

January 28, 2014

The Honorable Senator Richard Blumenthal
United States Senate
724 Hart Senate Office Bldg.
Washington, DC, 20510

Dear Senator Blumenthal,

On behalf of Connecticut United for Research Excellence (CURE), the bioscience cluster of Connecticut, we wish to raise our serious concerns about the “Medical Innovation Act,” a bill Senator Warren plans to introduce this week. The bill seeks to increase NIH funding by imposing financial penalties on pharmaceutical companies.

We are enthusiastic supporters of a fully-funded NIH, and we commend Senator Warren for drawing attention to the slow decline of the NIH budget and its effect on the pace of innovation in Connecticut. However, we believe the Senator’s plan would slow discovery, and discourage growth of jobs, in Connecticut by imposing a hefty tax when companies enter into settlement agreements with the federal government.

In our view federal agencies provide effective oversight of industry. Settlement agreements have been used in a responsible manner to avoid future litigation expenses, ensure predictability and provide finality in cases. They have also generated significant amounts for the federal government - Senator Warren noted in a recent speech that federal agencies collected \$13 billion in fines and settlements from pharmaceutical companies between 2007 and 2012.

We strongly recommend that the Senate not seek to impose an “innovation tax” that goes above and beyond any settlement agreement. Such a tax would have adverse impacts on pace of research and jobs in Connecticut.

We are reaching out to you as Senator Warren is circulating a “Dear Colleague” letter seeking cosponsors. We respectfully urge you not to sign on to this legislation.

Thank you for your consideration.

Respectfully,

Anthony D. Sabatelli, PhD
Chair, CURE Government Affairs Committee

January 28, 2014

The Honorable Senator Christopher Murphy
United States Senate
303 Hart Senate Office Bldg.
Washington, DC, 20510

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