

EXECUTIVE ORDER NO.

2021-17

WHEREAS, the State of South Carolina has a significant interest in recognizing and advancing existing investments in connection with the pharmaceutical, biotechnology, and medical-related industries (collectively, “Life Sciences Sector” or “Sector”) and facilitating and encouraging further investment and economic development in this critical sector, particularly in view of the impacts of the 2019 Novel Coronavirus (“COVID-19”), which have plainly demonstrated that no single nation or state should be the sole source of, or have a monopoly on the production of, or the intellectual property and supply chains for, essential medicines, medical devices and supplies, and personal protective equipment (“PPE”), as well as related inputs, components, goods, materials, and products; and

WHEREAS, in recent years, South Carolina has cultivated a cutting-edge Life Sciences Sector, which has an annual economic impact of more than \$12 billion; and

WHEREAS, at present, more than 800 firms and over 43,000 professionals in this State are directly involved in the research, development, and commercialization of innovative and essential healthcare, pharmaceutical, medical device, industrial, environmental, and agricultural biotechnology products; and

WHEREAS, since 2017, the Life Sciences Sector has become South Carolina’s fastest-growing economic sector, with employment increasing at approximately twice the rate of the State’s economy as a whole; and

WHEREAS, as evidenced by the aforementioned data, the South Carolina Department of Commerce (“Department of Commerce”), in collaboration with the State’s research institutions and the South Carolina Biotechnology Industry Organization (“SC BIO”), has consistently dedicated substantial economic development and recruitment efforts to cultivating and advancing the Life Sciences Sector; and

WHEREAS, in view of the State’s experience in addressing and responding to the COVID-19 pandemic, the undersigned recently directed the Department of Commerce to expand its ongoing economic development and recruitment efforts in the Life Sciences Sector and place enhanced emphasis and focus on attracting new investments, fostering and promoting the growth

of existing industries and employment opportunities in the State, and supporting additional research and innovation within these critical fields; and

WHEREAS, notwithstanding the State's collaborative response to COVID-19, the ongoing and evolving COVID-19 pandemic has clearly illustrated why no single nation or state should be the sole source of, or have a monopoly on the production of, or the intellectual property and supply chains for, essential medicines and medical supplies, as the United States was squarely confronted with the fact that many of these essential goods and products are solely or disproportionately manufactured in foreign countries, which forced states to compete against one another for limited domestic supplies of PPE and other critical materials; and

WHEREAS, in an effort to address the above-referenced and other problems, on August 6, 2020, the President of the United States issued Executive Order No. 13944 (Executive Order on Ensuring Essential Medicines, Medical Countermeasures, and Critical Inputs Are Made in the United States), which was designed to ensure that critical medicines and medical products are manufactured in the United States and to establish a strong public health industrial base with resilient domestic supply chains; and

WHEREAS, although President Trump's prompt and decisive executive action helped alleviate certain aspects of this multi-faceted issue, additional measures are warranted at both the federal and state levels to increase the domestic development and production of essential medicines and critical medical supplies and to reduce and eliminate the current and unsustainable reliance on foreign manufacturers and supply chains; and

WHEREAS, as a result of the foregoing experience, and since there is no better domestic location to develop and manufacture these critical products than South Carolina, the undersigned has determined that it is necessary and appropriate for the State to initiate additional action to incentivize the production of essential medicines and medical supplies and devices in South Carolina, thereby reducing the State's current and future need to compete with foreign nations and other states for PPE and other critical medical supplies, while also creating new jobs for South Carolinians and Americans by accelerating the domestic research, development, and production of essential medicines and medical supplies; and

WHEREAS, in addition to undertaking the above-referenced and other measures designed to reduce or eliminate the current reliance on foreign supplies and supply chains and ensure that both the State of South Carolina and the United States have ready and reliable access to the critical supplies, supply chains, human resources, and intellectual property necessary to prepare for and promptly respond to current and future public health emergencies and other existing or emerging public health or security threats, the State must simultaneously promote the establishment and further development of a robust and secure pharmaceutical and medical supply base and maximize the long-term domestic demand for such goods and products; and

WHEREAS, the measures set forth herein are intended to ensure sufficient and reliable long-term domestic demand for the production of essential medicines and medical supplies, while also maximizing and incentivizing job creation and new and additional investment, particularly in those industries producing essential medicines and medical supplies, including PPE, and capitalizing on and further establishing, accelerating, and expanding upon, the State of South Carolina's significant momentum as a global leader in the Life Sciences Sector.

NOW, THEREFORE, by virtue of the authority vested in me as Governor of the State of South Carolina and pursuant to the Constitution and Laws of this State and the powers conferred upon me therein, I hereby order and direct as follows:

Section 1. Pharmaceutical and Medical Supply Manufacturing Recruitment Initiative

A. The State of South Carolina has a significant interest in recognizing and advancing existing investments and facilitating and encouraging further investment and economic development in the Life Sciences Sector, particularly in view of the impacts of the COVID-19 pandemic. In furtherance of the foregoing, as well as the undersigned's responsibility to provide for and protect the health, safety, security, and welfare of the people of South Carolina, I hereby direct the Department of Commerce to undertake the following actions and initiatives:

1. Prioritize and enhance ongoing economic development and recruitment efforts by identifying, encouraging, and incentivizing pharmaceutical and medical supply manufacturers, both international and domestic, to locate research, development, and production facilities within the State of South Carolina.
2. Develop and execute international and domestic marketing campaigns that promote the State of South Carolina as a global leader in this Sector.
3. Facilitate, assist, and incentivize growth, expansion, investment, and employment opportunities at existing businesses and industries in the Sector located within the State of South Carolina.
4. Identify and advocate for statutory or regulatory changes or enhancements to the State's existing economic development mechanisms for new business and industry investment or expansion in the Sector.

B. I hereby direct the Department of Commerce to review its existing operations and organizational structure to evaluate whether modifications to the same would assist with facilitating and expediting the aforementioned initiatives, policies, and directives and, as necessary, to recommend any proposed changes to the General Assembly in accordance with section 1-30-10 of the South Carolina Code of Laws, as amended.

Section 2. Made in South Carolina Initiative

A. I hereby direct state agencies or departments involved in the procurement of essential medicines, medical devices, or medical supplies to use their respective authorities, as appropriate and to the extent permitted by applicable state and federal laws, to identify available domestic suppliers of the same and to maximize the procurement and utilization of products manufactured in the State of South Carolina and the United States.

B. I hereby direct state agencies and departments involved in the procurement of essential medicines, medical devices, or medical supplies to consider any and all available options to increase the procurement of the same from manufacturers and suppliers with operations located in the State of South Carolina, to include maximizing utilization of the resident-vendor preference set forth in section 11-35-1524 of the South Carolina Code of Laws, as amended.

C. I hereby authorize and direct state agencies and departments that regularly procure essential medicines, medical devices, or medical supplies, including PPE, to review existing operations and procedures and to consider, rescind, or propose, as applicable, any necessary changes to existing laws or regulations in furtherance of the directives and initiatives set forth in this Order.

D. This Section shall apply to any agency or department within the undersigned's Cabinet and any other agency or department within the Executive Branch, as defined by section 1-30-10 of the South Carolina Code of Laws, as amended, unless otherwise provided by law, and any other state government agencies, departments, and offices under the authority of the undersigned. In furtherance of the aforementioned principles, considerations, and initiatives, it is further advised and recommended that executive agencies or departments not in the undersigned's Cabinet or otherwise subject to the undersigned's direct authority shall likewise act in accordance with this Order and in furtherance of the aforementioned directives and initiatives.

Section 3. General Provisions

A. This Order is not intended to create, and does not create, any individual right, privilege, or benefit, whether substantive or procedural, enforceable at law or in equity by any party against the State of South Carolina, its agencies, departments, political subdivisions, or other entities, or any officers, employees, or agents thereof, or any other person.

B. If any section, subsection, paragraph, subparagraph, sentence, clause, phrase, or word of this Order is for any reason held to be unconstitutional or invalid, such holding shall not affect the constitutionality or validity of the remaining portions of this Order, as the undersigned would have issued this Order, and each and every section, subsection, paragraph, subparagraph, sentence, clause, phrase, and word thereof, irrespective of the fact that any one or more other sections, subsections, paragraphs, subparagraphs, sentences, clauses, phrases, or words hereof may be declared to be unconstitutional, invalid, or otherwise ineffective.

C. This Order is effective immediately.

**GIVEN UNDER MY HAND AND THE
GREAT SEAL OF THE STATE OF
SOUTH CAROLINA, THIS 1st DAY OF
APRIL, 2021.**

HENRY MCMASTER
Governor

ATTEST:

MARK HAMMOND
Secretary of State