

April 4, 2017

Members of the Texas Congressional Delegation

Dear Senators and Representatives,

I know that you know of the work of the Institute for Policy Innovation (IPI) in encouraging economic growth, job creation, and global U.S. competitiveness through free-markets, property rights, and technological innovation, and I thank you for your interest in our work.

It is toward these purposes that we request that you urge U.S. Ambassador to the United Nations Nikki Haley to oppose the UN's shortsighted efforts to weaken intellectual property protections. These protections are essential for rapid medical innovation and job growth throughout Texas and the nation.

The United Nation's High-Level Panel on Access to Medicines recently released a series of damaging recommendations that would undermine protections for patents and other intellectual property that drive and sustain biopharmaceutical innovation. While the panel's goal of increasing access to life-saving medicines across the globe is laudable, its focus on intellectual property is misplaced. The vast majority of treatments on the World Health Organization's Essential Medicines List are no longer protected by patents, yet millions of people around the world still do not have access to them.

Developing life-saving medicines is a costly endeavor. The Tufts Center for the Study of Drug Development sets the price tag for bringing new prescription drugs to market at \$2.6 billion on average.¹ The risk rarely pays off. Just one out of every 5,000 promising compounds makes it through lab testing and clinical trials to the pharmacy shelf. And just two out of every ten approved drugs ever recoup their development costs.² Strong IP protections make risky investments in new treatments and cures worthwhile because they give companies time to earn a return on the rare successful product.

In recent years, America's biopharmaceutical companies have produced more medications than the rest of the world combined.³ Last year alone, the industry produced the first treatment for spinal muscular atrophy, a new drug to treat Parkinson's, two new treatments for hepatitis C, and two new diagnostic agents that detect certain forms of cancer.⁴

America is leading the globe -- and Texas is leading the nation. In recent years, Texas universities, hospitals, and clinics have hosted more than 8,000 clinical trials for drugs targeting chronic diseases such as asthma, cancer, diabetes, heart disease, mental illnesses, and stroke.⁵

¹ http://csdd.tufts.edu/news/complete_story/tufts_csdd_rd_cost_study_now_published

² http://trade.gov/topmarkets/pdf/Pharmaceuticals_Executive_Summary.pdf

³ http://www.lifechanginginnovation.org/sites/default/files/files/Global%20Bio_Full%20Report_WEB.pdf

⁴ <http://www.fda.gov/Drugs/DevelopmentApprovalProcess/DrugInnovation/ucm534863.htm>

⁵ <http://www.phrma.org/research-in-your-backyard/research-in-texas>

These creations don't merely save lives. They also fuel the Lone Star State's economy. The biopharmaceutical industry directly supports 36,500 jobs in Texas. After accounting for relationships with vendors and suppliers, the number of total jobs supported jumps to over 194,000.⁶ In total, the sector accounts for \$52 billion of the state's economic output.⁷

The UN High-Level Panel's recommendations, if implemented, would discourage biopharmaceutical research and development in Texas and across the country. Yet China, India and other countries bent on weakening the protections that support American ingenuity and jobs continue to promote their adoption in a range of UN forums. We urge you to contact Ambassador Haley and ask her to oppose the Panel's recommendations so that firms can continue to invest in lifesaving, job-sustaining medical innovation.

Sincerely,



President
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cc: Maria Pagan, Acting U.S. Trade Representative
Rex Tillerson, Secretary of State
Wilbur Ross, Secretary of Commerce
Thomas Price, Secretary of Health and Human Services

⁶ <https://weworkforhealth.org/state/texas/industry-impact>

⁷ <https://weworkforhealth.org/state/texas/industry-impact>