Trade Representative
600 17th Street NW
Washington, DC 20508

March 29, 2021

Dear Ambassador Tai:

We, the undersigned trade associations, would like to congratulate you on your recent unanimous confirmation as the United States Trade Representative. We are excited to work with you on an ambitious trade agenda that promotes American exports, is inclusive, creates jobs at home, and positions the United States as a leader in global commerce for years to come.

It is in this spirit of collaboration that we write to express our concern regarding India's mounting tariffs on information communications technology (ICT) products in violation of its bindings at the World Trade Organization (WTO), some of which were again raised in this year's budget and are scheduled to go into effect on the first of April. We urge the administration to make enforcement of India's WTO commitments a priority in future bilateral engagements and to continue to provide support for the ongoing dispute settlement cases brought by Japan, the EU, and Taiwan at the WTO, including through a renewed assessment of whether the U.S. government should initiate proceedings of its own.

Since 2014, India has repeatedly increased import duties on certain ICT products in contravention of its commitments to provide duty-free treatment for many of these products under the Information Technology Agreement (ITA). For example, India now imposes duties of 20 percent on telecommunications products such as switches and base stations, a 20 percent tariff on mobile phones, a 10 percent tariff on certain parts for telecommunications equipment, and a 7.5 percent tariff on parts and accessories of test equipment. On February 1, India's Minister of Finance proposed further increasing tariffs on printed circuit board assemblies, camera modules, connectors, and other ICT inputs. These tariffs have been approved by India's Parliament and are scheduled to be implemented on the first of April. The continuous and unpredictable implication of these tariffs has significantly decreased business certainty and inhibited the ability of U.S. companies to plan their business operations in India and throughout their supply chains connected to India.

Moreover, these most recent tariffs are indicative of a broader effort by the Indian government to pressure companies to localize more of the ICT supply chain in India without regard for the country's WTO commitments. We are concerned that, if left unchallenged, this trend will undermine the integrity of tariff bindings made at the WTO by all of its participants as countries seek new tools to force local production of goods, to the detriment of U.S. companies operating in and exporting to India and around the world.

These tariffs also undermine the objectives recently outlined in the Quad Leader's Joint Statement, particularly with the creation of the Quad Critical and Emerging Technology Working Group and the promise of U.S.-India cooperation on telecommunications deployment and critical technology supply chains.

As the U.S. government approaches important discussions with India, we urge you to work with partners and allies to enforce WTO commitments by holding India to its bindings on tariffs on ICT products and inputs. We greatly appreciate your consideration of this issue and stand ready to assist in any way we can going forward.

Sincerely,

Coalition of Services Industries (CSI)
National Association of Manufacturers (NAM)
Information Technology Industry Council (ITI)
Semiconductor Industry Association (SIA)
Telecommunications Industry Association (TIA)
US-India Business Council (USIBC)
US-India Strategic Partnership Forum (USISPF)

Cc:

Christopher Wilson, Assistant U.S. Trade Representative, South and Central Asia
Brendan Lynch, Deputy Assistant U.S. Trade Representative, South and Central Asia