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STATEMENT OF CONGRESSMAN HENRY A. WAXMAN
GOVERNMENT REFORM SUBCOMMITTEE ON CRIMINAL
JUSTICE, DRUG POLICY & HUMAN RESOURCES
HEARING ON THE U.S. ROLE IN COMBATting THE GLOBAL HIV/AIDS EPIDEMIC

THURSDAY, JUNE 21, 1999
2154 RAYBURN HOB

Mr. Chairman, the topic of today's hearing is of tremendous importance to the health and security of all Americans. The HIV/AIDS epidemic knows no borders. Ending it requires us to sustain our global leadership in research and increase our ongoing support for the prevention, treatment and education efforts of other Nations and multilateral organizations, such as the World Health Organization.

I regret that this hearing only focuses on U.S. trade policies towards South Africa. It is an important, but limited topic. I hope that our inquiries in the future will extend to the adequacy of U.S. foreign assistance to combat HIV/AIDS and work of our Public Health Service in providing technical assistance to other countries. In that regard, I applaud this week's announcement by the Administration of an additional \$100 million to combat HIV/AIDS in Africa and abroad.

But recent attention has focused instead on the actions taken by the U.S. Trade Representative regarding the South African Medicines Act of 1997. We should begin with a question — Why did South Africa adopt this law?

The South African law is meant to expand access to HIV/AIDS drugs. According to South African Health Minister Nkosazana Zuma, [HAW - pronounced "NOH-koh-sa-ZAN-na ZOO-ma"] one in eight South

African adults is HIV-positive. In the past year and a half alone, the prevalence of HIV has increased by a third to affect 3.4 million South Africans.

And if we look beyond South Africa's borders, 70 percent of all new HIV infections and 90 percent of all AIDS deaths occur in Sub-Saharan Africa. Yet only 1 percent of all HIV/AIDS drugs are sold in this region of the world.

No one questions the need to sustain a rigorous international regime of intellectual property protections. This is why the United States was signatory to the Uruguay Round Agreement. That is why we abide by TRIPS, the Agreement on Trade-Related Aspects of Intellectual Property Rights.

But I am concerned by the unusually aggressive and confrontational posture taken by our country towards the South African Medicines Act of 1997. According to the State Department's February 1999 report, U.S. opposition to the law began before its enactment, a position taken by "the State Department with the full support of USTR, Commerce/US Patent and Trademark Office and pharmaceutical industry representatives."

I find this statement notable for two reasons. First, the State Department invests the drug industry with the status of a sister agency of the United States Government. Second, the Department of Health and Human Services and the White House Office of National AIDS Policy are conspicuous in their absence from the statement.

In this same report, the State Department proudly asserts that, "The U.S. Government has made clear that it will defend the legitimate interests and rights of U.S. pharmaceutical firms."

I dearly hope that an impartial observer could also conclude that this Administration and this Congress dedicate the same vigor and energy to ending the HIV/AIDS epidemic as to defending the rights of the prescription drug industry. I hope the Administration's \$100 million announcement signals a reconsideration of the apparent disregard for public health considerations in the State Department's February report.

In light of the palpable threat which South Africa faces from the HIV/AIDS epidemic, I believe we can do far more to help countries such as South Africa cope with the disastrous impact of AIDS by being less adversarial and confrontational. I would ask our foreign policy and trade agencies to consider the very real possibility that it is their position — and not the South African law — which will ultimately prove inconsistent with TRIPS.

Finally, I am concerned by the apparent failure of USTR and the State Department in their opposition to the South African law to consult with the agencies directly responsible for our public health response to the HIV/AIDS epidemic — the Department of Health and Human Services and the White House AIDS advisor, Sandy Thurman, who joins us today.

I thank the Chair for convening this hearing. I welcome our witnesses and look forward to their testimony on these issues.

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