United States-Mexico-Canada Agreement (USMCA)

Prescription Drugs

On November 30, 2018, President Trump signed the renegotiated NAFTA trade deal and put Congress on notice that it will send lawmakers a bill to implement the United States- Mexico-Canada (UMSCA) Agreement, also known as NAFTA 2.0. Congress must vote to approve the agreement for it to be finalized; a NAFTA 2.0 vote is likely to happen in 2019. The trade agreement contains provisions that could affect drug prices for all Americans, including seniors, by locking *out* generic competition for long periods and locking *in* new patents on old drugs when minor tweaks are made (such as a new shape or higher dosage). It would also jeopardize the U.S. government's ability to lower drug prices for taxpayers and patients in the future.

NAFTA 2.0 Locks in Patent Protections for Drugs & May Block Future Reform

The United States grants lengthier patents and other regulatory protections to pharmaceutical corporations than other countries do. The U.S. Trade Representative, at the urging of pharmaceutical companies, pressured Mexico and Canada to provide U.S.-level protections and set them in stone as part of the NAFTA 2.0 agreement. In doing so, our country's ability to reform patents and other monopoly provisions for medicines would be in jeopardy and high prescription drug prices for all of us would be set in stone.

Exclusivity for biologics: NAFTA 2.0 locks in a lengthy exclusivity period for biologics, drugs used to treat various types of cancer or chronic conditions like rheumatoid arthritis and multiple sclerosis. They include many drugs, such as Humira and Neupogen, commonly prescribed to seniors. The agreement protects pharmaceutical corporation monopolies and profits at the expense of patient access to life-saving medicines, preventing reform that would reduce the exclusivity period to less than 10 years.

Evergreening: NAFTA 2.0 requires countries to grant "evergreen" patents or patent extensions for small changes in the formula, dosage or administration of a drug, regardless of whether these minor alterations improve the efficacy of the drug. This also prevents the development of generic versions and extends corporate monopolies.

ASK

Members of Congress should insist on the removal of extraordinary monopoly protections for pharmaceutical firms in the revised North American Free Trade Agreement. Failure to strike these provisions from the pact will provide huge giveaways to Big Pharma and keep medicines unaffordable.