

generic acetylcysteine inhalation solution in the United States. The branded version of this product, Mucomyst, is no longer available. Fresenius/Kabi/Pfizer is the market leader with an approximately 69% share and Hospira has an approximately 22% share.

Clindamycin phosphate injection is an antibiotic used to treat lung, skin, blood, bone, joint, and gynecological infections in hospitals. Currently, only four companies supply the product in the United States: Pfizer, Hospira, Sagent Pharmaceuticals, and Fresenius Kabi. While Pfizer's clindamycin phosphate product is a branded version, the price of Pfizer's product is competitive with the generic products. Customers, therefore, play the branded and the generic products against each other to negotiate prices. Pfizer and Hospira have a combined approximate market share of more than 80%.

Voriconazole injection is an antifungal medication used to treat significant fungal infections in hospitals. Pfizer currently sells its Vfend brand voriconazole injection product priced competitively with the only generic version in the United States, which is offered by Sandoz. Hospira is one of a limited number of suppliers capable of entering the voriconazole injection market in the near future.

Melphalan hydrochloride injection is a chemotherapy agent used to treat multiple myeloma and ovarian cancer. There are currently two melphalan hydrochloride injection products available in the United States: the branded version, which was originally developed and marketed by Glaxo Smith Kline and is now supplied by ApoPharma USA, Inc. ("ApoPharma"), and the generic version, sold by Mylan N.V. ("Mylan"). ApoPharma prices its branded version of the product competitively with the generic version offered by Mylan. Pfizer and Hospira are developing melphalan hydrochloride injection products, 0 Tw [(heg)-4(ot-4(ha)-6(ve)4((T)1T)C

Like true generic pharmaceutical markets, these multi-source pharmaceutical products generally are commodities, and prices often are inversely correlated with the number of competitors in each market. As the number of suppliers offering a therapeutically equivalent drug increases, the price for that drug decreases due to the direct competition between the existing suppliers and each additional supplier. The Proposed Acquisition would eliminate the current competition between two of the three competitors in the market for generic acetylcysteine inhalation solution, resulting in a duopoly and likely price increases. Similarly, in the market for clindamycin phosphate solution, the Proposed Acquisition would eliminate competition between two of only four current competitors, leading to higher prices.

In addition, the Proposed Acquisition likely would cause significant anticompetitive harm to consumers by eliminating future competition that would otherwise have occurred if Pfizer and Hospira remained independent. The evidence shows that anticompetitive effects are likely to result from the Proposed Acquisition due to the elimination of an additional independent entrant in the currently concentrated markets for voriconazole injection and melphalan hydrochloride injection, which would have enabled customers to negotiate lower prices. Customers and competitors have observed—and pricing data confirms—that the price of these pharmaceutical products decreases with new entry even after several other suppliers have entered the market.

third-party development and contract manufacturing agreements for voriconazole injection and melphalan hydrochloride injection to Alvogen. The proposed Order also requires Pfizer and Hospira to provide transitional services to Alvogen to assist it in establishing its manufacturing capabilities and securing all of the necessary FDA approvals. These transitional services include technical assistance to manufacture clindamycin in substantially the same manner and quality employed or achieved by Hospira, and advice and training from knowledgeable employees of the parties.

The purpose of this analysis is to facilitate public comment on the proposed Consent Agreement, and it is not intended to constitute an official interpretation of the proposed Order or to modify its terms in any way.