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Thomas TPA "bill may deprive developing nations of cheap drugs"
Could reverse success at Doha, frustrate new WTO Round

November 28, 2001

Dear Colleague:

One of the biggest reasons for the successful completion of the WTO Ministerial Declaration at Doha was the United States' agreement to allow developing countries flexibility in trade rules on patented medicines in order to meet urgent health needs. The Thomas Trade Promotion Authority bill (H.R. 3005), however, does just the opposite by directing U.S. trade negotiators to limit flexibility. If enacted, the Thomas bill could frustrate completion of a new global trade round, by forcing the U.S. to oppose a top priority for developing nations. The attached story from India's *Economic Times*, reports this concern.

Sincerely,

Tom Allen
Member of Congress

Economic Times (India), Monday, November 19

US bill may deprive developing nations of cheap drugs

By GAURI KAMATH, MUMBAI, STAFF REPORTER

EVEN before the dust kicked up by the WTO meet at Doha settles down, top Indian drug companies have started their homework on countering the next possible roadblock to their ability to make and sell cheap medicines.

The Indian Pharmaceutical Alliance, a lobby of key Indian drug firms, has discovered potential loopholes in an American bill pending in the US House of Representatives, that they say could restrict the flexibilities available to developing countries to meet urgent health needs.

The bill in question is the Thomas Trade Promotion Authority Bill sponsored by Representative William Thomas. Introduced in early October, the bill — having support of the Bush administration — deals with trade agreements between the US and other nations.

Among other things, it calls for 'accelerated' implementation of Trips agreement, a contentious issue that rocked the latest WTO ministerial conference.

"This is the opposite of the (US) offer to least-developed nations (at Doha) that they be allowed to defer full implementation of their Trips agreements until 2016 in order to meet urgent health needs," a letter written by the IPA to commerce minister Murasoli Maran, says.

The bill also calls for "elimination of government measures such as price controls and reference pricing which deny full market access for US products," which according to the IPA would enable an "inappropriate assault on the health systems of countries that use such methods to keep drugs affordable for their populations." India controls prices of essential drugs.

"Our fear is the US will use the provisions of this bill to override the concessions that they made on Trips and public health in the Doha ministerial conference. We believe, like in textiles, this will be a great way out for the USTR to throw up its hands and say their powers of negotiation (on Trips and public health) had been taken away by the Congress," said D G Shah, secretary general, IPA.

The IPA's views are finding support from another quarter. Sixteen US Congressmen have voiced their concerns to Robert Zoellick, the United States' trade representative.

"(The bill) makes no mention of developing countries' public health needs and thus falls to direct US negotiators to consider access to essential medicines in trade negotiations," the letter says.