

June 28, 2024

Submitted electronically to: <https://comments.USTR.gov>

Ambassador Katherine Tai
U.S. Trade Representative
Office of the United States Trade Representative
600 17th St. NW
Washington, D.C. 20508

Re: Request for Comments on Proposed Modifications and Machinery Exclusion Process in Four-Year Review of Actions Taken in the Section 301 Investigation: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation (Docket No. USTR-2024-0007)

Dear Ambassador Tai:

Vizient, Inc. appreciates the opportunity to provide feedback to the U.S. Trade Representative's (USTR) *Request for Comments on Proposed Modifications and Machinery Exclusion Process in Four-Year Review of Actions Taken in the Section 301 Investigation: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation (Docket No. USTR-2024-0007)*, which was published in the *Federal Register* on May 28, 2024. Consistent with our [previous comments](#), Vizient welcomes the opportunity to continue our engagement with the USTR, especially given the supply chain challenges over the last several years. Further, we appreciate the USTR's willingness to engage stakeholders and consider alternative approaches to previous tariffs on various U.S. imports of medical products from China.

While we support the goals of the administration to increase the domestic production of various goods, we have significant concerns that the proposed tariffs could have unintended consequences that could lead to significant cost increases and supply chain disruptions. Although creating more domestic production of medical supplies is a necessary and laudable goal, the aggressive timeline and significant price increases associated with the tariffs could place providers and patients at risk of losing access to critical medical supplies.

[Vizient, Inc.](#), the nation's largest provider-driven healthcare performance improvement company, serves more than 65% of the nation's acute care providers, which includes 97% of the nation's academic medical centers, and more than 35% of the non-acute market. Vizient provides expertise, analytics and consulting services, as well as a contract portfolio that represents \$140 billion in annual purchasing volume. Solutions and services from Vizient improve the delivery of high-value care by aligning cost, quality and market performance. Headquartered in Irving, Texas, Vizient has offices throughout the United States.

Vizient's role in the healthcare supply chain puts us in a unique position of having a line of sight into both supplier and healthcare provider manufacturer and purchasing practices, respectively. We have utilized data-driven insights to help bolster supply assurance for both healthcare providers and suppliers – the latter similarly relying upon a need for stable demand in order to ensure available supply. While we have long advocated for the need for a diversified supply chain, it is imperative that this diversification be global in nature, as supply disruptions can and

do happen on-shore as well. Additionally, though clarification is needed regarding the scope of needles and syringes, specifically, impacted by this proposal, we have concerns that if interpreted broadly, the impact could be severe, given the extremely limited number of domestic manufacturers of some of these products.

Ultimately, tariffs on imports of medical devices and supplies from China threaten healthcare providers with abrupt price increases, disrupted supply chains, limited access to high-quality alternatives and potential impacts on patient care. Current contracts may protect providers in the short-term from increased costs but it is likely that providers will begin to stockpile certain products, which could lead to shortages in the market and impact availability of alternative products. It can take up to a year for providers to transition to an alternative supplier, negotiate contracts, ensure product compliance and provide clinical education and training to staff. Suppliers will inevitably pass down their increased costs to providers and patients while reimbursement from payers will remain inadequate, which could limit access to essential medical supplies and cause disruptions in treatment regimens. Respectfully, Vizient urges the USTR to not finalize tariffs on these critical medical supplies.

Thank you for your consideration. Please do not hesitate to contact me at (202) 354-2607 or shoshana.krilow@vizientinc.com if you have any questions or if we can be of assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Shoshana Krilow". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

Shoshana Krilow

Senior Vice President, Public Policy & Government Relations