



January 18, 2013

Ms. Lisa Barton
Acting Secretary to the Commission
U.S. International Trade Commission
500 E Street, SW
Washington, DC 20436

Dear Ms. Barton:

The Alliance for Healthcare Competitiveness (AHC), representing the largest job-creating sector of the U.S. economy, is pleased to take this opportunity to provide comments as the Commission continues work on its report to USTR on the proposed expansion of the Information Technology Agreement (ITA).

AHC is a coalition representing a broad spectrum of the American health sector, ranging from providers and manufacturers, payers and non-profits, and those engaged in the strategic design of healthcare facilities. The American health ecosystem is among the world's largest and most sophisticated economic sectors, and has vast trade potential. U.S. healthcare businesses see a remarkable opportunity to improve health outcomes worldwide as we simultaneously help the United States make the transition to an era of job-creating growth.

Private-sector health companies employ over 15 million Americans, account for 19 percent of all new job creation, and produce over \$2 trillion annually in goods and services. Their technical sophistication is unmatched. Progress in telecommunications and computer technology, advanced in part due to the ITA, means they can offer high-quality care to the entire world, including to poor and isolated people never before able to access care.

However, a key barrier to trade in health products is the application of tariffs to health goods like medical devices. Many tariffs were eliminated through the Uruguay Round of the GATT in 1995, and in WTO accession agreements and Free Trade Agreements since. However, the achievement is not complete, even in some relatively wealthy countries. Developing-country health tariffs vary widely, and are occasionally quite high.

The WTO Information Technology Agreement eliminates all import duties in participating countries on a wide range of information technology products. Unfortunately, the scope of products covered by the ITA has not expanded since the agreement's inception in 1996. As a result, many modern products and technologies are excluded from the ITA.

The exclusion of certain medical technology, in particular, represents an untapped opportunity to promote the health and wealth of nations. ITA expansion would fuel global ICT trade and help support U.S. medical technology exports to nations demanding world-class healthcare. For these reasons, AHC supports the expansion of ITA product coverage to include a set of medical products and technologies that are either IT-connected or IT-enabling power sources. In many cases, information technology is central to the safe functioning of medical devices.

AHC's recommendations embody the goals expressed in the 1996 Ministerial Declaration on Trade in Information Technology Products, including raising standards of living and demonstrating the contribution of information technology to global economic growth and welfare.

AHC supports expansion of the ITA to include the Harmonized System sub-headings identified below:

8501104020	ELECTRIC MOTOR, UNDER 18.65W, AC
8501104040	ELECTRIC MOTOR,U/18.65W.DC,BRUSHLS
8501104060	ELECTRIC MOTOR, U/18.65W, DC,OTHER
8501104080	ELECTRIC MOTORS, U/18.65W, OTH
8501106080	ELECTRIC MOTOR,18.65<=X<37.5W,OTH
8504406007	POWER SUP>50W,<=150W,PYSC8471
8504406012	POWR SPLIES,150<X=<500,PYSC8471
8504406018	POWER SUPPLIES,PHYSICAL 8471
8504407012	POWER SPLIES,150<X=<500,OTHER
8504407018	POWER SUPPLIES,N/PHYSICAL 8471
8504409510	POWER SUPPLIES,<=50W,RECTIFIERS
8504409520	POWER SUPPLIES >50W, <=150W,RECTFRS
8504409540	POWER SUPPLIES, OTHER, RECTIFRS
8523492010	OPTICAL MED, PREPACK SOFTWARE
9017308000	OTHR GAUGES:DRAW/MEASUR NSPF
9017800000	OTHR INST: DRAWING ETC NSPF
901811	ELECTROCARDIOGRAPHS
901812	ULTRASONIC SCANNING APPARATUS
901813	MAGNETIC RESONANCE IMAGING APPARATUS
901814	SCINTIGRAPHIC APPARATUS
901819	LAPAROSCOPES, ENDOSCOPES & OTHER ELECTRO-DIAGNOSTIC EQUIPMENT
9018194000	MED.APP.FOR FUNCT.EXP.EXAM
9018195500	PATIENT MONITORING SYSTEMS
9018199530	BASAL METABOLISM&BLOOD PRESSUR
9018199560	PARTS & ACC:ELECT.MED.DIAGN.APPA
9018901000	MIRRORS & REFLECTORS OTHR MED.
9018902000	OTHER MED.OPTICAL INSTRUMENTS
9018904000	PERCUSSION HAMMERS;STETHOSCOPE
9018906000	ELECTRO-SURGICAL INSTRUMENTS

Ms. Lisa Barton
January 18, 2013
Page 3

9018906800	PRNT CRCT ASMB F/90189064 DFIB
9018907560	OTHER ELECTRMD THERAPUTC APL,OTH
9018907580	OTHER ELECTRO-MEDICAL INST&APP
9018908000	OTHER INSTR/APL PT/ACS, USE MED
9021500000	PACEMAKERS FOR HEART: N/PARTS
9021904080	OTHER PARTS &ACC FOR PACEMAKERS
9021908100	OTHER ORTHOPEDIC&BODY AID APPL
902212	COMPUTED TOMOGRAPHY APPARATUS
902219	FOR OTHER USES (APPARATUS BASED ON THE USE OF X-RAYS OR OF ALPHA, BETA OR GAMMA RADIATIONS, WHETHER OR NOT FOR MEDICAL, SURGICAL, DENTAL OR VETERINARY USES, INCLUDING RADIOGRAPHY OR RADIOTHERAPY APPARATUS
902221	FOR MEDICAL, SURGICAL, DENTAL OR VETERINARY USES (APPARATUS BASED ON THE USE OF ALPHA, BETA OR GAMMA RADIATIONS, WHETHER OR NOT FOR MEDICAL, SURGICAL, DENTAL OR VETERINARY USES, INCLUDING RADIOGRAPHY OR RADIOTHERAPY APPARATUS)
902230	X-RAY TUBES
902290	OTHER, INCLUDING PARTS AND ACCESSORIES
902590	THERMOSTATS' PARTS AND ACCESSORIES
902620	PRESSURE CHECKING DEVICES
902730	SPECTROMETERS
902750	OPTICAL RADIATION DEVICES
902780	MRI, OTHER INSTRUMENTS AND APPARATUS FOR PHYSICAL OR CHEMICAL ANALYSIS
902790	PARTS AND ACCESSORIES FOR PHYSICAL MEASUREMENT
902830	ELECTRICITY METERS
902910	TAXIMETERS (E.G., PEDOMETERS)
903033	VOLTAGE MEASURING DEVICES
903210	THERMOSTATS

With the right policies, including a zero-tariff environment, U.S. medical technology can serve a vastly larger global market. A billion people in India, China, Latin America, Southeast Asia and Africa will join the global middle class over the next decade. With a global healthcare market outside the United States of about \$5 trillion, we would be missing an incredible opportunity if healthcare is not given a central place in U.S. economic and trade strategy. The addition of critical medical technology to the ITA product list is an important start.

Thank you for the opportunity to provide these comments. We look forward to working with you and other U.S. trade agencies on these issues going forward. Please contact Leslie Griffin at 202-879-5802 or lgriffin@fontheim.com with any questions.

Sincerely,

Alliance for Healthcare Competitiveness, LLC

cc: Mary Thornton, Office of the United States Trade Representative