

2020 Regular Session

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.

## 1 A CONCURRENT RESOLUTION

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

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

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

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

17 WHEREAS, Commissioner Michael R. Wessel, in his opening statement, pointed  
18 out that millions of Americans take life-sustaining maintenance drugs for chronic illnesses

1 such as high blood pressure and diabetes and "increasingly, those products are coming from  
2 China"; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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