

## **'A Roadmap to Good Jobs and Good Health'**

**Remarks of Jeff Kindler  
Chairman · Pharmaceutical Research and Manufacturers of America  
Chairman & CEO · Pfizer**

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Thank you, David. You will be a very tough act to follow. You have set a great example for the leader of any trade association to emulate—thoughtful, engaged, bringing out the best in each of you, and providing a steady hand in a time when our industry has faced one important challenge after another.

You've done it over a particularly intense year for our industry, and you've managed to do it from London, from Asia, from Delaware, and from many other parts of the world. So, we'd like to present you this gift to say thanks for all you've done for PhRMA and our members.

I'm honored to try to follow in David's footsteps and in those of our other distinguished predecessors, many of whom are here today. I'm especially excited to do so at this point in time, because our firms have a unique opportunity to help our country face down some of our most serious problems, including the ones that Secretary Locke just spoke about.

The world's biopharmaceutical companies, large and small, can help address the two most important challenges people in this country and around the world face—getting and keeping good jobs, and finding new and better ways to prevent, treat, and cure disease.

Both of these objectives depend on innovation—an overused word, to be sure, but a crucial one. To many people, “innovation” means a new iPod, or a Kindle, or a Segway.

In our world, “innovation” represents something much more personal. It means, someone I love has Alzheimer's, and we don't have enough good ways to help her, so we need to create some new ones. Innovation means that, because Sam Gordon lives with progeria—a disease that makes young children look like old people, and because Greg Louganis lives with HIV, and because they and countless others both deserve long lives, we'd better get to work finding new and better ways to help them.

The tens of thousands of people employed by the companies of PhRMA come to work every day in order to help people like Sam and Greg and the people who love and care for them. They come to work in order to find new ways to treat, cure, and prevent the most feared diseases of our time. That's what innovation means to us. And, of course, it's a long, expensive, and risky enterprise. You all know the facts. More than a billion dollars and ten years to bring a new medicine to market, the vast majority of development projects failing along the way.

Kevin Sharer expressed it best when he said it's harder to discover a new medicine than to send people to outer space. But we keep at it, because the results of biomedical innovation make a real difference in people's lives.

Thanks to the scientists working in biopharmaceutical research companies, people live a decade longer today than they did in 1950. Heart attacks take half as many lives as they did just a

decade ago. HIV/AIDS has largely turned from a death sentence to a manageable condition, and people with cancer, even rare forms, now live longer.

Just ask our leader, Billy Tauzin. He came to PhRMA six years ago after Avastin stopped his intestinal cancer and saved his life. Billy asked himself a fundamental question: “What do I want to do with the new life God has given me?” We’re fortunate that Billy came to PhRMA to help people who have faced what he faced. Billy knows that medical advances like the ones that saved him don’t just happen on their own.

They require close partnerships between businesses, governments, academic institutions, patient groups, and civil society. Over the years, strong partnerships have made the United States the world leader in medical advancements. Today, we face unlimited opportunities to create the next generation of treatments and cures. But we also face greater challenges too. The science is harder. The market is tougher. And the global competition is more intense. So make no mistake: nothing guarantees that the U.S. will hold onto its leading role.

Countries around the world know this, and the competition is on. We see it in places like the UK, where government and industry are advancing a shared plan to create jobs, by improving the operating environment for life sciences companies. We see it in countries like China and India that invested in health care as part of their economic stimulus packages. We see it in Europe, which has a goal of investing three percent of GDP in research and development. President Obama has set a similar goal for this country.

We support this goal, and we’re doing our part to help achieve it. But we also know that investment is only one part of the comprehensive innovation agenda that will create the two fundamental objectives of good jobs and good health. We also need to work with our partners in and out of government to help people gain access to new treatments quickly; to help small companies gain access to investment capital; make sure tax policies promote medical advancements; and protect the intellectual property that makes medical advancements possible.

We support IP protections so strongly because medical advancements depend on them. But IP has been under threat, especially in some emerging countries but even, in some respects, here in the United States. Some believe that protecting the fruits of an innovator’s invention stands in the way of access to new medicines. That’s simply not the case, and we have to prove this myth wrong. That means continuing to work with decision makers around the world to develop policies where people who can afford to do so continue to support innovation, while those who cannot still have access to quality care.

These principles of expanding access, helping companies grow, and protecting IP and innovation have always underpinned our advocacy at PhRMA, and they always will. Those principles supported our work on health care reform in this country and around the world.

Here in the United States, we have been champions of the right kind of health reform from the beginning. We have been clear and consistent about our principles—

- advance prevention and wellness,
- preserve the doctor/patient relationship,
- preserve incentives for innovation,
- promote access to quality, affordable health care.

We also know that the current U.S. health care system must be reformed. And, as major participants in that system, we have a responsibility to participate constructively in that reform. Health care is the fastest rising cost for U.S. businesses by far. That creates a real competitive disadvantage.

And the story for people is often worse. We're meeting right now in a county called Arlington. It's one of the wealthiest counties in the U.S. The typical family here earns nearly \$100,000, twice the national average. Yet one in five people here don't have health insurance. As a country, we can't keep that up, and we all know it.

The bill before Congress is far from perfect. And, Lord knows, "perfect" is about the last word you would use to describe the process that got us here. But I am very proud of PhRMA's role in this process over the last two years. We have come together as an industry. We have kept in clear sight the best interests of the people we serve and all our stakeholders. And we have proceeded in a constructive and positive way through an extremely challenging period—even as we were criticized from all sides.

Under Billy's leadership, PhRMA helped bring together a new coalition of unlikely partners to support reform. We've worked with labor and with numerous patient and other advocacy groups, forging alliances with folks we had battled in the past. At this moment, the outcome remains uncertain and opinions remain sharply divided. But, whatever the outcome, I want to express my thanks and admiration to Billy Tauzin, Bryant Hall, Rick Smith, Wes Metheny, Ken Johnson, and to every single hard-working, dedicated member of the outstanding PhRMA team for their long hours, their incredible dedication, and their consummate professional skill. On behalf of the Board, the companies we represent, and the people we serve, you have our deepest gratitude.

I'd also like to express my personal thanks to a group of fellows that I have spent more time with over the last year than with some members of my family. These five are extraordinary leaders. These guys each have very different styles. All are fierce competitors, but they have come together over the last year on behalf of this great industry to navigate us through this important period. Led by David Brennan of Astra-Zeneca and joined by Dick Clark of Merck, Kevin Scharer of Amgen, Miles White of Abbott, and David Norton of Johnson and Johnson, this little gang has done our best to represent this industry. I personally have learned a lot from them, and while I won't mind having fewer conference calls this year, they have my thanks and I believe they should have yours as well.

This legislation is not the first time – nor will it be the last – that we will advocate for public policies that advance innovation, good health and good jobs. Because the work of reforming health care will continue long after this legislative battle. Despite the worldwide recession, globalization will continue bringing potential prosperity to more people in more parts of the world than ever before in human history.

And something else will continue as well: The world will remain highly competitive, and the competition for good jobs and good health will only grow more intense. **So over the year to come, PhRMA will work for good jobs and good health.** In the U.S., the biopharmaceutical industry employs nearly 700,000 people and supports another two-and-a-half million more jobs. And these are good jobs. They pay nearly \$90,000 on average ... and generate significant tax revenues for local communities across the country.

This matters now like never before. Because health care is the only sector of the economy that has actually created jobs throughout the recession. And, in the decade preceding the recession

we are now coming out of, pharmaceutical companies generated twice the average employment growth of other sectors combined.

Now, of course, we're being affected by the global economic problems, just like everyone else. And, challenges to our ability to innovate in this country don't help. That means most of our companies are cutting jobs right now, not creating them. Nobody wants to do this. It's up to us to help create the environment to turn this around. And as we do, we'll continue our search for new health solutions.

Our member companies are bringing the best scientific minds together to challenge the most feared diseases of our time. Like never before, solutions are now within reach to some of the world's most serious health problems. Biopharmaceutical companies around the world are now studying more than 860 potential new medicines to treat cancer. We're working on another 2,000 experimental new medicines to treat the conditions that affect older people, including Alzheimer's, which science knows relatively little about. In other labs, scientists are working hard to find new treatments for less common conditions from progeria, to Gaucher's disease, and many more.

And, in manufacturing plants and distribution facilities around the world, our workers are helping people gain access to the treatments they need to keep themselves healthy at every stage of life. Because ultimately, the greatest biomedical advances mean nothing if people can't gain access to them.

Winston Churchill once said, "The price of greatness is responsibility." **And we have a responsibility to be a leading voice for improving everyone's ability to have reliable and affordable health care.** It's the right thing to do morally and economically. We have a responsibility to work in partnership with governments and NGOs to expand access to quality care in every part of the world.

**So here's how we'll do it. First, we'll listen.** You don't need me to tell you that people don't trust businesses or governments very much right now. So we need to start by letting people know "we hear you" and "we get it." This means acknowledging where we've gone wrong in the past. It also means showing that we are making real changes, and that we are willing and able to work with policymakers to address our country's most urgent problems.

**Second, when we advocate for policy changes, we'll make our case with the strength of our ideas, not the depth of our pocketbooks.** My friend Tony Principi often reminds me that it's our responsibility as advocates to be focused on the most important issues and make sure we're second to none in our advocacy. That's based on promoting good ideas, and nothing else. Clear-headed advice like that has made Tony one of the most respected advocates in Washington, and a great asset for our companies and the people we serve. His advice is especially important now.

**Third, we should reject an idea that pervades Washington—the notion that divides everyone into winners and losers.** That's simply not true, and especially now when the economic stakes are so high.

**And lastly, we'll look for new allies who can refresh our thinking & strengthen our cause.** In recent years, we've built strong partnerships with organized labor, with BIO, and with advocacy groups that we once actively battled. We're better off for these alliances. So are our partners, and so are the people we serve. Sure, there are people and organizations whose principles that are fundamentally opposed to ours, and we must continue to stand our ground. But we also

must seek common ground where we can with allies and potential allies – especially around jobs and health.

We all know the important and valuable role our industry can play in addressing those critical goals. We also know—as we demonstrated again this year—how effective we can be when we are all working together. With your leadership and continued commitment, I am confident we will continue the progress that Billy and David and their predecessors have made in the last several years.

I'm grateful to all of you for giving me the opportunity to help advance that progress in the year ahead.

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I now have a very special privilege and honor of introducing someone we all know and admire and who has always given us straight and valuable advice. The voters of South Dakota first elected Tom Daschle to Congress in 1978, just a few years after he finished serving our country in the Air Force. Eight years later, they sent him to the Senate. He made his mark quickly. In 1994, Tom Daschle's colleagues elected him as their Democratic Leader. Only Lyndon Johnson served less time in the Senate before being elected to that job.

While most of us know Tom Daschle for leading his party in the Senate, I believe history will remember him as a party leader who was also deeply committed to working across the aisle and who was extremely effective in doing so. (Tom, that seems like a galaxy long ago and far away.)

Tom has continued to take that approach since leaving the Senate. Three years ago, he joined together with three other former Majority Leaders—George Mitchell, Bob Dole and Howard Baker—to create the Bipartisan Policy Center. This extraordinary and historically unique group of two leaders from each party is dedicated to finding common ground on some of the pressing public policy challenges of our time. To be honest, if it were up to me, I'd simply turn the government over to the four of them right now.

One thing I've always admired about Senator Daschle is the calm and soft-spoken way he approaches even the most heated debates. He reminds us that when we agree, we should say so, and when we disagree, we can do it without being disagreeable. If we had more leaders like Tom, Washington would be a better place.

Please welcome Senator Tom Daschle.

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