

Congress of the United States
Washington, DC 20515

April 20, 2007

The Honorable Susan Schwab
United States Trade Representative
600 17th Street, NW
Washington, DC 20508

Dear Ambassador Schwab:

We write with regard to Israel's status on the United States Trade Representative (USTR) Special 301 Report for 2007. It is our understanding that the USTR has been encouraged to designate Israel on the "Priority Watch List". While we recognize that concerns may exist with regards to Israel's Intellectual Property Rights (IPR) laws, we strongly feel that this recommendation is unwarranted and we urge you to remove Israel from the list.

First, in recent years, Israel has made great strides – working closely with the United States – to update and improve their intellectual property laws relating to data exclusivity and patent term restoration. Data exclusivity is allotted for 5 ½ years from the date an innovative drug is first approved for use in a recognized country¹, or five years from the date of approval for use in Israel, whichever is earlier. This model is adapted from the North American Free Trade Agreement (NAFTA). Patent term restoration is allotted for up to five years beyond the twenty-year patent term required under the most comprehensive multilateral agreement on intellectual property, the World Trade Organization (WTO) TRIPS agreement.

Israel's protections far exceed the current level of protection with regard to both data exclusivity and patent term restoration provided by many other countries on the "Priority Watch List" or the "Watch List". In fact, at least eight countries on the 2006 Priority Watch List lacked data exclusivity protections. Furthermore, at least 26 of the countries on the 2006 Watch List and at least eight Priority Watch List countries provide no patent term restoration protections.

Second, as you are well aware, trade relations are an integral component of our strategic partnership with Israel. The United States entered into its first ever free trade agreement with Israel in 1985, and since then trade has been key to maintaining a mutually beneficial and strong U.S.-Israel relationship. We are concerned that Israel's designation on the Special 301 list impairs this trade relationship, and is ultimately detrimental to our relations with our most important ally in the Middle East.

Given the level of protections provided by Israel, and the importance of the U.S.-Israel relationship, it is extremely concerning that the USTR in 2005 elevated Israel from

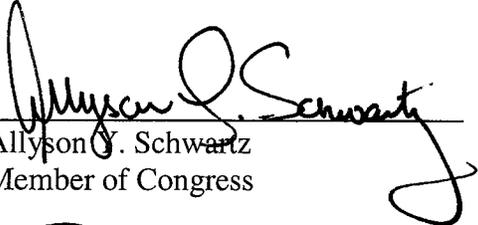
¹ A "recognized country", as defined in the Pharmacists Regulations (Pharmaceutical Products), 1986, includes any one of the following countries: United States, Canada, the EU member states, Norway, Switzerland, Iceland, Japan, Australia and New Zealand.

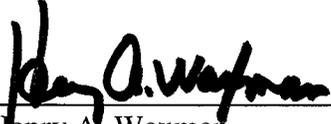
“Watch List” status to “Priority Watch List” status, and in 2006 maintained Israel on the “Priority Watch List”. Israel has made substantial efforts to provide adequate intellectual property protection while ensuring access to medicines for its citizens. Therefore, we respectfully request that Israel be removed from the USTR Special 301 Report.

We would also like to take this opportunity to ask the USTR to provide Congress a rationale for its development of Special 301 standards and designations for determining the adequacy and effectiveness of the intellectual property protections enforced by U.S. trading partners. Given our concerns over Israel’s placement on the list, we are interested in ensuring that the development of the Special 301 Report is more transparent and fair -- providing an understanding of how information is collected among various U.S. agencies and how submissions from private stakeholders are assessed in formulating each annual Special 301 Report.

We appreciate your consideration of our concerns and requests and look forward to working with you to ensure that the development of the Special 301 Report is a transparent and fair process and the report itself serves as a useful and balanced guide to intellectual property protections around the world.

Sincerely,

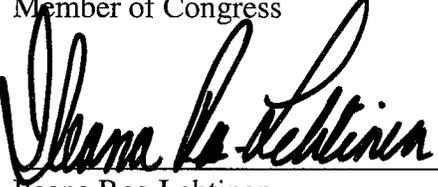

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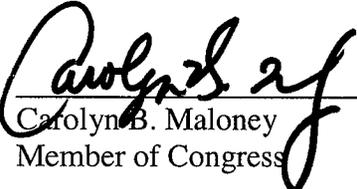

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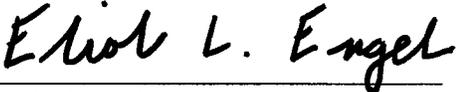

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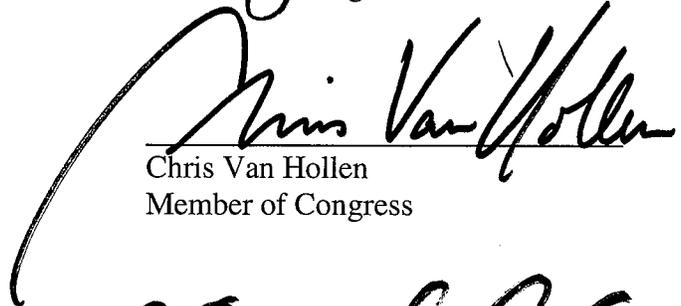
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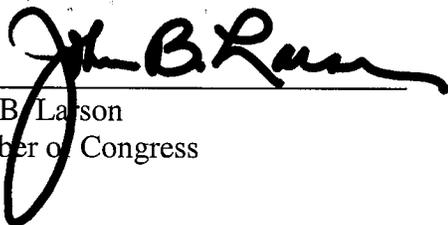
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