



February 6, 2019

## **Support the CREATES Act, H.R. 965 and S. 340**

On behalf of our activist community, I urge you to contact your representative and senators and ask them to support the CREATES Act, H.R. 965 and S. 340. Introduced in the House by Reps. David Cicilline (D-R.I.) and Jim Sensenbrenner (R-Wisc.) and in the Senate by Sens. Patrick Leahy (D-Vt.), Chuck Grassley (R-Iowa), Mike Lee (R-Utah), and Amy Klobuchar (D-Minn.), the CREATES Act would lower prescription drug prices by giving competitors greater standing to sue pharmaceutical companies for predatory, monopolistic practices.

Prescription drug prices have soared above general inflation rates for years, a telltale sign of lacking producer competition. Brand name pharmaceutical companies abuse a loophole in the FDA Amendments Act of 2007 that allows them to bar potential competitors from entering the market. They do this by refusing to provide drug samples and safety information that new producers need for medical research required in the FDA approval process of generic drugs.

Brand pharmaceuticals use any number of maneuvers to abuse their patents to maintain market exclusivity. They can patent their safety protocols, or slightly change the composition of the pill to receive a new patent. These tricks prevent generics from getting access to samples they need for approval, and thus cannot market to consumers while brand name companies hike their prices.

The CREATES Act would grant relief in court for generic and biosimilar competitors seeking FDA approval. This would clear the pathway for new drugs to enter the market, drastically reducing prices through increased competition. The cost savings stemming from this legislation could reach between 15 percent and 50 percent of current prices for impacted drugs.

According to the Congressional Budget Office (CBO) report from last Congress, the CREATES Act would save \$3.3 billion in direct spending for the government, on top of what it will save consumers. Such legislation would also reduce both the federal deficit and national debt. Decreasing prescription drug costs would lessen the financial burden on Medicare, saving taxpayers up to \$5 billion annually.

Competition on the free market is the best solution for reducing prices for consumers and improving their lives. The CREATES Act alleviates burdensome costs without government intervention in the economy. For these reasons, I urge you to contact your representative and senators and ask them to support the CREATES Act, H.R. 965 and S. 340.

Sincerely,

A handwritten signature in black ink, appearing to read 'Adam Brandon', with a stylized flourish at the end.

Adam Brandon  
President, FreedomWorks