



Dear Ambassador Lighthizer,

My company is one of our country's medical-surgical wholesalers, our industry is responsible for delivering medical products and supplies, managing logistics, and offering customer services to the nation's doctors, nurses, hospitals and other providers. We distribute items critical to everyday medical services and procedures, ranging from gauze and gloves to diagnostic laboratory tests and capital equipment. In total, companies like my own serve 210,000 physician offices, 6,500 hospitals, and 44,000 nursing homes and extended care facilities nationwide.

I am concerned that tariffs on critical healthcare products put at risk our nation's ability to respond to public health emergencies and provide quality healthcare to patients. The proposed tariffs create specific threats because:

- 1) These products are essential to our Pandemic and Emergency Readiness
- 2) There are no viable alternative sources for these products
- 3) Tariffs would cause the low-margin commodities to be delivered at a financial loss, potentially threatening the future supply of these items

Simply put, the risks to healthcare and public health from tariffs far outweigh any benefit to trade or economics.

After careful review and consultation with other agencies, these products were removed from previous tariff lists. Of critical importance to our industry was the removal of gloves and gowns from the third list. However, both of these products, among others, have been proposed to be returned to the fourth list. These items are essential to everyday patient care across all healthcare settings and are critical to public health preparedness and response as discussed below. For these reasons, I am urging you to remove these items from the tariff lists once again.

Pandemic Readiness

Exam gloves and isolation gowns as well as infection prevention products and diagnostics protect healthcare workers, first responders and patients from the spread of infectious diseases. These products are essential for responding to a pandemic or other public health crisis.

Ebola is once again an epidemic on the African continent. A single case reaching U.S. shores would drive a substantial increase in demand for this protective equipment and supplies overnight. During a pandemic, additional supplies are also needed to train healthcare workers on how to put these items on and take them off properly, so as not to infect themselves or others. This will further stress supplies at a critical time.

Additionally, the inclusion of these products in the final tariff list would undermine recent public/private partnerships designed to collaborate on supply chain capabilities, such as the work done with the office of the Assistant Secretary of Preparedness and Response (ASPR) and their private healthcare partners. This would significantly limit the ability of all levels of government as well as the commercial healthcare supply chain to adequately support response efforts during emergency events.

No Viable Alternative Sources for these Products

For many of these products, no other country - individually or in combination - has anywhere close to the manufacturing capacity to replace China's. Healthcare in the U.S. has benefited from a global supply chain that has lowered the cost of healthcare products. According to a U.S. Department of Commerce study, China is one of the top 3 countries where medical products are sourced. Virtually 100% of vinyl gloves are manufactured in China as are a significant portion of nitrile exam gloves. There are not alternative manufacturing facilities or access to raw materials outside of China that would be capable of mitigating the risk of supply shortfalls. It takes months, for most device manufacturing facilities to become fully operational-which would limit our ability to compensate for unanticipated product shortages or demands on critical supplies.

Risk to Product Continuity

Tariffs could have the unintended consequence of disrupting what is today a highly efficient, low cost supply chain. Today, these critical medical products are readily available and on-demand at low prices. Because they are low margin commodity products, the added tariff expense cannot be absorbed by the manufacturers. Faced with operating at a financial loss some manufacturers could be forced to exit certain product categories or other unforeseeable unintended consequences.

Conclusion

Including healthcare products on the final tariff list will negatively impact the safety of healthcare providers and their patients as well as our ability to respond to public health crises. As such I urge the USTR to follow previous decisions on products that were removed because of their importance to public health preparedness. I appreciate the opportunity to share my concerns.

A handwritten signature in black ink, appearing to read "Jeffrey Siegal". The signature is fluid and cursive, with the first name "Jeffrey" and last name "Siegal" clearly distinguishable.

Jeffrey Siegal
CEO