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## **PhRMA Statement on President's Budget Proposal**

**Washington, D.C. (February 14, 2011)** — Pharmaceutical Research and Manufacturers of America (PhRMA) President and CEO John J. Castellani today released the following statement on the White House's fiscal year 2012 budget:

"PhRMA is disappointed that the President's budget proposal would diminish crucial incentives for future U.S. medical innovations.

"Fair data protection for innovative biologic medicines is critically important to the development of cutting-edge medicines that allow American patients to live longer, healthier and more productive lives. Without such protection, U.S. innovation would be seriously threatened, along with tens of thousands of American jobs.

"The biosimilars provision of the health care reform law – the only provision in the law to garner strong bipartisan support – achieves an essential balance. It provides appropriate incentives to support future medical advances. It supports high-value jobs that are critical to our nation's economic recovery. And, it provides savings by creating the first pathway for federal regulators to approve biosimilars.

"The President's proposal to reduce the 12 years of data protection – the law's only bipartisan provision – would disrupt this balance, seriously threatening innovative companies' ability to fund research on future treatments and cures. Such a public policy flies in the face of the Administration's recent commitments supporting domestic innovation, biomedical research, jobs and U.S. competitiveness.

"In fact, the proposed policy could jeopardize American competitiveness since the U.S. would then provide less data protection for new, innovative biologics than is currently bestowed in Europe.

"Similarly, the President's proposed restrictions on certain types of patent settlements could reduce incentives for future medical innovation.

"Patent settlements are a vital aspect of a patent owner's ability to protect intellectual property. Restricting such settlements, which already are subject to review by the Federal Trade Commission and the Department of Justice, could discourage pro-consumer settlements that do not delay generic entry past patent expiration, but instead often bring

generics to market years before patent expiration. Without settlements, innovators' defense of their patents in court could keep these generics from being available to patients for years.

“While we understand the need to reduce the deficit, policies such as these represent the wrong approach. Instead, our country needs to retain and extend policies that promote the growth of private-sector R&D investment and secure our sector’s future here in America. While the U.S. currently retains an advantage in medical innovation, it’s ours to lose.”

The Pharmaceutical Research and Manufacturers of America (PhRMA) represents the country’s leading pharmaceutical research and biotechnology companies, which are devoted to inventing medicines that allow patients to live longer, healthier, and more productive lives. PhRMA companies are leading the way in the search for new cures. PhRMA members alone invested an estimated \$45.8 billion in 2009 in discovering and developing new medicines. Industry-wide research and investment reached a record \$65.3 billion in 2009.

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PhRMA Internet Address: <http://www.phrma.org>

For information on how innovative medicines save lives, visit: <http://www.innovation.org>

For information on the Partnership for Prescription Assistance, visit: <http://www.pparx.org>

For more information on public health emergencies, visit <http://www.rxresponse.org>

For information on the danger of imported drugs, visit: <http://www.buysafedrugs.info>