

Department of Commerce Bureau of Industry and Security
Washington, DC 20230

In The Matter of Section 232 National Security Investigation of Imports of Personal Protective Equipment, Medical Consumables, and Medical Equipment, Including Devices

The American Consumer Institute is an independent 501(c)(3) education and research organization. Its mission is to identify, analyze, and protect the interests of consumers in selected legislative and rulemaking proceedings.

We are writing in opposition to applying tariffs or import quotas on personal protective equipment (PPE), medical consumables, and medical equipment/devices. These measures would raise costs for patients, reduce access to vital medical equipment, and risk Americans' lives.

Support for using Section 232 to restrict medical equipment imports is often grounded in the disruptions to medical product supply lines during the Covid-19 pandemic. The U.S. suffered shortages of PPE—including N95 masks and gloves.¹ Proponents argue that tariffs and quotas would force more U.S. manufacturing of these products and increase American jobs.

However, instead of strengthening the America's medical equipment supply chains, tariffs will reduce supplies and drive-up prices for PPE. The U.S. tested this theory in 2018 and 2019, leading up to the pandemic.² After imposing 15 to 25 percent tariffs on Chinese PPE, U.S. hospitals were forced rely on their own stockpiles to make up for reduced imports. Ultimately, this left reserves depleted ahead of Covid-19.

The cost of tariffs is inevitably passed to consumers³—in the form of higher prices, copays, deductibles, and premiums. Tariffs would raise costs for hospitals seeking to replace or upgrade their equipment.⁴

¹ Jennifer Cohen and Yana van der Meulen Rodgers, "Contributing factors to personal protective equipment shortages during the COVID-19 pandemic," *Preventive Medicine*, October 2, 2020, <https://pmc.ncbi.nlm.nih.gov/articles/PMC7531934/>.

² Justin Myers, "Is Reshoring an Effective Way to Address the Lack of PPE Supply in the United States?," *University of Nebraska-Lincoln Yeutter Institute*, January 26, 2021, <https://yeutter-institute.unl.edu/trade-knowledge-hub/student-briefing-papers/reshoring-effective-way-address-lack-ppe-supply-united/>.

³ Alex Durante, "Who Pays Tariffs? Americans Will Bear the Costs of the Next Trade War," *Tax Foundation*, February 19, 2025, <https://taxfoundation.org/blog/who-pays-tariffs/>.

⁴ Tina Freese Decker, "Tariff Implications for American Health Care," *American Hospital Association*, May 19, 2025, <https://www.aha.org/news/chairpersons-file/2025-05-19-tariff-implications-american-health-care>.

Higher costs mean that some hospitals will delay upgrades, resulting in lower quality of care as providers struggle to find reasonably priced equipment.⁵

In 2023, the U.S. imported \$146.9 billion in medical equipment, accounting for 10.5 percent of an average hospital's budget.⁶ Even a 10 percent tariff would cost hospitals—and ultimately patients—nearly \$15 billion. A tariff equal to the rate recently announced for pharmaceuticals—100 percent—would leave hospitals scrambling and patients paying almost \$150 billion.

Broad tariffs would not only apply to items that were in short supply during the pandemic but also to non-pandemic-related equipment that patients use every day. Including innocuous equipment, such as wheelchairs, which doesn't impact national security.

Medical equipment tariffs would cause immediate supply-chain disruptions in the U.S., inevitably resulting in shortages. These shortages would leave patients without wheelchairs or oxygen tanks and have clinicians scrambling for masks and gloves—even without a pandemic.

As it stands, 11 percent of Americans currently cannot afford quality healthcare.⁷ The increase in price from medical equipment tariffs would drive this rate up—primarily depriving poor and older Americans of care, given the regressive nature⁸ of the tax and the elderly's reliance on fixed incomes.⁹

Much of the medical equipment used in America is produced elsewhere for basic economic reasons. Low-cost labor reduces production costs for labor-intensive goods, and the U.S. has relatively high labor costs.¹⁰ Automation can offset this if the manufacturing can be run by fewer people, but that is not always feasible.

Adding to the problem of high labor costs are heavy regulatory burdens manufacturers face in the U.S. As both factors currently stand, consumers are best served by internationally integrated production—providing lower prices and a larger, more reliable supply. Broad pushes to reshore manufacturing should start with regulatory burdens.

⁵ April Noel, "The Impact of Tariffs on the U.S. Healthcare System: Economic and Policy Considerations," *Center for Telehealth and eHealth Laws*, April 3, 2025, <https://www.ctel.org/breakingnews/the-impact-of-tariffs-on-the-us-healthcare-system-economic-and-policy-considerations>.

⁶ "Fact Sheet: Impact of Tariffs on Health Care Equipment," *American Hospital Association*, accessed October 10, 2025, <https://www.aha.org/2024-07-01-fact-sheet-impact-tariffs-health-care-equipment>.

⁷ Dan Witters, "In U.S., Inability to Pay for Care, Medicine Hits New High," *Gallup*, April 1, 2025, <https://news.gallup.com/poll/658148/inability-pay-care-medicine-hits-new-high.aspx>.

⁸ "Where We Stand: The Fiscal, Economic, and Distributional Effects of All U.S. Tariffs Enacted in 2025 Through April 2," *Yale Budget Lab*, April 2, 2025, <https://budgetlab.yale.edu/research/where-we-stand-fiscal-economic-and-distributional-effects-all-us-tariffs-enacted-2025-through-april>.

⁹ Peter Kaldes, "Aging's Newest Cost: Tariffs," *Next 50*, April 17, 2025, <https://next50foundation.org/blog/agings-newest-cost-tariffs/>.

¹⁰ Rosemary Coates, Micheal Gherman, and Rafael Ferraz, "Global Labor Rate Comparisons," *Reshoring Institute*, September, 2022, <https://reshoringinstitute.org/wp-content/uploads/2022/09/GlobalLaborRateComparisons.pdf>.

Additionally, these actions could provoke retaliation from other countries, limiting U.S. market access if nations respond in kind by restricting or putting tariffs on American products. Currently, seven of the top 10 medical device companies are in the U.S.¹¹ Lower profits would mean less investment in research and development of new or improved medical equipment, jeopardizing both present and future health outcomes—as well as America’s role as the innovation leader in the industry.

Instead of taxing patients more for their medical equipment, it would be less costly to maintain national strategic stockpiles of vital equipment. Most products that ran short during the pandemic, are nonperishable, such as masks, gloves, gowns, face shields, oxygen, swabs, disposable pipette tips, blood collection kits, and syringes. Others have long shelf lives and can be held in a rotating strategic stockpile—selling older inventory before it expires and replenishing it with the proceeds. This approach covers hand sanitizer, disinfectant wipes, soap, testing reagents, and iodinated contrast media.

Second, to encourage sustainable reshoring where appropriate, it would be better to address U.S. regulatory burdens that deter manufacturing. Reducing the burdens makes America more competitive when firms decide where to build plants. One beneficial change would be to allow companies to fully expense investments in the year they are made, rather than depreciating over several years.

The Covid-19 pandemic revealed weaknesses in U.S. supplies while the world ramped up production. The answer is not to reduce the supply and make medical equipment more expensive. The U.S. should prepare with stockpiles for the next emergency while securing high-quality medical equipment at the lowest possible cost.

Respectfully,
Justin Leventhal
Senior Policy Analyst
The American Consumer Institute

4350 N. Fairfax Drive
Suite 725
Arlington, VA 22203

Justin@TheAmericanConsumer.Org
www.TheAmericanConsumer.org

¹¹ Ajer Sher, “Leading Medical Device Companies by Country,” *Alpha Sophia*, June 20, 2024, <https://www.alphasophia.com/blog-post/leading-medical-device-companies-by-country>.

