I would like to start by first thanking the USTR, the committee assembled to navigate this discussion, and the USTR staff for your commitment to protect Americans and American interests in international trade. Thank you for convening these hearings regarding the impact of the proposed additional 25% tariffs on China goods. I appreciate the hard work that the USTR has done in advocating for better world trade policies on our behalf and on behalf of America. Getting it right is difficult and I am confident that the impressive team here, Mr. Lighthizer, The USTR Senior Staff, the White House Administration, the President, and the many experienced yet unrecognized people who tirelessly work out of the public view can get it right and make good decisions to move us forward. I would also like to especially thank you for your efforts, evidenced by these hearings, to hear from us, our take on how the proposed tariffs may move the needle in a positive direction with respect to theft of intellectual property and systematic unfair trade practices. No matter where our conclusions lead us, or what our preconceived notions and opinions may be, I find it a refreshing conversation to critically evaluate what is in our interests, that celebrates and protects that about America which is good, important, and worth promoting with regards to our economic good. As an American citizen in the private sector, I believe that we have a unique vantage point with respect to protection of our intellectual property and navigating international commerce in the micro-economics sense as US business manufacturers, and from that standpoint may have particular insight into both the challenges to our success and the effect of proposed macro-economic policies. So, again thank you for this opportunity to address this committee and the USTR.

To give some context, I am the CEO of LW Scientific - a privately held American small business just north of Atlanta, Georgia, serving about 70% domestic and 30% international export clients. We manufacture and distribute an array of goods for medical laboratory and clinical use, diagnostics, as well as for industrial applications. The company is an ISO-13485 certified medical device manufacturing concern with design capabilities, proprietary technologies, manufacturing, fabrication and assembly operations, and distribution capabilities and have been in business now for 25 years. I think several things make us unique as a US

business concern. Although we are a small business, as a medical device manufacturer, we navigate in a field of difficult waters and the implications of what we do have a far reaching impact from a health and safety standpoint. Our products in many cases are instrumental in improving healthcare, research, and diagnostics, and as such we take our work soberly and seriously. I suspect that relative to my peers we are not alone in regard to this seriousness with which we approach our business, but what makes us slightly unique as a small business is the international nature of our work both on the input and outputs of our company. We serve clients domestically (70% of our business) and internationally through export (30% of our business) to several countries – China being one of them. We also have a wholly American owned manufacturing affiliate in Shanghai. From my experience, it is less common of businesses with similar scope and size of operations that we have both this unique domestic as well as international presence.

In short, I suggest that the additional tariff would unduly impact our competitiveness while not necessarily achieving the goal of leveraging change with regards to negative China practices identified in previous hearings. Although the target tariff list arguably minimizes the impact to the American economy by limiting the exposure to an estimated $50 billion segment, at least the items that are directly related to LW Scientific, Inc. (HTSUS #'s 9018.90.800; 8421.19.0000; 9011.108000; and 9011.90.0000) will significantly impede our company's international competitiveness. I think what may be a bigger issue worth considering though, is the direct impact to the runaway inflation in the health care space in America. Should goods—especially those HTS designated goods—be subject to punitive tariffs, the unintended consequence will be certain to further burden the rising cost of healthcare as they (the HSTSUS list mentioned) directly target laboratory diagnostics, centrifuge components, microscopes, and microscope components. At first glance, it seems an appropriate response to do something rather than nothing as a measure to punish perpetrators of intellectual property theft, however I suggest that the action is indirect and less effective than desired, may not meet it's intended goal of

redressing the guilty parties, and yet imposes a tax/tariff penalty on the American consumer in a segment doubly begging for innovative solutions for cost reduction and better healthcare.

As a manufacturer, I think fellow manufacturers of complex products will attest to, our products are global in nature, in that the finished devices that often are assembled in the US are comprised of components from all around the globe. China is a source for such components. In our experience we are not aware of instances of Chinese theft or unfair trade practices that have negatively impacted our business. We in fact have successfully forged inbound as well as export trade routes that enable us to compete on a global scale. Our business would be severely and negatively impacted should the China sourced components be subject to a 25% tariff. You see, we even successfully compete with some of our suppliers globally, whereas the proposed tax would significantly eliminate the advantages we enjoy today through exports. Certainly our export strategy would be rendered ineffective as our foreign competition is fierce and margins are slim. So in regards to ensuring our global excellence, it not only unintentionally kills a major segment of my business, it will assuredly take jobs away from us, while handing them to our international competitors.

As to unfair practices and theft in other HTSUS proposed designations, and understanding the calculus of a successful steel and aluminum policy, I cannot speak with direct experience, as they are not in my industry. I would posit though, that the tariffs as listed here have a negative unintended outcome for both domestic jobs as well as export competiveness and would have a disastrous effect on my space – healthcare equipment. As an alternative, a potentially realistic measure could be penalties or targeted import taxes on companies or individuals through process, have proven to be guilty of illegal or otherwise unfair. Further, we have in the past enjoyed collaborating with the Department of Commerce resources in foreign services to help forge relationships with export clients. Perhaps it is already in the works but out of the immediate public discussion, I would suggest empowering Department of Commerce and USTR teams to develop trade missions to enhance American exports in a positive direction. As we

are rightly addressing unfair conditions, I would suggest an equal (and with equal determination) initiative to build bridges with foreign individuals, companies, and distributors of US content goods.

Thank you again for the good work you do, and the difficult process of finding what is good about America, celebrating it, and protecting it, with regards to commerce and economic success, and moving us forward.