



**AFL-CIO**



Mr Michael Froman  
United States Trade Representative  
Office of the United States Trade Representative  
600 Seventeenth Street, N.W.  
Washington, D.C. 20508

Mr Karel De Gucht  
Commissioner for Trade  
European Commission  
Berlaymont  
1049 Brussels

ESP/GA

December 12, 2013

**Grave concern over US negotiating position on medicines and medical equipment**

Dear Ambassador Froman and Commissioner De Gucht,

We are writing to express our concern that the possible inclusion of U.S. proposals on drug and device pricing could threaten various national health systems in the Trans-Atlantic Trade and Investment Partnership (TTIP) and the Trans-Pacific Partnership (TPP).

It has been reported that the USTR is planning to take the approach followed in the US-Korea Free Trade Agreement (KORUS) on the pricing of medical devices and pharmaceuticals—specifically a process that guarantees input from producers at multiple stages of a government’s formulary and pricing decision process. The excessive protection offered in the KORUS to the manufacturers of such products will needlessly burden national health systems and increase the costs borne by patients.

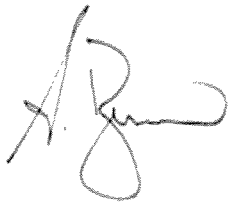
For instance, under a “transparency and procedural fairness” clause, drug and device manufacturers acquire the ‘right’ to appeal decisions of other countries’ health authorities regarding the value of the patented pharmaceutical product or medical device and demand an

increased amount of reimbursement. Yet the process fails to require consideration of 1) strains to a country's health care budget; 2) whether a new drug or device offers only a marginal improvement or no improvement at all over clinical outcomes of existing products or processes used to treat the same condition; or 3) the views of patients, medical professionals, or public health advocates. The TPP and TTIP must not include or extend these provisions that restrain governmental policy choices on healthcare.

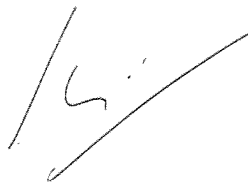
We are also concerned that the cross-fertilization of these provisions with the investor-to-state dispute settlement (ISDS) and other provisions of the investment chapters could give private companies excessive power to challenge societal choices about how to best protect public health.

It is imperative that these trade and investment agreements result in increased savings for patients and national budgets instead of further enriching a few pharmaceutical and medical corporations. Public health, as well as access to affordable medicines and healthcare, are human rights that should be strengthened, not undermined, by trade arrangements.

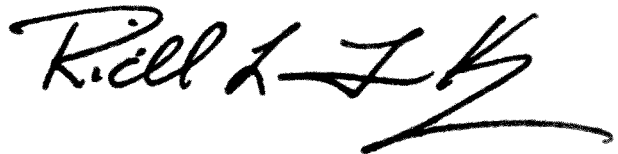
Yours sincerely,



Sharan Burrow  
ITUC, General Secretary



Bernadette Ségol  
ETUC, General Secretary



Richard L. Trumka  
AFL-CIO, President

CC: TUCA

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