International Association of
BRIDGE, STRUCTURAL, ORNAMENTAL AND REINFORCING IRON WORKERS
1750 NEW YORK AVE., N.W., SUITE 400, WASHINGTON, D.C. 20006

Affiliated with AFL-CIO

ERIC M. DEAN
GENERAL PRESIDENT
202-383-4810

August 17, 2018

The Honorable Paul D. Ryan
Speaker of the House of Representatives
H-232, United States Capitol
Washington, D.C. 20515

Dear Mr. Speaker:

For 15 years, labor unions in North America's Building and Construction trades and companies in the biopharmaceutical industry have enjoyed a robust partnership, formalized as the Pharmaceutical Industry Labor-Management Association (PILMA). As Chairman of the organization and General President of Iron Workers International, I have seen firsthand how government policies impact the industry's investment in R&D, manufacturing and the subsequent infrastructure projects that provide construction jobs for our members.

The biopharmaceutical industry is a vital sector in the United States, supporting over 4.7 million jobs and remains an important economic driver for the health of our nation. The building trades enjoy a strong relationship with the industry, which requires highly skilled workers to build research and manufacturing facilities to exacting standards. Not only do these companies employ our members to build new facilities, but to continually retrofit and upgrade existing infrastructure, providing a stream of steady work in their drive to find new discoveries of life saving medicines.

Recently, Congress passed the Bipartisan Budget Act with a provision that would threaten the viability of the industry to invest in new treatments and cures and decimate the competitive nature that is the foundation of the Medicare Part D program, without providing significant savings to the government or beneficiaries.

The provision changes the payment structure in the "donut hole" portion of Medicare Part D. After a drug insurance plan spends a certain amount on a beneficiary, the beneficiary moves into the donut hole phase of coverage where the cost sharing structure shifts between the insurance plan, the government, manufacturers and the beneficiary. Under the new provision, a large portion of the cost burden would shift from the insurers to patients and manufacturers. This would reduce insurers liability to just 5% of beneficiary costs in the donut hole, decimating incentives for insurers to keep costs low. Even more egregious is that **beneficiaries will now pay five times more than their insurance plans** during this phase of coverage.

In no case should the beneficiary pay more than their insurer for the cost of medicines and treatment. That is what premiums are for. PILMA stated its opposition to this new provision back in February, however, recent fiscal analysis of this change further strengthens the case to roll back the provision.

America's skilled craft unions and PILMA have a long history of supporting policies that reduce barriers to access for patients, which includes lowering out-of-pocket costs. However, this plan does not result in significant savings for beneficiaries. The cost to manufacturers threatens the industry's international footprint in the U.S. as well as the jobs that come with it. The men and women of the building trades depend on large infrastructure projects like those the biopharmaceutical industry provides to continue apprenticeship training programs, fund our health and welfare plans and keep our members earning a steady wage to remain in the middle class.

The biopharmaceutical industry makes significant contributions to new scientific advancements and is pursuing not just innovative treatments, but also cures. It is essential that the government protect this industry that is vital to the fabric of the U.S. economy rather than raid its R&D funding to pad the pockets of insurers.

Congress now has the opportunity to make changes to Medicare Part D that would make medicines more accessible and affordable for patients, improving health outcomes. Inaction to address the 2020 out-of-pocket cliff and the negative consequences from this provision in the Bipartisan Budget Act is not an option. We encourage Congress to repeal this provision and work with stakeholders to develop a policy that works for citizens.

Sincerely,

Eric Dean

GENERAL PESIDENT

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ERIC M. DEAN
GENERAL PRESIDENT
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August 17, 2018

The Honorable Nancy Pelosi
Democratic Leader
U.S. House of Representatives
H-204, U.S. Capitol
Washington, D.C. 20515

Dear Leader Pelosi:

For 15 years, labor unions in North America's Building and Construction trades and companies in the biopharmaceutical industry have enjoyed a robust partnership, formalized as the Pharmaceutical Industry Labor-Management Association (PILMA). As Chairman of the organization and General President of Iron Workers International, I have seen firsthand how government policies impact the industry's investment in R&D, manufacturing and the subsequent infrastructure projects that provide construction jobs for our members.

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ERIC M. DEAN
GENERAL PRESIDENT
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August 17, 2018

The Honorable Mitch McConnell
Senate Majority Leader
317 Russell Senate Office Building
Washington, D.C. 20510

Dear Leader McConnell:

For 15 years, labor unions in North America's Building and Construction trades and companies in the biopharmaceutical industry have enjoyed a robust partnership, formalized as the Pharmaceutical Industry Labor-Management Association (PILMA). As Chairman of the organization and General President of Iron Workers International, I have seen firsthand how government policies impact the industry's investment in R&D, manufacturing and the subsequent infrastructure projects that provide construction jobs for our members.

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ERIC M. DEAN
GENERAL PRESIDENT
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August 17, 2018

The Honorable Charles Schumer
Senate Minority Leader
322 Hart Senate Office Building
Washington, D.C. 20510

Dear Leader Schumer:

For 15 years, labor unions in North America's Building and Construction trades and companies in the biopharmaceutical industry have enjoyed a robust partnership, formalized as the Pharmaceutical Industry Labor-Management Association (PILMA). As Chairman of the organization and General President of Iron Workers International, I have seen firsthand how government policies impact the industry's investment in R&D, manufacturing and the subsequent infrastructure projects that provide construction jobs for our members.

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STATEMENT on the importance of policies that support a competitive biopharmaceutical industry

PILMA
Pharmaceutical Industry
Labor-Management Association

February 8, 2018

Our nation's biopharmaceutical industry is vital to the personal health of our people and the economic health of our country. At the current time, and in the current political and regulatory environment, we are at the edge of a precipice: We must support policies to help us remain the international leader in biopharmaceutical development and manufacturing, or we can watch the industry move overseas, like so many before it. It is a harsh reality, but one that is simultaneously rife with opportunity.

Short term, punitive measures like the Part D change currently under consideration in the budget deal is the wrong proposal.

The unions and companies of the Pharmaceutical Industry Labor-Management Association (PILMA) recognize that, especially in the current economy, America needs a sustainable and growing biopharmaceutical industry. Directly and indirectly, our industry supports jobs for 4.7 million people in all 50 states. But, without the proper industry-related policies, these jobs may ultimately leave the U.S. to relocate in other countries where environments are friendlier.

PILMA has historically opposed rebates in the Part D program, as they would eliminate jobs, restrict seniors' access to affordable prescription medication, decrease efforts to prevent chronic disease and increase long-term costs for chronic disease treatment, and would redirect any savings away from enrolled beneficiaries and into the Treasury without creating a single job.

First, we must prevent other countries from using their friendlier economic and tax policies to entice American biopharmaceutical companies to their shores. At the same time, we must not create a hostile environment that does our competitors' jobs for them. Because we are in an environment where revenues are a central focus of policymakers, we must guard against policies that would diminish our already fragile competitive position. We believe America's global leadership position will be in danger unless we establish policies that encourage sustained innovation and growth.

Medical innovations and biopharmaceutical advancements have been drivers in the knowledge-based economy. The U.S. remains the global leader in biopharmaceutical development, in part because of the American biopharmaceutical industry's research and development achievements, but also because American biotechnology employment represents more than half of all such jobs worldwide. Indeed, the vast majority of global biopharmaceutical R&D investment is domestic. America's union construction force helps build those facilities where new discoveries are made to save and improve lives.

If steps aren't taken to maintain this leadership position, good jobs and the health of the American people are at stake. We have the opportunity to create jobs and strengthen U.S. global competitiveness by both promoting and expanding biopharmaceutical industry investment in research and development and manufacturing in America. To do that, we need to ensure that we institute policies that improve incentives for companies to undertake the unpredictable and expensive process that leads to the creation of tomorrow's therapeutic breakthroughs. And, simultaneously, we must renew efforts to make sure America has fostered the talent to research, discover and manufacture biopharmaceutical innovations well into the future. This can be achieved by addressing the full formal education pipeline in science, technology, engineering and mathematics from kindergarten through 12th grade, in vocational/technical schools, labor/management training, college, and graduate university programs.

The lynchpin to the apprenticeship training formula is a job where apprentices can earn while they learn, develop skills without debt, and start to immediately provide for their families with a career that helps them contribute to the economy and society. Across the country the biopharmaceutical industry provides those jobs key to this vital workforce development process.

An onerous, punitive charge to the Part D program will threaten that potential investment, directing needed capital and economic development funds to a short-term fix to the national debt. It is pulling the foundation out from a house to fix the roof.

As a coalition of skilled craft unions and biopharmaceutical companies dedicated to innovation, discovery, jobs and sustainability, we are concerned about a stop-gap measure to fill the Medicare "donut hole" with a punitive pay-for assessing the biopharmaceutical industry. This measure will take needed resources away from innovation, research development, capital construction for biopharmaceutical research and development, and ultimately, construction jobs.