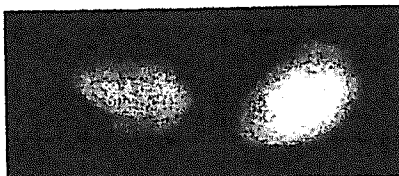




**EQUALTM
ACCESS
to Imported
Rx Drugs**

One of these pills is priced much higher.



Can you guess which one?

**Both pills are the same FDA approved drug, manufactured in an FDA approved facility.
However, one of the pills is sold in a wealthy European nation
for a fraction of the American drug maker price.**

Solid bipartisan majorities in the House (370 to 12 and 363 to 12) and Senate (74 to 21) including a majority of the authorizing and Appropriations committee members, have supported a strong new importation provision as an amendment to the Agriculture Appropriation bill, H.R.4461. This plan will provide American consumers, including seniors, equal access to lower prices for authentic safe and effective medicines.

In spite of a deceptive expensive ad campaign against authorizing pharmacists to import, which inaccurately equates pharmacists' imports with counterfeits, leading to fatalities, the reality is that drug makers have been substantially increasing their own imports. Drug makers have increased their own imports of FDA approved drugs for US consumption from a wide range of countries by 350% since 1992 totaling \$13.8 billion in 1999. Interestingly, drug maker imports from Canada and Mexico increased 400% and 800% respectively during this period.

The significance of this legislation to our members and their patients cannot be overstated. For several years, the nation's independent pharmacies have been essentially helpless as consumers in growing numbers have turned to offshore mail order facilities and Internet sites, and to across-the-border pharmacies in Mexico and Canada to purchase safe and affordable prescription medicines.

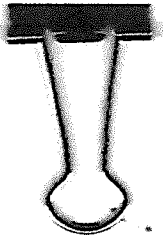
We urge the 106th Congress to include in the H.R.4461 conference report import authority [comparable to that enjoyed by drug makers] for licensed pharmacists and licensed distributors, including pharmacists buying groups. By authorizing equal access to imported drugs, Congress will enhance competition and provide the American consumer more affordable safe FDA approved prescription drugs from their trusted local pharmacist.

The small business health care professionals NCPA represents are the pharmacists your constituents prefer. Our members function in the market in a variety of forms. They do business as single stores ranging from apothecaries to full line high volume pharmacies; as independent chains (e.g. 100 pharmacies) and as franchises (e.g. Medicine Shoppe, 1200 pharmacies). Our 30,000 member pharmacies and their 75,000 pharmacists are committed to legislative initiatives, designed to protect the public; to provide a level playing field and a fair chance to compete; and to provide, quality affordable pharmacists services to your constituents. The equal access bipartisan import provision with its safe, but free trade approach, meets each of these criteria.

**John M. Rector, General Counsel
Department of Government Affairs • Legislative Defense Fund
National Community Pharmacists Association • 205 Daingerfield Road • Alexandria, Virginia 22314**

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Roll Call Newspaper
September 11, 2000



**Presentation
Of
John M. Rector
Senior Vice President Government Affairs
And General Counsel
National Community Pharmacists Association**

December 14, 2000

**National Conference of State Legislatures
Assembly on Federal Issues
Health Committee: Drug Importation Law (P.L.106-387)**

Hyatt Regency Capitol Hill, Washington, DC



Mr. JEFFORDS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BENNETT). Without objection, it is so ordered.

Mr. JEFFORDS. Mr. President, I come to the floor today to urge my colleagues to support the Agriculture appropriations conference report that will be considered by this body in the next few days. I think it is a good bill with a number of desperately needed aid provisions for our Nation's farmers. The provisions included in the bill for prescriptions are also desirable.

First, though, I want to talk a little about my own family history and why I am so proud and honored to be the author of the legislation with respect to prescription drugs and pharmacies. My family, on the Jeffords side, came to Vermont back in 1794. At least, that is the first time they bought a piece of land. They settled in the northern part of Vermont up on the Canadian border. Gradually, they moved down to a community a little further south, about 20, 30 miles from the Canadian border. The family ran a drugstore in Enosberg Falls called Jeffords Drug Store for over a hundred years.

I remember the summers so vividly. We always spent 2 weeks in Enosberg Falls, spent a week on the family farm, and then spent a week down in town with Roger Pratt and Cora Pratt, my uncle and aunt who ran the drugstore. I remember some wonderful times there. I could go up to the soda fountain, without having to do anything, and I could get a soda. Sometimes, I would be given the job of trying to swat the flies and keep the flies away. That was before we had insecticides. I know sometimes I would probably get a

little annoying when I was 8 or 9 years old while swatting them too close to the patrons sitting at the little tables where they got sodas. Later, I had the great thrill of being able to stand behind the pharmacy's soda fountain and make sundaes and all sorts of things. It was a wonderful experience.

But what I learned more than anything else was the importance of a pharmacy to a small town. In those days, it was probably as much of the health care plan as you could get, along with the local doctor. The pharmacy was your health care, unless you got really sick and you would go to the hospital. But more people came in to get advice from the pharmacist as to what they should take for this or for that. Things went along very fine for many years.

As time went on, my uncle died. My aunt, who was not a pharmacist, was working the drugstore and she had to hire a pharmacist to do that work. Unfortunately, she died. When she died, the question was, Who is going to get the drugstore and the property? I took the position that I would be willing to sell it to the pharmacist. I got it appraised, and a price was set. He said, "I'm sorry, but I'm going to go down the street and open a pharmacy and I will run you out of business." I said, "Okay, go right ahead"—because I am a stubborn Vermonter—"I will run you out of business." So I had to go around the State and find a pharmacist. So we kept the competition going.

I finally sold the drugstore for twice what he wanted to pay, and I learned important things such as if you want a generic aspirin, you can look right next to the Bayer aspirin, and you will find an aspirin that is identical but in a different bottle, and it is cheaper. I have used that knowledge all through the years to save a buck on aspirin and other things. Many useful lessons have come from that experience.

What I also understood by being near the Canadian border was what it meant to that pharmacist in recent years. The drugs his pharmacy purchased cost twice as much as the pharmacist paid across the border in Canada.

It is more than just a casual knowledge that led me to become deeply involved in the bill which we now have as part of the appropriations bill.

I thank Senator SPECTER and Chairman COCHRAN for their very kind words about me and my work in this area. I deeply appreciate that.

Mr. JEFFORDS. Mr. President, I come to the floor today to urge my colleagues to support the Agriculture Appropriations Conference Report that will be considered by this body within the next few days. I think it is a good bill, with a number of desperately needed aid provisions for our nation's farmers. But today I would like to address the Prescription Drug Importation provision included in the bill.

We are all familiar with the problem. The cost of drugs, as a percentage of our health care dollar, is skyrocketing

to the point of unaffordability for average Americans. During a time when we are experiencing unprecedented economic growth, it is not uncommon to hear of patients who cut pills in half, or skip dosages in order to make prescriptions last longer, because they can't afford the refill. Prescription medicines have revolutionized the treatment of certain diseases, but they are only effective if patients have access to the medicines that their doctors prescribe. The fact is, failure to take certain medicine can be just as deadly as taking the wrong pill.

Today we are confounded by the question: Why do drugs cost so much more in the U.S. than in Canada or abroad? It's a good question—one for which the drug companies don't have any good answers.

It's true that these companies are making some miraculous breakthroughs. But why must Americans have to shoulder seemingly the entire burden of paying for research, development and a healthy return to shareholders?

I believe it is time we put an end to this unfair burden. I don't think it is fair to expect Americans, especially your senior citizens living on fixed incomes, to pay the highest costs in the world for prescription medicines, many of which are manufactured within our borders.

That's why more than a year ago I started working with the Food and Drug Administration (FDA), the agency responsible for overseeing the safety of the drug supply in this country, to see if there were a way we could safely reimport prescription medicines into our country.

In July, on an overwhelming vote of 74-21, the United States Senate agreed to an amendment I offered, based on S. 2520, cosponsored by Senators WELLSTONE, DORGAN, SNOWE, COLLINS, and others, to do just that. Importantly, for the first time, we had developed and passed a proposal that did not, in the eyes of FDA, present public health and safety concerns. This was critical to me, because we have the gold standard in the U.S. when it comes to drug safety, and I don't want to do anything to undermine it.

Over the past few months, the drug companies have waged a furious campaign against my amendment, taking out advertisements and sending legions of lobbyists to Capitol Hill to argue that it would undermine safety. I don't think my amendment will undermine safety, but I do think it will undermine the price Americans pay for prescription drugs.

I was heartened by the positive movement in the Clinton administration over the past few weeks, from neutrality in July to outright support for my amendment. I provided Congress with enough money—\$23 million this year to FDA to carry out its responsibilities. Congress has agreed to do so, and if my proposal works out as I hope, it will be a small price to pay on the

potential billions of dollars that Americans will save on prescription drug costs.

The negotiators for the House and Senate on the agriculture appropriations bill have completed their work. Unfortunately, the process used in reaching this agreement was marred by partisanship. But the product is as strong as the one endorsed by the Clinton administration, and even stronger in some respects.

The proposal before Congress, while slightly different from my plan, is a strong and workable proposal. Critics have argued that the proposal has been weakened because it allows drug companies to frustrate the intent through manipulations of sales contracts. The fact is, this bill is stronger than either the House-passed or Senate-passed versions because it includes a clear prohibition of such agreements—something that was missing in the House and Senate bills.

Critics have claimed that the latest version of the bill contains a loophole regarding the labeling requirements. The fact is, the bill requires manufacturers to provide all necessary labeling information, and gives the FDA very broad power to write any other rules necessary to accomplish the intent of the provision. How much stronger can we get than that.

Critics have claimed that the bill unfairly restricts the countries from which these products may come. The fact is that the bill lists 23 countries to start the process, and lets the FDA expand the list at any time.

Critics have complained that this bill will expire after about 7 years.

The fact is that this is a vast improvement over the House-passed version which would have expired after only one year. As we all know major legislation is frequently required to be reauthorized on 5 year cycles in order to force Congress to make improvements, and popular laws always survive this process.

This bill, like any other, is not perfect. But critics are wrong to suggest that it is weaker than the original Jeffords amendment. I ought to know. And so should John Rector, senior vice president for the National Community Pharmacists Association who has been a leader in the effort to reimport lower cost drugs and whose members would be responsible for making this proposal work.

Mr. Rector recently took the position that the bill, "will result in the importation of far less expensive drugs."

Might the drug companies try to evade the spirit of this legislation? Some probably will. Have we anticipated every action they might take? Of course not.

But I am confident that our proposal will work, and that the process has improved it. That is why the pharmaceutical industry is fighting this tooth and nail—they know it will work. They would like nothing more than to see us defeat this bill. That should tell you

something about what they think the effect will be of this provision.

Mr. President, I must say—I am disappointed with how partisan this issue has become, and I am disappointed that the White House has moved the goal posts on this issue. In fact, I'd like to quote from the letter that President Clinton sent to Speaker HASTERT and Majority Leader LOTT less than 3 weeks ago. In that letter, he said "I support the Medicine Equity and Drug Safety Act of 2000 which the Senate passed" and "I urge you to send me the Senate legislation—with full funding." Mr. President, that is exactly what we are doing, except that the bill we are sending the President is even stronger than the original language.

But I am glad that the President has said he will sign the bill. I think this is because he knows that, at the end of the day, this provision will work, despite all of the political rhetoric.

I urge my colleagues to support this provision and support this Agriculture appropriations conference report.

I also would like to discuss the chart that is behind me that very succinctly asks and answers questions about the differences between the House amendment, the Senate amendment, and the conference agreement.

I think you will find by just looking at the complete list on the conference agreement, the important improvements that were made as it wandered through the normal legislative process which we all have to follow.

I ask unanimous consent a letter from the White House of September 25 be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,

Santa Fe, September 25, 2000.

DEAR MR. SPEAKER: (DEAR MR. LEADER:) In your letter, you outlined a number of health care issues that you indicated could be resolved before Congress adjourns. I want to be equally clear about my priorities and hopes for progress this fall. As the days dwindle in this session of Congress, I am seriously concerned about the lack of movement on some of our most important issues. I am, however, encouraged to learn from your letter that the Republican leadership is now committed to providing Americans with access to prescription drugs available at lower cost from other countries.

As you know, our people are growing more and more concerned that the pharmaceutical industry often sells the same drugs for a much higher price in the United States than it does in other countries, even when those drugs are manufactured here at home. This forces some of our most vulnerable citizens, including seniors and people with disabilities, to pay the highest prices for prescription drugs in the world. This is simply unacceptable.

That is why I support the "Medicine Equity and Drug Safety Act of 2000," which the Senate passed by an overwhelming vote of 74 to 21. This important legislation would give Americans access to quality medications at the lower prices paid by citizens in other nations. The Senate bill, sponsored by Senators JEFFORDS, WELLS, and others, would allow wholesalers and pharmacists to import FDA-approved prescription drugs and

would establish a new safety system intended to track these imports and test them for authenticity and degradation. Before this provision could take effect, the Secretary of Health and Human Services would be required to certify that the regulations would, first, pose no risk to the public health; and, second, significantly decrease prices paid by consumers. With these protections in place and the \$23 million necessary to implement them, this legislation would meet the test that we both believe is crucial—preserving the safety of America's drug supply.

Although your letter implies support for legislation similar to the Senate-passed bill, I am concerned by its statement that seniors would "buy lower-priced drugs in countries like Canada" [emphasis added]. Of course, few seniors live near the Canadian or Mexican borders and even fewer can afford to cross the border in search of lower-price drugs. Moreover, policies like the House's Coburn amendment would strip the FDA of all of its ability to monitor safety and prevent seniors from buying counterfeit drugs, putting their health in danger and their finances at risk.

I urge you to send me the Senate legislation—with full funding—to let wholesalers and pharmacists bring affordable prescription drugs to the neighborhoods where our seniors live. Though this initiative does not address seniors' most important need—meaningful insurance to cover the costs of expensive medications—it still has real potential to allow consumers to access prescription drug discounts.

I remain concerned that with less than one week left in this fiscal year, Congress has not passed eleven of thirteen appropriations bills; Congress has not raised the minimum wage; and Congress has not passed a strong, enforceable patients' bill of rights. And, according to your letter, the congressional leadership has given up on passing a meaningful, affordable and optional Medicare prescription-drug benefit.

I am extremely disappointed by your determination that it is impossible to pass a voluntary Medicare prescription-drug benefit this year. I simply disagree. There is indeed time to act, and I urge you to use the final weeks of this Congress to get this important work done. It is the only way we can ensure rapid, substantial and much-needed relief from prescription drug costs for all seniors and people with disabilities, including low-income beneficiaries.

On the issue of the Medicare lock-box, I have endorsed the Vice President's initiative, which has been effectively embodied in Senator Conrad's amendment that passed on the Labor-Health and Human Services appropriations bill. I am therefore encouraged by your commitment to passing this legislation; but we must still make all efforts to ensure that the Medicare payroll taxes in the lockbox are used solely for Medicare.

Similarly, I am pleased to learn of your commitment to pass a greatly-needed package of Medicare and Medicaid health care provider payment and beneficiary refinements. As you know, I proposed such refinements in my budget and in my June Mid-Session Review. This includes payment increases for hospitals, home health agencies, nursing homes and other providers as well as access to Medicaid for legal immigrants, certain uninsured women with breast cancer, and children with disabilities; extended Medicare coverage for people with disabilities; an extension of the Balanced Budget Act's diabetes provisions; and full funding for the Ricky Ray Trust Fund.

Again, I am pleased to learn of your commitment to providing Americans with access to high-quality, lower cost prescription drugs from other nations. There is no reason

BERNARD SANDERS
MEMBER OF CONGRESS
VERMONT, AT LARGE

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CO-CHAIR PROGRESSIVE CAUCUS

THURSDAY, SEPTEMBER 28, 2000
12:00 NOON
CAPITOL RALLY

**NATIONAL COMMUNITY PHARMACISTS ASSOCIATION BRINGS BUS
TO CAPITOL HILL FOR 'LOWER DRUG PRICES OR BUST!' RALLY
FOR PRESCRIPTION DRUG REIMPORTATION BILL**

The National Community Pharmacists Association (NCPA) will bring a bus to Washington Thursday, September 28th for a "Lower Drug Prices or Bust!" rally outside the west steps of the U.S. Capitol. The bus will be used to represent the now-famous prescription drug buying bus trips to Canada originated by Rep. Bernard Sanders (I-VT). In attendance will be the bipartisan sponsors of the prescription drug reimportation bill, which has passed both the House and Senate and has recently earned the official backing of the White House. The bill would allow U.S. pharmacists and wholesalers to access lower-priced prescription drugs from abroad. NCPA, which is the major group representing small, independent pharmacists throughout the nation, was the first organization to endorse the bill and rally public support for its passage.

What: NCPA 'Lower Drug Prices or Bust!' Capitol Rally with Bus to Canada

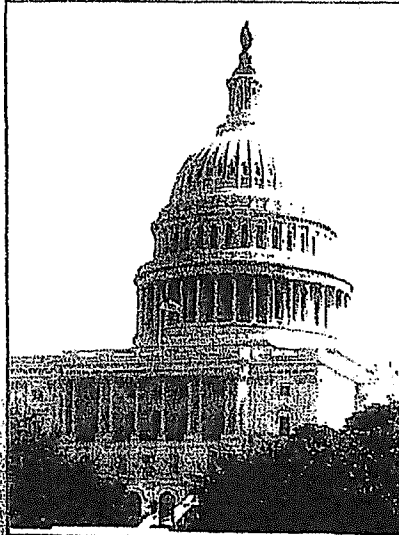
House Members: Reps. Bernard Sanders (I-VT), Marion Berry (D-AR), Jo Ann Emerson (R-MO), Joe Crowley (D-NY), Gil Gutknecht (R-MN), Rosa DeLauro (D-CT) and others

Senators: Paul Wellstone (D-MN), Byron Dorgan (D-ND), Slade Gorton (R-WA), and Jim Jeffords (R-VT)

Where: Garfield Circle, in front of the West Capitol Steps

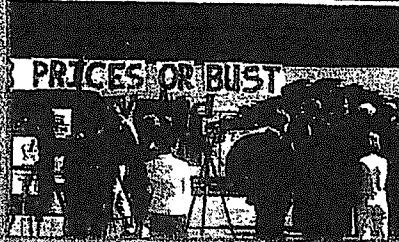
When: Thursday, September 28th, 12:00 noon

Contact: David Sirota 202-225-4115



Lower prices or bust

John Rector, senior v.p. for government affairs, National Community Pharmacists Association, introduces members of Congress who support legislation that would allow pharmacists and wholesalers to reimport U.S.-made prescription drugs. The rally at the Capitol featured a bus to symbolize the trips border-state seniors have been taking to Canada to buy lower-priced Rx's.



Photos: Michael F. Conlan

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October 16, 2000

NEWSBREAKS

NCPA petitions Congress to allow reimportation of U.S.-made Rx drugs	20
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