



Oregon Bioscience Association

April 14, 2015

Oregon Senate Committee on Health Care
c/o Senator Monnes-Anderson, Chair
900 Court St NE
Salem, OR 97301

Re: Opposition to SB933

The Oregon Bioscience Association (Oregon Bio) believes that proposed Senate Bill 933 establishes unfair business practices to regulate the distribution and pricing of contact lenses. Oregon Bio believes the proposed legislation sets a dangerous precedent by barring free market practices that are essential for the strength, growth and prosperity of the life sciences industry sector, which includes medical technology and devices.

If enacted, SB 933 would prohibit practices that are common and lawful throughout the United States and set a dangerous precedent for applying such regulations in other industries. Passage of this bill would also eliminate an effective tool in helping bioscience companies in maintaining a reputable, well-trained and safe network of product distributors.

By not allowing this currently well-established business practice, manufacturers would lose their right to not distribute products to unscrupulous retailers, those who fail to meet quality standards, or those who violate criminal or civil rights laws. Preventing manufacturers from controlling distribution could lead to an escalation of fraudulent and unqualified individuals demanding manufactures sell to them, as well as limit competition by imposing a "one size fits all" distribution strategy on all manufacturers.

By narrowly focusing on a single product category, this legislation does also not meet a basic standard of fairness. States' unfair trade practices statutes generally apply to products and services in all industries. States have been reluctant to conclude that practices relating to one narrow product area should be banned while the identical practices in all other product and service areas should be lawful. The reason for this is clear: principles of competition are universal and should be governed by generally applicable laws on trade practices.

As the collective voice for the bioscience industry, Oregon Bio asks you to oppose Senate Bill 933 and the unnecessary administrative burdens it would impose. Though the bill currently targets a narrow sector of our industry, SB933 could also establish a dangerous precedent that could also adversely impact other mainstay industries (e.g. the electronics and semiconductor industry) in the Oregon economy. As Oregon's economy struggles to compete, Oregon businesses to not need to face more unnecessary regulations.

Thank you for your work on this issue.

Sincerely,

Dennis McNannay, Executive Director