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Watchdog Praises Plan for Chief Pharmaceutical Negotiator

WASHINGTON, D.C. – Today, the Taxpayers Protection Alliance (TPA) praised a plan offered by Rep. Jodey Arrington (R-Tex.) to establish a Chief Pharmaceutical Negotiator in the Office of the U.S. Trade Representative. Rep. Arrington is expected to introduce an amendment during today's Ways and Means Committee markup of H.R. 3. This Chief Negotiator would counter other nations' attempts to underprice drug prices in their own country and prevent cost-shifting to U.S. consumers.

TPA President David Williams welcomed the news, stating, "countries across the developing world systematically underprice their medications, and as a result, manufacturers must raise prices on American consumers to make up for the difference. These products, ranging from statins to HIV medications, improve billions of lives and makes it possible to live with illnesses once considered a death sentence. But it takes more than \$2 billion to bring the average drug to market, and nations around the world must split the cost burden equitably. America has rejected European nations' misguided embrace of price-fixing, and patients shouldn't have to pay the price."

Williams continued: "Rep. Arrington's plan would ensure that the Office of the U.S. Trade Representative works for American consumers by negotiating with our allies to curb price-fixing and restore markets to medication. But unfortunately, the amendment will be tethered to legislation that directs the Department of Health and Human Services to 'ask' drug companies to set prices at unsustainable levels. Should companies refuse, the government would heavily tax the pharmaceuticals, resulting in higher prices for consumers. It's a far better idea to negotiate with other countries to reform their policies, rather than copy these countries' disastrous embrace of government meddling. Speaker Nancy Pelosi's (D-Ca.) price fixing proposal would force companies to produce life-saving drugs elsewhere, and lead to fewer options for consumers."

Williams concluded: "Despite the obvious problems posed by H.R. 3, it is encouraging that lawmakers such as Rep. Arrington have promising proposals that would preserve innovation and lower costs. Members of Congress should ditch Speaker Pelosi's price-fixing proposal, and swiftly move to enact Rep. Arrington plan to meet other countries at the negotiating table."

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Taxpayers Protection Alliance (TPA) is a non-profit, non-partisan organization dedicated to educating the public through the research, analysis and dissemination of information on the government's effects on the economy.

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