

windfall a few branded drug companies are receiving because of a drafting error in the Uruguay Round Agreements Act of 1994, which is the bill that implemented the GATT trade treaty.

Conservative estimates indicate that correcting this oversight will save the health care system \$2.5 billion, with \$281 million of that amount saved by the Federal Government and State governments in Medicaid payments. Unfortunately, the Senate recently defeated by one vote an effort led by Senators CHAFEE, BROWN, and PRYOR that would have corrected this glaring mistake.

Opponents of the Senate amendment want to delay resolution of this issue by holding hearings. However, every day that passes is another day consumers are being denied access to lower-cost generic drugs because of Congress' multibillion dollar drafting error.

Mr. Speaker, my home State of New Jersey is known as the medicine chest of the country. I have long been a supporter of our domestic drug industry, whose products have alleviated so much pain and suffering. Unfortunately, some members of the press and some special interest groups continue to overlook the tremendous amount of good the drug industry does, and instead, are only interested in beating up the industry with tired clichés about greed and avarice. This controversy, which started due to the lack of a technical conforming amendment, plays right into the hands of the industry's critics. The House needs to fix this drafting error soon before long-term damage is done to the reputation of these fine companies, and more importantly, so that the millions of Americans who rely on generic drugs can continue to purchase them at affordable prices.

[From the Washington Post, Dec. 4, 1995]

#### THE ZANTAC WINDFALL

All for lack of a technical conforming clause in a trade bill, full patent protection for a drug called Zantac will run 19 months beyond its original expiration date. Zantac, used to treat ulcers, is the world's most widely prescribed drug, and its sales in this country run to more than \$2 billion a year. The patent extension postpones the date at which generic products can begin to compete with it and pull the price down. That provides a great windfall to Zantac's maker, Glaxo Wellcome Inc.

It's a case study in legislation and high-powered lobbying. When Congress enacted the big Uruguay Round trade bill a year ago, it changed the terms of American patents to a new worldwide standard. The effect was to lengthen existing patents, usually by a year or two. But Congress had heard from companies that were counting on the expiration of competitors' patents. It responded by writing into the trade bill a transitional provision. Any company that had already invested in facilities to manufacture a knock-off, it said, could pay a royalty to the patent-holder and go into production on the patent's original expiration date.

But Congress neglected to add a clause amending a crucial paragraph in the drug laws. The result is that the transitional clause now applies to every industry but drugs. That set off a huge lobbying and public relations war with the generic manufacturers enlisting the support of consumers' organizations and Glaxo Wellcome invoking the sacred inviolability of an American patent.

Mickey Kantor, the president's trade representative, who managed the trade bill for the administration, says that the omission

was an error, pure and simple. But it has created a rich benefit for one company in particular. A small band of senators led by David Pryor (D-Ark.) has been trying to right this by enacting the missing clause, but so far it hasn't got far. Glaxo Wellcome and the other defenders of drug patents are winning. Other drugs are also involved, incidentally, although Zantac is by far the most important in financial terms.

Drug prices are a particularly sensitive area of health economics because Medicare does not, in most cases, cover drugs. The money spent on Zantac is only a small fraction of the \$80 billion a year that Americans spend on all prescription drugs. Especially for the elderly, the cost of drugs can be a terrifying burden. That makes it doubly difficult to understand why the Senate refuses to do anything about a windfall that, as far as the administration is concerned, is based on nothing more than an error of omission.

DR. MARIE FIELDER HONORED

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 21, 1995

Mr. DELLUMS. Mr. Speaker, it is with pleasure that I rise to honor Dr. Marie Fielder for the work done and the leadership given over more than 30 years. I have known her for more than three decades, and her distinguished accomplishments in the behavioral sciences, her constructive organizational change strategies in school systems and in communities, as well as her towering strength and problem-solving ingenuity have contributed enormously to the goals and objectives of the San Francisco Bay Area and Berkeley community where she resides.

While serving as associate professor of education at the University of California, Dr. Fielder helped the Berkeley Unified School District, its board of education, administrators, teachers, students, parents, and citizens plan very carefully for the desegregation of its public schools. Despite an unsuccessful attempt to recall those particular board members, the city went on to become the first school system in the Nation to desegregate its schools, not by placing the burden only on minority students, but by two-way bussing which shared the responsibility across the city. This effort required enormous planning, building of trust, encouragement of participation, and the sharing of all points of view, and the empowering of parents and community members who had not been as active in the public schools before.

Dr. Fielder's genius in working respectfully with all kinds of people to help empower and enable them to solve their own problems became an inspiration for students in education at the University of California at Berkeley, at San Francisco State College, and at Stanford. Dr. Fielder herself became a role model, who encouraged and nurtured university students to pursue and attain their graduate degrees; and many of them went on to become impressive leaders in their respective careers in the decades which followed. Other campuses which called upon her for her expertise and assistance in multicultural and intergroup relations theory and practice included Oregon State university, Michigan State, the University of Miami, and St. Mary's College.

Similarly, over the decades, school systems across the Nation in at least 10 States have

sought her assistance; and she has helped them. Dr. Fielder has shared her wisdom and skill in numerous California school districts; she has helped educators, students, and others learn very important things about themselves and about other human beings. She has been an exemplary public servant, bringing quiet dignity and distinction to every project on which she has worked.

Our local community, as well as our national community, are indeed fortunate in having amongst us the person, the work, and the leadership of Dr. Marie Fielder, and it is with great respect and admiration that I commend her to your attention.

#### THE TEMPORARY DUTY SUSPENSION ACT

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 21, 1995

Mr. CRANE. Mr. Speaker, today, I am introducing a bill that could prove vital to the health and competitive position of U.S. companies that rely on imported components and raw materials, as well as their workers and communities. Specifically, my bill gives authority to the Department of Commerce to suspend the imposition of antidumping or countervailing duties temporarily on a limited quantity of a particular product needed by the American industry when users are effectively unable to obtain that product from U.S. producers.

Under current laws, antidumping and countervailing duties are imposed on all covered products, even where there is no domestic production. However, imposing such duties on products that cannot be obtained in the United States hurts U.S. manufacturers who must compete globally, but does not reduce injury to any U.S. industry. Current U.S. trade laws simply do not provide adequate redress for American firms that need products subject to orders but cannot obtain them from U.S. producers. Present procedures are operative only in situations in which domestic producers have no intention of ever producing a particular product.

By contrast, my bill would address situations in which a product is only temporarily unavailable—i.e., situations in which the domestic industry is not currently producing a product but may wish to leave open the option of doing so in the future. The bill provides the Department of Commerce with the flexibility to suspend duties temporarily until the domestic industry is able to produce a particular product. The temporary relief will encourage the domestic industry to develop new products since it will enable U.S. downstream users to stay in business in the United States until the U.S. industry begins to manufacture the needed input product—thus assuring that there will be U.S. customers for new products produced by the domestic industry.

This proposal is a substantial departure from the short supply proposal considered by the Ways and Means Committee last year. Last year's proposal was modeled on the short supply provision in the U.S. voluntary steel restraint agreements and limited the discretion to be exercised by Commerce. My proposal is modeled on the temporary duty suspension provision that the European Union included in its antidumping regulation last year.