

## US Senator Bernie Sanders (Independent of Vermont) spoke passionately yesterday about the free trade deals before the US Congress as well as the Trans-Pacific FTA.

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The following excerpt relies on the work of several US access to medicines groups and advocates:

"...Mr. President, let me talk for a few minutes about the impacts of our current trade policies on access to medicines, both here and abroad.

The proposed Korea Free Trade Agreement, for example, threatens both the 340-B drug program (which requires drug companies to provide discounts on covered outpatient drugs purchased by federally funded health providers, such as Community Health Centers and other safety net providers) and the ability of Medicare Part B to hold down the prices of outpatient drugs (Part B drug prices are set by a statutory formula to provide outpatient drugs used in medically necessary services to the disabled and seniors).

The Korean Free Trade Agreement would potentially allow Korean drug manufacturers to challenge the pricing under these programs on the grounds that the prices are not market-derived. And this is something that was pushed by our trade representatives, not theirs! In essence the pharmaceutical industry's lobbyists, with complete indifference to the plight of millions of the most frail and vulnerable Americans, have succeeded in inserting provisions into this agreement that could allow Korean companies to maximize their profits by challenging the cost-control measures under the 340B and Medicare Part B programs.

But unfortunately, Mr. President, this just the tip of the iceberg. Right now, the pharmaceutical lobby and the United States Trade Representative are negotiating a new trade agreement, the so-called the "Trans Pacific Partnership," that I fear very much will make a bad situation in terms of drug access for the developing world much worse. Their aim, yet again, is to maximize drug company profits at the expense of the most vulnerable

populations by tying the hands of health authorities here and in other developed and developing countries abroad who seek to provide access to low-cost, generic pharmaceutical drugs for their citizens.

While the tax-paying and voting public is being left in the dark about the specific content under negotiation - despite that many Big Pharma representatives on trade advisory boards have access to the negotiating documents - drafts of some pieces of it leaked to the public are cause for concern, to say the least.

In negotiating the Trans Pacific Partnership, our government is actively pushing intellectual property laws for medicines that are more restrictive than we impose even here in the United States, with the effect of making it far more difficult to get generic drugs on the market in those countries. One of them, Vietnam, is a good example.

Vietnam has received more than \$320 million from the President's Emergency Plan for AIDS Relief (PEPFAR), created under President George W. Bush and continued under President Obama since 2004, providing life-savings treatments to thousands of people living with HIV in no small measure because generic treatments are available.

The PEPFAR program has actually had significant success and is credited with savings millions of lives in 15 developing nations over the last seven years. In the face of one of the most severe humanitarian crises in modern history, the United States put billions of dollars into doing something about it and we are. So why in the face of this success by one arm of our government would another arm work to pull the rug out from underneath it? Yet the United States Trade Representative's office is doing just that.

This isn't just me talking. The 2010 PEPFAR program's annual report states that "PEPFAR support for antiretroviral (ARV) drugs has dramatically increased the numbers of people on HIV treatment in Vietnam..... Generic drugs have helped bring down the annual cost of first-line treatment to as low as \$100 per patient...." Great, right? But the same report goes on to note that "Expectations that the cost of Lopinavir/Ritonavir [a very effective combination HIV therapy] would fall by 50% in 2009 due to the introduction of generic versions were dashed when it was discovered that Abbott has patents pending in Vietnam and that Abbott intended to use the patents to prevent the procurement of generic alternatives."

So, just when we are making serious progress in combating AIDS in Vietnam through effective use of taxpayer dollars and reliance on generic drugs, the USTR is simultaneously pushing aggressive trade terms at the behest of the pharmaceutical industry as part of a future trade agreement that are designed to keep generics off the market there and undermine the effectiveness of one of our most successful humanitarian programs. Higher prices for drugs and higher profits for PhRMA, less access to life-saving medicines for people suffering from AIDS in Vietnam and higher costs to our taxpayers in trying to help them.

It appears from the leaked document that the USTR is pushing the eight other Pacific countries in the negotiations to grant more patents on each drug than they do now, so that patents will be granted for changes in the drug formulation or delivery mechanisms, even when the changes don't make much of a difference. This effort to force developing countries to embrace what is called the "ever-greening" of patent protection is designed to extend drug monopolies even longer, after the initial 20 year patents expires.

There are also new provisions recently proposed by the United States, in the Chicago Round of negotiations, which are secret. These secret provisions reportedly require, among other things, some combination of patent extensions, restrictions on the registration of generic drugs under so called "data exclusivity" rules, and restrictions on government efforts to negotiate lower prices for drugs, such as by comparing domestic prices to prices in other countries. Collectively, the leaked and still secret provisions are designed to drive up drug prices in all countries, both developed and developing.

What could be more revolting than forcing higher drug prices in a poor country so that big drug companies can squeeze out just a little more profit, leaving tens and tens of thousands of HIV-positive people there to suffer and die? What kind of country have we become if that is what our representative is advocating on behalf of the United States of America?

Of course, AIDS is not the only terrible illness for which new medicines can be important. Take the case of cancer. Mr. President, nearly everyone I know has not one but several stories they could tell about friends, family and colleagues that have had cancer, a disease that is life threatening, and involves considerable suffering. Two thirds of the drugs on a list of key cancer drugs and vaccines published by the National Cancer Institute are only available from a single manufacturer, and the prices are extremely high. Today it is not uncommon for a new

cancer drugs to be priced at more than \$5 thousand per month, or as much as \$50,000 to \$75,000 or more for a course of treatment, for just a single drug!

Almost no one in developing countries can afford these newer patented cancer drugs. Not surprisingly, there are no patented cancer drugs on the World Health Organization (WHO) list of essential medicines - not because the drugs don't work, but because they would break the budgets of health systems in developing countries. In the Trans Pacific Partnership Agreement negotiation, the United States Trade Representative is asking government officials from developing countries to put in place policies that will without any doubt prevent poor persons with cancer from getting access to the newest cancer drugs.

What type of perversion of democracy is it that a handful of trade negotiators, none of them accountable to the voters, operating in secret, can do this?

You might ask, well, isn't this necessary to support R&D for new medicines? The answer is no, it is not necessary. It is a choice, and a bad choice. A World Health Organization expert working group on R&D is soon expected to recommend new global negotiations on an R&D treaty to make sure each country carries an appropriate share of the R&D burden by providing both sufficient private incentives for R&D and sufficient public sector spending, but in ways that are most appropriate for each country and that are not designed to undermine universal access to life-saving treatments. This should be the focus of global trade policy - making sure each country carries its appropriate share of funding medical R&D- not forcing Peru, Chile, Vietnam, Thailand and other developing countries to pay higher prices or let their people die so that big drug companies (some of the most profitable corporations the world has ever seen) can squeeze out just a little more money...."

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