

STATEMENT OF CHAIRMAN JON LEIBOWITZ ON THE RELEASE OF THE
COMMISSION'S INTERIM REPORT ON AUTHORIZED GENERICS

I commend staff for its excellent work in preparing this Interim Report. I am also grateful to Senators Rockefeller, Leahy, and Grassley and Representative Waxman for requesting the study. Providing professional, careful, and unbiased factual information and economic analysis on issues of public policy is one of the Commission's most critical roles. Here, in Chapter One, the Interim Report uses more data and provides a far more thorough analysis of pharmaceutical competition involving AGs during the 180-day marketing exclusivity period than any prior study on the topic. Chapter Two provides disturbing new evidence that increasing numbers of patent settlements involve agreements by brands not to compete with an AG in return for agreements by generics to defer entry beyond when they otherwise would enter. Although these analyses and facts do not answer every question about long-term and overall effects on competition from the use of AGs, they offer new insights and understandings of AG competition that Congress may find useful in its deliberations on this issue.

The FTC's preliminary data analysis in Chapter One shows that AG competition results in greater discounts to consumers during 180-day exclusivity than when AG

theoretical matter for a patient who needs life-saving medicine and has a very limited budget, or is one of the 47 million uninsured in the United States. An American consumer should not be denied the discounts that come with