



AMERICANS FOR TAX REFORM

LEGISLATIVE ALERT

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S.2328 – Dorgan Drug Importation Bill Takes Anti-Property Rights, Anti-Innovation Policies to a New Level

Americans for Tax Reform (ATR) has weighed in previously against the re-importation of prescription drugs from countries that impose price controls on those drugs. Such importation threatens to undermine the research and development efforts which will produce the next generation of life-saving and cost-saving prescription drugs. Fewer innovative new drugs will adversely affect the health of millions of Americans, and ultimately will lead to higher costs, as hospitalization, surgery, and other high-cost treatments are substituted for conditions that might have been treated by medication.

S. 2328, the Pharmaceutical Market Access and Drug Safety Act of 2004, compounds the damage done by re-importation.

ATR opposes re-importation because it undermines America as the premier center of pharmaceutical innovation:

- **Importing drugs from countries that impose price controls in effect imports price controls into the American market**
- **Price controls destroy the patent rights of American companies**
- **The loss of patent protection would diminish the incentives to invest in research and development of new, lifesaving drugs**
- **America would be on the path of mimicking Europe, where pharmaceutical research has virtually died in the wake of price controls and other government interference in markets**

At a time when the challenges of Alzheimer's and AIDS are demonstrating the need for MORE investment and MORE innovation in medical research, importing foreign price controls and weakening patent protection are out of the question.

The Dorgan importation bill's forced sales provisions make a bad idea even worse. Requiring drug manufacturers to deliver unlimited supplies of drugs to foreign buyers at prices set by foreign governments undermines completely the patent and property rights owned by American companies. As a result, any U.S. distributor could set up a foreign purchaser, buy drugs at below-patent levels, and then sell those drugs to the U.S. market.

Millions of Americans are alive today because of innovative pharmaceuticals. Many of these people might not have survived if legislation like this was enacted 20 years ago.

A vote for S. 2328 is a vote for poorer health, less secure property rights, and higher medical costs.

[ATR intends to rate a vote on S. 2328](#)