October 5, 2018

The Honorable Robert E. Lighthizer
United States Trade Representative
Office of the United States Trade Representative
600 17th Street NW
Washington, D.C. 20508

Dear Ambassador Lighthizer:

We are writing as a follow up to our letter on May 15, 2018, as we remain concerned about the impact that tariffs imposed through Section 301 and 232 have on medical technology. We again encourage the Administration to remove medical technology tariff lines from U.S. tariff lists because these products are unavailable from other sources, have a negative impact on U.S. jobs and competitiveness, and reduce patient access to life-saving medical technology. We also urge you to continue to work with the Chinese government to insist that it remove its tariffs on medical technology products.

Since our letter, the U.S. has implemented tariffs on over $800 million of medical technology through Section 301. While we were pleased that the final list of medical device products subject to additional tariffs was reduced from the $2.8 billion initially proposed, the remaining tariff lines will have a significant impact on medical imaging, radiation therapy, pacemakers, patient monitoring systems, electrocardiographs, optical instruments, as well as anesthesia and dialysis instruments. These are all critical technologies that play an important part in maintaining and improving patient health and well-being.

Unfortunately, and as a direct result of this action, the Chinese Government has responded by imposing additional tariffs on about $16 billion of its imports from the United States, including over $1 billion of medical devices and diagnostics manufactured here in the U.S. Making matters worse, in response to the Administration’s proposed $200 billion list, and the proposal to increase those tariffs from 10 to 25 percent, China’s latest $60 billion list includes over $3.5 billion worth of U.S. medical technology exports to China. The two lists combined would place tariffs on virtually all U.S. medical device and diagnostic exports to China. We are also concerned that further escalation in a tariff war could result in China imposing qualitative, non-tariff trade barriers, such holding up product approvals, purchasing less U.S. medical technology, as well as other debilitating tools at their disposal. In turn, this creates a vicious cycle where tariffs increase the cost of high quality, safe and effective U.S. exports, making our manufacturers unable to compete with lower cost, lower quality products.

Steel and aluminum tariffs implemented through Section 232 are also having a negative impact on medical technology. We are hearing from our constituents in the medical device industry that tariffs implemented through Section 232 impact medical technologies such as surgical tools, stents, and joint replacements by increasing the costs of components and raw materials. Overall, these tariffs will have immediate adverse effects on competitiveness, as well as the potential longer-term impact on patient access to medical technology.
Considering this, we ask that you remain committed to improving the competitiveness of the U.S. medical technology industry, a truly successful manufacturing story supporting over 500,000 jobs in the U.S. In particular, we request that all medical technology products be removed from the Section 301 lists. We would also have strong concerns with any decision by the Administration to add previously excluded devices back on to a current or future tariff list. In addition, we encourage you to continue discussions with the Chinese government with the goal of a successful resolution to the current crisis that includes aspects of the industry’s action plan to address the market access issues U.S. medical device and diagnostics manufacturers are most concerned about.

Thank you again for your time and attention to this matter. We look forward to continuing to work with you to address our concerns and maintain the global leadership of the U.S. medical technology industry.

Sincerely,

Erik Paulsen
Member of Congress

Scott H. Peters
Member of Congress

Anna G. Eshoo
Member of Congress

Kyrsten Sinema
Member of Congress

Julia Brownley
Member of Congress

Darin LaHood
Member of Congress

Jim Banks
Member of Congress

Bob Gibbs
Member of Congress