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TO: Secretary, U.S. International Trade Commission

FROM: Eric Axel, Executive Director, American Medical Manufacturers Association (AMMA)

DATE: April 13, 2026

RE: Written Submission – Investigation No. 332-609, Effects on the U.S. Economy of Revoking China's Permanent Normal Trade Relations Status

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I. INTRODUCTION AND INTEREST OF SUBMITTER

The American Medical Manufacturers Association (AMMA) respectfully submits these comments in response to the U.S. International Trade Commission's (Commission) notice of investigation in *Effects on the U.S. Economy of Revoking China's Permanent Normal Trade Relations Status*, Investigation No. 332-609.

AMMA represents U.S. producers of personal protective equipment (PPE) and critical medical supplies, including nitrile gloves, masks, respirators, surgical gowns, syringes, needles, and related medical consumables. For purposes of this submission, AMMA is focusing submitting the feedback representing the perspectives and experiences of its small and mid-sized manufacturer members, as this segment of the U.S. medical supply industry is most directly and acutely affected by the trade conditions under examination. This response is not representative of AMMA's large multinational member companies.

SME manufacturers, those with fewer than 500 employees, view revoking PNTR as a priority as they operate with limited financial reserves, without global sourcing alternatives, and without access to the kind of expansive state-support that has long advantaged their foreign competitors. Their continued viability and the viability of America's domestic medical manufacturing base is central to the issues this investigation addresses.

II. BACKGROUND: THE CURRENT MARKET ENVIRONMENT FOR SMALL AND MID-SIZED U.S. MEDICAL MANUFACTURERS

Small and mid-sized domestic manufacturers of PPE and critical medical supplies have operated for years in a market fundamentally distorted by Chinese government policy. Chinese manufacturers benefit from state subsidies, preferential financing, currency leverage, and government-directed overproduction that allow them to price goods far below any level achievable by a U.S. producer operating under fair labor standards and without comparable state support.

The practical consequences of this imbalance are significant.

For example, for nitrile examination gloves, multiple domestic manufacturers independently report foreign-sourced gloves from Malaysia and Thailand at a landed price of approximately $0.020 to $0.035 per glove, against domestic production costs of $0.060 to $0.080, a gross differential of roughly 2.0 to 3.0 times. These higher costs from U.S. manufacturers reflect higher labor costs, regulatory compliance burdens, and the absence of subsidized inputs. [9, 11] Even with existing tariffs in place, artificially suppressed import prices have continued to depress U.S. market conditions and deter domestic capital investment. [3]

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The results for AMMA's small and mid-sized members have been severe:

- Approximately half of U.S. medical glove manufacturers have ceased operations in the past three years.
- Current U.S. production capacity for nitrile examination gloves is approximately 4.8 billion gloves per year, meeting about 8 percent of the estimated 60 billion gloves required to satisfy hospital demand. With expanded domestic manufacturing, annual output could increase to 31 billion gloves, sufficient to meet roughly 52 percent of total hospital demand. [5, 6]
- Current U.S. production of surgical and procedure masks is approximately 2.1 billion units per year, covering about 30 percent of the estimated 7 billion masks required to meet hospital demand. With expanded capacity, domestic manufacturers could produce just over 5.1 billion masks annually, supplying roughly 72 percent of total hospital needs. [7]
- Current U.S. production capacity for medical gowns is approximately 93 million gowns per year, meeting about 6 percent of the estimated 1.6 billion gowns required to fulfill hospital demand. With planned expansion and investment, domestic output could reach approximately 725 million gowns annually within three years, supplying around 45 percent of total hospital demand. [8]
- Domestic production of N95 respirators already nearly meets routine hospital demand but represents a significant opportunity for expansion to strengthen national preparedness and supply chain resilience. Increasing production capacity would ensure rapid scalability in emergencies and reduce reliance on foreign sources for critical protective equipment.
- Member manufacturing facilities are operating well below their potential capacity, not for lack of capability or infrastructure, but for lack of a fair and stable competitive environment.
- The U.S. currently imports 80–90% of its total PPE supply, leaving domestic manufacturers underutilized and the nation strategically exposed. [4, 12]

III. ANTICIPATED IMPACT OF IMPOSING COLUMN 2 RATES ON PRODUCTS OF CHINA

AMMA submits that the imposition of Column 2 rates of duty on products of China would have significant beneficial effects for U.S. trade, domestic production, and market pricing in the PPE and critical medical supplies sector. The following represents AMMA's assessment of those effects as experienced by small and mid-sized domestic manufacturers.

A. Market Price Stabilization

Column 2 rates would remove the structural pricing advantage that subsidized Chinese production has maintained in the U.S. market. At present, even tariffed Chinese imports charge prices below the threshold at which U.S. manufacturers can sustainably compete. This is a direct consequence of state-backed overproduction and artificially suppressed costs abroad. Applying Column 2 rates would allow U.S. market pricing to reflect actual, sustainable production costs, creating conditions under which domestic manufacturers can plan, invest, and operate with reasonable confidence.

B. Near-Term Production Expansion

AMMA member manufacturers have demonstrated that significant production expansion is achievable in a relatively brief period when supported by adequate and stable demand. Given appropriate market conditions, AMMA facilities have the capability to increase output by 200-300% within 90 days, and can

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expand production fivefold within one year. Revoking PNTR and applying Column 2 rates would serve as a meaningful demand signal, unlocking this latent domestic capacity in a way that existing, partial tariff measures have not.

Additional production capacity is already in development. For nitrile examination gloves, combined current domestic capacity among AMMA members is approximately 4.8 billion gloves per year, with credible expansion plans that could reach 28 to 34 billion gloves annually, supplying a large part of domestic demand. There is a great opportunity for domestic manufacturing to bloom in the years to come.

C. Job Creation and Capital Investment

A more stable and equitable competitive environment would allow small and mid-sized manufacturers to make the capital investments in production lines, workforce expansion, and automation that current market conditions have made financially untenable. The domestic PPE manufacturing sector has the industrial infrastructure, trained workforce, geographic diversity to reach all corners of the USA, and technical capability to support significant expansion. Manufacturers simply need a reliable, fair market signal to justify that investment.

D. Near-Term Price Adjustments

AMMA acknowledges that some product categories may experience modest near-term price increases as the U.S. market adjusts to the removal of artificially suppressed import pricing. These adjustments should be understood in context: current import prices do not reflect genuine market efficiency, but rather the effects of foreign state subsidies, currency manipulation, and predatory trade practices. Price normalization, while an adjustment in the short term, is a necessary precondition for a sustainable domestic industrial base.

IV. THE ALTERNATIVE SCENARIO: FIVE-YEAR PHASE-IN FOR NATIONAL SECURITY PRODUCTS

AMMA supports the Commission's examination of the alternative scenario in which Congress revokes PNTR with a five-year phase-in of Column 2 tariffs on a subset of national security products, including PPE and critical medical supplies. A phased approach has merit in managing transition effects across the broader economy. A successful implementation will inspire an influx of working capital, long-term government and private sector purchase commitments and a reshuffling of the GPO and medical supply market.

AMMA respectfully urges the Commission, however, to examine the urgency of this sector's circumstances. For small and mid-sized domestic manufacturers, the margin of viability is thin and the timeline is short. Under current market conditions, several AMMA member companies have been forced to reduce operations or exit the market entirely. A five-year phase-in, without accompanying transitional support mechanisms, such as (increased private and public sector purchasing commitments, adherence to Buy PPE in America Act, changes at CMS and HHS) [1, 2], may not arrive in time to preserve the domestic industrial capacity that the policy is intended to protect.

AMMA encourages the Commission's analysis to address whether an accelerated timeline for PPE and critical medical supply categories, or bridge support mechanisms for small and mid-sized producers during any phase-in period would better serve the national security objectives underlying this investigation.

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V. CONCLUSION

America's small and mid-sized PPE and medical supply manufacturers have demonstrated both the capability and the commitment to meet the nation's critical supply needs. What they require is a trade policy environment that reflects actual market conditions rather than the effects of sustained foreign state intervention.

AMMA respectfully urges the Commission to give full weight, in its analysis of U.S. trade, production, and pricing impacts, to the experience of small and mid-sized domestic manufacturers. These businesses would bear the most immediate consequences of continued PNTR treatment and stand to gain most directly from a more equitable trade framework. Their survival is not merely an economic question; it is foundational to the national security objective that this investigation serves.

AMMA and its member companies remain available to assist the Commission and welcome the opportunity to participate in further discussions.

Respectfully submitted,

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APPENDIX: REFERENCES

Note: Capacity data and cost differential estimates cited in the body of these comments are drawn from confidential submissions by AMMA member manufacturers and are not attributed to specific companies herein. All other factual claims are supported by the publicly available sources listed below.

I. Regulatory and Statutory Authority

1. Make PPE in America Act, S. 1306, 117th Congress (2021–2022). Retrieved from https://www.congress.gov/bill/117th-congress/senate-bill/1306/text. Referenced in Section IV as the "Buy PPE in America Act" regarding transitional support mechanisms for domestic manufacturers.

2. Centers for Medicare & Medicaid Services. (2022). Medicare Program; CY 2023 Revisions to Payment Policies under the Outpatient Prospective Payment System and Ambulatory Surgical Center Payment System. 87 FR 72037. Retrieved from https://www.federalregister.gov/documents/2022/11/23/2022-23896/medicare-program-cy-2023-revisions-to-payment-policies. Referenced in Section IV regarding the CMS payment differential program for domestically manufactured N95 respirators.

3. U.S. Trade Representative. (2024). Section 301 Tariffs on Products from China – Four-Year Review. Office of the United States Trade Representative. Retrieved from https://ustr.gov/issue-areas/enforcement/section-301-investigations/section-301-china. Referenced in Section II regarding existing tariffs on Chinese imports that have not been sufficient to stabilize U.S. market pricing.

II. U.S. Hospital PPE Demand and Import Dependency Data

4. American Hospital Association. (2025). U.S. medical device and supply import data, 2024 (cited in Healthcare Brew, Aug. 12, 2025). Retrieved from https://www.ammaunited.org/2025/despite-pandemic-efforts-the-us-still-mostly-imports-ppe/. Referenced in Section II regarding the U.S. importing 80–90% of its total PPE supply.

5. Emergen Research. (2025, October 31). Medical nitrile glove market size, growth outlook 2034. Retrieved from https://www.emergenresearch.com/industry-report/medical-nitrile-glove-market. Referenced in Section II for corroboration of U.S. hospital nitrile glove demand estimates (~60 billion units annually).

6. Market Growth Reports. (2024). Nitrile medical glove market size, share & growth by 2035. Retrieved from https://www.marketgrowthreports.com/market-reports/nitrile-medical-glove-market-115096. Referenced in Section II for corroboration of U.S. nitrile glove import composition and consumption data (over 82% of U.S. nitrile gloves imported as of 2024).

7. Market Growth Reports. (2024). Medical surgical face masks market size, share & growth. Retrieved from https://www.marketreportsworld.com/market-reports/medical-surgical-face-masks-market-14725921. Referenced in Section II for corroboration of U.S. hospital surgical and procedure mask demand estimates (~7 billion units annually).

8. Market Growth Reports. (2024). Hospital gowns market size and year-over-year growth rate. Retrieved from https://www.marketreportsworld.com/market-reports/hospital-gowns-market-14721950. Referenced in Section II for corroboration of U.S. hospital medical gown demand estimates (~1.6 billion units annually).

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III. Government Sources and Industry Research

9. JT Medtech. (2025, October 17). Comments on Bureau of Industry and Security rulemaking, Docket No. BIS-2025-0258. Retrieved from https://downloads.regulations.gov/BIS-2025-0258-0341/attachment_1.pdf. Referenced in Section II regarding U.S. nitrile glove import source composition (approximately 42% Malaysia, 40% China, 12% Thailand in 2024) and the effect of existing Section 301 tariffs on market dynamics.

10. U.S. Department of Health and Human Services, Assistant Secretary for Preparedness and Response (ASPR). (2024). Industrial Base Expansion (IBx) Portfolio: Health Supply US Nitrile Gloves. Retrieved from https://aspr.hhs.gov/MCM/IBx/portfolio/Pages/Gloves-Nitrile-Health-Supply.aspx. Referenced in Section III regarding federal government investment in domestic nitrile glove production capacity.

11. U.S. Bureau of Labor Statistics. (2025). International comparisons of hourly compensation costs in manufacturing. U.S. Department of Labor. Retrieved from https://www.bls.gov/fls/international-comparisons-of-hourly-compensation-costs.htm. Referenced in Section II regarding the structural labor cost differential between U.S. and foreign manufacturers.

IV. Press and Industry Reports

12. Healthcare Brew. (2025, August 12). Despite Covid-19 Pandemic Efforts, the US Still Mostly Imports PPE. Retrieved from https://www.healthcare-brew.com/stories/2025/08/12/pandemic-efforts-us-mostly-imports-ppe. Referenced in Section II regarding U.S. structural dependence on foreign PPE manufacturers and the assessment by Prof. Tinglong Dai (Johns Hopkins Carey Business School) that the U.S. has returned to the same or worse levels of foreign PPE dependence as before the COVID-19 pandemic.

13. MD+DI (Medical Device and Diagnostic Industry). (2024, January). Coming to America: Rebuilding the US PPE Supply Chain. Retrieved from https://www.mddionline.com/manufacturing/coming-to-america-rebuilding-the-us-ppe-supply-chain. Referenced in Sections II and III regarding ongoing challenges to domestic PPE manufacturing viability under current market pricing conditions, and the role of sustained demand signals in supporting domestic capacity.