NACDS NATIONAL ASSOCIATION OF CHAIN DRUG STORES

May 7, 2025

Under Secretary Jeffrey Kessler
Bureau of Industry and Security
U.S. Department of Commerce
1401 Constitution Ave NW
Washington, DC 20230

RE: Notice of Request for Public Comments on Section 232 National Security Investigation of Imports of Pharmaceuticals and Pharmaceutical Ingredients (Docket No. 250414-0065, XRIN 0694-XC120)

Dear Under Secretary Kessler,

The National Association of Chain Drug Stores (NACDS) appreciates the opportunity to respond to the U.S. Department of Commerce ("the Department") request for public comments on its investigation of the effect of imports of pharmaceuticals and pharmaceutical ingredients on national security.[1] NACDS supports the Trump Administration's goal to develop a more reliable, more resilient, and safer pharmaceutical supply chain for Americans to access lifesaving and essential medications, reduce the ongoing threat of drug shortages, and strengthen national security. The Executive Order issued by President Trump earlier this week directing federal agencies to take action and provide for *Regulatory Relief to Promote Domestic Production of Critical Medicines* is a critical first step to facilitating this access to domestically produced drug therapies, and we commend President Trump for taking this important action. We agree this strategy should include long-term efforts to encourage domestic manufacturing of finished pharmaceutical products, active pharmaceutical ingredients, and key starting materials in instances where they can be sourced in the United States.

NACDS represents traditional drug stores, supermarkets and mass merchants with pharmacies. Chains operate 40,000 pharmacies nationwide, and NACDS' member companies include regional chains, with a minimum of four stores, and national companies. Chains employ nearly 3 million individuals, including 155,000 pharmacists. They fill over 3 billion prescriptions yearly, and help patients use medicines correctly and safely, while offering innovative services that improve patient health and health care affordability.

Given how deeply Americans rely on the nation's pharmacies for access to healthcare, and as the "last mile" of the pharmaceutical supply chain, we urge the Department to carefully consider the impacts of this investigation on pharmacies. If instituted without our recommended safeguards, pharmaceutical tariffs will significantly disrupt Americans' access to medications at pharmacies nationwide. NACDS is committed to working closely with the Trump Administration to achieve its goal of onshoring pharmaceutical manufacturing and submits the following recommendations in pursuit of that goal while mitigating potential harmful effects on American patients and pharmacies.

[1] 90 Fed. Reg. 15951 (Apr. 16, 2025).

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NACDS Recommendations:

1. Pursue a phased and targeted approach to supporting domestic manufacturing. *While the Administration should explore other methods for increasing domestic pharmaceutical manufacturing, if future tariffs are implemented, the Department should design and implement a phased and targeted approach that leverages incentives (e.g., tax credits, other financing mechanisms, regulatory flexibilities) to protect the supply chain and patients' access to medicines.*

2. Provide Essential Exclusions to Any Pharmaceutical Tariffs. *In the event the Administration imposes tariffs on pharmaceuticals, the Department should ensure that any pharmaceutical tariff regime exempts generic drugs and drugs in shortage or at risk of shortage, while also considering exempting allied nations that play a particularly central role in the pharmaceutical supply chain and categories of active pharmaceutical ingredients and key starting materials that lack U.S. sources. The Department should also implement a robust process for requesting further exclusions in cases where an imported pharmaceutical or pharmaceutical ingredient is not produced or reasonably available in the United States in the necessary quantities.*

3. Implement Pharmacy Benefit Manager (PBM) Reform to Strengthen the Domestic Pharmaceutical Supply Chains. *The Trump Administration, working with Congress and through agencies such as the Centers for Medicare & Medicaid Services (CMS) and the Federal Trade Commission, must confront harmful PBM practices as a complementary strategy to strengthen domestic pharmaceutical supply chains, protect patients' access to medications at their local pharmacies, and safeguard the interests of American taxpayers. However, PBM reform, alone, is not a complete solution.*

INTRODUCTION

Pharmacies offer convenient access to medications and a growing array of valuable healthcare services, in alignment with the Administration's national security interest to improve Americans' health. In fact, about 90% of Americans live within just 5 miles of a pharmacy, and pharmacies remain trusted cornerstones of community healthcare systems. Eighty-five percent of adults report that pharmacists are easy to access—making them the highest-rated healthcare destinations by accessibility. Moreover, 73% of adults support pharmacists helping patients prevent chronic diseases, a top driver of healthcare costs that the Trump Administration has rightly prioritized.

As PBMs continue to boost their profits by paying pharmacies less and often below cost, the "race to bottom" on pharmacy reimbursement for prescription drugs has disincentivized onshore production of pharmaceuticals—especially for generics—while also creating an existential crisis for pharmacies. President Trump and his Administration have rightly highlighted the importance of PBM reform as a way of "addressing the influence of middlemen and

NACDS' Anticipated Impacts of Tariffs on Pharmacies

1. **Higher prices paid by pharmacies** to manufacturers, wholesalers, and/or distributors for tariffed pharmaceuticals.
2. **Same reimbursement paid to pharmacies** by PBMs despite higher acquisition costs, pushing pharmacies further into the red, due to pre-existing negotiated rates with PBMs.
3. Pharmacies forced to absorb additional cost of tariffs, which **worsens an already dire crisis of pharmacy closures** and threatens the nation's health and national security (mitigated, but not prevented by, PBM reform).

promoting open competition."[2] Today, just six PBMs account for 96% of the U.S. market share, while the top three PBMs make up a staggering 80%, threating competition, innovation, and costs. This horizontal integration and lack of free market competition makes it increasingly difficult for pharmacies to negotiate fair business practices, pricing, and transparency because the PBMs have undue commercial market power and leverage in the relationship.

We appreciate the Trump Administration's continued commitment to curbing unfair PBM practices that hurt Americans and pharmacies. However, because pharmacy reimbursement is fixed through lopsided contracts that favor the overwhelming market power of PBMs, pharmaceutical tariffs will raise pharmacies' costs to purchase medications, without any opportunity for corresponding increases in reimbursement—forcing pharmacies to unfairly absorb the cost of pharmaceutical tariffs.

Stopping the rip-off by PBMs through broader reform is necessary, but even with such reforms, pharmaceutical tariffs represent a grave threat to pharmacies. Tariffs will likely also result in increased drug spending within Medicare and Medicaid, counter to the Administration's goals of reducing these costs as articulated in the President's recent Executive Order on lowering drug prices.[3]

As discussed in greater detail below, pharmacies will be forced to bear the extra costs resulting from tariffs, which will in turn force outcomes that undermine the goals of this investigation. Specifically, these increased costs will force many pharmacies to make the untenable choice between carrying certain prescriptions or otherwise closing their doors. As it stands, pharmacies across the nation are closing at a rate of four stores per day—with losses disproportionately in rural communities—and we expect the imposition of pharmaceutical tariffs will only increase this rate of closure.

Ultimately, if pharmaceutical tariffs are implemented without all of our recommended safeguards, the outcome will be even more devastating to the pharmacy industry, with widespread pharmacy closures, reduced access to critical medications, and worse health outcomes for Americans. For example, pharmacy closures are associated with persistent, clinically significant declines in patients' adherence to cardiovascular medications among older adults in the United States, and medication adherence costs Medicare $13.7 billion annually for beneficiaries with high blood pressure alone, in addition to poor health outcomes, and emergency room and hospital visits.[4][5] A path leading to these adverse health impacts would be counterproductive to the Trump Administration's goal to prevent chronic disease. Unlike tariffs imposed on commodities like steel and aluminum, the supply chain for pharmaceuticals and their ingredients is even more fragile, with very limited sources, delicate production procedures, and life-or-death consequences when public access is disrupted.

Safeguarding the nation's access to pharmacies and improving the affordability of prescription drugs is critical to improving health, reducing healthcare spending, and protecting American taxpayers. NACDS looks forward to partnering with the Administration to strengthen the pharmaceutical supply chain, implement comprehensive PBM reform, and advance broader goals to Make America Healthy Again—all of which promote national security. To achieve these important goals, we appreciate the Department of Commerce's consideration of the following recommendations.

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[2] See, e.g., https://www.whitehouse.gov/fact-sheets/2025/04/fact-sheet-president-donald-j-trump-announces-actions-to-lower-prescription-drug-prices/

[3] Executive Order 14073, available at: https://www.federalregister.gov/documents/2025/04/18/2025-06837/lowering-drug-prices-by-once-again-putting-americans-first.

[4] Qato DM, et al. Association Between Pharmacy Closures and Adherence to Cardiovascular Medications Among Older US Adults. JAMA Netw Open. 2019 April. https://pubmed.ncbi.nlm.nih.gov/31002324/

[5] Lloyd JT, Maresh S, Powers CA, Shrank WH, Alley DE. How Much Does Medication Nonadherence Cost the Medicare Fee-for-Service Program? Med Care. 2019 Mar;57(3):218-224.

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RECOMMENDATION #1:	**Pursue a phased and targeted approach to supporting domestic manufacturing.** While the Administration should explore other methods for increasing domestic pharmaceutical manufacturing, if future tariffs are implemented, the Department should design and implement a phased and targeted approach that leverages incentives (e.g., tax credits, other financing mechanisms, regulatory flexibilities) to protect the supply chain and patients' access to medicines.

The Administration's effort to strengthen domestic manufacturing of pharmaceuticals must include efforts beyond tariffs to accelerate and support onshoring of manufacturing. To that end, we applaud President Trump for issuing the Executive Order directing the Food and Drug Administration (FDA), the Environmental Protection Agency and the Army Corps of Engineers to take needed action to eliminate regulatory barriers that hinder domestic production of critical medicines. In addition, Federal agencies also should consider what financial support may be available both administratively and by working with Congress in the form of tax incentives, direct grants, and assistance with infrastructure and logistics. CMS should also consider how it may be able to support higher reimbursement or more favorable formulary placement in Medicare and Medicaid for domestically manufactured drugs.

If the Administration does pursue pharmaceutical tariffs, the Department should design and implement a phased and targeted approach, ensure that pharmacies and others in the supply chain have the flexibility they need to adapt to new market dynamics, and, outside of tariffs, leverage all possible incentives to promote domestic manufacturing. In developing such an approach, NACDS recommends that the Department, or other appropriate authority within the Administration, assemble a multidisciplinary task force with expertise across the pharmaceutical supply chain, including pharmacies, to help inform a phased and targeted approach to any future tariffs, and to develop a strategic approach to encouraging and supporting onshoring.

Regarding the Department's request for information regarding "the extent to which domestic production of pharmaceuticals and pharmaceutical ingredients can meet domestic demand," the domestic pharmaceutical industry cannot meet domestic demand for a significant number of products that are critical to the health and well-being of Americans. Tariffs, therefore, will increase costs for these essential drugs or otherwise limit availability and access, disrupting continuity of care, inflicting preventable patient harm, and increasing costs for the healthcare system at large. For example, numerous pharmaceutical products, including whole product classes such as antibiotics, are almost exclusively produced outside the U.S., while active pharmaceutical ingredients (API) and key starting materials are also often produced exclusively or almost exclusively abroad. For instance, 92%of the most-prescribed antibiotics and 97% of the most-prescribed antivirals do not have a U.S. source of API.[6]

While we support the goal to reshore domestic manufacturing of pharmaceutical products, as the President explained in this week's Executive Order for *Regulatory Relief to Promote Domestic Production of Critical Medicines*, such efforts may require 5 to 10 years lead time.[7] Pharmaceutical manufacturing involves not just all of the investment, construction, and environmental permitting challenges that any manufacturing investment requires, but also unique challenges, including a highly specialized workforce, materials, and inspections by the FDA. In the interim, tariffs will increase costs for these

[6] https://olin.wustl.edu/_assets/docs/research/APIIC-EconomicImpactReport.pdf
[7] https://www.whitehouse.gov/presidential-actions/2025/05/regulatory-relief-to-promote-domestic-production-of-critical-medicines/

essential drugs or otherwise limit availability and access, causing preventable disruption and reduction in access while also increasing healthcare system costs.

Instead, the Department should consider a strategic, phased approach to implementing tariffs, allowing domestic manufacturing to steadily scale to meet American healthcare needs, similar to how the Administration recently announced a phased approach to implementing tariffs on automobiles.[8] Such an approach would also provide time for pharmacies to renegotiate their reimbursement contracts with PBMs to reflect tariffs—we recommend at least a period of two years to provide for this adjustment. Other federal agencies with jurisdiction related to pharmacies and PBMs, especially CMS, should take action, where possible, to provide any necessary flexibilities for PBMs to reach new reimbursement agreements with pharmacies that account for added costs from tariffs.

Moreover, the Medicaid program's use of National Average Drug Acquisition Cost (NADAC) to reimburse pharmacies for ingredient costs is based on retrospective surveys of drug acquisition costs. Without adjustments, pharmacies will be under-reimbursed because the retrospective nature of NADAC will not accurately account for price increases inflicted by tariffs. CMS should explore what flexibilities may permit adjustments to NADAC reimbursement to ensure pharmacies are not dramatically under-reimbursed by use of this methodology when tariffs are implemented. We also recommend that the federal government strongly encourage that any manufacturer of a generic pharmaceutical currently sold into the United States update pricing metrics that dictate pharmacy reimbursement, particularly Average Wholesale Price (AWP), as soon as possible to incorporate a tariff-related cost change if tariffs are ultimately instituted pursuant to the Section 232 investigation.

RECOMMENDATION #2:	**Provide Essential Exclusions to Any Pharmaceutical Tariffs.** In the event the Administration imposes tariffs on pharmaceuticals, the Department should ensure that any pharmaceutical tariff regime exempts generic drugs and drugs in shortage or at risk of shortage, while also considering exempting allied nations that plat a particularly central role in the pharmaceutical supply chain, and categories of active pharmaceutical ingredients and key starting materials that lack U.S. sources. The Department should also implement a robust process for requesting further exclusions in cases where an imported pharmaceutical or pharmaceutical ingredient is not produced or reasonably available in the United States in the necessary quantities.

If the Department proceeds with imposing tariffs on pharmaceuticals and pharmaceutical ingredients, we recommend the following types of pharmaceuticals be categorically excluded, while also providing for a formal exclusions process to address other specific or unanticipated challenges.

- **Generic Drugs**: Regarding the Department's request for information on "the feasibility of increasing domestic capacity for pharmaceuticals and pharmaceutical ingredients to reduce import reliance," the competitiveness of the global generics market, along with harmful PBM practices, has largely decimated the nation's generic drug manufacturing industry. Although this allows Americans to access these products at very low costs, this means

[8] Amendments to Adjusting Imports of Automobiles and Automobile Parts into the United States, available at: https://www.whitehouse.gov/presidential-actions/2025/04/amendments-to-adjusting-imports-of-automobiles-and-automobile-parts-into-the-united-states/.

that there is little to no domestic capacity to meet domestic demand. Generic drugs represent 90% of prescription drugs dispensed by volume in the United States, such that increasing either the cost of generic drugs and/or the cost of ingredients used in generics will affect the largest number of patients[9] while having less effect on our import reliance given our inability to manufacture domestically . We note that, in implementing tariffs on China under Section 301 of the Trade Act of 1974, the Trump Administration decided not to include generic and biosimilar products, after concerns were raised by stakeholders about the fragility of these supply chains and importance of the affordability of these products.[10] The scale of movement needed to reshore generic manufacturing would be immense and impractical in a short time frame—one estimate suggests that the manufacturing capacity required to meet U.S. demand for generic drugs is 27 times that of the capacity needed for brand drugs.[11] To minimize the disruption to patient access, we strongly recommend that generic drugs be exempted from any tariffs on pharmaceuticals.

- **Drugs in Shortage or At Risk of Shortage**: Regarding the Department's request for information on "the concentration of United States imports of pharmaceuticals and pharmaceutical ingredients from a small number of suppliers and the associated risks," it must be emphasized that sources of certain drugs are already highly concentrated abroad and often end up in shortage for this reason. Tariffs on products already in shortage would impede the ability of suppliers of such drugs to address shortages, and disincentivize new entrants into those markets. We therefore strongly recommend that any tariffs on pharmaceuticals should exclude drugs that are currently in shortage, including any products listed as currently in shortage on the FDA's drug shortage list[12] and/or the American Society of Health-System Pharmacists (ASHP) drug shortage list,[13] as well as drugs at risk of shortage. To identify the latter category, we recommend including drugs that are "penny-priced" in the 340B Drug Discount Program and drugs with a unit cost below a certain threshold, such as $1 or $5 (with drugs costing less than $1 per unit accounting for 56 percent of recent drug shortages[14]), in addition to consulting with generic manufacturers that may be able to identify particular products at risk of shortages.

- **Other Potential Exemptions:** To avoid unintended consequences of tariffs, including creating new shortages of products with manufacturing concentrated in particular countries abroad or with API or key starting materials that are derived exclusively or almost exclusively from abroad, we encourage the Department to exempt particularly key partner nations, such as India and countries in the European Union, from any tariffs on pharmaceuticals or pharmaceutical ingredients, as well as to work with industry before any tariffs are implemented to understand if certain API or key starting materials should also be exempt.

- **Need for a Formal Exclusions Process**: While the above recommendations would address readily identifiable vulnerable elements of the supply chain, we also anticipate that numerous types of drugs cannot be reshored, particularly in the short term. We therefore strongly encourage the Department to implement, as it did in the initial stages of implementing Section 232 tariffs on steel and aluminum, a formal exclusions process to allow parties to request exclusions from tariffs where tariffs on a product do not advance the broader goals of the policy.

[9] https://accessiblemeds.org/resources/reports/2023-savings-report-2
[10] 83 Fed. Reg. 14906, 14,910-13.
[11] https://www.brookings.edu/articles/pharmaceutical-tariffs-how-they-play-out/
[12] https://dps.fda.gov/drugshortages
[13] https://www.ashp.org/drug-shortages/current-shortages
[14] https://www.iqvia.com/insights/the-iqvia-institute/reports-and-publications/reports/drug-shortages-in-the-us-2023

RECOMMENDATION #3: **Implement Pharmacy Benefit Manager (PBM) Reform to Strengthen the Domestic Pharmaceutical Supply Chains.**

The Trump Administration, working with Congress and through agencies such as CMS and the Federal Trade Commission, must confront harmful PBM practices as a complementary strategy to strengthen domestic pharmaceutical supply chains, protect patients' access to medications at their local pharmacies, and safeguard the interests of American taxpayers. However, PBM reform, alone, is not a complete solution.

PBMs' self-enriching practices must be addressed if the Trump Administration seeks to effectively increase domestic capacity for pharmaceutical manufacturing and strengthen the domestic pharmaceutical supply chain. PBM reform is critical for two primary reasons: first, PBMs' common use of lowest-cost reimbursement models make it harder for domestic manufacturers to compete with foreign competitors, which leads to increased offshoring and overreliance on imports; and second, PBMs have weakened U.S. pharmaceutical supply chains by leveraging their disproportionate market power to reimburse pharmacies below cost, thereby forcing pharmacies to operate at a loss and even forcing pharmacy closures. Comprehensive PBM reform is crucial to securing our domestic pharmaceutical supply chain.

Harmful PBM practices inhibit the increase of domestic production capacity and incentivize reliance on imported drugs. Regarding the Department's request for information concerning "the feasibility of increasing domestic capacity for pharmaceuticals and pharmaceutical ingredients to reduce import reliance," we note that current PBM practices would frustrate the Trump Administration's attempts to increase domestic capacity, particularly in the generic drugs market. For example, the three largest PBMs control 80% of the prescription drug market, and use their disproportionate market share to demand sometimes unsustainably low pricing from drug manufacturers.[15] This downward pricing pressure has driven U.S. generic drug producers out of the market, as they cannot easily compete with foreign manufacturers with lower operational costs. In addition, because PBMs focus on securing drugs at the lowest possible prices, this incentivizes purchasing from countries like China, which can produce drugs at prices that U.S. manufacturers cannot compete with. These harmful PBM practices, if left unaddressed, will frustrate any attempts to increase domestic production capacity and decrease import reliance.

PBMs' self-enriching reimbursement practices have played a central role in creating fragilities within the pharmaceutical supply chain and encouraging offshoring of pharmaceutical production—precisely the problems that the Department wishes to address. The Department requests comment on "the economic impact of artificially suppressed prices of pharmaceuticals and pharmaceutical ingredients due to foreign unfair trade practices and state-sponsored overproduction,"[16] and while such foreign-government policies are outside of our expertise, it is worth noting that PBMs currently and actively suppress drug reimbursement for pharmacies in the United States, effectively limiting patient access. As mentioned above, PBMs frequently employ policies such as low-price clauses that reimburse pharmacies for a drug at no more than the lowest possible rate at which the pharmacy may be able to acquire the drug. This effectively prevents pharmacies from purchasing from any source besides the lowest-cost source, regardless of whether or not such source may be, for instance, located in the United States or more or less reliable or susceptible to supply shocks. These pervasive and perverse PBM tactics frequently result in pharmacies being reimbursed for a dispensed prescription at a

[15] https://prosperousamerica.org/the-american-drug-supplys-biggest-problems-and-how-to-fix-them/; https://app.leg.wa.gov/ReportsToTheLegislature/Home/GetPDF?fileName=Manufacturing+Generic+Drug+Report_899c9be4-ed5b-41b7-96c2-4f8a9a7cc3ef.pdf

[16] 90 Fed. Reg. 15952.

rate that is below the cost to acquire and subsequently dispense medically necessary prescription drugs—a dynamic that providers nationwide can attest to.

While the continued viability of pharmacies is already threatened by self-enriching PBM practices, the imposition of tariffs on pharmaceuticals will increase costs and further strain an industry that is vital to our national security. It is important to consider how tariffs will impact the supply chain for prescription drugs, and how NACDS expects tariffs will affect this ecosystem:

1. A tariff paid by an importer of a finished prescription drug product will raise the price charged to pharmacies by upstream entities (whether a manufacturer, wholesaler, or distributor).
2. These price increases may be further exacerbated even beyond the cost of the tariff itself if certain suppliers pull out of a market due to tariffs, which will allow remaining suppliers to increase prices further.
3. Pharmacies will have to absorb these increased costs while continuing to be paid the same rate based on pre-existing negotiated rates with PBMs.
4. Pharmacies are forced to absorb additional cost of tariffs, worsening an already dire crisis of pharmacy closures.
5. Pharmacy closures will reduce patient access to necessary medications and care, thereby reducing adherence and health outcomes, and increasing costs across the nation's healthcare ecosystem

Our concerns are based on experience. In Medicare and the commercial market, PBMs rarely update pharmacy reimbursement for generic medications in a timely manner in response to cost increases—often waiting months to do so. This puts pharmacies in the precarious and unsustainable position of paying more for generic medications without being concomitantly reimbursed more. Tariffs would exacerbate this situation, leading to unsustainable cost increases and additional pharmacy closures, as mentioned above. Unlike in any other market where one trading partner in the supply chain may be able to pass costs on to the entity with which they are doing business, pharmacies are bound by PBM contracts that dictate the reimbursement they will receive for the drug. Simply put, because PBMs maintain the ability to suppress the free market, PBMs will be unwilling to absorb the increased pharmaceutical costs resulting from tariffs, instead passing these costs onto pharmacies and patients, in turn forcing pharmacies to absorb the costs until they can no longer do so and are unable to sustainably operate.

The Trump Administration should work alongside members of Congress to implement long overdue and comprehensive PBM reform measures, on which consensus has been achieved, in addition to working with CMS on administrative actions. NACDS has previously published its recommendations for reforms to PBM regulation and pharmacy reimbursement.[17] Any effort to reform the U.S. drug supply chain to promote resilience, access, and affordability must address unfair PBM practices—an area that both parties in both houses of Congress have recognized is in dire need of reform. Doing so is essential to supporting pharmacies in building more resilient supply chains and minimizing disruption from potential tariffs.

CONCLUSION

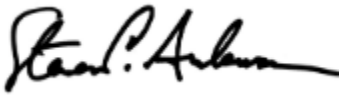
NACDS supports the Trump Administration's goals of improving the safety, security, and resiliency of our pharmaceutical supply chain, of ensuring Americans have continued access to affordable, high-quality healthcare, and of improving Americans' health overall. Accomplishing these goals will require a thoughtful, comprehensive approach to onshoring American manufacturing of pharmaceuticals.

[17] See here: https://www.nacds.org/pdfs/FourWins-MAHA-NACDS-1-17-25.pdf.

NACDS appreciates the Department's consideration of our feedback and recommendations to help achieve the Administration's objectives and enhance America's national security interests and independence from foreign pharmaceutical manufacturing, while striking a careful balance to mitigate against damaging disruptions in medication access for the American people and further strain on the nation's pharmacies. Any approach to reforming the pharmaceutical supply chain must address the harm currently inflicted on Americans and the pharmacies that serve them by PBMs and a broken reimbursement system. Reforming that system and addressing PBMs' harmful practices must be an urgent priority for the Trump Administration in addressing domestic manufacturing of pharmaceuticals and other healthcare priorities. However, PBM reform alone is not a solution to pharmaceutical tariffs. If the Administration decides to impose pharmaceutical tariffs, a phased approach and carefully developed exclusions are necessary to mitigate the negative impacts of tariffs on American patients.

We welcome further discussion and appreciate the opportunity to partner in supporting Americans' health and national security. Please contact NACDS' Sara Roszak, Senior Vice President, Health and Wellness Strategy and Policy, at sroszak@nacds.org or 703-837-4251.

Sincerely,



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President and Chief Executive Officer
National Association of Chain Drug Stores (NACDS)