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Leaked Drug Patent, Formulary Pricing Texts at Trans-Pacific Trade Talks Reveal U.S. Pushing Extreme Pharmaceutical Corporation Demands that Would Undermine Consumers' Access to Affordable Medicine

Obama Administration Positions Roll Back Initial 2007 Reforms Made by Bush Administration on Medicines Patents, Abandon Access to Medicines Commitments

LIMA, Peru – Leaks of U.S. proposals for the Trans-Pacific Free Trade Agreement (FTA) reveal that the Obama administration has reversed initial reforms to U.S. trade pact drug patent policies to enhance access to affordable medicines that were made during the George W. Bush administration while demanding new rights for pharmaceutical firms to challenge pricing and other drug formulary policies used by many countries to keep down prices, said Public Citizen as the ninth round of talks get underway in Peru.

“The roll back of the modest Bush-era reforms is shocking, but what is truly stunning is the new proposal to empower pharmaceutical firms to attack the medicine formulary systems that New Zealand, Australia and other developed countries have used so successfully to achieve what is ostensibly an Obama administration goal of reducing sky-high drug prices,” said Lori Wallach, director of Public Citizen’s Global Trade Watch.

Governments use formularies to control health costs by listing medicines approved for government purchase or reimbursement and negotiating with drug firms to obtain the lowest prices. Using the Trans-Pacific FTA to further undermine Australia’s Pharmaceutical Benefits Scheme (PBS), already affected by the 2005 U.S.-Australia FTA, and New Zealand’s Pharmaceutical Management Agency (PHARMAC) is a goal of U.S. pharmaceutical firms.

"The leaked texts show that U.S. officials’ recently-announced medicines ‘access window’ is window dressing for piling on monopoly privileges for Big Pharma that will in fact undermine access to medicine,” said Peter Maybarduk, director of Public Citizen’s Access to Medicines Program. “This U.S. intellectual property proposal, which rolls back initial reforms made in the trade pact the Bush administration signed with Peru only four years ago, would lengthen pharmaceutical monopolies, eliminate safeguards against patent abuse, grant additional

exclusive controls over clinical trial data and favor the giant pharmaceutical companies' monopoly interests at every stage.”

The new leaked U.S. proposals on intellectual property, pharmaceutical formularies (annex to the transparency chapter), and technical barriers chapter annexes on pharmaceutical products, cosmetics and medical devices, as well as draft text on regulatory coherence, and analyses of these texts are available at <http://bit.ly/sVyrFy>.

That the leaked documents reveal that U.S. negotiators are pushing such retrograde proposals despite congressional and public demands to the contrary highlights the need for regular release of Trans-Pacific FTA negotiating texts. This has been a repeated demand of civil society organizations in the involved countries. Twenty-two U.S. labor, consumer, faith, environmental and human rights organizations – including the AFL-CIO, Sierra Club, Citizens Trade Campaign, Presbyterian Church (USA) and Public Citizen – again wrote U.S. Trade Representative Ron Kirk last week calling on the U.S. government to implement the administration’s transparency pledges and publicly release draft negotiating texts.

Past demands for access to negotiating document have been rebuffed, although the negotiating countries are all members of the World Trade Organization, which increasingly does release draft texts, among other negotiating venues which provide greater transparency. In September at the Chicago round of negotiations, Trans-Pacific FTA negotiators admitted that they had signed a special pact to keep all documents relating to these trade talks secret. While the U.S. public and press are not provided basic information on what U.S. negotiators are bargaining for – and bargaining away – until agreements are completed, executives from hundreds of corporations have been named “official trade advisors” by the Obama administration and given access to the texts.

The U.S. organizations’ letter, as well as letters from civil society groups in the other involved countries to their governments can be viewed at <http://bit.ly/nmiw4v>.

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