



July 10, 2018

The Honorable Greg Walden, Chairman
House Committee on Energy and Commerce
Washington, D.C. 20515

The Honorable Frank Pallone, Ranking Member
House Committee on Energy and Commerce
Washington, D.C. 20515

Dear Chairman Walden and Ranking Member Pallone,

Social Security Works (SSW) is writing in opposition to any amendments that would keep prescription drug prices high by extending monopoly power during the reauthorization of the Pandemic and All-Hazards Preparedness Act (PAHPA). SSW works to expand Social Security, Medicare, and Medicaid and to lower prescription drug prices for all Americans. Provisions such as the inclusion of market entry rewards or intellectual property vouchers ultimately help corporations and hurt patients. Congress must stand up to pharmaceutical corporations and start serving the interests of the Americans by lowering drug prices.

The PAHPA is an important reauthorization that Congress should not taint with handouts to pharmaceutical corporations. Potential amendments, like the Re-Valuing Anti-Microbial Products (REVAMP) Act may appear to help patients by bringing more medicines to market, but in reality we are deeply skeptical that this legislation will promote innovation. The REVAMP Act specifically gives a one year monopoly extension to corporations for a medicine of their choice when they create new, approved antibiotic drugs. Corporations that receive the extension can sell their vouchers to other companies to extend their monopolies by one year. When the government rewards monopoly extensions for prescription drugs, they hurt all of us by preventing an opportunity for a generic competitor to come into the market as a more affordable alternative.

As our allies at Public Citizen mentioned in their letter last month to the Subcommittee on Health, investment in research & development:

1. Must not focus solely on bringing new drugs to the market, but should also explore the importance of repurposing old drugs, finding new ways to combining existing products, and preventing antimicrobial resistance, among other ideas;
2. Must not sacrifice the needs of one patient group for another;
3. Must align with the 2016 UN High Level Declaration on Antimicrobial Resistance (AMR), which states: "we acknowledge the importance of delinking the cost of investment in research and

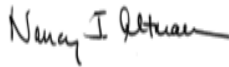
development on antimicrobial resistance from the price and volume of sales so as to facilitate equitable and affordable access...”; and

4. Must not reward corporations for bringing new drugs to market that do not have a high clinical utility compared to existing drugs.

Drug prices are too high in America. New legislation to keep drug prices high is unacceptable. Overwhelmingly, Americans want to see Congress take steps to lower the price of life-saving prescription medicines. As we have seen over and over again, extending monopoly power for corporations will raise drug prices, not lower them. As you consider the PAHPA we hope you will consider other ways to promote innovation without hurting patients.

Social Security Works is happy to work with you to create proposals that will help the American people by lowering prescription drug prices. We look forward to your support on this matter.

Sincerely,



Nancy Altman
President



Alex Lawson
Executive Director