

United States Senate
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BUDGET

Stephen Astle
Director, Defense Industrial Base Division
Office of Strategic Industries and Economic Security
Bureau of Industry and Security
Department of Commerce
1401 Constitution Avenue, N.W.
Washington, DC 20230

May 15, 2025

Dear Stephen Astle,

I write concerned that the cost of health care, particularly prescription drugs, will skyrocket if broad and sweeping tariffs are imposed on pharmaceuticals. It is important that the U.S. bolsters its domestic manufacturing and strengthens its supply chains, however, indiscriminate tariffs will drive up drug prices for Americans, exacerbate supply chain issues, and hurt domestic manufacturers. Broad and sweeping tariffs are too blunt a tool to increase domestic manufacturing of pharmaceuticals and pharmaceutical ingredients. These trade barriers could have the unintended effect of forcing U.S.-based companies out of the market or abroad, exacerbating drug shortages and weakening national security.

Americans have faced increasing prescription drug prices for decades. Rising costs have real consequences: nearly [one-third](#) of Americans are leaving prescriptions unfilled at the pharmacy every month due to cost. This has forced some patients to ration their prescriptions to stretch their budgets, which has deadly consequences. To cut down on cost, most Americans depend on access to generic drugs which account for [90 percent of all U.S. prescriptions](#). Strikingly, [83 out of the top 100](#) generic drugs lack a domestic source for their active pharmaceutical ingredients (APIs). Indeed, the low cost of these drugs is made possible by foreign manufacturing where cost is between [30 and 40 percent cheaper](#) due to lower labor, energy, and transportation costs. Thus, there are several factors to consider in order to boost domestic pharmaceutical manufacturing while maintaining a steady supply of drugs that Americans depend on to live.

Many Americans also depend on brand-name drugs. Most brand-name prescription drugs available in the U.S. are [manufactured overseas](#) and imported by their marketers. In fact, several of these drugs were recently found to have price increases greatly [outpacing the rate of inflation](#). Just three of these drugs used to treat type 2 diabetes, for example, were responsible for more than [\\$8.5 billion](#) in total Medicare Part D spending in 2022. Of these drugs, one has had a lifetime price increase of [293 percent](#). Thus, steep tariffs will only exacerbate the issue of access to affordable medicine continually perpetuated by greedy actors.

In addition to raising prices for everyday Americans, tariffs especially threaten domestic generic drug manufacturers. Many generic manufacturers outsource production of APIs, which are then

imported and used to formulate prescription drugs domestically. As of March 2021, [87 percent](#) of generic API manufacturing facilities were located outside the U.S. Therefore, across the board tariffs will particularly impact domestic generic manufacturers, which are less likely to be able to absorb increased costs due to razor-thin profit margins. These trade barriers may force generic manufacturers to exit the market, leading to shortages of the lower cost generic drugs that Americans rely on.

I strongly urge you to consider the implications of sweeping tariffs on the pharmaceutical ecosystem. We all seek to increase domestic manufacturing of pharmaceuticals and pharmaceutical ingredients, but broad and sweeping tariffs will have counter and unintended consequences on this complex supply chain. Americans do not want to pay more for their medications, and they certainly do not deserve to be the collateral damage of this trade experiment.

Thank you for your attention to this critical matter.

Sincerely,

A handwritten signature in blue ink that reads "Ben Ray Luján". The signature is fluid and cursive, with the first letters of each name being capitalized and prominent.

Ben Ray Luján
United States Senator