SENATE CONCURRENT RESOLUTION NO. 31

BY SENATOR FRED MILLS

ECONOMIC DEVELOPMENT. Requests the Department of Economic Development and the Department of Revenue to develop an incentive package that will make Louisiana the domestic prescription drug manufacturing leader for the United States.

A CONCURRENT RESOLUTION

To urge and request the Department of Economic Development and the Department of Revenue to develop an incentive package that will make Louisiana the domestic prescription drug manufacturing leader for the United States.

WHEREAS, long before the World Health Organization declared COVID-19 (Coronavirus) a pandemic triggering both national and state declarations of emergency, there was significant discussion regarding the United States' dependency on prescription drugs produced in the People's Republic of China; and

WHEREAS, in July 2019, the U.S.-China Economic and Security Review Commission met for a briefing in Washington, D.C. on "Exploring the Growing U.S. Reliance on China's Biotech and Pharmaceutical Products"; and

WHEREAS, during his opening statement, Commissioner James M. Talent said, "China is the biggest global source of generic drugs, pharmaceutical ingredients, and other health products including dietary supplements, biologics, and medical devices. . . (and) the U.S. import of these health products, either directly from China or indirectly through companies and third countries continues to increase."; and

WHEREAS, Commissioner Michael R. Wessel, in his opening statement, pointed out that millions of Americans take life-sustaining maintenance drugs for chronic illnesses
such as high blood pressure and diabetes and "increasingly, those products are coming from China"; and

WHEREAS, during her testimony before the Commission, Rosemary Gibson, Senior Advisor with the Hastings Center, stated that the People's Republic of China has postured itself in a position of world dominance as it relates to access to prescription drugs and that "the centralization of the global supply chain of medicines in a single country . . . makes it vulnerable to interruption, whether by mistake or design"; and

WHEREAS, Ms. Gibson further stated "a natural disaster, global public health crisis, or adverse foreign government action could disrupt the supply of medical ingredients and finished drugs (to the U.S.)"; and

WHEREAS, Ms. Gibson further pointed out several concerning facts as it relates to the United States' ability to maintain its prescription drug supply including, since 2004 the United States has no manufacturer producing domestic penicillin, the People's Republic of China has aggressively consumed the generic drug manufacturing market since ninety percent of prescription drugs consumed by Americans are generic, by losing control over the manufacture of prescription drugs the United States has lost control over the cost of those drugs, and the risks of contaminated and potentially lethal prescription drugs are increasing due to China's lack of quality standards; and

WHEREAS, Chinese pharmaceutical manufacturers have supplied more than ninety percent of antibiotics, vitamin C, ibuprofen, and hydrocortisone, and seventy percent of acetaminophen, and forty percent of heparin in recent years; and

WHEREAS, according to Quintiles IMS Holding, global spending on prescription drugs will reach nearly $1.5 trillion by 2021, with the United States being one of the greatest consumers worldwide; and

WHEREAS, there have been extensive studies on the health and national security consequences of acquiescing so much control over the manufacture of prescription drugs to China; and

WHEREAS, while there has been mention of the United States needing to restore its place in the domestic and global prescription drug manufacturing market, the current COVID-19 situation has brought that to the forefront of many citizens of Louisiana; and

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WHEREAS, Louisiana has a long history of skilled laborers in the manufacturing sector and due to changes in the economy, has amassed hundreds of thousands of square footage of empty warehouse and manufacturing space; and

WHEREAS, Louisiana has demonstrated much success when it comes to developing industry incentive packages to encourage businesses to locate here; and

WHEREAS, Louisiana is already home to two major prescription drug wholesalers and has a thriving workforce; and

WHEREAS, Louisiana should aggressively pursue prescription drug manufacturers to establish their manufacturing operations in Louisiana, employing our people, and solidifying Louisiana's role as the domestic producer of prescription drugs for the United States.

THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby request the Department of Economic Development and the Department of Revenue to develop an incentive package that will make Louisiana the domestic prescription drug manufacturing leader for the United States.

BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the secretary of the Department of Economic Development and the secretary of the Department of Revenue.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Christine Arbo Peck.

DIGEST
SCR 31 Original 2020 Regular Session Fred Mills
Requests the Department of Economic Development and the Department of Revenue to develop an incentive package that will make Louisiana the domestic prescription drug manufacturing leader for the United States.