

April 7, 2020



The Honorable Steven T. Mnuchin  
Treasury Secretary  
Department of the Treasury  
1500 Pennsylvania Avenue, N.W.  
Washington, D.C. 20220

The Honorable Mitch McConnell  
Majority Leader  
United States Senate  
S-230, The Capitol  
Washington, D.C. 20510



The Honorable Larry Kudlow  
Director, National Economic Council  
The White House  
1600 Pennsylvania Avenue, N.W.  
Washington, D.C. 20500

The Honorable Kevin McCarthy  
Minority Leader  
United States House of Representatives  
H-204, The Capitol  
Washington, D.C. 20510



Dear Secretary Mnuchin, Director Kudlow, Leader McConnell & Leader McCarthy:



We write in opposition to any proposal to impose “Buy American” mandates on medicines.



A Buy American mandate would place unnecessary sourcing requirements on medicines and medical inputs purchased with federal dollars.



If implemented this proposal will disrupt existing supply chains, invite retaliatory actions from trading partners, and threaten timely access to medicines. During this unprecedented health crisis, a Buy American policy could even threaten our ability to adequately respond to the pandemic.

To be clear – increasing diversity in the supply chain should be encouraged. However, mandating production in America is the wrong way to do this.



**The proposal risks upending the complex medical supply chain.** This supply chain incorporates numerous inputs from across the world including raw materials, active pharmaceutical ingredients (APIs), and high precision analytical tools.



These supply chains frequently contend with a number of challenges including transportation and logistical obstacles, ensuring supply and demand are met, and alleviate stress caused to the chain due to region-specific disruptions in manufacturing or shortages. The ability of private industry to utilize a diverse global supplier base is essential to creating a healthy competitive advantage and mitigating risk.



Forcibly localizing this supply chain would be a substantial undertaking which would require finding new sourcing in the U.S. If there is no existing alternative, it would be a long process to set up an alternative.



**Rather than restoring U.S. jobs, the proposal would likely lead to higher prices and reduced access.** While proponents of a Buy American mandate have [claimed](#) the proposal is a way to bring back jobs to the U.S., it would almost certainly do more harm than good.



Under a Buy American mandate, some estimates show that the costs of manufacturing could be up to [five times higher](#).



This is not unique to medicines. Buy American policies have [increased](#) prices for Americans whenever they have been tried. History shows that they restrict choices for consumers and manufacturers requiring inputs leading to higher prices or lack of access.



It is also important to note that the American pharmaceutical industry already contributes over \$100 billion to the U.S. economy every year, directly [supporting](#) over 800,000 jobs. When indirect jobs are included, this innovation supports 4 million jobs and \$1.1 trillion in total economic impact.



Pharmaceutical jobs are also high paying – the average compensation is over \$126,000 – more than double the \$60,000 average compensation in the U.S. Instead of destabilizing our innovation ecosystem with price controls, burdensome regulations, and heavy-handed government directives, we need to encourage advanced manufacturing capabilities with less government interference, lower taxes, and other incentives to maintain America’s global leadership in biomedical innovation.



**A Buy American mandate could lead to retaliatory actions.** Rather than mandating local sourcing requirements in the U.S. that could harm friendly countries and invite retaliatory actions, a better policy would be to seek the abolition of rules and requirements overseas that compel local sourcing to the disadvantage of U.S.



manufacturers. Triggering a global reaction would stifle the pharmaceutical supply chain at the very moment where demand for medical innovation is most needed. Instead of warping the supply chain further, this would do more to level the playing field between regions.



We urge you to reject any Buy American policy on medicines. This protectionist proposal has no place in our healthcare system and will upend complex and efficient supply chains, leading to higher prices, threatening access to medicines, and opening the U.S. to retaliatory measures from other countries.



Sincerely,



Grover Norquist  
President, Americans for Tax Reform

Steve Pociask  
President / CEO, The American Consumer Institute

Jim Martin  
Founder/Chairman 60 Plus Association

Ryan Ellis  
President, Center for a Free Economy



Saulius “Saul” Anuzis  
President, 60 Plus Association

Andrew F. Quinlan  
President, Center for Freedom and Prosperity



Dee Stewart  
President, Americans for a Balanced Budget

Jeff Mazzella  
President, Center for Individual Freedom

Phil Kerpen  
President, American Commitment



Ginevra Joyce-Myers  
Executive Director, Center for  
Innovation and Free Enterprise

Mario H. Lopez  
President, Hispanic Leadership Fund



Peter Pitts  
President, Center for Medicine in the  
Public Interest

Tom Giovanetti  
President, Institute for Policy Innovation



Gregory Conko  
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Institute

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Pete Sepp  
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Fred Roeder  
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Adam Brandon  
President, FreedomWorks

Sara Croom  
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Prosperity

George Landrith  
President, Frontiers of Freedom

Amy Noone  
Chairman and CEO, United Seniors for America

