

119TH CONGRESS
2D SESSION

S. 5265

To identify and take action against international trade practices of high income countries that unfairly exploit innovation by deviating from market-based policies and unfairly exploit United States innovation, and for other purposes.

IN THE SENATE OF THE UNITED STATES

AUGUST 5, 2026

Mr. SHEEHY (for himself, Mr. McCORMICK, and Mr. BUDD) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To identify and take action against international trade practices of high income countries that unfairly exploit innovation by deviating from market-based policies and unfairly exploit United States innovation, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Use Sovereignty To
5 reduce Rx Act” or the “USTRx Act”.

6 **SEC. 2. FINDINGS; SENSE OF CONGRESS.**

7 (a) FINDINGS.—Congress finds the following:

1 (1) Pharmaceutical price controls in foreign
2 markets distort global trade flows and competition
3 by depressing the prices of innovative drugs and ex-
4 ploiting pharmaceutical innovations researched and
5 developed in the United States.

6 (2) By setting prices at levels that are not mar-
7 ket-based, such price controls undervalue the dis-
8 covery of new, innovative treatments, diminish op-
9 portunities and incentives for global innovation in
10 new medicines, and threaten to restrict access to
11 new treatments and cures for United States patients
12 and consumers.

13 (3) Recognizing those dynamics, it is critical
14 that the United States use all available trade tools
15 to address such free-riding to ensure that foreign
16 government regulatory reimbursement regimes are
17 transparent, provide procedural fairness, are non-
18 discriminatory, and provide full market access to
19 United States products.

20 (b) SENSE OF CONGRESS.—It is the sense of Con-
21 gress that—

22 (1) ensuring the security of innovative and af-
23 fordable healthcare is a top priority for the people
24 of the United States and for Congress;

1 (2) foreign government policies that mandate
2 artificially low drug prices in foreign markets under-
3 mine that priority by reducing global incentives to
4 invest in the development of new medicines;

5 (3) such exploitative behavior unfairly shifts the
6 cost of developing new treatments to the United
7 States and unduly relies on United States patients
8 and taxpayers to finance global pharmaceutical inno-
9 vation; and

10 (4) safeguarding access to life-saving treat-
11 ments for United States patients requires combating
12 such behavior so that foreign countries pay their fair
13 share of the costs associated with the development of
14 new drugs.

15 **SEC. 3. CHIEF PHARMACEUTICAL TRADE NEGOTIATOR.**

16 Section 141 of the Trade Act of 1974 (19 U.S.C.
17 2171) is amended—

18 (1) in subsection (b)(2)—

19 (A) in the first sentence, by inserting “one
20 Chief Pharmaceutical Trade Negotiator,” after
21 “one Chief Agricultural Negotiator,”; and

22 (B) by inserting “the Chief Pharmaceutical
23 Trade Negotiator,” after “the Chief Agricul-
24 tural Negotiator,” each place it appears; and

1 (2) in subsection (c), by adding at the end the
2 following new paragraph:

3 “(7) The principal functions of the Chief Pharma-
4 ceutical Trade Negotiator shall be to conduct trade nego-
5 tiations, enforce trade agreements relating to United
6 States pharmaceutical products, and take appropriate ac-
7 tion to address acts, policies, or practices of high-income
8 countries that have a significant adverse impact on the
9 ability of United States pharmaceutical manufacturers to
10 enjoy full market access. The Chief Pharmaceutical Trade
11 Negotiator shall be a vigorous advocate on behalf of
12 United States manufacturers and consumers of pharma-
13 ceutical products and shall perform such other functions
14 as the United States Trade Representative may direct. In
15 carrying out such duties, the Chief Pharmaceutical Nego-
16 tiator shall, as appropriate, consult or coordinate with the
17 Chief Intellectual Property Negotiator.”.

18 **SEC. 4. ANNUAL REPORT ON ACTS, POLICIES, AND PRAC-**
19 **TICES OF HIGH INCOME COUNTRIES.**

20 (a) LIST OF HIGH INCOME COUNTRIES.—The United
21 States Trade Representative shall compile and annually
22 update a list of each foreign country that is defined as
23 “high income” by the official statistics of the International
24 Bank for Reconstruction and Development of the World
25 Bank.

1 (b) REPORT REQUIRED.—With respect to each coun-
2 try included on the most recent list required under sub-
3 section (a), the United States Trade Representative, act-
4 ing through the Chief Pharmaceutical Trade Negotiator
5 (as established pursuant to the amendments made by sec-
6 tion 3), shall annually submit to the Committee on Ways
7 and Means of the House of Representatives and the Com-
8 mittee on Finance of the Senate and concurrently publish
9 on a publicly available website of the United States Trade
10 Representative a report that—

11 (1) describes in detail the results of a review of
12 the acts, policies, and practices of such country re-
13 lating to the trade in pharmaceutical products in the
14 previous fiscal year;

15 (2) determines whether such acts, policies, or
16 practices—

17 (A) are not developed and implemented in
18 a fair, nondiscriminatory, and transparent man-
19 ner;

20 (B) are not market-based or do not appro-
21 priately recognize the value of innovative medi-
22 cines;

23 (C) deny reciprocal market access for
24 United States products;

1 (D) diminish incentives for innovation in a
2 manner that delays, prevents, or otherwise ad-
3 versely impacts the introduction of new medi-
4 cines in the United States;

5 (E) violate or are inconsistent with the
6 provisions of, or otherwise deny benefits to the
7 United States under, any bilateral or multilat-
8 eral trade agreement with such country; and

9 (F) are unjustifiable or impose a signifi-
10 cant burden or unreasonable or discriminatory
11 restriction on United States commerce with
12 such country; and

13 (3) describes the current status of any respon-
14 sive actions taken by the United States with respect
15 to acts, policies, or practices for which the United
16 States Trade Representative has determined and in-
17 cluded in any prior report, pursuant to paragraph
18 (2), that the interests of the United States are
19 harmed, including responsive actions pursuant to
20 title III of the Trade Act of 1974 (19 U.S.C. 2411
21 et seq.).

22 **SEC. 5. RESPONSE TO ADVERSE ACTIONS BY HIGH INCOME**
23 **COUNTRIES.**

24 Not later than 30 days after the United States Trade
25 Representative determines that an act, policy, or practice

1 of a country included in the most recent list required
2 under section 4(a) meets any of the criteria described in
3 section 4(b)(2), the United States Trade Representative
4 shall submit to Committee on Ways and Means of the
5 House of Representatives and the Committee on Finance
6 of the Senate a plan to respond to the act, policy, or prac-
7 tice, which may include initiating an investigation under
8 title III of the Trade Act of 1974 (19 U.S.C. 2411 et
9 seq.), in accordance with section 302(b)(1) of that Act.

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