

August 25, 2021

To the Delaware, New Jersey and Pennsylvania Congressional Delegations:

We, the undersigned business and labor organizations located in your states, write to you to express our strong opposition to H.R. 3, the “Lower Drug Costs Now Act” and other proposals including those offered by Senator Ron Wyden (D-OR). These bills and proposals represent ill-conceived legislation that would devastate our region’s standing as a leader in the life sciences as well as our states’ economies. We encourage lawmakers instead to pursue patient-centered policies that will lower health care costs, increase patient access and also protect future medical innovation and jobs.

These proposals strike at the engine that drives our region’s workforce and economy – the biopharmaceutical research community, which works every day to discover new treatments and cures for some of the world’s most dreaded diseases. Not only would this legislation imperil many of the more than 575,000 jobs directly and indirectly tied to the biopharmaceutical sector in our states, the \$16 billion spent by biopharmaceutical companies on vendor companies in these states each year, and the \$154 billion in annual economic output generated by the industry in these states, it would result in dramatic reductions in the almost \$100 billion invested in research annually by the biopharmaceutical industry in pursuit of lifesaving treatments and cures for Alzheimer’s, breast cancer, diabetes, rare diseases and many other medical conditions.

The economic impact of these proposals for our states would be catastrophic – biopharmaceutical jobs, vendor spending, construction activity, tax revenue, charitable donations and other workforce and economy elements could all be seriously and adversely impacted. Our region could lose roughly 131,500 jobs and \$35.4 billion in annual economic output, according to data from Vital Transformations’ study entitled, “H.R. 3 and Reference Pricing Total Market Impact.”

Patient access to innovative medicines also could be severely curtailed by the loss of R&D investment. According to the U.S. Food and Drug Administration and other credible sources, close to 90% of new medicines launched since 2011 were available to U.S. patients, compared with just 50% in France, 46% in Canada and 36% in Australia (among the countries to which H.R. 3 would marry America’s health care system).

Our region – one of the world’s preeminent life sciences hubs – boasts many of the most thriving, innovative and influential life sciences companies in the world. They have been successful because our innovation ecosystem encourages investment and great risk-taking. What we do *not* need is a government-imposed health care plan that would gut R&D spending and provide minimal benefit to the American public while seriously damaging a highly innovative sector that drives our region’s workforce and economy and creates new cures and treatments to save lives and relieve suffering.

We agree that we can, and we must, work to lower health care costs for our citizens. However, this goal should not be achieved by sacrificing future medical innovation and upending one of our region’s key economic drivers.

We therefore respectfully urge our states’ congressional delegations to pursue alternatives to H.R. 3 and the Wyden proposal that would support continued development of life-saving medicines and therapies for patients and contribute to the economic advancement of all Delawareans, New Jerseyans and

Pennsylvanians.

We would look forward to the opportunity to discuss any questions you may have about our views.

Thank you for your consideration.

Sincerely,

BioAdvance
BioNJ
Burlington County Regional Chamber of Commerce
Chamber of Commerce Southern New Jersey
Chemistry Council of New Jersey
Chester County Chamber of Business and Industry
Commerce and Industry Association of New Jersey
Delaware BioScience Association
Delaware Business Roundtable
Delaware County Chamber of Commerce
Delaware Manufacturing Association
Delaware Retail Council
Delaware State Chamber of Commerce
HealthCare Institute of New Jersey (HINJ)
InnovationNJ
Life Sciences Greenhouse of Central Pennsylvania
Life Sciences Pennsylvania
Morris County Chamber of Commerce
New Castle County Chamber of Commerce
New Jersey Mayors Committee on Life Sciences
NJ State Chamber of Commerce
NJBIA
Pennsylvania Chamber of Business and Industry
Pennsylvania Manufacturers' Association
Philadelphia Alliance for Capital and Technologies (PACT)
Somerset County Business Partnership
Southern NJ Development Council
We Work for Health Delaware
We Work for Health NJ
We Work for Health Pennsylvania