

Congress of the United States
Washington, DC 20515

January 11, 2019

The Honorable Joseph Simons
Chairman
Federal Trade Commission
600 Pennsylvania Ave., NW
Washington, DC 20580

The Honorable Matthew G. Whitaker
Acting Attorney General
U.S. Department of Justice
950 Pennsylvania Ave., NW
Washington, DC 20530

Dear Chairman Simons and Acting Attorney General Whitaker:

We write to urge the Federal Trade Commission (FTC) and Department of Justice (DOJ) to examine carefully the proposed \$74 billion merger between two pharmaceutical giants, Bristol-Myers Squibb and Celgene.

We suggest the agencies focus on two issues: First, the market impact in the pharmaceutical industry of a merger that will further consolidate the industry to the detriment of competition; and, second, the likelihood that the \$74 billion merger will significantly increase the prices consumers, taxpayers, and employers will be required to pay for prescription drugs after the merger, not for better medications, but to finance the merger itself.

Impact on Competition:

The proposed Bristol-Myers Squibb acquisition of Celgene will be the largest ever acquisition in the pharmaceutical industry. The merger would diminish competition and reduce patient treatment options by giving the acquiring company, Bristol-Myers Squibb, access to several product lines that either compete with or complement its current cancer drugs, including Abraxane, Pomalyst, and Revlimid.

It would also give Bristol-Myers Squibb added leverage when negotiating placement of its drugs on formularies and what discounts it will provide. The larger the company, the more it can use ‘rebate walls’ to block formularies access to more affordable and or equally effective substitute products.

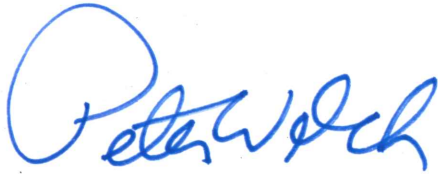
Impact on Consumer Prices:

In past mergers, the acquiring company has invariably increased the cost of prescription drugs—those in its portfolio and of the portfolio of the acquired company—to pay for the acquisition itself. For example, after Actavis acquired Allergan in 2015, the merged company proceeded to raise the price of its drugs four years in a row, most recently by an average of 9.5% on its entire portfolio, 75 drugs in all. Subsequent to AbbVie acquiring Phamacyclics in 2015, it attempted to triple the price of Ibrutinib, one of the newly acquired cancer drugs. And most notably, immediately after acquiring Baxalta, Shire raised the price of its drug Oncaspar by \$10,000. It should be shareholders, not consumers, taxpayers, and employers who pay for the merger.

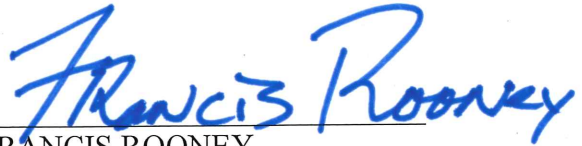
Should the FTC and DOJ allow a merger, it should be conditioned on a hold harmless provision assuring that it will not be paid for by consumers, taxpayers, or employers, but by shareholders: the ones who stand to benefit.

Thank you for your attention to this matter and we look forward to hearing back from you.

Sincerely,



PETER WELCH
Member of Congress



FRANCIS ROONEY
Member of Congress