



May 26, 2011

The Honorable Hal Rogers
Chairman
House Appropriations Committee
H-307 Capitol
Washington, DC 20515

The Honorable Norm Dicks
Ranking Member
House Appropriations Committee
1016 Longworth House Office Building
Washington, DC 20515

Subject: Protect Funding for FDA and the Office of Generic Drugs in FY 2012 Budget

Dear Chairman Rogers and Ranking Member Dicks:

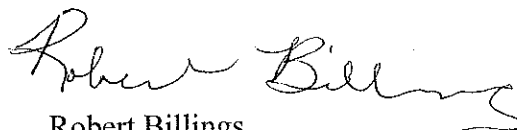
On behalf of the Generic Pharmaceutical Association (GPhA), I am writing to express our concerns with the \$285 million in proposed cuts to the Food and Drug Administration's (FDA) fiscal year 2012 budget in the Agriculture Appropriations Bill. This reduction in funding could hinder the ability of FDA's Office of Generic Drugs (OGD) to ensure timely access to safe and affordable generic medicines. Therefore, GPhA respectfully requests that the Committee maintain FDA's budget at \$2.457 billion and OGD's budget at \$51.545 million.

As you may know, there are over 2,000 generic drug applications pending at FDA. The current median approval time for a generic drug application at OGD is approximately 30 months. Analysts project these numbers to grow steadily over the coming years since a large number of brand drugs are coming off patent. Further reductions to OGD's budget could worsen this situation and delay the approval of safe, low-cost medicines to patients most in need.

GPhA and its members recognize that government spending and health care costs are unsustainable and that the Committee is operating under a tight budgetary framework. However, generic medicines are a proven way to cut costs for the federal government and the health care system as a whole. According to the Congressional Budget Office, generic medicines saved the Medicare Part D program \$33 billion in 2007 alone. Additionally, a June 2010 IMS Health study showed that generics saved the health care system \$824 billion over the past decade. Therefore, there is a tremendous return on investment with the Office of Generic Drugs. Any reduction in funding for OGD will needlessly increase costs in Medicare, Medicaid and TRICARE, as well as other federal health programs.

We understand the difficult budget environment in which Congress is operating, but fundamentally believe that the approval of more generics will help the overall budget situation. We urge you to maintain OGD's budget at \$51.545 million and FDA's overall budget at \$2.457 billion in this bill. We appreciate your consideration of our views. Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Robert Billings". The signature is written in black ink and is positioned above the printed name and title.

Robert Billings
Executive Director