

CHAMBER OF COMMERCE
OF THE
UNITED STATES OF AMERICA

R. BRUCE JOSTEN
EXECUTIVE VICE PRESIDENT
GOVERNMENT AFFAIRS

1615 H STREET, N.W.
WASHINGTON, D.C. 20062-2000
202/463-5310

February 8, 2013

The Honorable Erik Paulsen
U.S. House of Representatives
Washington, DC 20515

The Honorable Ron Kind
U.S. House of Representatives
Washington, DC 20515

Dear Representatives Paulsen and Kind:

The U.S. Chamber of Commerce, the world's largest business federation representing the interests of more than three million businesses and organizations of every size, sector, and region, strongly supports H.R. 523, the "Protect Medical Innovation Act," which repeals the onerous excise tax on medical device manufacturers enacted as part of the health care reform legislation—now estimated to cost over \$30 billion in new taxes.

Imposed on medical device manufacturers whether or not they make a profit, this new 2.3 percent tax on the sale of virtually all medical devices will lead to increased health care costs, undercutting one of the primary goals of health care reform. Further, by driving up the cost of medical technology, the tax will undermine America's global leadership position in product innovation, clinical research, and patient care. In the current weak economy, this tax will weaken the industry's ability to create and maintain well paying jobs in the United States and hinder the development of breakthrough treatments.

Finally, the tax singles out the medical technology industry to help pay for the cost of the health care reform law. The Chamber opposes punitive taxes that target a particular industry, sector, or income group.

The Chamber continues its support of health care reform that lowers cost, improves quality, expands access to health care, and protects American jobs. We look forward to working with you and your colleagues to advance H.R. 523 and repeal this burdensome tax on the medical technology industry.

Sincerely,



R. Bruce Josten