

## STATEMENT OF CONSUMER GROUPS REGARDING ADOPTION OF INDUSTRY-BACKED ESHOO-BARTON AMENDMENT TO HEALTHCARE REFORM LEGISLATION

We are deeply disappointed by the decision of the House Committee on Energy and Commerce to adopt the BIO and PhRMA-backed amendment on generic biologics. Instead of opening the door to less expensive generic drugs and the potential for enormous savings to patients and healthcare providers, including federal and state governments, this amendment will insure that BIO and PhRMA companies can charge monopoly prices for a minimum of 12 years. The proposal that passed today will also make it much easier for brand companies to wait until the eleventh hour to make minor changes to old biologics, and then renew the 12 year marketing monopoly an unlimited number of times.

Neither the brand industry nor the supporters of the amendment have ever credibly explained why the manufacturers of brand biologics should be entitled to a guaranteed 12 years of exclusivity, which is in effect 12 years of monopoly prices, when the patent system has been adequate to protect innovation in every other industry. They have also never explained why 12 years of exclusivity is appropriate for the manufacturers of biologics, when since 1984 the manufacturers of chemical drugs have thrived with five years of exclusivity.

We are also disappointed that the majority of the Committee ignored the recent study of the Federal Trade Commission, which concluded (1) that there is no basis for granting biologics manufacturers 12 years of exclusivity and (2) that there is no evidence that their patents are weaker than the patents on chemical drugs. There are many competing studies on this subject, but the FTC is independent and unbiased and has deep expertise in laws pertaining to patents and competition.

We can only conclude that the Committee's action reflects the continuing influence and power of Big Pharma, which has made adoption of the Eshoo-Barton amendment a high priority. We pledge to fight on the floor of the House and Senate and in every other forum that is available for a viable generic biologic program which will allow the Food and Drug Administration to approve generic biologics once valid patents have expired. If meaningful changes cannot be made, then we urge Congress to drop the generic biologics amendment from healthcare reform legislation.

AARP

Consumers Union

National Coalition on Health Care (NCHC)

American Federation of State, County and Municipal Employees, AFL-CIO

The American Medical Student Association (AMSA)

Breast Cancer Action

CPATH (Center for Policy Analysis on Trade and Health)

Department for Professional Employees, AFL-CIO

Essential Action

Health GAP (Global Access Project)

KEI (Knowledge Ecology International)

Latinos for National Health Insurance

National Physicians Alliance

National Research Center for Women and Families

Northwest Federation of Community Organizations

OWL - The Voice of Midlife and Older Women

Public Citizen

Salud y Farmacos

Universities Allied for Essential Medicines (UAEM)

U.S. PIRG (Public Interest Research Group)