



# AMERICANS *for* TAX REFORM



January 24, 2019

The Honorable Alex Azar  
Secretary  
U.S. Department of Health and Human Services  
200 Independence Avenue, S.W.  
Washington, D.C. 20201

Dear Secretary Azar:

Americans for Tax Reform and Property Rights Alliance are deeply concerned that the policymaking process at the World Health Organization has been hijacked by radical members that advocate for policies that if put in place would undermine intellectual property rights, ultimately erode global health as a whole, and harm the free-exchange of goods and services. We encourage you, as you attend the conference to remind members that any policy which includes price controls or questioning the value of intellectual property rights will lead to nowhere.

With increasing frequency policy solutions for any health concern at the WHO includes advocating for “TRIPS flexibilities” and government interventions for price controls. The most recent examples, the WHO’s *Roadmap on Access to Medicines* and the WHO’s report on cancer medicines, will be discussed at the Executive Board meeting.

As you know, compulsory licenses strip innovators of their intellectual property rights and should only be used in extreme circumstances, if at all. Yet countries like Chile and Colombia have, encouraged by the WHO, recently considered issuing compulsory licenses for hepatitis C when they in fact do not have emergencies. Often countries invoke compulsory licenses as a method to reduce prices. The [evidence](#) refutes this claim. Instead prices for medicines, especially expensive hepatitis C drugs, are [reduced](#) when regulators approve of new competitors. Unfortunately, in many countries market-entry can be delayed for years due to burdensome approval processes.

The WHO should recognize violations of IP rights as a health hazard. Counterfeit medicines are known to have penetrated to [global supply chain](#). Often these drugs contain poison or reduced APIs and are linked to spreading drug-resistant TB.

Countries that protect IP rights the most cultivate the ecosystems responsible for creating new lifesaving medicines that benefit the world. In the U.S, the IP-intensive sector accounts for \$6.6 trillion in value-added, 38 percent of GDP, and employs 45.5 million- it is should not be surprising to learn, therefore, that the U.S. is responsible for a significant share of the world’s pharmaceutical and medical diagnostic patents.

In addition, the Executive Board is expected to adopt a global strategy on climate change that includes advocating for “pricing, tax and subsidy reforms that reflect the true costs to society of products, technologies and policies.” Climate change and intellectual property policy are not in the WHO realm of expertise.

In the next few years the world will see the first approved Ebola vaccine, polio is set to be eradicated, the world will be rid of TB, and every case of HIV/AIDS will be able to be identified and treated, a vaccine for malaria may even reach the market. Millions of lives will be saved. However, if the WHO

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continues to stray from its mandate, and core area of expertise, progress on these worthwhile goals will be jeopardized.

Sincerely,



Grover G. Norquist  
President  
Americans for Tax Reform



Lorenzo Montanari  
Executive Director  
Property Rights Alliance