AMA
AMERICAN MEDICAL ASSOCIATION

JAMES L. MADARA, MD
EXECUTIVE VICE PRESIDENT, CEO

ama-assn.org
t (312) 464-5000

May 11, 2018

Ambassador Robert E. Lighthizer
United States Trade Representative
Office of the United States Trade Representative
600 17th Street, NW
Washington, DC 20508

RE: Notice of Determination and Request for Public Comment Concerning Proposed Determination of Action Pursuant to Section 301: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation [Docket No.: USTR-2018-0005]

Dear Ambassador Lighthizer:

On behalf of the physician and student members of the American Medical Association (AMA), I urge you to consider the impact of including products that are essential to ensuring patient access to medical devices, prescription medication, or essential components of the foregoing listed on the Annex to the *Notice of Determination and Request for Public Comment Concerning Proposed Determination of Action Pursuant to Section 301: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation [Docket No.: USTR-2018-0005]*. Although we appreciate that the intent is to ensure that U.S.-based industries are placed on an even playing field in the U.S. and globally, we are concerned that the factors that the Office of the U.S. Trade Representative (USTR) analysts used to assess impact on consumers may not have adequately accounted for the impact on patient health outcomes when patients and health care providers are either not able to obtain established prescription medication, medical devices, or their essential component parts, or access is disrupted which could undermine stabilized patient care.

We understand that analysts have assessed products to determine if placement on the Annex list is likely to cause disruptions to the U.S. economy and tariff lines that are subject to legal or administrative constraints. We further understand that the remaining products were ranked according to the likely impact on U.S. consumers, based on available trade data involving alternative country sources for each product. The proposed list was then compiled by selecting products from the ranked list with lowest consumer impact as identified by the USTR analysts.

Currently, the Administration and the Congress are working to address the rapid increase in prescription medication costs. We urge careful consideration of retention of any products used in

the manufacture of prescription medication even where an alternative country source exists. The cost associated with switching sources could precipitate shortages and spikes in higher prices. A complete analysis should be undertaken in conjunction with the Food and Drug Administration as well as impacted manufacturers of prescription medication to ensure that any product on the Annex list will not precipitate shortages or spikes in prices. Patients and physicians are already straining under the burden of persistent shortages and rapidly rising costs of prescription medication.

In addition to prescription medication, the AMA strongly urges careful consideration of the impact on the availability of medical devices. Items such as x-ray machines, ultrasounds, computed tomography scanners, orthopedic appliances, needles, syringes, and other items play an essential role in the provision of health care in the U.S. With foreign countries playing an increasingly larger role in the manufacture of medical technologies used in this country, there is significant concern that the proposed tariffs could increase the manufacturing costs of these products, with these increased costs ultimately passed on to American patients. At a time of increasingly strained budgets and rising health care costs, the AMA strongly cautions against any actions that may result in higher costs to American patients and the U.S. health care systems and urges the Administration to reconsider its application of tariffs to medical devices and technologies.

The AMA appreciates the opportunity to provide comment and stands ready to serve as a resource to aid in this consideration. If you have questions, please contact Shannon Curtis, Assistant Director of Federal Affairs, Shannon.curtis@ama-assn.org or 202-789-8510.

Sincerely,

James L. Madara, MD