companies. It did this by speeding up the approval process for generic drugs, and also by guaranteeing brand-name companies a minimum amount of market exclusivity before generics are allowed to compete.

After the passage of Waxman-Hatch, the generic pharmaceutical industry grew from a $2 billion industry in 1984 to $8 billion in 1997. Over the same period, brand-name companies' sales grew from $17 billion to $77 billion.

According to the Congressional Budget Office, generic pharmaceuticals saved consumers $8 to $10 billion dollars in 1994 alone. As fast as drug prices have been rising in recent years, they would have increased much faster if consumers had not had access to generic alternatives.

Despite the great benefit generic alternatives have provided to many patients, I am concerned about the activities some brand-name manufacturers have engaged in to obstruct generic competition. These efforts by brand-name companies include using payments to generic competitors, which are legally entitled to a period of being the exclusive competitor for 180 days, not to bring their product to market—in effect, this is buying a perpetual monopoly. Attempts to spread false information, lobby state legislators to restrict generic competition, and circumvent the ordinary process by having Congress pass special legislation granting patent extensions are other examples of anti-competitive behavior.

I have a great appreciation for what the generic pharmaceutical industry has done to benefit American consumers, and I am hopeful that in the not-too-distant future Congress will consider additional pro-consumer legislation to ensure consumers have increased access to more affordable generic prescription drugs.

GENERIC DRUGS AND BRAND NAME DRUGS MEET THE SAME FDA STANDARDS

HON. PHIL ENGLISH

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 19, 2000

Mr. ENGLISH. Mr. Speaker, expanding government prescription drug programs is one way to ensure Americans have access to the medicine they need. Another way is to educate them to make better choices among health care options so that they are able to get the best health care at a fair price. Part of the education process must include a primer on generic drugs.

Most Americans do not take advantage of generic drugs and the substantial cost savings they represent because they do not really know the truth about them. The truth is, the U.S. Food & Drug Administration holds generic drugs and brand drugs to the exact same standards. The FDA requires that generics and brands contain the same active ingredients and deliver the same health benefits. The FDA also monitors generic manufacturing facilities to ensure that their drug products maintain high quality and effectiveness.

Generics are safe, effective, and more affordable than brand name drugs. Let's do our part to make sure more Americans are aware of the tremendous health care value they can get from generic pharmaceuticals.

IMPROVE ACCESS TO GENERIC PHARMACEUTICALS

HON. PETER DEUTSCH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 19, 2000

Mr. DEUTSCH. Mr. Speaker, I'm here today to deliver good news for American consumers, seniors and taxpayers, all of whom are seeking more affordable medicine. That's right, good news!

Over the next decade, patents on nearly $50 billion worth of brand name drugs are scheduled to expire. If you assume that generic versions of those drugs will be introduced at a price 50 percent lower than the brand price—and that's conservative—Americans will enjoy $25 billion in savings. That figure is in addition to an estimated $10 billion Americans are already saving each year through the use of generic drugs.

With so much profit at stake, we can expect brand drug companies to do everything in their power to delay the expiration of those patents. But as representatives of the people, we must put patient health ahead of profits and vote no on these unfair and unwarranted patent extension requests.

DELAY OF CONSIDERATION OF THE FINANCIAL CONTRACT NETTING ACT OF 2000, H.R. 1161

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 19, 2000

Mr. LAFALCE. Mr. Speaker, last Friday, notice of expedited floor action on H.R. 1161, legislation to insure against potentially destabilizing legal uncertainties in the financial markets, was circulated in the House. The Committee on Banking and Financial Services has reported favorably. In fact, all committees of jurisdiction on the Financial Contract Netting Act of 2000 have acted. Controversy on this bill is virtually non-existent. Broad bipartisan support for the measure is assured. Signature by the President has long been assumed should Congress complete action of the bill. Moreover, the bill, as a separate non-controversial part of the more general and contentious Bankruptcy Reform Act, has passed both the House and the Senate. The bankruptcy legislation itself has not, of course, been finally adopted due to its long-pending conference and highly contentious provisions.

Yesterday, the netting bill was pulled from consideration on the suspension calendar. The precipitous action of the Republican leadership calls into very serious question the ability of Congress, given the short time until adjournment, to enact this vital legislation under the most favorable of circumstances.

H.R. 1161, while highly technical and complex legislation, has broad support because of the critical need it fills. The legislation is a top priority of the Federal Reserve and the Treasury Department. It is essential to provide an orderly structure through which financial corporations can work out their debts in bankruptcy without destabilizing financial markets. It is consensus, must-pass legislation.

In contrast, the successful conclusion of the longstanding conference on the Bankruptcy Reform Act is increasingly in doubt, because of fundamental problems and substantial controversy surrounding that underlying legislation. Apparently, companies supporting passage of that controversial legislation have now mustered the political clout to block the non-controversial H.R. 1161. I deplore what I view as a cynical effort by some industry lobbyists to hold the vital netting legislation hostage. Doing so will not save the otherwise controversial bankruptcy bill, and such tactics are irresponsible in the extreme. Not only are they contrary to good and necessary public policy, they are also very risky for many of the affiliated banks and brokerage firms of the obstructing companies involved. These firms are also active in the very sophisticated financial markets which risk being thrown into disarray in the event of failure of a major domestic or, indeed, foreign financial institution, absent the netting legislation.

The Financial Contract Netting Act is essential to ensure that financial markets function smoothly, especially in the event of the failure of a large institution. Monetary experts have been strongly urging the approach of H.R. 1161 since the Promisel Report in 1991. From then to the present, the need for this legislation has become more acute each year, because of the increasingly outdated nature of statutes which are supposed to set the bankruptcy and receivership rules for financial firms. The rise of the $40–50 trillion swaps market is the main force which has rendered these statutes increasingly irrelevant and effectively inoperable.

Under H.R. 1161, a bankrupt financial firm's debts, that are related to financial instruments in the exposed process of transfer, can be quickly reduced to clear, single amounts owed to other healthy financial companies, according to their respective claims. Under present law, such simplification might well not be able to occur due to inconsistencies among governing statutes. Needless litigation and disavowal of debt could therefore occur. Such disruption is highly risky in an environment where clarity regarding debt obligations and payment is a must if our value and claims transfer system is to work with the flawlessness demanded by this increasingly sophisticated economy.

The public dangers here are quite real. I deplore the fact that companies pressing for bankruptcy legislation seem focused only on their narrow interests without giving due consideration to stability of the financial markets these companies heedlessly jeopardize and the broader issues confronting American finance. In particular, potential financial disruptions due to stresses on the energy supply and in the currency markets make the netting legislation imperative before Congress adjourns sine die.

I urge expeditious and independent action on the netting legislation.

ADVO 100TH RECOVERY

HON. NICK LAMPSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 19, 2000

Mr. LAMPSON. Mr. Speaker, I'd like to take a moment to congratulate ADVO, Inc., in its recovery of the 100th missing child that has