

1 [AIDS Pandemic in Brazil]

2
3 **Resolution urging Abbott, Merck and Gilead corporations to expedite the issuance of**
4 **voluntary AIDS/HIV drug licenses to the country of Brazil in order to save tens of**
5 **millions of lives in Brazil and throughout the developing world and to raise the**
6 **standard of corporate global citizenship and exemplify extraordinary compassion in**
7 **corporate business practices that will contribute to mitigation of the worldwide**
8 **AIDS/HIV pandemic.**

9
10 Whereas, The pricing practices of three United States pharmaceutical companies,
11 Merck, Abbott and Bay Area-based Gilead Incorporated are threatening Brazil's exemplary
12 model for fighting AIDS in the developing world and in response Brazil is negotiating with the
13 companies to issue voluntary licenses for their versions of Stocrin (Sustiva), Kaletra and
14 Viread respectively; and

15 Whereas, The companies would voluntarily transfer their technology to Brazil's state-
16 run pharmaceutical company and receive fair royalties of approximately four percent; and

17 Whereas, In June 2005, Brazil's House of Representatives unanimously voted to
18 declare a public health need and legally severed the patents under World Trade Organization
19 (WTO) guidelines; and

20 Whereas, Brazil provides HIV treatment to 170,000 citizens by spending an
21 unprecedented four percent (4%) of its national budget on AIDS, thus allowing people in
22 remote villages of the rain forest receive high-end, triple-combination drug therapy that
23 includes protease inhibitors; and

24 Whereas, Brazil's aggressive, science-based prevention programs have reduced
25 infection rates to 0.6 percent (0.6%), equal to those in the United States and Europe while

1 drug therapy adherence rates to treatment regimens are comparable or better than in the
2 United States; and

3 Whereas, Through a combination of generically produced drugs and negotiated price
4 reductions, Brazil has a higher rate of treatment than the United States, where waiting lists
5 and restricted formularies for AIDS patients have become more common under the Bush
6 administration; and

7 Whereas, The cost of the three drugs made by Gilead, Merck and Abbott consumes 70
8 percent (70%) of Brazil's total AIDS drug budget, thus financially threatening Brazil's free
9 universal-access program and policy decision to legally produce generic AIDS drugs; and

10 Whereas, Since Brazil began generic production in 1998, the price of AIDS drugs in the
11 developing world has decreased between 70% to 98%; and

12 Whereas, The price of raw materials for generic AIDS drugs dropped significantly when
13 economies of scale were achieved, first by Brazil and then by private generic companies in
14 India and state production in Thailand; and

15 Whereas, Two years ago, Brazil accounted for nearly one half of the 300,000 people
16 receiving AIDS treatment in the developing world, whereas, the number of people receiving
17 treatment has increased to over one million because of generic competition; and

18 Whereas, Brazil is also freely sharing its drug-making technology with other former
19 Portuguese colonies in Africa; and

20 Whereas, Worldwide, 5.5 million people need treatment for AIDS and the goal for
21 universal treatment will only be met by generic low-cost treatment combined with a significant
22 financial assistance from G-8 nations to establish health infrastructure such as hospitals,
23 nurses and doctors; and

1 Whereas, During the past 20 years, pharmaceutical companies have been the most
2 profitable industry in history with an annual profit rate of nearly 20 percent (20%) compared to
3 standard Fortune 500 companies which average about four percent (4%) return on profits;
4 and

5 Whereas, Profits on prescription drugs average nearly 40 percent (40%), compared to
6 5 percent (5%) profitability for over-the-counter drugs; and

7 Whereas, The pharmaceutical industry has over 600 lobbyists in Washington, D.C.,
8 more than one for every member of Congress; and

9 Whereas, Much of the basic research done by drug companies is paid for by U.S.
10 taxpayers; and

11 Whereas, According to AFL-CIO Executive Pay Watch, the CEO of Gilead earned \$18
12 million last year and owns shares in the company worth \$113 million; and

13 Whereas, The campaign is endorsed by the Berkeley City Council, the Alameda City
14 Council, Priority Africa Network, HealthGAP, Survive AIDS, ACT UP East Bay, Peninsula
15 Peace and Justice Center, WorldCentric, East Bay AIDS Advocacy Foundation, Former
16 Berkeley Vice Mayor Maudelle Shirek, San Francisco Bay View, Middle East Children's
17 Alliance, Essential Action, Center for Health and Gender Equity, City Council member Kevin
18 Dowling, Global Exchange, Americans for Safe Access, Health Equity Project, Foundation for
19 Integrative Change; now, therefore, be it

20 RESOLVED, That the Board of Supervisors of the City and County of San Francisco
21 hereby urges Abbott, Merck and Gilead corporations to expedite the issuance of voluntary
22 AIDS/HIV drug licenses to the country of Brazil which will save tens of millions of lives in
23 Brazil and throughout the developing world and raise the standard of corporate global
24
25

1 citizenship and exemplify extraordinary compassion in corporate business practices that will
2 contribute to mitigation of the worldwide AIDS/HIV pandemic; and be it

3 FURTHER RESOLVED, That the Board of Supervisors of the City and County of San
4 Francisco urges Gilead to expedite the development of a pediatric version of "Viread" and
5 increase the number of developing countries on the registered as part of its "deep discount
6 program" which will permit Brazil to purchase life-saving HIV drug therapy treatment at
7 discounted wholesale prices for its citizens.



City and County of San Francisco

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Tails

Resolution

File Number: 051384

Date Passed:

Resolution urging Abbott, Merck and Gilead corporations to expedite the issuance of voluntary AIDS/HIV drug licenses to the country of Brazil in order to save tens of millions of lives in Brazil and throughout the developing world and to raise the standard of corporate global citizenship and exemplify extraordinary compassion in corporate business practices that will contribute to mitigation of the worldwide AIDS/HIV pandemic.

August 9, 2005 Board of Supervisors — ADOPTED

Ayes: 10 - Alioto-Pier, Daly, Dufty, Elsbernd, Ma, Maxwell, McGoldrick,
Mirkarimi, Peskin, Sandoval

Excused: 1 - Ammiano

File No. 051384

I hereby certify that the foregoing Resolution was ADOPTED on August 9, 2005 by the Board of Supervisors of the City and County of San Francisco.

AUG 12 2005

Date Approved

Kay Gulbenoff
for Gloria L. Young
Clerk of the Board

[Signature]
Mayor Gavin Newsom