

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

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

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.