

NEWS RELEASE



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**Opening Statement
by U.S. Senator Byron Dorgan**

At a Hearing by the Senate

Subcommittee on Interstate Commerce, Trade and Tourism

On the

Policy Implications of Pharmaceutical Importation for U.S. Consumers

Wednesday, March 7, 2007

We're here today to consider a matter that literally means the difference between life and death for many Americans – the cost of prescription medicines. And the question we are going to ask is: do we really believe that Americans ought to have to pay the highest prices in the world for prescription medicines?

I don't believe they should. American taxpayers already heavily subsidize pharmaceutical research through the tax code and pay for basic research at the National Institutes of Health that has led to many of the wonder drugs currently marketed by the prescription drug manufacturers.

Today we are considering whether we should continue to allow drug companies to dictate the prices U.S. consumers pay for prescription drugs or whether we ought to introduce a little price competition into the market, by allowing the safe importation of FDA-approved medicines from Canada and other western industrialized nations.

Given the substantial price differences between products sold in the U.S. and abroad, it should come as no surprise that millions of Americans already import prescription drugs.

Let me give just one example. Lipitor, one of the best selling drugs in the world, is used to help treat people with high cholesterol levels. Here are two bottles of Lipitor. Both were made in a factory in Dublin, Ireland. The only difference is that the bottle sent to the U.S. sells for \$321.30, and the bottle sent to Canada sells for \$164.34.

I think it is wrong that consumers in the U.S. are forced to pay 98 percent more than Canadians for the very same medication. Given the substantial price differences between products sold in the U.S. and abroad, it should come as no surprise that many Americans already import prescription drugs.

For many Americans, particularly the uninsured, there are often no alternatives. Take David Heintzleman for example. David lives in Newburg, North Dakota. Newburg is a small town – less than 100 residents – located about 25 miles from the Canadian border. David is 60 years old and uninsured. He takes several prescription drugs to help control his blood pressure. When David first went to fill his prescriptions, he was shocked to learn that a three month supply cost more than \$525. He later discovered that he could get the very same drugs in Canada for about half the price.

The sad reality is that when family budgets can't be stretched, individuals have no choice but to split pills, skip doses or not fill their prescriptions at all. A recent study found that 43 percent of uninsured American adults ages 19-64 and 18 percent of insured adults did not fill a prescription because of cost.

I believe part of the solution is to allow American consumers to purchase more affordable FDA-approved prescription drugs that are available in Canada and other countries. That is why I introduced the Pharmaceutical Market Access and Drug Safety Act with Senators Snowe, Grassley, Kennedy, McCain, Stabenow and many others.

I believe this legislation puts in place an effective regulatory framework to make importation of FDA-approved drugs safe for consumers like David. My goal is not to force Americans to go to Canada to purchase their prescription drugs but rather to create a little competition in the market so that we can put real downward pressure on domestic drug prices.

We have with us today witnesses with a wide variety of views on this question. Some are among the most vigorous defenders of monopoly pricing by the drug companies. Others say we ought to put market price competition to work for consumers and allow the safe, lower priced importation of FDA-approved prescription medicines.

I welcome both proponents and opponents of drug importation to this hearing. We're going to have a vigorous discussion and a significant debate. Let it begin.