

MEMO

To Interested Parties

From Gerard Scimeca, Chairman, Consumer Action for a Strong Economy (CASE)

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Re Roadmap for Republican support of American biotech innovation and free markets

Overview

The American biotech sector has been scrutinized by political opponents on the left and right, but despite the political rhetoric it is still central to the health, prosperity, and national security of every American. The industry succeeds despite being under a daily assault from big government policies that undermine innovation, job creation, and increase our dependence on China.

For Republicans, supporting innovation and free markets in biotech was once a nearly universal value, but those days are past. With most Americans frustrated with the high cost of drugs – and many populist Republicans understandably skeptical of large corporations – free-market conservatives have significant work to do to earn back support from Republican voters on this important issue. We can overcome these concerns, but we need to update our arguments to meet the current challenges of the 21st century. **The research we recently conducted finds that overwhelming majorities of Republican voters agree that a strong American biotech industry is necessary to keep the United States secure from China. We also found arguments around the importance of supporting biotech innovation and jobs, especially manufacturing jobs, resonate well with Republicans.**

Methodology

To understand how to communicate more effectively on this issue, CASE commissioned Cygnal, a center-right polling and survey research firm, to conduct a national survey of right-leaning voters to better understand their views of the biotech industry. As the Republican primary for president heats up, CASE's goal was to provide a roadmap for free-market conservative leaders to speak more effectively about why they should support policies that strengthen the U.S. pharmaceutical industry and – in turn – the U.S. economy. From June 5th to June 8th, Cygnal interviewed 1,000 right-leaning likely general election voters. Thirty-eight percent of these right-leaning voters identified as strong Republicans, while 31% identified as mostly Republican, and 30% identified as Independent. The survey's confidence interval is $\pm 3.02\%$.

Findings

The research showed some positive narratives for the biotech sector to highlight with conservatives but affirmed the challenge that free-market conservatives face with Republican voters. Slightly more than half of right-leaning

voters would support “implementing government price controls” to reduce prescription drug prices, a staggering number for the GOP.

However, we found a clear pathway for free-market conservatives to overcome this trend by appealing to Republicans about why strengthening the American biotech industry is integral to protecting our nation from the growing threat posed by China. As concerns about China’s escalating aggression increase among Republicans, the United States remains dependent on China for the basic components of numerous drugs, presenting a grave national security risk. As part of its effort to surpass the United States as the world’s preeminent economic global superpower, China has announced a strategic plan to become the global leader in biotech. Meanwhile, China continues to steal intellectual property from American biotech firms and dangerous counterfeit drugs are flowing into the United States from China at a rapid pace, fueling the fentanyl epidemic.

We tested 11 arguments in favor of strengthening the U.S. pharmaceutical sector through free market policies. **All the best-performing arguments either directly or indirectly focused on China and the threat it poses to American security and global leadership. We recommend that conservative leaders speak about this issue primarily through the focus of keeping the United States safe from China.**

At least 70% of right-leaning voters found the following top five performing arguments “persuasive” and – perhaps even more importantly – at least 40% found them “very persuasive.” To put this in perspective, in a political campaign, any issue that tests over 60% is considered a messaging home run. These findings tested strongly among across all demographic subgroups, regardless of age, gender, geographical region, and ideology:

- **Reducing Dependence on Chinese manufacturing — 84.4% persuasive and 56.8% very persuasive:** “According to a recent government report, an overwhelming majority of the basic components used in U.S. drugs are manufactured in China; we need to do whatever we can to make sure that U.S. pharmaceutical companies have what they need to continue to produce their products in the U.S.”
- **Chinese Intellectual Property Theft — 80.4% persuasive and 54.8% very persuasive:** “China has stolen trillions of dollars of American intellectual property, including from our biotech companies. This puts the United States at a competitive disadvantage that we cannot ignore.”
- **Global Uncertainty — 79.5% persuasive and 44.1% very persuasive:** “During an era of global uncertainty, it will be important for U.S. pharmaceutical companies to continue to develop safe and effective medicines so that American consumers can maintain access to best-in-class prescription medicines.”
- **Stopping Counterfeits — 75.1% persuasive and 46.7% very persuasive:** “Law enforcement officials have warned that importing more foreign drugs could significantly raise the risk of Americans receiving counterfeit medications with dangerous ingredients like fentanyl. We need a strong U.S. pharmaceutical industry to protect from these dangerous counterfeit drugs.”
- **Beating China in Innovation — 73.2% persuasive and 40.1% very persuasive:** “China has announced a 10-year strategic plan to surpass the United States in biotech, so our industry must do whatever it can to maintain its position as an innovative industry leader.”

Another focus for right-leaning voters is the importance of supporting biotech innovation and jobs, especially in the manufacturing sector. Fifty-six percent of right-leaning voters agree that more new drugs and treatment options are being discovered now than at any time in the history of medicine. Along these lines, the following arguments that focused on jobs, innovation, and manufacturing resonated well for right-leaning voters:

- **Drug Shortages from Overreliance on Foreign Manufacturers — 69.9% persuasive and 38.8% very persuasive:** “According to recent reports, shortages of cancer drugs and other life-saving medications are reaching their worst point in a decade because of an overreliance on unreliable foreign manufacturers that often fail quality controls.”
- **Global Leader in Innovation — 64.8% persuasive and 24.3% very persuasive:** “The U.S. is the global leader in medical innovation, developing nearly half of the new medications and improved treatments available to patients.”
- **Understanding The Greatest Needs For Breakthroughs — 59.8% persuasive and 19.5% very persuasive:** “Unlike their foreign competitors, American pharmaceutical companies are focusing their efforts to understand and treat disease where people have the greatest need for breakthroughs and new treatments. Combining new technologies in science with our decades of research, they are advancing the prevention and treatment of cancer and new medicines and vaccines that address respiratory syncytial virus (RSV), migraines, and sickle cell disease among others.”
- **Cost and Time For Approval — 54.1% persuasive and 18.7% very persuasive:** “On average, it takes drug companies up to 15 years and over \$2 billion in research and development to receive government approval to bring a new drug to market.”
- **Jobs — 57.7% persuasive and 19.9% very persuasive:** “America’s pharmaceutical industry represents 3.2 percent of our economy, employs more than 900,000 workers in high-paying jobs, and supports another 3.5 million jobs across our economy.”
- **Drug Shortages From Government Price Controls — 55.8% persuasive and 25.5% very persuasive:** “The American Cancer Society reports that government price controls on prescription drugs are creating shortages in primary cancer treatments that result in delayed care.”

Many free-market conservatives who for too long took the support of Republicans for granted now despair that appealing to these same voters is a lost cause. This does not have to be the case. We must earn Republican support by making free-market biotech solutions relevant to their current concerns —not just with abstractions. By recentring the debate about biotech policies around keeping America safe from China, free-market conservatives can win the hearts and minds of Republican voters.

About CASE

CASE was founded to advocate for free-market solutions that will further an agenda of economic strength for our nation, and for prosperity and opportunity for every American. Consumers profit when American business and industry is free to compete and innovate in the marketplace to serve the needs of our diverse nation. CASE is committed to serving as the voice of American consumers and wage-earners by advocating strongly for free-

markets, fiscal responsibility and reasonable consumer protections. Through these time-tested principles, CASE aims to create more prosperity and opportunity for every American.