Trans Atlantic Consumer Dialogue

August 10, 2026

Ambassador Jamieson Greer
United States Trade Representative
Office of the United States Trade Representative
600 17th Street NW Washington, DC 20509

RE: Request for Comments on the Section 301 Investigation Regarding Germany's Persistent Underpayment for Innovative Pharmaceutical Products
Federal Register Docket Number 2026-0463

Dear Ambassador Greer:

On behalf of The Transatlantic Consumer Dialogue (TACD), we submit the following comment in response to the request by the Office of the United States Trade Representative (USTR) regarding "Germany's Persistent Underpayment for Innovative Pharmaceutical Products." TACD is a forum of 75+ leading consumer rights, public health, intellectual property rights, and trade policy experts across the United States and Europe.

The following statement was published in February of 2026 in response to the so-called "Most Favored Nation" drug pricing approach and related U.S. trade moves that seek to lower domestic prices by pushing U.S. trading partners to pay more for medicines. The Transatlantic Consumer Dialogue reiterates these concerns as they relate to this Section 301 investigation: raising prices abroad will not lower prices for U.S. patients but will instead further boost pharmaceutical industry profits and undermine policies that keep medicine prices in check. As such, TACD recommends USTR abandon this investigation.

Sincerely,

Finn Lützow-Holm Myrstad
Director of Digital Policy, Norwegian Consumer Council
European Co-Chair of TACD Steering Committee

Susan Weinstock
President and CEO, Consumer Federation of America
U.S. Co-Chair of TACD Steering Committee

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The Transatlantic Consumer Dialogue (TACD), a network of leading consumer rights, public health, intellectual property rights, and trade policy experts across the U.S. and Europe, opposes the use of tariff threats by the current U.S. administration to coerce its trading partners into raising medicine prices.

TACD is concerned by the approach taken under the so-called 'Most Favored Nation drug pricing policy', which seeks to lower drug prices in the US by increasing them abroad. In its recent announcement on the U.S.-UK deal to raise drug spending for pharmaceutical prescription drugs, the U.S. administration stated that it is "reviewing the pharmaceutical pricing practices of many other U.S. trading partners and hopes that they will follow suit with constructive negotiations."

Raising prices abroad will do nothing to lower prices for patients in the United States. It is contradictory to ask other countries to increase their prices while planning to use international referencing pricing at the same time. The policy further fails to address the profoundly flawed global framework for supporting medical research and development which focuses nearly exclusively on measures that increase drug prices, either by expanding intellectual property rights or by reducing the effectiveness of price negotiations or regulations. Instead of lowering prices for patients, this drug pricing policy will further boost the profits of one of the most profitable industries and undermine policies that help keep drug prices in check.

Prescription drug corporations have been raising prices on both sides of the Atlantic for years, adding cost burdens for patients and public health systems. With national health budgets already stretched thin by the steep costs of new medicines, corporate pressure to alter drug pricing regulations in Europe will only worsen the burden. At the same time, innovative pharmaceutical companies, insulated from competition by monopoly protections, are able to set such excessive prices in the U.S. in large part because the government leaves drug prices mostly unregulated. Recently, it was reported that drugmakers were planning to raise the prices of 350 branded medicines.

Health economists criticized the U.S.-UK deal for failing to consider medicines affordability and availability, which would be better served by focusing health spending to deliver improved outcomes. Emboldened by the U.S.-U.K. deal, industry is already increasing pressure on Europe to raise drug spending, including through destructive threats to withhold or delay drug launches in Europe if lawmakers refuse to raise prices.

TACD urges the EU to prioritize medicines affordability and reject attempts to erode drug pricing standards. No country should trade away their health regulation, access, or sovereignty in response to coercive trade measures and corporate pressures. Additionally, to ensure effective use of resources and prevent price gouging on medicines, TACD urges policymakers to explore alternative models to incentivize R&D that delink incentives from high prices, such as through market entry rewards and innovation inducement prizes, alongside more transparent and collaborative medicine pricing and procurement schemes.

Related resources:

- Raising Prescription Drug Prices Abroad Will Not Lower Prices in the U.S. (Public Citizen, June 2025)
- Europe Must Not Bow to Big Pharma (Letter from civil society organizations; People's Medicine Alliance, May 2025)
- Time to Lift the Blindfold: Abolishing Price Secrecy to Help Make Medicines Affordable (BEUC, 2021)
- Resolution on delinking the incentives to invest in biomedical R&D from the prices of products and services (TACD, September 2018)
- Resolution on Access to Medicines (TACD, November 2014)
- Resolution on Innovation and Access to Medical Technologies (TACD, June 2011)
- A Letter to the WHO Proposing a Medical R&D Treaty (Letter from civil society organizations, government officials, others; Knowledge Ecology International, February 2005)