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## **Tiberi: Drug Abuse Devastates Families, Degrades Communities, and Undermines Parts of the Economy**

*Remarks as Prepared for Delivery*

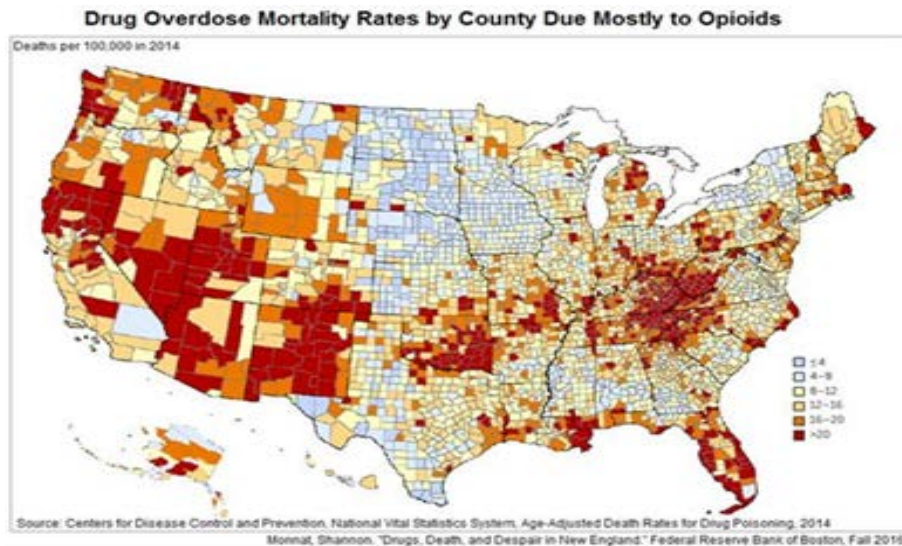
Joint Economic Committee Chairman Pat Tiberi (R-OH) today delivered the following opening statement during a hearing entitled “Economic Aspects of the Opioid Crisis”:

*“Good morning and welcome. I want to welcome especially our Ranking Member Senator Heinrich and our Vice Chairman Senator Lee, as well as the other Members of this Committee, who have joined me in expressing the importance of holding a hearing on the threatening increase in opioid abuse.*

*“Drug abuse has become rampant in America and may be the worst the country has experienced. It is devastating families and degrading communities, and undermining parts of the economy.*

*“For several states and districts represented by members of this committee, the problem is acute. As Figure 1 indicates, the crisis has a regional character. My hometown of Columbus, Ohio is part of the crisis’ epicenter east of the Mississippi.*

Figure 1

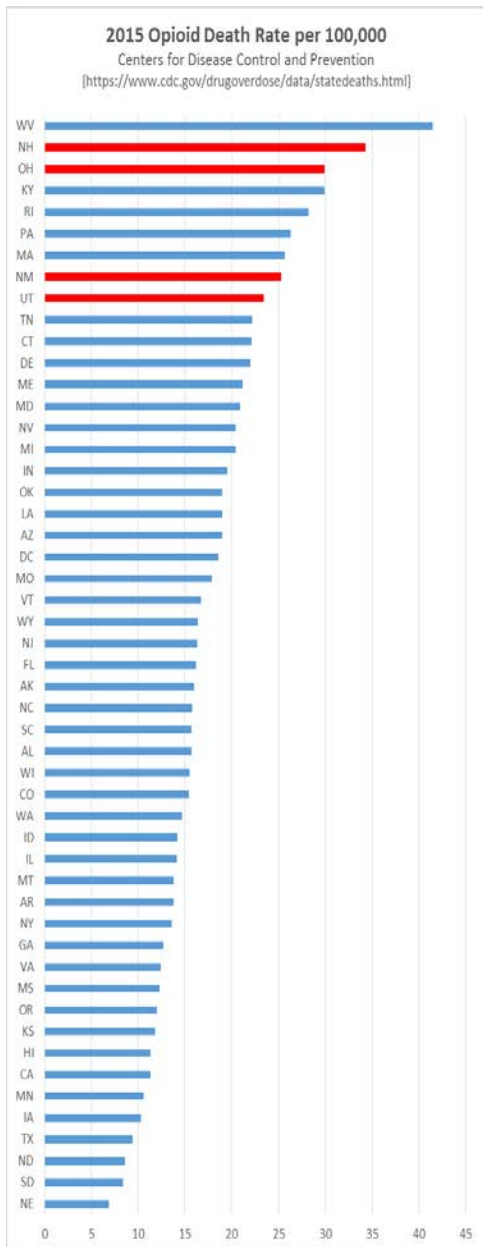


*“Figure 2 shows the 2015 drug overdose death rates by state, which ranged from 40 per 100,000 in West Virginia to six per 100,000 in Nebraska. The states represented by members of this committee among the ten highest rates, are highlighted in red, including my home state of Ohio, which ranks third.*”

*“Drugs markets, both legal and illegal, can be analyzed from the demand and the supply side. The exact reasons for the extent of drug abuse are not clear at this point. With respect to demand, a changing perception of pain as a health problem in the 1980s by the World Health Organization in particular laid the ground for more intensive treatment.*”

*“The labor market and the economy can have a major impact on demand, although not necessarily in ways one might expect. Some research shows less substance abuse when unemployment increases, for instance. And, while prolonged downturns in labor market and economic conditions are associated with social, behavioral, and health problems, they do not necessarily affect all groups in the same way or to the same degree.*”

Figure 2



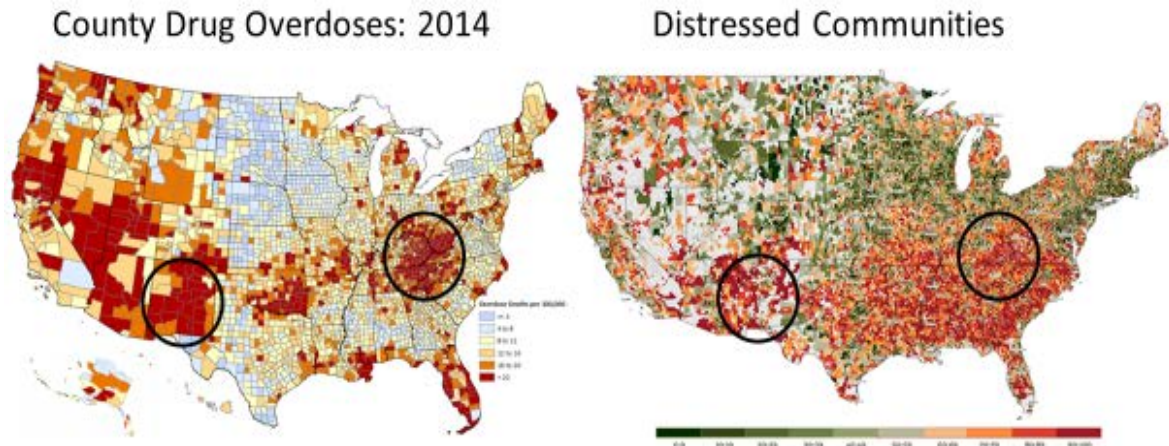
*“All of society is vulnerable to the opioid epidemic, but it is compounding the economic distress that certain parts of the country and segments of the population already have been experiencing. Some areas of high unemployment tend to have higher rates of substance abuse. The Economic Innovation Group, a representative of which testified at our last hearing, *The Decline of Economic Opportunity: Causes and Consequences*, developed an economic distress index consisting of several economic indicators, a national map of which is shown alongside the map of overdose deaths in Figure 3. The darker the red, the worse the distress. Striking correlations are visible.*”

*“But it is also apparent from Figure 3 that some economically distressed areas are not experiencing high overdose death rates.*”

*“From the supply side, the particular locations where new, potent drugs initially happened to become most readily available, and the path of geographic market expansion they took, track a visible trail of destruction in Figures 1 and 3. Without question, new developments in the sourcing, cost of production, potency, and retail delivery have moved the supply of both legal and illegal addictive drugs substantially to the right. Newly effective pain medication, OxyContin, introduced in the mid-1990s had initially unacknowledged addictive qualities and was overprescribed. So-called black tar heroin, more powerful and less expensive than other kinds, expanded its market share just as OxyContin was reduced in potency.*”

*“The prescription drug explosion started in the Appalachian part of Ohio and spread to parts of Kentucky and West Virginia. Black tar heroin entered the Southwest and spread westward but eventually also eastward, crossing the Mississippi in 1998.*”

Figure 3



*“Illegally distributed variations and counterfeit forms of prescription drugs like fentanyl can be poisonous and kill a person even in small doses, some by mere contact with the skin. We now face pure poisons masked as narcotics that are shipped across our borders. Senator Portman and I have introduced the STOP Act, which aims to stop dangerous synthetic drugs from being shipped through our own postal service, keeping them out of the hands of drug traffickers in the United States.*

*“But it would be a mistake to blame these drugs entirely for the rise in mortality that some groups and regions are suffering. There are other causes apparently emanating from long-term changes in the composition of the economy and of skill requirements.*

*“Determining cause and effect is obviously critical to reaching the right conclusions. Feedback effects often complicate causality and make a clear understanding of major causes difficult. For example, does a bad economy lead to drug abuse or does drug abuse to a bad economy by lowering productivity, labor force participation, and social cohesion? We will hear perspectives that run in both directions today.*

*“We will hear about the economic decline of certain groups leading to despair and self-destructive behavior; of damage drug abuse causes individual lives, families, and communities in all segments of society; and of developments in the production and marketing of addictive drugs, which have made them more dangerous, affordable, and available.*

*“I look forward to most insightful testimony from our panel of experts.”*

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