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**NRLN is a coalition of 24 associations
 advocating the rights of 2.1 million
 American retirees from...**

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July 13, 2009

President Barack Obama
 The White House
 1600 Pennsylvania Avenue NW
 Washington, DC 20500

Dear President Obama:

As a U.S. Senator and a Presidential candidate you supported reimportation of prescription drugs. Therefore, I was shocked to read in a July 7th article in The Wall Street Journal that W. J. "Billy" Tauzin, the chief lobbyist for America's pharmaceutical industry, stated he has heard "reassuring words" from White House officials that if the health care bill passes "the cost savings will be so great that reimportation of U.S. manufactured prescription drugs from other countries will be unnecessary." (By Alicia Mundy, "White House Assures Drug Makers on Reimportation," *WSJ*, July 7, 2009.)

For a number of years the National Retiree Legislative Network (NRLN), which represents the interests of more than 2 million retirees from 87 employers, has urged Congress to pass legislation to allow U.S.-licensed pharmacies and drug wholesalers to import FDA-approved medications from Canada, Europe, Australia, New Zealand and Japan and pass along the savings to their American customers. This would be accomplished by the enactment of the "Pharmaceutical Market Access and Drug Safety Act" introduced by Senators Byron Dorgan and Olympia Snowe in March 2009.

I'm sure you recall that when you were a Senator in 2006, you co-sponsored with Senator David Vitter a bill for the reimportation of prescription drugs. Senator Vitter was able to get his reimportation prescription drug plan passed in the Senate by a 55-36 vote last week as part of to the bill funding the Homeland Security Department. Senate Majority Leader Harry Reid also voted for Senator Vitter's plan. I think this shows there is broad bi-partisan support for unlocking the chains that the U.S. drug industry has had around American consumers. I hope you will urge the Conference Committee to keep the reimportation provision in the bill.

If Mr. Tauzin has received reassuring words from the White House that reimportation will be unnecessary, Mr. President, you would be ill advised to break your campaign promise to support reimportation. Giving the drug companies a pass on competition gives the appearance that industry giant PhRMA, the Pharmaceutical Research and Manufacturers of America, has bought itself out of health care reform legislation through its commitment to provide \$80 billion in health care savings over the next 10 years.

The pharmaceutical industry has made the \$80 billion in promised health care savings sound like a good deal for Americans. However, even if that \$80 billion in voluntary savings could be enforced, it represents less than 3 percent of the projected dollars that Americans will spend on drugs during the next 10 years. What we had understood to be your party's legislative agenda to reduce drug costs would save far more for both the federal budget and American consumers, especially retirees.

Passing legislation for the importation of prescription drugs from FDA-approved countries, competitive bidding by makers of prescription drugs for Medicare Part D, funding the FDA to reduce generic drug backlogs, and stopping drug companies from making contracts that require payoffs to generic manufacturers who withhold new generic drugs from the market would produce a savings for Americans well in excess of the 3 percent.

I strongly urge that you ask Congress to commission a CBO study to determine the combined cost savings potential of these initiatives. Also, please ask the Attorney General to stop the open restraint of trade practiced where brand drug makers pay generic drug makers to hold products from the market until patents expire.

According to an analysis by the Washington Post, PhRMA was the health care industry's biggest spender on lobbying in the first quarter of 2009 spending \$7 million and employing 136 lobbyists, including 49 former government staff members. Yielding to Big PhRMA is not the way to bring the change to Washington that you promised during your Presidential campaign.

News articles about Mr. Tauzin's statements that reimportation of prescription drugs will be unnecessary did not report who in the White House provided the alleged assurance. I'm requesting that you provide the NRLN the name of the White House staff member who met with Mr. Tauzin. Please ask that staff person to meet with Marta Bascom, the NRLN's Executive Director in Washington, DC, to discuss reimportation issues and other ways to reduce the cost of prescription drugs. Marta can be reached on 703-863-9611.

Thank you for taking the time to consider my requests.

Sincerely,

A handwritten signature in black ink that reads "Bill Kadereit". The signature is written in a cursive, slightly slanted style.

President, National Retiree Legislative Network