

May 9, 2018

Robert E. Lighthizer
United States Trade Representative
Office of the United States Trade Representative
U.S. International Trade Commission
Washington, DC 20436

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 Mr. Lighthizer,

On behalf of the Endocrine Society, I write to share our concerns with the Proposed Rule, "China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation." The Endocrine Society is the world's largest professional organization of endocrinologists, representing the interests of over 18,000 clinicians and scientists engaged in the treatment and research of endocrine disorders, including diseases such as diabetes, thyroid disease, infertility, and obesity. The proposed tariffs on medications, raw materials used in the production of medications, and medical device materials will adversely affect our patients with endocrine diseases and their families. Hormone therapies for healthy individuals will also be impacted, including contraceptives, estrogen and progesterone for postmenopausal women, and testosterone for men.

The Administration proposes to apply an additional 25 percent rate of duty on over 1,300 products imported into the United States from China to address a trade imbalance. While the Endocrine Society does not have comments on the whether tariffs should be applied to products imported from China in general, we do have concerns that including medications and raw materials that are needed to produce medications may reduce access to much needed hormonal therapies. Furthermore, tariffs on ultrasound equipment and syringes will be passed on to patients in the form of higher medical bills.

Individuals with Type 1 Diabetes, and some with Type 2 Diabetes, are dependent on insulin to survive. However, as insulin prices have nearly tripled over the past 15 years, patients are having an increasingly difficult time affording this life-saving medication. The Society is concerned that a 25 percent rate of duty on insulin will increase the cost of production, which may likely be passed on to the consumer through increased prices. Many other medications used to treat thyroid, reproductive, and growth disorders will also be impacted. The Society is concerned that additional tariffs will lead to a shortage of medications as the manufacturers identify alternative sources that are less expensive or an increase in price that could make the cost untenable.



The Administration has made reducing prescription drug costs a priority. Including medications or ingredients used to manufacture drugs on the list of products targeted for additional tariff runs counter to this goal. Almost 80 percent of active ingredients used in the United States are imported from other countries, with China being a dominant supplier. Increasing the cost of raw ingredients will disproportionately affect generic drugs, thereby reducing the benefit of these traditionally lower-cost alternatives to patients and the health care system.

Thank you for considering our comments. We urge the Administration to remove medications, raw materials used in the production of medications, and medical device materials from the list of products subject to the increased rate of duty. If we can provide any additional information, please contact Mila Becker, JD, Chief Policy Officer at mbecker@endocrine.org.

Sincerely,

Susan Mandel, MD
President, Endocrine Society