

## **STATEMENT OF PHIL FIERMONTE BURLINGTON CITY COUNCILOR**

Good afternoon Mr. Chairman and members of the Subcommittee.

My name is Phil Fiermonte and I am a member of the Burlington City Council, in Burlington Vermont.

Let me first say that I and millions of other Americans are grateful to this committee for forcing the issue of affordable prescription drug prices to the front burner of the national agenda and making it the major issue that it is today.

I must tell you that in my home town of Burlington Vermont, when I go out and knock on doors in my district and talk with people about what issues they are concerned about, the high cost of prescription drugs comes up over and over again -- and not just from senior citizens. Mr. Chairman the people of my City, and the people all over this country, are justifiably outraged when they learn that they are paying 30- 50 % more for the cost of their prescription drugs – in many cases life-saving prescription drugs-- than the citizens of Canada are paying for the exact same drugs. We are the only industrialized nation that does not significantly regulate what the pharmaceutical industry can charge, and the results are clear. Americans pay, by far, the highest prices in the world for all kinds of prescription drugs.

In Burlington, as in the majority of cities and states across the nation, we are facing a very serious budget situation. We have had to raise some taxes and cut back on some services just to balance our budget. We are always looking at ways to save money in light of the city's very tight financial situation.

Earlier this year I learned that the City of Springfield, Massachusetts, was lowering their prescription drug costs by allowing employees to voluntarily choose to purchase their medications from Canada, at

savings of up to 50%. The City of Springfield estimates that by enabling employees to purchase their maintenance prescription drugs from Canada they will save between \$4 and \$9 million in one year.

To my mind it would be fiscally irresponsible of Burlington not to explore a Springfield-type program. In my small city of 40,000 people we spend some \$670,000 on prescription drugs for a city work force of some 600 employees. A savings of just 15-20% a year would be of great fiscal significance to the City.

Given the huge price differentials that the drug companies maintain between the US and the rest of the world, it is not surprising that many cities in addition to Burlington and Springfield are exploring this option. This movement is growing and we know see states such as Illinois, Minnesota, Iowa, Michigan and others are exploring this option as well.

I am pleased to report that a resolution that I brought forward to the Burlington City Council two weeks ago—which directed the Mayor to examine how Burlington could adopt a program similar to Springfield's--- passed unanimously.

City officials have since met with the of the city employees union, who have expressed strong interest in the concept. They understand very well that high cost prescription drugs are one of the major reasons for ever escalating health care costs. Mayor Peter Clavelle, who is leading this effort in Burlington, has also convened a meeting with officials of the Burlington School Department, the Vermont League of Cities and Towns, and the Vermont State Employees Association to discuss the possibility of a Canadian prescription drug buying plan for their respective constituencies. Mayor Clavelle, will report back to the Burlington City Council in early December with the design of a program that would enable city employees to purchase maintenance prescription drugs from Canada.

Since this idea has become public knowledge I have received tremendous public support from citizens who are saying enough is enough from the drug companies.

Mr. Chairman, let me conclude by saying that it is a sad day in America, when the most profitable and powerful industry in the country is expending literally hundreds of millions of dollars to prevent American consumers from having access to more affordable drug prices. And I wonder, Mr. Chairman, how many more people are going to have to die as we see PHARMA and the over 600 pharmaceutical industry lobbyists do everything they can to prevent the reimportation bill from passing.

The ultimate answer to this crisis is not to have million of Americans going to Canada for their prescription drugs—it is for the US Congress to pass a strong prescription drug reimportation bill NOW. But until that happens, I am proud that my city is lending support to the growing reimportation movement across the country.

As this movement picks up momentum, people across the nation are counting on the Congress to stand up to the big money interests so that reimportation can become a reality. We are at a great moment in this important debate. The people are counting on you to do the right thing—and I urge you to pass reimportation legislation in this session.

Thank you.