



**Conservatives
for
Property Rights**

February 24, 2020

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

Dear Majority Leader McConnell:

Many Americans share concern for the cost of medicine, particularly our country's senior citizens. And President Trump has rightly called out "foreign freeloaders" whose government-monopoly health systems drastically underpay for (American-developed) pharmaceuticals. However, most of the proposals go about addressing this matter not only in the wrong way, but in highly destructive ways.

Conservatives for Property Rights (CPR) is a coalition of organizations representing millions of Americans. CPR emphasizes the central importance of private property in all its forms — physical, personal, and intellectual. The right to private property ranks among the unalienable rights the Founders referenced in the Declaration of Independence, and patents and copyrights are the only rights for which the U.S. Constitution itself provides. As you appreciate, we should not harm our patent-centric research and development sectors by gutting their property rights.

While Speaker Nancy Pelosi's H.R. 3 is the most radical and destructive of the "drug pricing" legislation, CPR wants to make perfectly clear that the Senate Finance Committee's Prescription Drug Pricing Reduction Act is also very harmful and destructive. In no way is S. 2543 any sort of "compromise" or "middle-ground" alternative. This bill passed committee by a majority of liberal Democratic votes; fewer than half the majority Senators voted for it. Notably, S. 2543 does zero to remedy "foreign freeloaders." CPR regards S. 2543 as unacceptable and urges all Senators to oppose this bill.

Of this measure's provisions harmful to America's leadership in pharmaceutical innovation (and thus harmful to American patients), perhaps most egregious is the inflationary penalty price control mechanism. This price control would impose a confiscatory excise tax on earnings when a Medicare medication in Parts B or D exceeds the inflation rate. Such an unpredictable, disruptive government price control would wreak havoc in drug R&D, injecting much uncertainty into and causing significant loss of R&D funding from the pharmaceutical innovation process.

"protecting the exertions of talents and industry . . . securing to them their justly acquired fruits"
— Alexander Hamilton

Conservatives for Property Rights strongly opposes the Prescription Drug Pricing Reduction Act and urges Senators to reject this counterproductive legislation.

Respectfully,

James Edwards
Executive Director
Conservatives for Property Rights

Kevin L. Kearns
President
U.S. Business & Industry Council

Seton Motley
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