

February 4, 2005

Senator Hillary Rodham Clinton
476 Russell Senate Office Building
Washington, D.C. 20510-3204

Dear Senator Clinton:

As Executive Director of the New York Biotechnology Association representing the New York biotechnology industry, I would like to thank you for taking time to consider the issue of illegal drug importation. We wish to convey to you our deep concerns over the practice of importing prescription drugs from Canada and other foreign nations into the United States. Given the illegality of these actions and the potential negative impact this practice will have on New York biotechnology, we wish to state our dismay with those who advocate the legalization of this activity.

The New York Biotechnology Association has joined BIO in educating policy makers and the public in New York about the dangers of importation to patients and its negative impact on innovation in the biotechnology industry as a whole. We are concerned that even though FDA has eloquently voiced its opposition to importation, and was successful in cases such as the closure of Rx Depot, the practice continues to receive support in Congress.

The concept of foreign drug importation proposes to undue over 67 years of strong, dependable FDA control of the U.S. prescription drug supply by allowing unfettered access to drugs from all over the world, none of which will be guaranteed as safe and effective by the FDA.

It is important to note that in the recent experience of the FDA, many drugs obtained from foreign sources that purport to be the same as U.S.-approved prescription drugs have been of unknown quality. Indeed, the FDA found that **nearly 90%** of imported mail order drugs stopped recently at U.S. borders were potentially dangerous. They included drugs withdrawn from the U.S. market, animal drugs never approved for human use, and counterfeits, among other potentially dangerous products.

The other important matter that is not being talked about in the importation debate is the matter of price controls that underscores the concept of foreign drug importation. By utilizing products from foreign nations that openly practice government price controls, those in Congress who support it are literally endorsing a policy of price controls here in the U. S. As you know Sen. Clinton, that is not the American approach to the conduct of any business.

For biotech companies, in particular, price controls are viewed very unfavorably. As most of the companies that make up New York's biotechnology sector do not yet have commercial products, the prospect of the importing artificial price controls from other nations threatens our source of venture capital. What venture capitalist will invest in New York biotechnology if they know their returns will be price controlled by foreign governments? Not many and this will have a very negative, long term impact on the vitality of the New York biotech community.

I would appreciate the opportunity on behalf of the New York biotechnology industry to further discuss this issue with you. I will contact your office to set up an appointment in the coming weeks.

In closing, it is vitally important to the future of New York biotechnology that you not support drug importation. Thank you for your attention and consideration.

Sincerely,

Karin A. Duncker
Executive Director