



April 20, 2017

Assemblyman Kevin McCarty
State Capitol
Sacramento, CA 95814

RE: AB 1512 OPPOSE (as amended 4/17/17)

Dear Assemblyman McCarty,

On behalf of Biocom's 850 members throughout California, I regret to inform you of Biocom's opposition to AB 1512, as amended 4/17/17. As California's largest and most experienced life science organization, Biocom is a leading voice in the advocacy efforts of the California life science community including biotechnology, pharmaceutical, medical device, genomics and diagnostics companies of all sizes, as well as research universities and institutes, clinical research organizations, investors and service providers.

The issue of substance abuse and addiction is a serious public health issue with wide-ranging implications. Many drug candidates in the pain management space are being developed with the specific goal of being less prone to abuse. AB 1512, however, is premature given recent federal actions, and possibly unworkable.

AB 1512 proposes to impose a tax on "every person including, but not limited to, a manufacturer or wholesaler that makes the first sale in this state of opioids, where the sale is for the purpose of resale in the regular course of business, at the rate of one cent (\$0.01) per milligram of active opioid ingredient." The manufacturer does not and cannot track product past the sale to a wholesaler. The bill also erroneously assumes that milligram strength equates to the addictive potential of a drug. Different molecules react differently with their specific target receptors, and effective milligram dosing across chemically unrelated products varies widely (for instance, 5mg of one compound may have therapeutically similar effect as 30mg of another).

Most importantly, however, is that the federal government is already aggressively acting in this space. The Comprehensive Addiction and Recovery Act (CARA) was signed into law by President Obama on July 22, 2016. CARA authorizes over \$181 million dollars towards both opioid abuse prevention and treatment programs. The 21st Century Cures Act, signed into law by President Obama on December 13, 2016, designated \$1 billion in grants specifically to states over 2 years to fight the opioid epidemic. In fact, on Wednesday of this week (April 19), the Department of Health and Human Services



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announced the awarding of the first \$485 million under that provision. It was announced California will be receiving \$44,749,771 of that sum for this first round of funding.

Although Biocom opposes AB 1512, we commend you for your recognition of this issue, as many of its member companies look forward to being active partners with the state and federal governments in designing effective programming. If we may answer any questions, please contact me at jjackson@biocom.org or 858-832-4149 or Biocom's contract lobbyist on this matter, Maureen Higgins, at mphiggins@shjlobby.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Jimmy Jackson". The signature is stylized with a large, looping initial "J" and a cursive "Jackson".

Jimmy Jackson
Senior Vice President & Chief Policy Officer
Biocom

cc: Assembly Revenue & Taxation Committee