



GENERIC PHARMACEUTICAL ASSOCIATION

September 21, 2007

The Honorable Charles Rangel
Chairman, House Committee on
Ways and Means
1102 Longworth House Office Building
Washington, D.C. 20515

Dear Chairman Rangel, Ranking Member McCrery and Members of Ways and Means:

On Tuesday, September 25, the Ways and Means Committee is scheduled to conduct its mock markup of the implementing legislation for the U.S.-Peru Trade Promotion Agreement, which fully incorporates the May 10 bipartisan compromise. The Generics Pharmaceutical Association (GPhA) welcomes the recent changes to the intellectual property protection provisions for pharmaceuticals as an important step forward in ensuring that our free trade agreements reflect the balance contained in U.S. law between the interests of fostering drug innovation and ensuring access to affordable medicines.

We urge you to support the U.S.-Peru Trade Promotion Agreement, including the intellectual property provisions for pharmaceuticals.

For more than 20 years, the U.S. health care system has proven that bringing competition into the pharmaceutical marketplace results in lower consumer costs without stifling innovation. This new trade policy recognizes that this balance can also be achieved abroad. It modifies some key provisions that could unduly block generic competition in our free trade partners and delay timely access to affordable medicines. At the same time, it does nothing to hinder innovation and, in fact, brings other nations more in line with the research and development incentives pharmaceutical companies currently enjoy here in the United States.

We greatly appreciate the efforts of Mr. Rangel, Mr. McCrery, other Congressional leaders and the Administration to strike the right balance in our trade agreements, and wish them success in passing the pending Latin trade agreements, beginning with Peru.

Sincerely,

Kathleen D. Jaeger
President and CEO

GPhA represents the manufacturers and distributors of finished generic pharmaceuticals, manufacturers and distributors of bulk active pharmaceutical chemicals, and suppliers of other goods and services to the generic drug industry. Unbranded and branded generics represent 63% of the total prescriptions dispensed in the United States, but only 20% of all dollars spent on prescription drugs.

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