

United States Senate

WASHINGTON, DC 20510

June 16, 2026

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 the United States-United Kingdom Arrangement on Pharmaceutical Pricing as an important step toward addressing foreign price controls that force Americans to subsidize pharmaceutical innovation for the rest of the world. We write to encourage the Trump Administration to pursue similar agreements with other countries that use non-market distorting policies to unfairly shift the costs of drug development onto the United States.

We are concerned that Germany, Japan, and other high-income countries continue to maintain policies inconsistent with the Administration's objective that U.S. trading partners pay their fair share for pharmaceutical innovation. USTR's recent Special 301 report confirmed that these governments continue to use unfair policies to suppress pharmaceutical prices below fair market value and arbitrarily limit access to these lifesaving products.¹ These policies limit export opportunities for U.S. companies, increase the burden on the United States to finance global drug development, and reduce the flow of investment into new treatments and cures.

Rather than moving toward fairer market access and pricing practices, some foreign governments are brazenly expanding them to further reduce their contributions to innovation. For example, even though Germany already spends far less than the United States on innovative medicines, the German government recently announced significant additional cuts to drug prices and reimbursement.² These plans were announced just weeks after USTR publicly identified Germany's suppression of pharmaceutical prices as an unfair trade barrier in USTR's 2026 National Trade Estimate Report.³

¹ Office of the U.S. Trade Representative, 2026 Special 301 Report (April 2026), p.26, <https://ustr.gov/sites/default/files/files/Press/Releases/2026/2026%20Special%20301%20Report.pdf>.

² Adem Koyuncu and Maximilian Aretz, "Germany Plans Significant Cuts in Drug Pricing and Reimbursement," Covington & Burling LLP, April 30, 2026, <https://www.globalpolicywatch.com/2026/04/germany-plans-significant-cuts-in-drug-pricing-and-reimbursement-how-would-the-gkv-beitragssatzstabilisierungsgesetz-impact-pharmaceutical-companies/>.

³ Office of the U.S. Trade Representative, 2026 National Trade Estimate Report (March 2026), p.210, <https://ustr.gov/sites/default/files/files/Press/Releases/2026/National%20Trade%20Estimate%20Report%202026.pdf>.

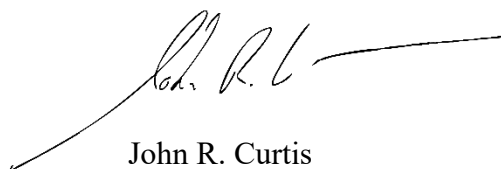
The United States should act quickly to send a strong signal that foreign policies undervaluing U.S. innovation and investment will be met with a serious and sustained trade response, particularly before Germany and Japan vote to further unfair drug prices and other countries follow suit if they see no repercussions from the U.S. government. Therefore, we urge the Administration to initiate a Section 301 investigation into foreign pharmaceutical pricing practices as soon as possible.

A formal Section 301 investigation would provide an important mechanism to examine these policies, establish negotiating leverage, and pursue binding commitments to restore fairness for American taxpayers and patients. We appreciate your continued attention to this issue and stand ready to support a coordinated strategy that ensures our trading partners contribute appropriately to the cost of medical innovation.

Sincerely,



Todd Young
United States Senator



John R. Curtis
United States Senator



Steve Daines
United States Senator



Thom Tillis
United States Senator



Charles E. Grassley
United States Senator



Kevin Cramer
United States Senator



Shelley Moore Capito
United States Senator



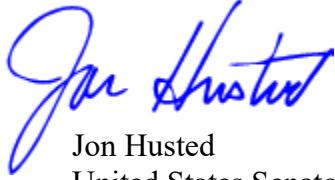
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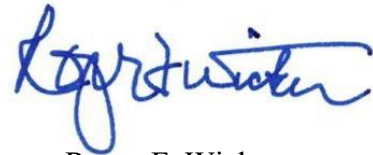
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United States Senator



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United States Senator



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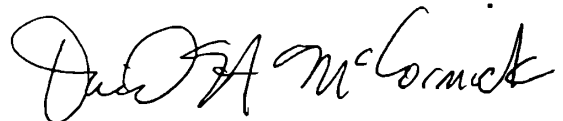
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