

November 24, 2000

Dear Colleagues in the fight against HIV/AIDS,

Across the United States on World AIDS Day, millions of people will reflect upon the global AIDS epidemic. We will remember those we have lost, marvel at treatment breakthroughs that have brought renewed hope for many, and rededicate ourselves for the continued battle against this disease.

Around one-third of the estimated 35 million people living with HIV at the end of last year were young people between 15 and 24 years old. Fully half of all new HIV infections occur in this age group. *20 young people will be infected with HIV in the four minutes it takes to read this letter.*

In 1999, nine out of 10 of these young people live in poor or developing nations with no access to the lifesaving treatments that have helped so many of our friends and loved ones regain their health.

As United States residents, we must indeed use the local media opportunities of World AIDS Day to advocate for greater equity in access to medicines so that others may live. We can educate and take action based on a shameful fact: our government is using our tax dollars to advocate on behalf of multinational pharmaceutical companies to restrict access to essential medications worldwide. We have seen that advocacy efforts can bring lifesaving changes in US policy, but must sustain and strengthen our efforts. We ask that you include information on lifting barriers to global drug access in your World AIDS Day commemorations.

90% of people with HIV on our planet live in “developing” nations lacking the funds to purchase effective anti-HIV treatments at prices charged to wealthier nations. Limited drug donation programs do little to address the tremendous need for treatments in countries where as many as one in four are HIV+.

These problems can seem insurmountable. What can we do to help countries like South Africa, where one in five pregnant women is living with HIV? What can ordinary people in the United States do to address a growing epidemic worldwide?

The challenge is complex. But there *are* actions we can take, holding our government and the drug companies accountable, that can make a significant impact worldwide.

In the last year, people with HIV and activists in the United States worked closely with South Africans to force a dramatic change in foreign policy within the Clinton/Gore administration against the South African Medicines Act. This Act would permit compulsory licensing (the generic production of medication) and parallel importing (importing patented medication through a third party nation to reduce the cost). Even though these production and purchasing methods are legal under the World Trade Organization, and commonly used in North America and Europe, the United States – at the request of wealthy drug companies — imposed sanctions on South Africa for their passage of the Medicines Act.

After numerous demonstrations, activists met with White House officials and trade representatives to make our case. We presented a sign-on letter with hundreds of endorsements.

On December 1, 1999 — one day after a massive ACT UP demonstration outside the White House, the Administration announced that the United States would no longer punish poor countries attempting to implement sound public health policy. The U.S. would cease bilateral pressure against poor countries attempting to create sustainable self-sufficient access to medicines. Ultimately, President Clinton signed an Executive Order formalizing this announcement – but limiting the new policy to sub-Saharan nations. The fate of the Executive Order lies in the hands of a new administration. At the time this kit was finalized, it was unclear if a Bush Administration would take power at the White House and repeal the order.

This victory is significant – but we must continue our efforts. Thailand, India, Brazil and many other nations seek to use compulsory licensing and parallel importing to save lives – but the United States has used its clout to push through policies that limits the ability to use these methods. We believe that the United States should extend the Executive Order to become global policy. Our government should support all methods of increasing access to medications that fall within applicable world trade agreements.

Further, we have learned from public sector generic drug manufacturers that the massive production scale needed to treat the millions of people with HIV without access would lead to greatly decreased costs in addition to the 90-95% price decrease resulting from generic competition. According to government drug manufacturers in Thailand and Brazil, an international program that coordinated purchase of raw materials and distribution networks would create economies of scale and reduce overhead expenses that could drive prices down to a few hundred dollars a year. Such a program should also assist manufacturers in registering drugs with nation-level regulatory bodies similar to the Food and Drug Administration in the U.S. The United States Government, which carries tremendous clout within United Nations bodies like the World Health Organization, could lead the creation of such a program.

What is missing is the political will.

In the past year, campaigns for debt cancellation for the first time became widely recognized in U.S. popular culture. Thirty thousand demonstrated during the April meeting of the International Monetary Fund (IMF) and World Bank in Washington DC. An extremely limited form of debt relief was passed by the U.S. Congress. But the Heavily Indebted Poor Countries Initiative (HIPC) provides almost no actual debt relief, while imposing years of murderous structural adjustment conditions before a country 'qualifies' for these limited benefits.

Crushing debt repayments destroy numerous country's investments in health and education. Debts often incurred by departed governments leave interest payments that disable mounting effective responses to a catastrophic AIDS pandemic. Even at 99% price reductions, many nations will be unable to afford to provide the care and treatment needed. Full debt cancellation will allow re-investment at the nation level for procurement, training, and medical infrastructure development.

The United States, as the largest shareholder in the IMF and World Bank, exercises a virtual veto over these international institutions. The U.S. Treasury Secretary, appointed by the President, could use the leadership of the United States to force the IMF and World Bank to use their own resources to almost completely cancel the debt of poor nations. The United States could also eliminating the dangerous imposition of structural adjustment requirements on debt relief and loans, and halt the 'user fees' that force clinic users or public school students to pay for previously state-provided services.

The IMF and World Bank are over capitalized and could cancel the debt of 'developing' and 'least developed' nations at no cost to U.S. taxpayers. In the United States, bipartisan support for greater debt cancellation already exists. The U.S. Government holds tremendous power over these institutions.

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This year, on November 30 and December 1, people worldwide will commemorate World AIDS Day by taking action to remove barriers to effective HIV/AIDS treatment worldwide. This packet of materials can help you get involved, or more involved, with this important campaign to *demand full debt cancellation and the creation of global programs to manufacture and distribute generic drugs in developing and least developed countries.*

We invite you to commemorate World AIDS Day 1999 by joining thousands of people across the globe fighting for access to life-saving medications. We encourage you to contact us if you would like to adapt any materials, discuss options for further education and action, or if you have any questions or concerns about our campaign. We must not let the quest for profit continue to violate the sanctity of human lives.

Sincerely,

Julie Davids
Project TEACH

Kate Sorensen
Health GAP Coalition

Paul Davis
ACT UP Philadelphia

P.S. Many of us have questioned why our government would take these actions against other sovereign nations, despite the fact that US-based drug companies would not even make much of a profit in these poor countries. Drug companies claim that generic drugs in poor countries will cut into the profits needed to pay for research and development.

In fact, research on most HIV/AIDS drugs is heavily subsidized by tax dollars. In some cases, the U.S. Government holds the patent or retains licensure rights on these compounds, and leases rights to a drug company that contributed very little to research costs. The pharmaceutical industry, which is the most profitable enterprise in our nation, spends much more on marketing and advertising than research and development – and the actual production cost for these small chemical compounds is minimal.

It is a tremendous service to public health that our government contributes to the invention of new treatments. Our nation must not then stand in the way of letting nations access these life-saving medicines.

P.P.S. Drug companies have received a great deal of press coverage on various announced initiatives to reduce prices or provide drugs to poor countries. Many are questioning if generic drugs advocacy is needed when pharmaceutical companies are offering better deals to poor countries.

These announcements began a day after President Clinton issued the Executive Order on patents and trade that cleared the way for countries to manufacture generic medicine. Analysts quickly reported that drug companies preferred to offer inexpensive drugs, since the arrangements retained control over patents. Drug companies used the announced deals to discourage local manufacture of generic medicine. At the same time, headlines continue to appear about the humanitarian gestures the pharmaceutical industry.

Responses to the AIDS crisis that are dependant on foreign corporate generosity are not sustainable. For nations that *have* taken the offer, many months have passed without a single pill reaching the streets. Drug companies can also use the donations or price reductions to qualify for hefty tax breaks within the U.S, where the high U.S. retail price can be written off as a deduction.