Ace Computers Addresses the Effect of Tariffs on Small Technology Companies

“The obvious solution to the problem is to reverse the tariff schedule to allow the components to enter the U.S. tariff-free while adding the tariff to cover only fully built products from China.”
— Ace Computers CEO John Samborski

CHICAGO October 8, 2018 -- Ace Computers CEO John Samborski is becoming the face of small to mid-sized domestic technology companies that are being disproportionately hurt by the recent and upcoming tariffs on computer components.

The fact that the current 10% tariff in effect and eventually the 25% tariff apply only to components utilized in personal computer production and not to finished goods means that relatively small technology manufacturers will pay 10% to 25% tariffs on the components imported from China; while industry leaders who assemble the majority of their products in China will pay no tariffs. Finished desktop PCs, notebook PCs, tablets, servers and phones fully built in China and built with the same China-made components will not be subject to these tariffs.

Ace Computers is a woman-owned small business and one of the largest fully U.S.-based PC manufacturers. Headquartered in Greater Chicago since 1983, it employs almost 50 people across the U.S. with an average tenure of over 10 years.

Since its inception, Ace Computers has been focused on providing both commodity PCs as well as highly specialized systems such as forensic workstations and supercomputers for the U.S. Government (IRS, SEC, NSA, State Dept, etc.) law enforcement and the DoD. The company has also provided PCs to three U.S. Presidential offices in the past 15 years. Ace Computers holds many contracts for the U.S. Government including the primary supply contracts for the U.S. Air Force and NASA.

In 1983, there were many U.S. based firms providing parts such as PC motherboards, video cards, etc., but as pricing pressure became tighter, production started moving first to Taiwan where the production costs are lower and eventually to China. Today most of the world’s PC components are manufactured in China.

“Since our customer base has pricing locked in with U.S. government contracts, we are not permitted to raise prices for months at a time,” Samborski said. “This means Ace Computers and other companies like ours may actually be losing money on orders.”

Samborski continued, “The obvious solution to the problem is to reverse the tariff schedule to allow the components to enter the country tariff-free while adding the tariff to cover only fully built products coming in from China. That will encourage the large businesses to repatriate their production facilities and build computers in the U.S. once again--leveling the playing field for those who build computer products in the U.S.”

Founded in 1983, Ace Computers is one of the most established and respected custom technology builders in the world. The company is a Woman-Owned Small Business manufacturer and reseller for the public sector as well as the commercial sector with a stellar record of outstanding customer service, engineering expertise and on-time delivery. Ace Computers is a multi-year CES Award winner and HPCwire Readers’ Choice Award finalist. In addition to some of the finest academic institutions in the U.S., long-term clients include the U.S. Department of Energy and the U.S. Department of Defense. Contracts include GSA, NETCENTS 2 and SEWP V. Headquartered in Greater Chicago, additional locations include New York, New Jersey, Florida, Virginia, Nevada, Arizona, Colorado and Washington. To contact Ace Computers, call 1-877-223-2667 or 1-847-952-6900 or visit http://www.acecomputers.com/TopProducts.asp