Perrigo – Section 232 Pharmaceuticals Investigation Public Comments Draft

The Honorable Howard Lutnick

Secretary

U.S. Department of Commerce

1401 Constitution Ave NW

Washington, DC 20230

Dear Secretary Lutnick,

Perrigo appreciates the opportunity to provide the following comments in response to the U.S. Department of Commerce Bureau of Industry and Security's (BIS) "Request for Public Comments on Section 232 National Security Investigation of Imports of Pharmaceuticals and Pharmaceutical Ingredients." Perrigo is a leading manufacturer of over-the-counter (OTC) principally store-brand pharmaceuticals, providing critical medications to American consumers at low costs. We take great pride in our robust domestic manufacturing base, which employs approximately 3,000 professionals across Operations, Quality, and Scientific Affairs in Michigan and New York, exclusively for our OTC products. Over the past 15 years, we have invested more than $740 million into our OTC business, including $200 million dedicated to enhancing tablet production capacity and $30 million allocated to research and development. Perrigo fully supports your administration's commitment to onshoring these critical pharmaceutical supply chains.

Our focus on OTC products directly supports the President's efforts to increase access to affordable medications for American consumers. We are dedicated to driving more private-sector investment into the US, and a pharmaceutical trade policy that imposes duties on finished imports will help fairly position us against foreign competitors to execute on this goal.

Perrigo, like many other US pharmaceutical providers, faces intense and often unfair competition from foreign manufacturers. A significant contributor to this challenge is that a considerable number of Active Pharmaceutical Ingredients (APIs) are not domestically available, requiring US producers to rely on foreign inputs, largely from India and China. To address this, we recommend adopting duties on finished goods while allowing for phased implementation of any restrictions on Active Pharmaceutical Ingredient (API) imports. Targeting APIs alone, without commensurate duties on finished imports, would only stand to benefit foreign suppliers—who also depend on Chinese and Indian-sourced APIs—while unduly burdening US manufacturers who lack domestic alternatives to these imported inputs.

US manufacturers relying on imported APIs face a competitive disadvantage compared to certain foreign producers that can export their finished products to the United States with either minimal duties or duty-free. For example, Indian finished dosage competitors source their APIs from either other Indian companies

or from China. They then manufacture the finished goods in India and export them to the United States, where they are imported either duty-free or at 10% rate under the current tariff structure.

Perrigo imports APIs, primarily ibuprofen and acetaminophen, directly from China into the United States, which, as of February 2025, results in an import duty ranging from 20% to 26.5%. Consequently, despite our significant manufacturing footprint in the US, Perrigo incurs these higher duties, while our Indian competitors do not, even when their finished products contain China-sourced APIs.

Implementing a finished goods tariff would mean that US manufacturers would not be subject to tariffs on APIs, while companies importing finished goods would. Perrigo supports this approach to protect domestic manufacturers who, due to a lack of supply within the US, must rely on imported foreign ingredients.

Perrigo acknowledges the importance of onshoring API production, and we welcome opportunities to collaborate with policymakers to achieve this objective. However, reorienting these global supply chains is a costly and complex effort, and short-term disruptions stand to significantly harm US consumers who require immediate access to these crucial medications. We believe that a finished goods tariff would protect our domestic industry and open a window of opportunity for new investments in the United States that align with the administration's legitimate national security concerns.

This implementation strategy would enable the administration to guard against unfair foreign competition while preserving domestic industry's ability to compete in the US and global marketplaces. We firmly believe President Trump's policies will spur new, innovative advances in the US pharmaceutical sector, and Perrigo looks forward to working alongside you to increase domestic production.

On behalf of Perrigo, thank you for your work to promote fair and reciprocal trade policies that will advance American industry, ensure access and affordability of essential medicines for US consumers, and strengthen our national and economic security.

Sincerely,

Signed by:
Charles Atkinson
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Charles Atkinson

General Counsel, Head of Government Affairs