

## The Trans-Pacific Partnership

# Threatens Affordable Access to HIV/AIDS Treatments

**T**he Trans-Pacific Partnership (TPP) also known as “NAFTA on Steroids” is poised to become the largest free trade agreement ever. Current negotiating countries account for 38% of the global economy and include the U.S., Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam. Negotiators have kept the TPP text secret from the public but allowed access to members of special Advisory Committees which are dominated by hundreds of corporate advisors – including those representing big PhrMA – who get to see the text and work with the negotiators. Not surprisingly, the TPP primarily benefits large corporations at the expense of everyone else – including those who rely on prescription drugs and expensive medical treatments.

UNAIDS – the joint UN program on HIV/AIDS – issued a report that included a stern warning “countries – at a minimum should avoid entering into FTAs [free trade agreements]...that can impact on pharmaceuticals price or availability.”

UNITAID – a global health initiative supported by 28 countries and administered by the World Health Organization – issued a stern rebuke of TPP proposals made by the U.S. “Policy-makers should be wary of the effect of the USA’s TPPA proposal on the gains achieved in global public health. For example, the massive investment of effort and funds in the global battle against HIV/AIDS has resulted in tremendous gains in meeting treatment goals in developing countries, but the implementation of the USA’s TPPA proposal may well undermine these gains and prevent further progress toward meeting public health targets in TPPA signatories. The strategies and tools that have been so successfully employed to reduce the prices of antiretroviral medicines may no longer be available. At a time when financing is threatened by funding cuts, the need for the widest range of options to reduce costs is paramount. Without effective approaches to reduce costs, medicine prices will stand in the way of access. This scenario will be applicable not only to HIV/AIDS but also to other diseases and medicines.”

### ■ Reduced access to affordable HIV/AIDS treatment

— The increasingly effective treatment of HIV/AIDS has relied on decreasing the price and, thus, increasing the availability of drugs. For example, in 2000 the cost of treatment for HIV/AIDS was \$10,000 per patient per year. But the introduction of com-

petition from generics drove down the price to \$140 per patient per year. Competition from generics reduced the cost of AIDS treatment by 99%. This price reduction has been critical to saving many lives by increasing access to affordable care in the U.S. and other countries.

— Leaked text from the TPP negotiations revealed that the U.S. Trade Representative (USTR) – the government agency that negotiates our trade agreements – is strongly advocating language that would extend the patent monopolies of the big pharmaceutical companies. These extended monopoly protections would severely restrict the development and marketing of generic drugs. The result: increased prices for critical prescription drugs, higher profits for big pharmaceutical firms and decreased access to affordable medicine for millions of people.

### ■ Higher prices for HIV/AIDS drugs and other critical medicines

— The high cost of patent monopolies, particularly for newer second and third line HIV/AIDS medicines – still commonly thousands of dollars per person per year – will seriously limit the ability of governments and donors to scale up treatment access. High prices will force impossible choices for health departments and government programs with fixed budgets that are already strained to meet their public health obligations.

— AARP warned that the TPP could lock in higher prices for popular drugs. For example, biologics (drugs developed through biological processes) are used to treat a variety of ailments including multiple sclerosis, rheumatoid arthritis, different forms of cancer and the treatment of HIV-related anemia as well as anemia related to kidney failure and chemotherapy. Insulin and vaccines are also long-established examples of biologic products. Biologics are unique because they are made from living organisms that are immunogenic and thereby able to elicit an immune response. Annual costs for such drugs can reach \$400,000. These high prices reflect the drug makers’ 12-year exclusive right to the test data which makes it very difficult for generic versions to enter the market. Last year, the Obama administration’s budget proposed a reduction of the exclusivity period to 7 years which would generate more competition, lower prices and significant savings for Medicare and Medicaid. Unfortunately, a leaked document shows that the TPP includes the 12-year period which would prevent Con-

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gress from adopting a shorter time frame because a trade agreement takes precedence over domestic laws.

### ■ Possible Medicare and Medicaid Cuts

— Consumers Union and nine other groups issued a letter to the USTR stating that the TPP places the following policies at risk.

- Medicare Part D discounts for those who fall in the donut hole
- Use of preferred drug lists by state Medicaid programs
- Medicaid prescription drug rebates
- Mechanisms that discourage the use of costlier treatments that are no more effective than existing methods

— Higher medical costs due to the TPP could undermine public programs like Medicare and Medicaid. For example, AARP warned that the TPP would prevent \$3.8 billion in savings because it would prohibit a reduction of the period during which big drug companies have exclusive rights to biologic test data. Furthermore, the TPP would also allow medical device corporations to actually patent surgical methods leading to increasing costs for Medicare and Medicaid.

### ■ Less Access to Affordable Care for Millions

Big pharmaceutical companies are working hard to insure that the TPP extends their patent based monopolies. This would expand their profits and keep drug prices artificially high. A number of organizations have issued serious warnings about the impact of the TPP.

— Doctors without Borders stated that “Unless certain damaging provisions are removed, the TPP has the potential to become the most harmful trade pact ever for access to medicines... These demands [by the US] will roll back public health safeguards and flexibilities enshrined in international law, and put in place far-reaching monopoly protections that will restrict generic competition and keep medicine prices unaffordable.”

— AARP, Consumers Union and 13 other organizations signed a letter warning that “... the proposals [in the TPP] related to

pharmaceutical, biologic and medical device industries could [undermine] access to affordable health care for millions in the United States and around the world.”

### ■ The TPP could set the standard for all future trade agreements

Doctors without Borders issued a report warning that the TPP “would roll back public health safeguards enshrined in international trade law in favor of offering enhanced patent and data protections to pharmaceutical companies, making it harder to gain access to affordable generic drugs and hindering innovation. If the U.S.’s demands are accepted, the TPP agreement will impose new IP rules that could severely restrict access to affordable, life-saving medicines for millions of people... The norms that emerge from these negotiations are expected to serve as a baseline for future trade agreements, potentially impacting a much wider group of countries.”

### ■ You don’t — but Big PhrMA and other corporate representatives do have access to the TPP text and advise our negotiators

Not one word of the TPP’s text has been officially released to the public. However, members of special Advisory Committees are given access to the text and advise the United States Trade Representative – the agency that negotiates our trade agreements. These privileges are not granted to the public, media, Congressional staff and most members of Congress. Unfortunately, hundreds of the “cleared advisors” on these Advisory Committees represent corporate interests, account for the vast majority of committee members, and dominate the entire process. For example, the Industry Trade Advisory Committee on Chemicals, Pharmaceuticals, Health Science Products and Services features representatives from Johnson and Johnson and such industry lobbying groups as the Pharmaceutical Research and Manufacturers of America (also known as Big PhrMA), American Chemistry Council, Society of Chemical Manufacturers and Affiliates, and the Advanced Medical Technology Association. Johnson and Johnson and PhrMA also have representatives on the Industry Trade Advisory Group on Intellectual Property Rights.



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