

US International Trade Commission

Submission for Objection to proposed tariff

Mindray is a Class 2 Medical Device manufacturer and our North American Headquarters is based in Mahwah, New Jersey. Founded in New York City, Mindray DS USA is a wholly owned private company that is a subsidiary of an International market leader based in China. We have previously been publicly traded on both of the US' largest stock exchanges. As a result of significant growth and reinvestment, we now employ over five hundred (500) people in the United States and have three (3) R&D facilities which are located in San Jose, CA; Redmond, Washington and Mahwah, New Jersey. We have been serving the American healthcare community since 1964.

It is our understanding that the Section 301 investigation of China's Acts, Policies and Practices Related to Technology Transfer, Intellectual Property and Innovation was designed to balance trade, eliminate forced joint ventures and technology transfer, and combat industrial initiatives, such as "Made in China 2025."

However, Mindray, like many medical technology and device manufacturers, has serious concerns about the proposed Tariff approach and we question whether its broad design will achieve its intended objective.

The "Made in China 2025" industrial program identifies ten (10) industries where the Chinese government hopes to develop breakthrough technology, in part through state assistance. In reviewing China's proposed industrial program, the key focus of their initiative appears to be emerging technologies and innovations.

However, Mindray's business is centered on Patient Monitoring, Anesthesia Delivery Units and Ultrasound Imaging Systems. Although these products were developed many years ago and are widely produced by various international medical device manufacturers, they are impacted by Harmonized Tariff Schedule in subheadings 90181200 through 90189080. It is important to note that these technologies are not unique, and are not the focus of China's Industrial growth initiative. Unlike emerging biotechnology or robotic surgery equipment, these products are mature, enhanced and perfected through decades of clinical application. Most importantly, they are vital for US hospital operations, as they routinely assist clinicians in the daily delivery of quality patient care.

Like many of our peers, Mindray manufactures these products in China. This integrated supply chain allows us to produce value-based performance technology that contributes to delivering healthcare within the financial reach of today's challenging hospital marketplace. We take great

pride in our ability to help the medical community continue to deliver quality patient care, while they encounter relentless financial pressure.

As the Administration is aware, our nation continues to struggle with rising healthcare costs along with the broader effect on communities and population health. Over one hundred thirty (130) community hospitals have closed their doors since 2005 due to dwindling cash flows caused by uninsured patients and declining reimbursement. This trend has accelerated since 2010 and will likely become more challenging as our population continues to age. Many of these facilities are in rural areas where they tend to be the largest employer in their community.

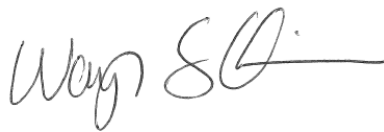
Therefore, the impact of the proposed tariff program as it relates to the healthcare industry should be more closely examined.

Imposing any levels of tariff on these mature medical devices will certainly present hidden, unintended consequences. It will immediately, and dramatically, increase the technology acquisition cost for healthcare providers, thereby serving only to add to the instability of the hospital industry. This could lead to the further acceleration of facility closures, creating broader unemployment of medical professionals. It is worth noting that when a hospital closes its doors, this not only affects those employed, but it also impacts the community. More geographical healthcare vacancies will emerge, forcing patients to travel further from their communities to access much-needed medical care. In fact, it is estimated that thirty million (30,000,000) US citizens require over a one (1) hour drive to access an Emergency Department due to previously created vacancies associated with hospital closures.

In addition, the proposed tariff may force technology manufacturers to make dramatic cuts to their cost structure, which will likely include further staff reductions.

For these reasons, we hope that the Administration will more closely review the released Section 301 Tariff proposal and consider removing the above-stated medical devices from the Tariff list.

Respectfully Yours,

A handwritten signature in black ink, appearing to read "Wayne Quinn", with a stylized flourish at the end.

Wayne Quinn

President, Mindray North America

