



February 11, 2025

The Honorable Brett Guthrie, Chairman
House Committee on Energy and Commerce
2161 Rayburn House Office Building, Washington, DC 20515

The Honorable Representative Frank Pallone, Ranking Member
House Committee on Energy and Commerce
2125 Rayburn House Office Building, Washington, DC 20515

Re: Subcommittee on Health Hearing – "Lowering Health Care Costs for All Americans:
An Examination of the Prescription Drug Supply Chain"

Dear Representatives Guthrie and Pallone,

On behalf of the Pharmaceutical Industry Labor-Management Association (PILMA), I write to commend your committee's continued focus on lowering health care costs for American families. Your efforts to address these cost drivers will deliver meaningful relief to the hardworking Americans who power our nation's economy.

First, I'd like to commend this Committee's leadership for its role in the recent passage of critical pharmacy benefit manager reform legislation earlier this month. These bipartisan reforms directly confront the unchecked power of PBMs, whose opaque business practices have driven up costs for working families, strained employer-sponsored and union-managed health plans, and undermined access to affordable medicines. Thanks to your leadership, hardworking Americans and their families can look forward to some much-needed relief.

As the Committee examines the prescription drug supply chain, I'd like to contribute important context about the substantial economic contributions the life science and pharmaceutical industry make to American workers and communities. Beyond developing life-saving medicines, these companies create thousands of high-quality union construction jobs by investing billions of dollars annually in state-of-the-art research and manufacturing facilities across the United States. Many of these projects wouldn't be possible without the thousands of union pipefitters, electricians, ironworkers, and other skilled trades workers who build, maintain, and renovate these facilities.

According to a study by the Institute for Construction Employment Research, private sector construction spending by pharmaceutical companies increased by over 70% between 2019 and 2024. The study, which examined over 1,000 pharmaceutical and biotech construction projects across 18 states, reveals the industry generated more than 65 million labor hours and \$2.6 billion in wages for skilled union construction workers who build and maintain the advanced facilities needed for cutting-edge research and manufacturing. Further, these projects support nearly \$20 million for union

apprenticeship programs, providing pathways to the middle class for blue-collar workers without a nickel of student debt or a dime of taxpayer money.

In more recent years, the pace of industry investment has only accelerated. Independent estimates show that since January of 2025, pharmaceutical companies have committed to investing nearly \$600 billion in the U.S. over the next several years. This unprecedented deployment of capital is creating tens of thousands of construction positions and establishing high-skill manufacturing and research roles that will anchor communities for decades to come. Each new facility represents not only hope for patients awaiting breakthrough treatments, but also economic security for the union workers and their families who will build and staff these world-class centers of innovation.

As your committee continues its work to find solutions to lower costs for patients, we would urge caution against pursuing misguided policies that would undermine the very innovation and domestic investment that benefit both patients and workers. Price control policies, regardless of how they are characterized, threaten the research and development that leads to medical breakthroughs and the capital investments that create good-paying American jobs.

Instead, we recommend the committee apply further scrutiny towards the role various intermediaries play in driving up prescription drug costs. Further reforms should focus on increasing transparency throughout the supply chain, ensuring that savings negotiated by PBMs reach patients at the pharmacy counter, and addressing the anticompetitive practices that restrict patient access and choice.

The pharmaceutical and biotech industry's partnership with organized labor demonstrates that American innovation and American jobs are not competing priorities – they are complementary goals that strengthen our nation. PILMA stands ready to work with the Committee as you continue this important effort. Our partnership brings unique perspectives from both industry and labor, and we welcome the opportunity to contribute to solutions that serve patients, workers, and the American economy.

Thank you for your continued leadership on these critical issues.

AJ Stokes



Executive Director
PILMA