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The Pharmaceutical Industry Labor-Management Association (PILMA) is a coalition of labor organizations and companies in the pharmaceutical industry who have joined forces to grow this important sector in our economy, create high-quality union jobs, and promote medical innovation to cure disease.

North America's Building Trades Unions represent a highly trained workforce that consistently delivers excellence in quality, safety and integrity for its customers. The building trades spend upwards of \$1.2 billion each year in training and apprenticeship programs so that members are ready to meet the cutting-edge needs of American industry.

The U.S. biopharmaceutical industry is an important economic engine throughout the country and in the state of Maryland. In 2015, life science companies directly and indirectly supported over 111,000 jobs in the state. Many of these are well-paying, middle class jobs for the union members of PILMA. Biopharmaceutical companies can't afford any cross contamination from an unsterile production facility, or a delay in a project timeline, which is why they prioritize union labor.

Likewise, U.S. biopharmaceutical companies invest in the brightest researchers and scientists to develop new treatments and cures that benefit the American people and those around the world. Breakthroughs in treatments for diseases have improved the quality of life for families including union members who build the facilities where these medicines are produced.

Proposed legislation in Maryland, SB 759 and HB 768, presents a significant threat to the innovation ecosystem that PILMA union members rely on for continued construction work in the state. The bill requires pharmaceutical manufacturers to provide justification for price increases and empowers a Drug Cost Review Board to determine what they arbitrarily view as acceptable payment and reimbursement rates among the pharmaceutical supply chain.

When stripped down, this proposed legislation constitutes price controls which PILMA has a longstanding position opposing. According to PILMA's 2017 resolution concerning price controls on biopharmaceuticals, "[price controls] disrupts America's competitive market based economy and would have a devastating impact on medical innovation... PILMA has steadfastly opposed policies that reduce investment incentives and weaken protections of intellectual property rights, because without these Constitutional safeguards in place the innovation-investment process dries up and quickly, jobs are lost."

In addition to squelching innovation, economic development, and job growth, price controls invariably result in loss of access to medication for patients who rely on innovation in medicines and therapies to sustain and enhance their daily lives.

According to a recent PILMA study, from 2012-2017 the life sciences industry supported 454,585 union labor hours and \$12.8 million in union earnings on capital construction projects in Maryland alone.

These wages and benefits not only makes the industry an important partner in job creation for Maryland's union workers and their families, but also helps to fund apprenticeship training programs throughout the country.

It is for these reasons that the unions and companies of PILMA request opposition to SB 759 and HB 768.