

Social Responsibility

Cipla shows humanitarian concern, makes AIDS medication much cheaper

The war against the AIDS epidemic plaguing developing nations has another ally. A Bombay-based prescription-drug manufacturer, Cipla Ltd., has offered to sell governments and the medical aid agency Doctors Without Borders AIDS medicine at a greatly reduced price.

The company is willing to sell Doctors Without Borders the triple-therapy "cocktails" for \$350 a year per patient, provided that the agency gives the drugs to the patients for free. The company says that in this kind of disaster, humanitarian deeds are more important than profit.

The World Health Organization is working with multinational drug companies to reduce the prices of the drugs, but Cipla has taken a step that could get the drugs to the patients by



BRIENNE PORTER

patents to these drugs, and they say Cipla is violating international patent laws by selling the generic versions to countries. These companies need to realize that patent laws are not important when 25 million Africans are infected with the AIDS virus. By distributing the generic drugs and not fighting over patents, Cipla is helping a greater humanitarian cause.

Critics suggest that Cipla is trying to take over the African market for AIDS drugs. The chairman of Cipla, Dr. Yusuf K. Hamied, said, "I do not have a monopoly, and the only way to make real money in drugs is with a monopoly. In this disaster, there is room for everybody." By reducing the prices, the company will barely break even with production costs. The cost of these drugs is \$10,000 to \$15,000 a year in the West, according to *The New York Times*.

Other critics say that the patients will not be monitored closely and will not have access to the routine tests that Western patients are given.

These drugs can cause such ailments as liver damage if the patients are not checked for problems. But with this many people infected with AIDS, Doctors Without Borders says that imperfect treatment is better than none.

Critics must realize that this treatment is the best that these agencies and Cipla have to offer. Wasting time trying to get a perfect treatment in place will allow the AIDS virus to continue to spread.

"Large numbers of infected Africans live in urban areas where, with a quite simple clinic, you can deal with anti-retrovirals," said Dr. Bernard Pecoul, director of the Access to Essential Medicines project for Doctors Without Borders, in a *New York Times* interview. There are chances for organ damage, but the benefits of treating these patients outweighs the risks.

Cipla Ltd. is leading the way in helping to end the suffering of AIDS patients in developing nations. While the critics of its deal have valid points, the humanitarian reasons are strong enough for Cipla to continue its work.

Multinational companies need to stop arguing about patent laws and learn a lesson from this company. If they take a loss and offer their drugs at a lower cost, they will reap the benefits of helping a worthy cause. Money and laws cannot solve the world's problems.

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RUBEN DELUNA/THE BATTALION

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the end of this year. The multinational companies are doing a country-by-country negotiation of the prices, and so far, only three African nations have agreements.

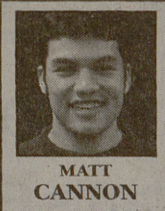
Africa is home to 70 percent of the 36 million AIDS cases worldwide. According to Doctors Without Borders, the cost of a typical cocktail in Senegal is \$1,000 a year from the major drug companies. With the deal offered by Cipla, governments will pay \$600 a year, and, if the demand increases, the price could be reduced.

Few companies have taken such a bold step to forego profits to help solve the problem of AIDS in these countries, and Cipla should be commended for its efforts. Such actions are necessary if the AIDS epidemic in Africa is to be controlled.

Many of the multinational companies are opposed to deals like Cipla's because Cipla produces the generic version of their drugs. The companies are fighting because they own the

Texas blamed for power problems

Beginning when George W. Bush announced his candidacy for president back in 1999, a charming little game has been steadily growing in popularity among politicians around the nation. This game is called Texas-bashing. To play, all a person needs is a little anger and a big mouth. In fact, the game has really come into its own as a political sport lately, as Texas has been criticized for everything from environmental troubles to the number of convicted felons executed annually.



MATT CANNON

But there is a new kid in town, and he sure is big. His name is California, and he has an energy crisis. Most people by now have heard of the California energy crisis — or "challenge," as California Gov. Gray Davis calls it. Here in Texas, people may not care much about it, but they should. Texas businesses are being blamed for the crisis by some politicians in California, but there is no one to blame but California itself.

The trouble started in 1996 when California legislators decided to deregulate the state power industry. They aimed to privatize the industry by allowing large power companies such as Reliant Energy and Dynegy to purchase and run California power plants. The companies would then sell power to state utilities for use by the public. The idea was that allowing power companies to enter the picture would generate a competitive environment and keep the price of power low.

Although no officials seemed to complain at the time, most of these companies were out-of-state businesses. In fact, most of them are Texas-based and are strongly associated with both the image and the economy of the state of Texas. These companies include industry giants Enron and Reliant Energy, which have their names plastered all over Houston on everything from skyscrapers to sports stadiums.

Fast-forward several years: Despite the good intentions of state legislators, deregulation failed miserably. Soon after it began, wholesale electricity prices in the state soared. The public utilities plunged further and further into debt as they continued to buy power at extremely high prices but were unable to pass these prices on to consumers, because of a price cap fixed by the legislature to protect the public from high electricity prices. Instead, now they may have no power at all.

Bone-headed state officials, looking to pawn off the blame on someone else, turned to Texas power companies. Their spin was that out-of-state big-business monsters were jacking up the price of electricity just to make a profit. Some officials are even claiming that power companies "deliberately took their power plants out of service to reduce available supplies to drive up prices," according to *The New York Times*.

San Francisco has even filed a lawsuit against the energy companies stating that the companies found a way to illegally "take advantage of a deregulated market to make a quick buck." However, the fact that these people have no evidence to back up their claims makes them look more like the cowards they have become.

In fact, the Federal Energy Regulatory Commission said in a recent report that it could find no proof that companies took their generators out of commission to drive up prices. By trying to avoid responsibility for their mistakes, California officials risk hurting not only the energy companies but the image and the economy of Texas.

So what really happened? There is no doubt that the power companies jacked up electricity prices, but the problem is much deeper than that. California has not added new large power plants to its electricity grid for at least 10 years. Many of its plants are either outdated or are not working at all. Meanwhile, the state population has been rapidly growing along with a strong economy, which means increased power demands.

As anyone taking a high school economics course can tell you, this is a simple matter of supply and demand: When there is a short supply of power and a huge demand for it, prices go up. The power companies certainly could have taken the initiative to build more power plants, but they had absolutely no motivation.

California is known for its stringent environmental regulations, which can be especially cumbersome for businesses, like power plants, that are notorious for polluting the environment. By not building new power plants, the companies not only avoided going out of their way to adhere to environmental regulations, but they also decreased the supply of power to the state.

Although this may seem mean-spirited, it is not illegal. "Did they break the law? They didn't have to," said Steve Klein, superintendent of Tacoma Power, a West Coast utility. Legislators should have known that this was going to happen. Businesses are out for a profit, not to be nice.

California prides itself on being a wonderful place to live, and it certainly is. But it made a mistake with deregulation, and the results are not pretty. Instead of owning up to it and working toward a viable solution, some people have chosen to lay the blame at the feet of Texas businesses.

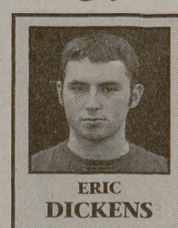
However, Texas is accustomed to responding to such criticism. And someday it may just raise up its collective voice and shout, "We may be big and ugly, but at least we have power!"

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This is not the end

Court ruling far from being Napster's death knell

Two days before Valentine's Day, the hearts of millions of Napster users sank. On Feb. 12, a three-member panel of judges from the 9th U.S. Circuit Court of Appeals dealt a huge blow to the music-swapping company by sustaining the injunction against it from a lower-court ruling in July.



ERIC DICKENS

While the panel did not immediately shut down the service, it agreed with District Judge Marilyn Hall Patel's previous decision that Napster Inc. contributed to copyright violations. However, the appeals court ruled that the initial injunction was "overbroad" and needed amendment. The case will return to the lower court, where a more specific injunction will be hammered out, forcing Napster to stop trading MP3 files that record companies told it to block. After the ruling was announced, the Recording Industry Association of America (RIAA) celebrated its victory. Hilary Rosen, RIAA's chief executive, called the ruling "a clear victory."

"The court of appeals ... ruled in our favor on every legal issue presented," she said. Meanwhile, Napster supporters filled Internet message boards with cries of injustice and spoke with their hands by logging on to Napster servers and downloading MP3s like there was no tomorrow.

But before Napster users and the RIAA start sounding a requiem for the MP3-trading program, it should be noted that the appeals-court ruling provides some wiggle room for Napster and its users to continue downloading copyright material. Furthermore, even if Napster's method of operation is shut down, last week's ruling does not mean the end of illegal MP3 downloading.

Contrary to headlines declaring that the appeals-court ruling signaled Napster's death knell, using Napster to trade copyright MP3s does not have to end. The ruling ordered Napster to police its networks "within the limits of the system."

Napster previously argued that it cannot effectively monitor all transactions between its users. More than 275 servers connect users to one another, and the service itself sees about 10,000 file transfers per second. Because Napster is unable to effectively patrol and monitor its servers, music pirates may

still be able to operate under the scrutinizing eyes of Napster and the RIAA. Besides monitoring user transactions, Napster may be forced to filter out certain files. The court ruled that Napster will be held accountable for copyright violation only if it "receives reasonable knowledge of specific infringing files ... or should know that such files are available on the Napster system."

Basically, this means that it is up to the RIAA to tell Napster which files to block. The organization has sent Napster a list of more than 12,000 songs to ban from its servers and is expected to send more. However, Napster users may be able to rename copyright songs to make them appear as if they are uncopyrighted versions, especially the live recordings.

Nonetheless, if Napster does drop the ball as the leader in MP3 piracy, a number of other programs will be anxious to pick it up. Napster boasts about 50 million users. Shutting down Napster as a source of copyright MP3s will create a vacuum in the peer-to-peer file-swapping universe.

Programs like Gnutella and Freenet are prime candidates to fill that vacuum. The best part is, under the law, including last week's ruling, these programs cannot be stopped. Napster's Achilles' heel is that, although users connect to one another's computer, the connection and transfer is managed by central networks. Those networks can be monitored, filtered and shut down for trading illegal files.

Gnutella and Freenet, on the other hand, use what has been called "pure" peer-to-peer connectivity without a central server. These programs have no way within the limits of the system to police the transfer of illegal files.

Even if Gnutella and Freenet are shut down Napster-style, illegal peer-to-peer trading will continue on a user-to-user basis. Before Napster came around, MP3 swapping was carried out by an underground community of music pirates offering access to their own collections of copyright songs in exchange for access to another's.

Using Internet relay chat and file transfer protocol programs, millions of copyright MP3s were available for download. These programs are the cockroaches of the MP3 world. They were there long before the dawn of Napster, and, should the RIAA start a nuclear war against copyright infringement, these companies will be there when the dust settles.

The only way the RIAA can effectively target music piracy online is to fight fire with fire, or in this case, technology with technology. The recording industry is working on developing anti-piracy file security. If the corporate world succeeds in finding a way to encrypt and protect MP3s from being illegally transferred, this would present a new challenge to the hacker community — and there is nothing hackers love more than a new challenge.

While the battle between programmers and hackers, record companies and penniless college students continues, some things remain constant. As long as there is interest in free music downloads and a lack of morals on the Internet, the trading of copyright MP3s is not going away. With its "victory" over Napster last week, the RIAA may have pulled out a huge weed, but it did not get the roots.

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