

October 25, 2018

The labor unions and biopharmaceutical companies of the Pharmaceutical Industry Labor-Management Association (PILMA) have a longstanding position against price controls and barriers to access that would stifle innovation, thwart the discovery of new medicines and harm union construction jobs.

In light of President Trump's speech today at the Department of Health and Human Services, we reiterate our long-held view that arbitrarily linking the price of medicines to those in other countries disrupts America's competitive market-based economy and would have a devastating impact on medical innovation. Forcing foreign government price controls on American health care would negatively impact biopharmaceutical investment in research and development, create barriers to access to life-saving medicines, immediately reduce capital construction and hurt union construction jobs upon which the men and women of America's Building Trades rely.

Last year, PILMA adopted the following resolution concerning price controls on biopharmaceuticals, warning of the consequences of the exact policies the administration has announced today. These are harmful policies that would do irreparable damage to an industry that is responsible for the largest share of business R&D in the U.S. and supports more than 4.7 million American jobs.

*WHEREAS, innovation within the U.S. biopharmaceutical sector leads to new discoveries that save lives and contribute to U.S. economic growth and result in the U.S. being the global leader in biopharma research and development; and*

*WHEREAS, this competitive edge has positioned the U.S. pharmaceutical sector as one of the few manufacturing industries that still maintains a significant employment footprint domestically, supporting more than 4.4 million American jobs and is responsible for a larger share of business R&D than any other industry in the U.S. economy; and*

*WHEREAS, PILMA is committed to the dual goals of fostering innovation in life-saving cures and securing high-quality union construction jobs; and*

*WHEREAS, on average a new medicine that goes to market costs \$2.6 billion and takes 10 years to go through the entire R&D process; and*

*WHEREAS, price controls in the form of indexing drug prices to those in other countries, instituting a commission to arbitrarily decide what prices are deemed acceptable or tying market wide drug prices to the Veterans Administration, disrupts America's competitive market-based economy and would have a devastating impact on medical innovation; and*

*WHEREAS, America relies on its competitive marketplace to control costs while encouraging development of new treatments and as a result, U.S. patients' have access to new therapies before they are offered in other countries; and*

*WHEREAS, price controls will result in less investment in R&D and could reduce employment in the construction industry through decreased capital construction projects; and*

*WHEREAS, PILMA has steadfastly opposed policies that reduce investment incentives and weaken protections of intellectual property rights, because without these Constitutional safeguards in place the innovation-investment process dries up and quickly, jobs are lost; therefore*

*BE IT RESOLVED, that the trade union and company trustees of the Pharmaceutical Industry Labor-Management Association (PILMA) recognize that price controls will upend America's position at the forefront of medical innovation, cease current and future research and development and eliminate American jobs the industry supports; and*

*BE IT FURTHER RESOLVED that price controls violate the very fabric of the U.S. Constitution by disregarding the patent and trademark clause put in place to protect innovation and create incentive to take economic risks for the health all Americans and the world; and*

*BE IT FURTHER RESOLVED that the trade union and company trustees of PILMA will advocate and urge legislators to oppose legislation that arbitrarily caps drug costs.*