United States Senate

WASHINGTON, DC 20510

July 18, 2025

The Honorable Jamieson Greer United States Trade Representative Office of the U.S. Trade Representative 600 17th Street NW Washington, DC 20506 The Honorable Howard Lutnick Secretary of Commerce U.S. Department of Commerce 1401 Constitution Avenue NW Washington, DC 20230

Dear Secretary Lutnick and Ambassador Greer,

We welcome President Trump's efforts to ensure foreign nations pay their fair share toward the cost of pharmaceutical research and development. For too long, some developed nations have benefited from American-financed innovation by implementing policies that suppress prices and limit spending on new medicines in their own markets. These actions have contributed to American patients bearing a disproportionate share of global pharmaceutical innovation costs.¹ U.S. trade negotiations offer a valuable mechanism to address these unfair practices, which not only burden Americans, but also function as non-tariff barriers to trade.

Executive Order 14297, issued on May 12, directed the U.S. Department of Commerce (Commerce) and the U.S. Trade Representative (USTR) to pursue the removal of policies and practices abroad that have "the effect of forcing American patients to pay for a disproportionate amount of global pharmaceutical research and development, including by suppressing the price of pharmaceutical products below fair market value in foreign countries."² Consistent with this directive, it is important that Commerce and USTR engage with U.S. trading partners to negotiate binding commitments to remove these market-distorting price controls.

Currently, dozens of countries—including those with longstanding pricing policies affecting U.S. pharmaceutical products—have expressed interest or are currently undergoing tariff negotiations. Now is the time for Commerce and USTR to clarify top priorities, capitalize on opportunities, and resolve unfair foreign government policies in support of American workers and patients.

Given the complexity of the issues and their importance to the American public, we urge the Administration to immediately designate a senior political official at USTR to lead the effort to secure and enforce pharmaceutical pricing commitments through trade negotiations and also to promptly nominate a qualified individual to fill the vacant position of Chief Innovation and Intellectual Property Negotiator. Congress created this important position in 2015 to "address

¹ Council of Economic Advisers. 2018. Reforming Biopharmaceutical Pricing at Home and Abroad. Washington, DC: Executive Office of the President. <u>https://trumpwhitehouse.archives.gov/wp-content/uploads/2017/11/CEA-Rx-White-Paper-Final2.pdf</u>.

² Section 3, "Delivering Most-Favored-Nation Prescription Drug Pricing to American Patients." Executive Order, May 12, 2025. The White House. <u>https://www.whitehouse.gov/presidential-actions/2025/05/delivering-most-favored-nation-prescription-drug-pricing-to-american-patients/</u>.

acts, policies, and practices of foreign governments that have a significant adverse impact on the value of United States innovation."³ Once filled, we recommend this role—supported by a team within USTR—be charged with leading this effort.

Appointing an experienced Chief Innovation and Intellectual Property Negotiator would send a strong signal to our trading partners that the United States is committed to addressing imbalanced pharmaceutical pricing and ensuring that any commitments secured are effectively implemented and enforced over the long term.

We look forward to working with you as you confront these longstanding and unfair price controls that leave Americans disproportionately funding global health care innovation. Eliminating these egregious practices could increase investment in medical research and development by billions of dollars and lower overall health care costs for Americans.⁴ In addition, encouraging foreign governments to appropriately value medicines developed and produced in the United States would significantly bolster U.S. exports and jobs. We appreciate your continued attention to this issue and stand ready to support efforts that promote fair and sustainable trade outcomes.

Sincerely,

Todd Young United States Senator

Tim Scott United States Senator

Bill Cassiduz, M.D.

Bill Cassidy, M.D. United States Senator

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Thom Tillis United States Senator

Loge W. Marshall

Roger Marshall, M.D. United States Senator

Steve Daines United States Senator

³ 19 U.S.C. § 2171(c)(6).

⁴ Long, Trelysa, and Stephen Ezell. "The Hidden Toll of Drug Price Controls: Fewer New Treatments and Higher Medical Costs for the World." Information Technology and Innovation Foundation, July 17, 2023. <u>https://itif.org/publications/2023/07/17/hidden-toll-of-drug-price-controls-fewer-new-treatments-higher-medical-costs-for-world/</u>.

Tedd Budd United States Senator

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Ashley Moody United States Senator

Tommy Tuberville United States Senator

John Boozman United States Senator

Jon Husted United States Senator

Tim Sheehy United States Senator

Cynthia M. Lummis United States Senator

Charles E. Grassley United States Senator

Roger F. Wicker United States Senator

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Jim Banks United States Senator

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Cindy Hyde-Smith United States Senator

Lindsey O. Graham United States Senator