

Drugmakers go furthest to sway Congress They boast 1,274 lobbyists, cash galore, and sweet jet rides

By Jim Drinkard
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WASHINGTON — When Sen. Bill Frist needed help in November for a quick tour celebrating the victories of newly elected Republican senators, he didn't have to look far. A Gulfstream corporate jet owned by drugmaker Schering-Plough was ready to zip the Senate majority leader to stops in Florida, Georgia and the Carolinas.

Frist's political committee reimbursed the drugmaker \$10,809, the equivalent of a first-class fare for the same trip on a commercial airline, as campaign rules require. The price, a fraction of the cost of a charter flight, was almost a wash for Frist; Schering had donated \$10,000 to his committee in 2003-04. What he got was worth far more: the convenience, luxury and efficiency of flying on his own schedule.

The drug company's friendly gesture toward the Senate's most powerful member illustrates the political clout of the pharmaceutical industry. It will be needed in the months ahead as the industry faces the threat of increased federal regulation, brought on by mounting concerns about the safety of the nation's drug supply.

The drug companies' corporate planes have been made available not only to Frist, but also for dozens of trips taken by other powerful lawmakers. House Speaker Dennis Hastert, R-Ill., took at least four trips to GOP fundraising events in the past two years aboard Pfizer's Gulfstream.

Drug companies and their officials contributed at least \$17 million to federal candidates in last year's elections, including nearly \$1 million to President Bush and more than \$500,000 to his opponent, John Kerry. At least 18 members of Congress received more than \$100,000 apiece.

The industry also liberally funds think tanks and patient-advocacy groups that don't bear its name but often take its side; the National Patient Advocate Foundation, for instance, receives financial support from at least 10 drug companies. And the industry isn't above playing hardball, according to David Graham, a Food and Drug Administration scientist who got on its bad side.

Since 1998, drug companies have spent \$758 million on lobbying — more than any other industry, according to government records analyzed by the Center for Public Integrity, a watchdog group. In Washington, the industry has 1,274 lobbyists — more than two for every member of Congress.

“They are powerful,” says Sen. Chuck Grassley, R-Iowa, chairman of the Senate Finance Committee. “You can hardly swing a cat by the tail in that town without hitting a pharmaceutical lobbyist.”

Over the years those lobbyists have been very successful, demonstrating that the industry knows politics as well as it knows chemistry. Drug companies won coverage for prescription drugs under Medicare in 2003 while blocking the government from negotiating prices downward. They have so far kept out imports of cheaper medicines from Canada and other countries. And they have protected a system that uses company fees to speed the drug-approval process.

“They win more than they should,” says James Love, an industry critic who is director of the non-profit Consumer Project on Technology. “The one thing they have going for them is money.”

The industry's deep inroads into the government are rooted in its dependence on federal decisions. The government determines which products drug companies can market and how they're labeled. The government buys massive quantities of drugs through Medicaid, the Veterans Administration and other programs. Once the new Medicare prescription drug benefit takes effect in 2006, the government will be paying 41% of Americans' drug bills, up from 24% now.

Billy Tauzin, a former Republican congressman from Louisiana who now heads the Pharmaceutical Research and Manufacturers of America (PhRMA), serves as testament to the industry's power. He helped shepherd the Medicare prescription drug law to passage as chairman of the House Energy and Commerce Committee before joining PhRMA for a reported \$1 million a year or more. PhRMA won't confirm his pay.

Tauzin says the lobbying presence is needed to protect the U.S. marketing system for prescription drugs. The United States "is probably the last place on Earth which encourages innovation and discovery," he says, contending that it costs about \$1 billion to invent each new drug. In other countries, he says, government-controlled pricing has robbed drug manufacturers of the profits that finance new drug development. But now, the industry faces the possibility of increased regulation. Grassley and Sen. Chris Dodd, D-Conn., are pushing legislation that would force drug developers to release data from all clinical trials of a new medicine — including negative ones the companies don't like to disclose. They also plan to introduce a bill that would strengthen the FDA's ability to protect patients if safety problems crop up after a drug has been approved for sale.

If Frist had chartered a jet for his victory lap last Nov. 3, it would have cost at least three times as much as he paid Schering. Many large companies make their planes available to lawmakers; campaign rules allow the lawmaker to pay the travel provider the relatively low cost of first-class airfare. In the days just before the election, Frist had been aboard Schering's jet one other time and had flown twice on the jet owned by another drugmaker, Abbott Laboratories. Companies that provide their jets often send a lobbyist along to seize the chance for private time with a member of Congress. Schering spokeswoman Rosemarie Yancosek declined to say if that happened on Frist's trips. "We comply with all the laws regarding the use of the corporate jet," she said. Frist's office declined to comment on the flights.

As the gatekeeper for legislation that comes to the Senate floor, Frist, a Tennessee Republican and a heart surgeon, is a key lobbying target for the drug industry. Legislation to allow reimportation of lower-priced prescription drugs, previously passed by the House, faces its biggest test in the Senate. "If we ever get it to a vote in the Senate, it will pass," Grassley says. Frist and Hastert are not the only lawmakers to take advantage of the convenience of drug companies' corporate jets. A spokesman for drugmaker Novartis, Sheldon Jones, confirmed that company lobbyists were aboard for three trips carrying lawmakers in 2003 and 2004. One, in June 2003, took Reps. Tom Reynolds, R-N.Y.; Mike Oxley, R-Ohio; and Mike Rogers, R-Mich., to a Republican fundraiser in New York City. Rep. Tom Davis, R-Va., and Sen. Chuck Hagel, R-Neb., also took trips on the Novartis Learjet. Of the 1,274 people registered to lobby in Washington for drugmakers in 2003, according to the Center for Public Integrity, 476 are former federal officials — including 40 former members of Congress. "They are one of the strongest, most well-connected and most effective lobbies in Washington," says Amy Allina of the National Women's Health Network. "Going up against them is more often than not a losing battle." Lobbyists aren't the industry's only voice. When witnesses lined up last month for a Senate hearing on the FDA's drug-approval process, no representative from the pharmaceutical industry was present. But at least three witnesses on the six-member panel were from groups that get money from drugmakers.

The hearing was prompted by belated discoveries of health risks in drugs the agency had approved for sale: heart problems in patients taking Merck's Vioxx and other so-called COX-2 inhibitors, used to relieve pain; suicidal thoughts in adolescents taking antidepressants; and muscle damage from drugs that

reduce cholesterol. The committee, under Sen. Mike Enzi, R-Wyo., wanted to know if the FDA needs additional regulatory authority to protect public health. Leadoff witness Nancy Davenport-Ennis warned against any “overemphasis on safety” that might delay availability of new cancer drugs, a position in line with that of the pharmaceutical industry. Among the companies funding her National Patient Advocate Foundation: Pfizer, Merck and GlaxoSmithKline. Davenport-Ennis says the drug company grants come with no strings attached and amount to “a whole bunch less than half” of the group’s budget. “I don’t think there is a patient-advocacy group in America that does not receive some level of funding from a pharmaceutical company,” she says. Witness Scott Gottlieb of the American Enterprise Institute (AEI), a conservative think tank, also cautioned Enzi’s panel against lengthening the drug-approval process or making it more expensive. Veronique Rodman, an AEI spokeswoman, declined to say whether the organization gets drug-industry support. But one of Gottlieb’s AEI colleagues, John Calfee, disclosed in a book review he wrote for the journal *Nature* last June that AEI does get drug-industry money.

A third witness, child and adolescent psychiatrist David Fassler, called for greater public access to clinical trial data for drugs. But he expressed concern that FDA action last year to require a “black-box warning” on antidepressants prescribed for children and adolescents might deter families from seeking medications. Fassler personally receives no industry money, but he represented the American Psychiatric Foundation and the American Academy of Child and Adolescent Psychiatry, both of which receive drug-industry contributions. Mary Crosby, the academy’s acting executive director, says drug-industry money accounts for about 12% of the group’s funding but has no influence on what their witnesses say.

Tauzin says such outside groups are the industry’s natural allies in the quest to cure more diseases. “This industry is doing a world of good for a lot of people, and they want to support us,” he says. Health care consistently outspends other economic sectors on Washington lobbying, and the pharmaceutical industry makes up the largest component of that spending — \$143 million in 2003.

Drugmakers also sell their message through TV advertising. Two of the top 10 ad spenders during the last session of Congress were pharmaceutical companies, GlaxoSmithKline and Pfizer. A study by the Annenberg Public Policy Center at the University of Pennsylvania found they spent a combined \$45.1 million on advertising in 2003-04, the largest chunk of it to promote the expansion of Medicare to cover prescription drugs.

In addition, the industry pours growing amounts into political campaigns favoring Republicans — who control the White House and Congress — over Democrats by about 2 to 1. In last year’s elections, the top Senate recipient of pharmaceutical campaign money was North Carolina GOP Sen. Richard Burr, a member of Enzi’s panel. He got \$288,684, according to a tally by the non-partisan Center for Responsive Politics. In the House, Rep. Mike Ferguson, R-N.J., was the top recipient, with \$264,560, roughly 10% of his total fundraising. He’s a member of the House Energy and Commerce Committee; it has jurisdiction over the drug industry, which has a heavy presence in his state.

Pharmaceutical makers also were among top donors to the national conventions last year. They gave \$4.7 million to help put on the GOP event in New York and \$2.6 million for the Democrats’ gathering in Boston. Drug companies court lawmakers and their aides by paying for trips to industry meetings or to tour company plants and other facilities. Dozens of such trips took place last year, disclosure records filed in the House and Senate show. For example, a group of sponsors including PhRMA and GlaxoSmithKline paid \$8,810 to take Rep. William Lacy Clay, D-Mo., to Brazil on a “fact-finding mission.” GlaxoSmithKline paid \$1,079 to fly Sen. Orrin Hatch, R-Utah, to Houston for a speech.

Other favors are routinely sprinkled on the policymakers who control the industry’s fate. In 2003, when Congress worked late drafting the new Medicare prescription drug benefit, lobbyists sent in catered food. And when Bush was inaugurated on Jan. 20, AstraZeneca opened its fifth-floor offices overlooking

Pennsylvania Avenue to select congressional staff for a parade-watching party.

The industry also can present a harder edge. David Graham, the FDA drug-safety official whose research contributed to Merck's pain reliever Vioxx being taken off the market last year, says he was subjected to a whispering campaign in the days before he appeared at a Senate hearing in November.

He says industry lobbyists and his FDA superiors planted suggestions on Capitol Hill that he was testifying to establish himself as a highly paid expert witness who could testify in liability suits against the drug's manufacturer. And he says they sought to undermine his credibility by alleging that his scientific conclusions were influenced by his devout Catholicism.

"It's really ridiculous," Graham says. His testimony, he says, was "a matter of conscience." The Government Accountability Office, Congress' investigative arm, is looking into the charges as part of a broader review of how the FDA deals with internal scientific disagreements. PhRMA's Tauzin says he has no knowledge about the incidents Graham describes.

There also is evidence that the industry's allies sought to dissuade Grassley from holding the Nov. 18 hearing. Grassley says he received entreaties from GOP colleagues worried about alienating an industry friendly to their party. He recalls: "I had one or two colleagues say to me, 'Why would you want to have that hearing? The pharmaceutical industry is so helpful.'"