



June 21, 2021

To the California Congressional Delegation,

We, the undersigned, write to you in opposition to H.R. 3, the “Lower Drug Costs Now Act.” This misguided policy would devastate California’s position as a leader in science and technology, and harm our state’s economy in the process. We encourage lawmakers to instead focus on patient-centered policies that will lower health care costs while protecting future innovation.

The Golden State’s life sciences sector leads the nation in economic growth, significantly contributes to the state’s overall GDP, and employs hundreds of thousands of Californians. Our life sciences industry, which includes biotechnology and pharmaceutical manufacturing, directly employs over 320,000 Californians, with an average annual salary of \$130,000, while indirectly employing an additional 621,000. The industry has paid more than \$6.4 billion in state and local taxes, all while developing thousands of new medicines that are crucial for the health of individuals across the world.<sup>1</sup>

H.R. 3 threatens the very industry that California relies on as both a job creator and as a generator of tax revenue used to fund crucial state programs. A [study](#) conducted by Vital Transformation estimates that should H.R. 3 pass, one-third of the companies impacted would

<sup>1</sup> California Life Sciences Association: [2020 California Life Sciences Sector Report](#), dated October 7, 2020.

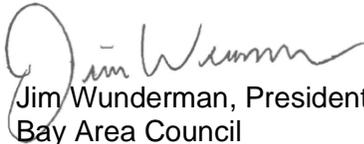
see earnings reductions of more than 95%, which would result in the direct loss of 32,000 jobs in California. When the estimate accounts for the loss of indirect and induced employment, H.R. 3 will be the reason nearly 180,000 people lose their jobs.

California's unique economic landscape champions entrepreneurial ambition and is home to some of the most thriving and influential companies in the world because of it. An "aye" vote for H.R. 3 is a "no" vote for the future of the American Dream. It risks the very genome of our nation's prosperity -- innovation. California alone accounts for 25% of the nation's total investments into small and emerging biotechnology firms. Had H.R. 3 been in place between 2009 to 2019, California companies would have produced 2 new drugs instead of 17, an 88% reduction.<sup>2</sup>

California's moniker of the "Golden State" has long been analogous to its reputation as the land of abundance, promising its citizens a high quality of life and the path toward economic affluence. Gutting one of the state's largest and most prosperous industries only serves to make this promise even further out of reach for everyday Californians. While it's imperative to lower health care costs, H.R. 3 is not the vehicle to do so. We urge our state's congressional delegation, those responsible for the Golden State's future, to reject H.R. 3 and allow for the continued development of life-saving drugs for patients and the continued economic prosperity of all Californians.

Should you have any questions about our concerns or our position, feel free to reach out.

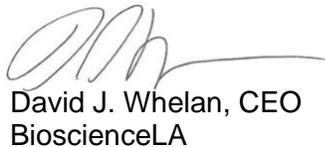
Sincerely,



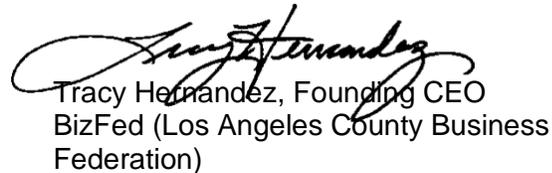
Jim Wunderman, President & CEO  
Bay Area Council



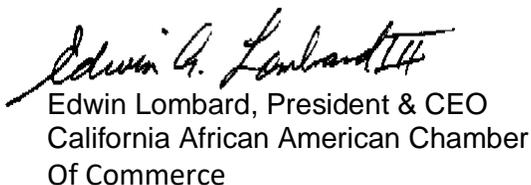
Joe Panetta, President & CEO  
Biocom California



David J. Whelan, CEO  
BioscienceLA



Tracy Hernandez, Founding CEO  
BizFed (Los Angeles County Business  
Federation)



Edwin Lombard, President & CEO  
California African American Chamber  
Of Commerce



Dan Dunmoyer, President & CEO  
California Building Industry Association



Robert Lapsley, President  
California Business Roundtable



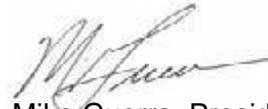
Jennifer Barrera, Executive Vice President  
California Chamber of Commerce

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<sup>2</sup> Vital Transformation: [H.R. 3 and Reference Pricing: Total Market Impact](#), dated March 22, 2021.



Julian Cañete, President & CEO  
California Hispanic Chambers of Commerce



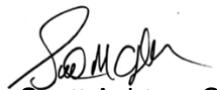
Mike Guerra, President & CEO  
California Life Sciences



Lance Hastings, President & CEO  
California Manufacturers & Technology  
Association



Danielle Borja, President & CEO  
Greater Conejo Valley Chamber of  
Commerce



Scott Ashton, CEO  
Oceanside Chamber of Commerce



W. Erik Bruvold, CEO  
San Diego North Economic Development  
Council



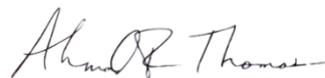
Rodney Fong, President & CEO  
San Francisco Chamber of Commerce



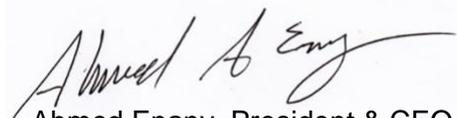
Haney Hong, President & CEO  
San Diego County Taxpayers Association



Rosanne Foust, President & CEO  
San Mateo County Economic Development  
Association



Ahmad Thomas, CEO  
Silicon Valley Leadership Group



Ahmed Enany, President & CEO  
Southern California Biomedical Council



Stuart Waldman, President  
Valley Industry & Commerce Association



Tracy Perez, Chair  
Ventura County Economic Development  
Association