

## LEGISLATION ALERT

**TO: California Congressional Delegation**  
**RE: Support Repeal of Medical Device Excise Tax**

On behalf of the California Healthcare Institute (CHI), the statewide public policy association representing California's innovative life sciences sector – biopharmaceutical and medical device companies, venture capital firms, and research universities and institutes – I am writing to urge your support for legislation (H.R. 436) to repeal the recently enacted medical device manufacturers excise tax when it is considered on the House floor this week.

Our nation's medical technology companies employ nearly 519,000 people. California is home to over 1,200 of these firms -- more than any other state in the nation – and the more than 107,000 medical device jobs in California represent roughly 20 percent of the total U.S. medical technology workforce. This sector in California supports local economies and jobs throughout the 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.

Given the continued uncertainty around our state economy, including a still frustratingly high 10.9 percent unemployment rate, it is especially important that we do everything we can to encourage, not hamper, investment, entrepreneurship and innovation. For most companies, the device tax would threaten payroll reductions and slash R&D investments – anything but foster job creation.

It is difficult to quantify, but recent studies estimate the tax threatens the loss of up to 43,000 jobs nationwide. And as home to the largest segment of the nation's medical technology industry, our state will certainly be disproportionately impacted.

Therefore, CHI urges you to vote for legislation calling for its repeal.

Sincerely,



Todd Gillenwater  
Senior Vice President, Public Policy