

key to strengthening the stability of the region. Therefore, I urge the two parties to take the long steps needed to demilitarize and launch a much needed initiative to promote a speedy resolution on the basis of international law and democratic principles. We must have lasting peace and stability on Cyprus.

FOREIGN OPERATIONS, EXPORT  
FINANCING, AND RELATED PRO-  
GRAMS APPROPRIATIONS ACT,  
2002

SPEECH OF

**HON. LOUISE McINTOSH SLAUGHTER**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, July 24, 2001*

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 2506) making appropriations for foreign operations, export financing and related programs for the fiscal year ending September 30, 2002, and for other purposes:

Ms. SLAUGHTER. Mr. Chairman, I rise in strong support of the Smith-Morella-Slaughter-Lantos-Pitts amendment, to dedicate a total of \$30 million of the bill's funds to protect and assist victims of trafficking in persons and help countries meet minimum standards for the elimination of human trafficking.

I was proud to be a lead cosponsor of the Victims of Trafficking and Violence Protection Act of 2000, Rep. SMITH's bill to monitor and eliminate human trafficking here in the U.S. and abroad. After an arduous six year struggle to address the problem of sex trafficking with my own legislation, last October I was pleased to see this bill pass with strong bipartisan support.

In June 1994, I first introduced legislation addressing the growing problem of Burmese women and children being sold to work in the thriving sex industry in Thailand. This legislation responded to credible reports indicating that thousands of Burmese women and girls were being trafficked into Thailand with false promises of good paying jobs in restaurants or factories, and then forced to work in brothels under slavery-like conditions.

As I learned more and more about this issue it became abundantly clear that this issue was not limited to one particular region of the world. In addition, I found that human trafficking was not exclusively a crime of sexual exploitation. Taken independently, sex trafficking is an egregious practice in and of itself. It is also important, however, to be aware that people are being illegally smuggled across borders to work in sweatshops, domestic servitude, or other slaverylike conditions. I was pleased to see that the Victims of Trafficking and Violence Protection Act recognized the full magnitude of human trafficking and included provisions that effectively seek to address human trafficking.

The Act set forth policies not only to monitor, but to eliminate trafficking here in the U.S. and abroad. More importantly, it does so in a way that punishes the true perpetrators, the traffickers themselves, while at the same time taking the necessary steps to protect the victims of these heinous crimes. It uses our nation's considerable influence throughout the world to put pressure on other nations to

adopt policies that will hopefully lead to an end to this abhorrent practice.

In the wake of the passage of the Act, however, there is still a great deal of work to be done. According to the recently issued 2001 Trafficking in Persons Report by the State Department, 23 countries are listed in "Tier 3"—signifying that they do not satisfy the law's minimum standards to combat trafficking and are not making significant efforts to bring themselves into compliance.

It is my hope that this report will serve as a catalyst for reinvigorated international efforts to end human trafficking. We must continue to work expeditiously to implement the provisions of the Act, that provide tough new penalties for persons convicted of trafficking in the United States.

Beginning in 2003, those countries that are listed in "Tier 3" may be denied non-humanitarian assistance from the United States, barring a Presidential waiver. As a result, the U.S. is now in a position to put pressure on other nations to adopt policies that will eradicate human trafficking practices inside and between their borders. We are also in a position to prosecute and punish the traffickers themselves and thereby put an end to coordinated kidnaping and exploitation of the most vulnerable members of society.

I urge my colleagues to join me in supporting this amendment to ensure funding for efforts to assist victims of human trafficking, and aid countries in eliminating this egregious criminal activity.

THE DUMPING OF FOREIGN STEEL

**HON. JACK QUINN**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, July 25, 2001*

Mr. QUINN. Mr. Speaker, I rise today to share a few remarks about the dumping of foreign steel into U.S. markets. Recently, the Korea Iron and Steel Association dispatched a steel trade mission to the United States to convey the Korean steel makers concern over the United States movement to restrict imports of steel products, as well as to learn the position of the United States government and steel industry. This mission visited the USTR, Department of Commerce, the ITC and the American Iron and Steel Institute to express the Korean industry's concerns over the United States' stance on the recent start of a section 201 antidumping investigation.

Mr. Speaker, it is no secret that the U.S. steel industry is in crisis. As one who represents thousands of people whose livelihood relies on the steel industry, I can assure you that the injury suffered by the U.S. industry and the people it supports is very real.

The steel crisis has produced casualties at every level in America's steel communities. As a result of the most recent wave of dumped steel imports, over 23,000 good steel jobs have been lost and 18 steel companies have filed for bankruptcy since the beginning of 1998. Anyone who thinks that these problems are a thing of the past that were cured by the last round of steel orders should know that ten of those 18 bankruptcies have occurred in the last 8 months.

Several thousand workers, beyond those laid off, were forced to accept reduced work

weeks, assignments to lower paying jobs, and early retirement. For those workers affected, alternative employment opportunities in the surrounding area are hard to come by, and those who do find other manufacturing jobs are often paid significantly less than what they previously made. The effects of these losses are felt right down the line—by workers' families and by other community businesses that simply cannot survive if their customers can no longer earn a paycheck.

Mr. Speaker, dumping has become such a problem because foreign producers are able to sell well below market in the United States because their own home markets are closed to competition, allowing them to maintain high at-home prices to subsidize losses abroad. In addition, subsidization of foreign producers by their governments is a primary reason why massive overcapacity in the world steel industry has been created and sustained. The structural problems in the world steel market have been created largely by the illegal practices of foreign producers, and the U.S. industry should not be forced to suffer as a result.

INTRODUCTION OF THE SAVE  
MONEY FOR PRESCRIPTION  
DRUG RESEARCH ACT

**HON. FORTNEY PETE STARK**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, July 25, 2001*

Mr. STARK. Mr. Speaker, I rise today to introduce the Save Money for Prescription Drug Research Act of 2001. The pharmaceutical industry is crying wolf, claiming that forced to reduce prescription drug costs for seniors, they will be unable to continue lifesaving drug research and development. This bill allows them to stop wasting money on physician incentives and redirect those funds to R&D. It would do so by denying tax deductions to drug companies for certain gifts and benefits, excepting product samples, provided to physicians and encourage use of such funds on R&D.

Presently, these companies are spending billions of dollars on promotions to entice doctors to prescribe their products, and these dollars are tax deductible. According to a New York Times November 2000 article pharmaceutical companies spent \$12 billion in 1999 courting physicians, nurse practitioners, and physician assistants hoping to influence their prescribing habits. Experts estimate that drug companies spend an average of between \$8,000 and \$13,000 on individual physicians every year. Gifts come in the form of watches, jewelry, trips and expensive meals. The New York Times article lists one example where SmithKline Beecham offered physicians a \$250 'consulting fee' and choice of entrée at an expensive restaurant, merely for agreeing to attend an update on use of a cholesterol-reducing drug. These campaigns contribute to preference and rapid prescribing of new drugs, and decreased prescribing of generics. In other words, tax deductible dollars contribute to the rising prices of prescription drugs.

For years the pharmaceutical industry has claimed that the high price of prescription drugs is due to investment in research and development. A recent Families USA report, however, indicated that this might not be the case. The report showed that at eight major

pharmaceutical companies, investment in marketing, advertising and administration was more than double the investment in R&D. At Pfizer, for example, 39% of the net revenue, more than \$11 billion, went to these expenses, while only 15% of revenues were devoted to R&D.

It is unquestionable that the research and development of new drugs is an expensive process. However, if the pharmaceutical industry intends to claim that it cannot afford research if drug prices for seniors are reduced, perhaps they ought to more carefully consider their priorities. Clever marketing ploys that influence physician prescribing habits do little to actually save lives, but do much to increase corporate profits.

Denying the pharmaceutical industry the ability to deduct expenditures for gifts to physicians is a solid step toward providing Americans with access to more lifesaving drugs. By redirecting drug company promotional expenditures to their R&D budgets, the American public would reap the benefit of increased medical breakthroughs. Gifts from pharmaceutical companies do not improve health care for patients.

This bill I am introducing today eliminates the tax incentives currently in place that encourage drug companies to continue to give gifts to doctors to influence their prescribing. It is my hope that the industry will redirect these dollars from existing gift practices to R&D. The pharmaceutical industry claims it needs financial help to increase R&D efforts. This bill gives them billions of new dollars for precisely that purpose. I urge the pharmaceutical industry to use these funds more wisely. I hope that my colleagues will join with me in supporting this endeavor to increase investment in the research and development of life saving drugs in the private sector.

[From the New York Times, Nov. 16, 2000]  
HIGH-TECH STEALTH BEING USED TO SWAY  
DOCTOR PRESCRIPTIONS

(By Sheryl Gay Stolberg and Jeff Gerth)

As a busy internist, Dr. Bruce Moskowitz frequently prescribes cholesterol-lowering medicines and osteoporosis drugs for his elderly patients. Like most physicians, he is no stranger to pharmaceutical sales representatives, and he often chats with them about his preference in medication.

But the drug companies know more about Dr. Moskowitz than he realizes. Over the past decade, with the advent of sophisticated computer technology, pharmaceutical manufacturers have been quietly compiling resumes on the prescribing patterns of the nation's health care professionals, many of whom have no idea that their decisions are open to commercial scrutiny.

These "prescriber profiles" are the centerpiece of an increasingly vigorous—and apparently successful—effort by drug makers to sway doctors' prescribing habits. To create them, pharmaceutical marketers are buying information from pharmacies, the federal government and the American Medical Association, which generates \$20 million in annual income by selling biographies of every American doctor.

The profiles do not contain patient names. But they do offer drug companies a window into one half of the doctor-patient relationship. And they are raising important public policy questions, both about the privacy of doctors' prescribing decisions, and how much commercial pressures influence them. "As an extension of the doctor-patient relationship, doctors are entitled to privacy," said Law-

rence O. Gostin, an expert in health privacy at the Georgetown University Law Center.

In describing the profiles as "a fundamental violation" of that privacy, Mr. Gostin said they also raise "an extremely important policy question, which is to what extent are health care prescribing practices influenced by commercial concerns?"

That question is now front and center in the political debate. With the price of prescription medication high on the national agenda, the impact of marketing on the cost of pharmaceuticals is at issue. But while the public discussion has focused largely on the recent trend toward advertising directly to patients, the industry still spends most of its money wooing doctors.

Of the \$13.9 billion that the drug companies spent promoting their products last year, 87 percent, or about \$12 billion, was aimed at doctors and the small group of nurse practitioners and physicians' assistants who can prescribe some medications, about one million prescribers all told.

"The pharmaceutical industry has the best market research system of any industry in the world," said Mickey C. Smith, a professor of pharmaceutical marketing at the University of Mississippi. "They know more about their business than people who sell coffee or toilet paper or laundry detergent because they truly have a very small group of decision makers, most of whom still are physicians."

Pharmaceutical sales representatives have been a staple of American medicine for decades. Their courtship of doctors is intensive and expensive, and their largess runs the gamut, from trinkets like prescription pads and pens, to staff lunches at hospitals and medical offices and offers of free weekends at resorts.

Prescriber profiles play a significant role in the courtship; pharmaceutical marketers say they use the reports to help determine which doctors should be offered certain perks. And the perks themselves worry ethics officials at the American Medical Association, who are trying to discourage doctors from accepting them, even as the association's business side sells information that facilitates the giving of gifts.

Dr. Moskowitz, of West Palm Beach, Fla., is one example. In late August, he received an invitation from two drug companies, the Bayer Corporation and SmithKline Beecham, asking him to a private dinner at the Morton's of Chicago Steakhouse, an expensive chain restaurant not far from his West Palm Beach office, on the evening of Sept. 18.

The topic was high cholesterol, including an update on Baycol, a drug the two companies jointly market. For his feedback, Dr. Moskowitz would be designated a consultant and given a \$250 honorarium, along with his choice entree. He declined.

"Drug companies ask me, How can we change your prescribing, what would it take, do you want to serve as a consultant?" Dr. Moskowitz said. "The schemes get more and more desperate."

Although most doctors do not believe that such entreaties affect their professional behavior, some studies suggest otherwise. Dr. Ashley Wazana, a psychiatry resident at McGill University in Montreal, recently analyzed 29 studies on the effects of gifts to doctors.

Published in January in *The Journal of the American Medical Association*, Dr. Wazana's analysis found an association between meetings with pharmaceutical representatives and "awareness, preference and rapid prescribing of new drugs and decreased prescribing of generics."

His conclusion? "We are influenceable," Dr. Wazana said.

In an effort to save money, and also to avoid this influence, some clinics and hospitals have imposed a ban on free drug samples and visits from sales representatives and discourage doctors from taking consulting fees like the one offered by Bayer and SmithKline Beecham.

Among them is the Everett Clinic in Washington State, a group practice of 180 doctors that cares for 250,000 patients. Its officials say that drug costs have declined since the ban.

"Pharmaceutical marketing would often lead to physicians prescribing more costly medicines than are necessary," the clinic's medical director, Dr. Al Fisk, said.

But Dr. Bert Spilker, a senior vice president with the Pharmaceutical Research and Manufacturers of America, an industry trade group, said marketing "serves an essential function in the health care delivery system" by helping to educate doctors, so they can prescribe drugs more appropriately.

Drug companies, however, are often reluctant to disclose details about their marketing efforts, particularly the use of prescriber profiles.

"If we talk about what we do and how we do it," said Jan Weiner, a spokeswoman for Merck & Company, "then our competitors will know a whole lot more than they know now."

#### THE A.M.A. MASTER LIST

Singling out doctors is not new, but detailed prescriber profiles have been available only since the early 1990's, when most pharmacies adopted computer systems to process insurance claims, said Pat Glorioso, a marketing executive at I.M.S. Health, a leading pharmaceutical market research concern and one of two companies that specialize in collecting records of pharmacy sales.

Through the profiles, a drug company can identify the highest and lowest prescribers of a particular medicine in a single ZIP code, county, state or the entire country. They can learn, for example, which antidepressants a particular psychiatrist favors.

"It's very flexible in the way we can slice and dice the information," Ms. Glojioso said. "As technology has improved, we have just ridden that wave."

When pharmacies sell records of prescription drug sales, they do not show names of patients or, in some cases, their doctors. But those records are typically coded with identification numbers issued by the Drug Enforcement Administration to doctors for the purpose of tracking controlled substances. The government sells a list of the numbers, with the corresponding names attached, for fees that can run up to \$10,200 a month, depending on how widely the list will be distributed.

The American Medical Association, meanwhile, sells the fights to what it calls its "physicians' master file" to dozens of pharmaceutical companies, as well as I.M.S. Health and other market research concerns. Though only about 40 percent of American doctors are dues-paying members of the medical association, the database has detailed personal and professional information, including the D.E.A. number, on all doctors practicing in the United States.

Pharmaceutical marketers consider the master file the gold standard for reference information about doctors. Combined with the records of pharmacy sales, the file helps create portraits of individual doctors, their specialties and interests. As the nation's largest doctors' group, the medical association has maintained the master file for nearly 100 years, and has licensed it for more than 50. It is so complete, A.M.A. officials say, that even the dead are included.

"We're trying to provide a reliable database, which is accurate, so that it can be used appropriately to focus efforts on

There are some restrictions, Dr. Reardon said: the roster cannot be sold to tobacco companies and it cannot be used to deceive doctors or the public. While they say sale of the master file brings about \$20 million in annual income to the association, officials would not say what they charge individual companies.

Much of the information in the association's database is available from sources scattered around the country. But one major element is not: the medical education number, which the A.M.A. assigns to new medical students in order to track them throughout their careers. Most doctors do not even know they have one.

This number, which enables computers to sort through the huge A.M.A. master file, is "the core element in the database of tracking physicians," said Douglas McKendry, a sales executive at the Axiom Corporation, a pharmaceutical marketing company that recently formed a partnership with the medical association to manage the database.

"The A.M.A. data helps identify the individual physicians that are being targeted," Mr. McKendry said.

Doctors who do not want their names sent to marketers can ask the association to remove them from the file, Dr. Reardon said. But in interviews, several prominent doctors said they were unaware that their biographies were being sold.

Among them is Dr. Christine K. Cassel, a former president of the American College of Physicians and chairman of the department of geriatrics at Mount Sinai School of Medicine in Manhattan. In Dr. Cassel's view, information about doctors' prescribing habits may appropriately be used by their health plans to improve quality of care. She called the commercial use of the data outrageous, saying, "This is not about quality. It's about sales."

#### DINNER AND A MOTIVE

Pharmaceutical marketing is big business not only for drug companies, but also for companies firms like I.M.S. Health and Axiom, which cater to them.

Overall spending on pharmaceutical promotion increased more than 10 percent last year, to \$13.9 billion from \$12.4 billion in 1998. Experts estimate that the companies collectively spend \$8,000 to \$13,000 a year per physician. In recent years, as demands on doctors' time have grown more intense, pharmaceutical marketers say they have been forced to become more creative.

"You have to have a hook," said Cathleen Croke, vice president of marketing for Access Worldwide Communications Inc., which specializes in drug marketing. "if you offer them \$250, that might get them. Or they are attracted to the prestige of being a consultant, that a company is asking for their opinion."

The offer of dinner and a \$250 consulting fee was sufficient to draw about a dozen South Florida physicians to Morton's in West Palm Beach on Sept. 18. They gathered there, on a muggy Monday night, in a back room called the boardroom, where a slide show and a moderator from Boron, LePore & Associates Inc., the market research firm hosting the event, awaited their arrival.

Dr. Moskowitz, who has been in practice in West Palm Beach since 1978 and heads a group of 12 doctors, says he routinely receives—and rejects—such invitations.

The Morton's dinner was not open to the public; had Dr. Moskowitz accepted, he would have been required to sign a confidentiality agreement. Instead, he told the companies he intended to take a reporter for The New York Times.

But when Dr. Moskowitz and the reporter showed up at Morton's, the Boron LePore moderator, Alexander Credle, told them to leave.

"This is a clinical experience meeting, a therapeutic discussion," Mr. Credle said. "There is an expected degree of confidentiality."

Dr. Moskowitz asked Mr. Credle why he was invited; Mr. Credle had no answer. But in an interview a few weeks after the dinner, John Czekanski, a senior vice president at Boron LePore, said the invitations were "based on databases targeting physicians" who prescribe cholesterol-lowering drugs or who might.

Boron LePore calls these dinner sessions "peer-to-peer meetings," and in 1997, it acted as host at 10,400 of them. Typically, they feature presentations from medical experts, on the theory that doctors are receptive to the views of their peers. With new drugs coming onto the market all the time, physicians are hungry for information about them. Pharmaceutical companies say it is that desire for education, rather than a free meal or modest honorarium, that draws many doctors to the meetings.

But the dinners are creating unease among officials of the American Medical Association's Council on Ethical and Judicial Affairs, which in 1990 published guidelines that limit what gifts doctors may accept. The guidelines, which have also been adopted by the Pharmaceutical Research and Manufacturers' Association, the drug industry trade group, prohibit token consulting arrangements, but permit "modest meals" that serve "a genuine educational function."

Compliance is voluntary, and Dr. Herbert Rakatansky, who is chairman of the A.M.A.'s ethics council, says doctors routinely ignore the rules. That is in part because they are murky, as the dinner at Morton's reveals.

Whether the dinner was intended to educate doctors, or was part of a marketing campaign, or both, is not clear. In the \$7.2 billion market for the cholesterol-lowering drugs known as statins, Baycol ranks last in sales, with just \$106 million in sales last year. Bayer and SmithKline Beecham recently introduced a new dosage for the drug, and the companies said

"As far as we're concerned, it's educational," said Carmel Logan, a spokeswoman for SmithKline Beecham. But Tig Conger, the vice president of marketing for cardiovascular products at Bayer, said the company intended to teach a select group of doctors about Baycol, then use their feedback to hone its marketing message. And Allison Wey, a spokeswoman for Boron LePore, said the dinner was "part education and part marketing."

#### RAISING ETHICS QUESTION

While Dr. Rakatansky, of the A.M.A., could not comment specifically on the Baycol meeting, he had harsh words for these dinners in general.

"We think 99 percent of those are shams," he said. "They are marketing devices and not true requests for information."

As to whether the dinner fit the "modest meal" criteria, that, too, is unclear, because the guidelines offer no specifics. At Morton's in West Palm Beach, the entrees range from \$19.95 for chicken to \$32.95 for filet mignon—a la carte. The sales manager, Lauren Carteris, said the restaurant frequently was the site of pharmaceutical meetings for Boron LePore.

"Doctors," Ms. Carteris said, "will only go to an expensive restaurant."

To heighten doctors' awareness about the ethics of accepting gifts, the medical association is beginning an educational cam-

aign. In addition, The Journal of the American Medical Association devoted the bulk of its Nov. 1 issue to conflict of interest in medicine, including an essay entitled "Financial Indigestion" that questioned the effects of pharmaceutical company gifts on doctors' professional behavior.

But some prominent doctors say the medical association needs to address its own role, as a seller of information that helps drug marketers select which doctors to target.

"It potentiates this gift giving, and implicitly endorses it," said Dr. David Blumenthal, a professor of health policy at Harvard Medical School who has used the A.M.A.'s data for his academic research.

The sale of the master file to drug companies, Dr. Blumenthal said, "hands the weapon to the drug company that the A.M.A. is saying is an illicit weapon."

Dr. Reardon, the past president of the medical association, dismisses such a connection. Doctors are responsible for their own decisions about whether to accept gifts, he said, adding, "I don't think the database has anything to do with ethical behavior of physicians."

Dr. Reardon noted that drug marketers could obtain information about doctors from other sources, including the federal government. But Mr. Gostin, the privacy expert at Georgetown, who is also the health law and ethics editor of The Journal of the American Medical Association, said that did not justify the association's action.

"We live in a society where, if you comb long enough and hard enough with sophisticated enough search tools, you can find just about everything," Mr. Gostin said. "That doesn't mean it's all right for people to assemble it, make it easy and sell it."

As for Dr. Moskowitz, he is still receiving invitations from drug companies, despite his longstanding habit of spurning them. One arrived on Oct. 18, from Aventis Pharmaceuticals and Procter & Gamble Pharmaceuticals, who jointly market Actonel, an osteoporosis drug.

Attendance at the meeting, scheduled for Saturday, will be limited to 12 doctors, the invitation said. Breakfast and lunch will be served; in between, there will be a clinical discussion of osteoporosis, with 30 minutes reserved for doctors' feedback. The honorarium is \$1,000.

#### HONORING PILGRIM ARMENIAN CONGREGATIONAL CHURCH

#### HON. GEORGE RADANOVICH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 25, 2001

Mr. RADANOVICH. Mr. Speaker, I rise today to honor Pilgrim Armenian Congregational Church for its 100 years of service to the Armenian community. The church was founded with only fourteen members on January 26, 1901.

The first Armenian settlers to the area did not speak English. They formed the Armenian Congregational Church so they could worship together, in their native tongue. Although it started with small numbers, church membership has grown steadily over the years. In its 100 years, the church has had eight full-time pastors and several interim pastors who have