

106TH CONGRESS  
2D SESSION

# S. 2466

To require the United States Trade Representative to enter into negotiations to eliminate price controls imposed by certain foreign countries on prescription drugs.

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## IN THE SENATE OF THE UNITED STATES

APRIL 26, 2000

Mr. GORTON introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To require the United States Trade Representative to enter into negotiations to eliminate price controls imposed by certain foreign countries on prescription drugs.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. FINDINGS.**

4       Congress makes the following findings:

5               (1) The United States leads the world in the  
6       discovery and development of new prescription medi-  
7       cines to help and heal patients.

8               (2) The National Institutes of Health lead the  
9       way in basic biomedical research conducted in-house

1 and sponsored in academic institutions. Basic re-  
2 search advances knowledge about human biology and  
3 disease. The National Institutes of Health is funded  
4 through appropriations of general revenues.

5 (3) The use of price controls by foreign govern-  
6 ments on innovative medicines distorts trade, dis-  
7 advantages Americans, and constitutes an unjustifi-  
8 able, unreasonable, and discriminatory practice that  
9 burdens or restricts United States commerce within  
10 the meaning of section 301 of the Trade Act of  
11 1974.

12 (4) Prescription medicines today are often an  
13 effective therapy to help and heal patients and,  
14 therefore, access to prescription medicines at afford-  
15 able prices is important for Americans.

16 (5) The price controls maintained by foreign  
17 governments on innovative medicines undermine the  
18 value of intellectual property rights held by Amer-  
19 ican research institutions and pioneer pharma-  
20 ceutical manufacturers.

21 **SEC. 2. ACTIONS TO ELIMINATE INEQUITIES IN PHARMA-**  
22 **CEUTICAL TRADE.**

23 (a) NEGOTIATIONS.—The United States Trade Rep-  
24 resentative, with the advice of and in consultation with  
25 the Secretary of Health and Human Services, shall enter

1 into negotiations with the Governments of the other G—  
2 8 countries in order to achieve the agreement of those  
3 Governments to eliminate price controls on innovative  
4 medicines and the unfair trade practices that result from  
5 the application of price controls.

6 (b) CONDITIONAL REQUIREMENT FOR ADDITIONAL  
7 ACTIONS.—

8 (1) IN GENERAL.—If, within 12 months after  
9 the date of enactment of this Act, negotiations under  
10 subsection (a) have not achieved the objectives set  
11 forth in that subsection, the United States Trade  
12 Representative shall submit to Congress rec-  
13 ommendations for the most effective measures (in-  
14 cluding the effect of imposing measures under the  
15 authority of section 301 of the Trade Act of 1974)  
16 for eliminating the disparity between the price of  
17 prescription drugs in the United States and the  
18 price of prescription drugs in the other G–8 coun-  
19 tries with the goal of reducing the price of prescrip-  
20 tion drugs for United States consumers.

21 (2) MEASURES RECOMMENDED.—The measures  
22 recommended under paragraph (1) shall be of a na-  
23 ture and amount that fully reflect the economic  
24 harm that is inflicted on patients and health care in  
25 the United States, and the harm that is inflicted on

1 the United States economy when countries pay the  
2 country specific marginal costs of prescription drugs  
3 and let the United States cover the research and de-  
4 velopment costs of innovative prescription drugs.

5 (3) CONSULTATION WITH FEDERAL TRADE  
6 COMMISSION.—In determining the measures to rec-  
7 ommend under paragraph (1), the United States  
8 Trade Representative shall consult with the Federal  
9 Trade Commission and shall also seek the advice  
10 of—

11 (A) the United States International Trade  
12 Commission regarding the extent of the direct  
13 and indirect harm to the United States econ-  
14 omy;

15 (B) the Secretary of Health and Human  
16 Services regarding the extent of the direct and  
17 indirect harm caused to American patients and  
18 health care;

19 (C) the relevant private sector advisory  
20 committees established under section 135 of the  
21 Trade Act of 1974 (19 U.S.C. 2155); and

22 (D) representatives of appropriate inter-  
23 ested private sector and other nongovernmental  
24 organizations.

1       (c) DEFINITION.—For purposes of this section, the  
2 term “G–8 countries” means the group of 8 industrial  
3 countries consisting of Canada, France, Germany, Great  
4 Britain, Italy, Japan, Russia, and the United States es-  
5 tablished to facilitate economic cooperation.

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