March 1, 2019

The Honorable Scott Peters  The Honorable Richard Hudson
2338 Rayburn House Office Building  2112 Rayburn House Office Building
Washington, DC 20515  Washington, DC 20515

The Honorable Ron Kind  The Honorable Jackie Walorski
1502 Longworth House Office Building  419 Cannon House Office Building
Washington, DC 20515  Washington, DC 20515

Dear Representatives Peters, Kind, Hudson, and Walorski,

On behalf of California Life Sciences Association (CLSA) – the premier statewide public policy and business leadership organization representing California’s leading life science innovators, including medical device, diagnostic, biotechnology and pharmaceutical companies, research universities and private, non-profit institutes, and venture capital firms – thank you for your leadership of the Protect Medical Innovation Act, legislation to permanently repeal the medical device excise tax.

At a time when we should be doing everything we can to encourage investment, innovation and job creation, the medical device excise tax instead discourages and threatens important research and development. During the three years in which the medical device tax was in effect, medical technology sector jobs in California and across the country were put at risk. For most companies, the device tax contributed to payroll reductions and slashes in R&D investments – anything but foster job creation.

Given the size and scope of the medical technology sector’s presence in California, the 2.3 percent tax has had a disproportionate impact on our state. Vibrant medical technology clusters exist in and around San Diego, San Francisco/Silicon Valley, Orange County and Sacramento, as well as the Los Angeles, Ventura/Santa Barbara, and Riverside/San Bernardino regions. California is home to more than 1,800 medical technology companies — more than any other state in the nation — and the approximately 81,000 medical device jobs in California represents approximately 19.06 percent of the total U.S. medical technology workforce.

While the tax is currently suspended, it is important that we do everything we can to encourage, not hamper, investment, entrepreneurship and innovation. Fully scrapping the medical device tax will help ensure that the U.S. does not jeopardize our position as a global leader in medical technology innovation. The Protect Medical Innovation Act is a common-sense solution to rescind this ill-conceived tax and allow innovators to fully focus on the research and development that will bring new technologies for patients who desperately need them.

We are grateful for your steadfast opposition to the medical device excise tax and applaud your continued leadership on efforts to repeal this dangerous and misguided policy. If you have any questions, or if there is any way CLSA can further assist you, please do not hesitate to contact me directly (jnieto@califesciences.org or 202-743-7559).

Sincerely,

Jennifer Nieto
Vice President - Federal Government Relations & Alliance Development
California Life Sciences Association - CLSA