United States Senate

WASHINGTON, DC 20510

May 19, 2004

Timothy J. Muris, Chairman
Federal Trade Commission
600 Pennsylvania Avenue, N.W.
Washington, D.C. 20580

Dear Mr. Chairman:

We are writing to ask that the Federal Trade Commission (FTC) investigate a recent price increase on a pharmaceutical manufactured by Abbott Laboratories that is used to treat AIDS. It is our understanding that Abbott increased the price of Norvir, which is used in combination with other drugs, while insulating its own combination treatment from a similar price increase. We are concerned that these actions may have anti-competitive effects on the market for AIDS drugs.

In December 2003, Abbott Laboratories announced a 400 percent increase in the price of ritonavir, a drug used to treat AIDS marketed under the brand name Norvir. This price increase was only applied in the United States, making the U.S. price of Norvir 10 times the price in Canada and some western European countries. Ritonavir may be used by itself as a protease inhibitor or as a "booster" to increase the efficacy of other protease inhibitors. According to a letter sent to the Department of Health and Human Services by 83 physicians specializing in the care of people with AIDS, a booster dose of ritonavir "is an essential component of almost every protease inhibitor-based antiretroviral treatment for HIV/AIDS."

Abbott's price increase appears to apply only when Norvir is sold independently or as a booster in combination with drugs sold by other manufacturers. The price of Kaletra, an Abbott product that combines ritonavir (Norvir) with the protease inhibitor lopinavir, has not increased. It is our understanding that this combination product, Kaletra, now costs less than every other Norvir-boosted protease inhibitor treatment on the market.

In January, a complaint was filed with the FTC alleging that Abbott's selective price increase was anticompetitive. We respectfully request that the Commission respond to this complaint and take any enforcement action it determines to be appropriate.

Thank you very much for your consideration and for your attention to this important issue.

Sincerely,

Charles E. Schumer	John McCain	Ernest F. Hollings
United States Senate	United States Senate	United States Senate