

The Honorable Harry Reid
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Nancy Pelosi
Speaker
U. S. House of Representatives
Washington, DC 20515

The Honorable Mitch
McConnell
Republican Leader
United States Senate
Washington, DC 20510

The Honorable John Boehner
Republican Leader
U.S. House of Representatives
Washington, DC 20510

December 19, 2008

Dear Speaker Pelosi, Leader Reid, Republican Leaders McConnell and Boehner:

As representatives from the patient and health advocacy community, we applaud your commitment to economic stimulus legislation early in the 111th Congress, and request your consideration of ways to use this opportunity to promote support for the small, research-intensive companies who promise to improve the health of our nation through innovation and job creation.

Many emerging biotechnology companies are poised to make great advances in the treatment of diseases like cancer, diabetes, heart disease, Muscular Dystrophy, Parkinson's disease, Multiple Sclerosis, cystic fibrosis and countless un- or undertreated diseases. However, America's research and capital-intensive small companies involved in the development of next-generation technologies are struggling to raise the necessary capital to survive the current financial crisis. This is especially the case regarding the U.S. biotechnology industry.

Compared with 2007, funding raised by small biotech companies, both private and publicly-traded, has decreased by nearly 60 percent. Roughly one-third of small public biotech companies are currently operating with less than 6 months of cash-on-hand and nearly half have less than 1 year of cash remaining. Funds raised from initial public offerings (IPOs) have fallen a staggering 97 percent.

We fear that if no action is taken by the Congress to address the crisis facing small biotech companies' restricted access to capital in any stimulus package, even more bankruptcies will occur. This will threaten further the search for new treatments and halt current drug development trials, as well as risk additional jobs in this vital industry.

We urge you to include in the economic stimulus bill a provision allowing small companies to accelerate the use of their tax assets, such as net operating losses (NOLs) or R&D credits, in order to receive critical funding now in return for giving up these tax benefits in the future. Further, we urge that any new funds received by companies be used for R&D activities in the U.S.

We believe that small life sciences companies are a key component of the intellectual infrastructure of America's 21st century economy. A number of our patient-focused nonprofit organizations fund medical research in academia and in the biotechnology industry, and rely on these companies to shepherd, from bench-to-bedside, new and life-saving therapies for patients

across the country. If small R&D-intensive companies are allowed to fail due to the current capital crisis, America's competitive edge in a variety of cutting-edge industries, such as biotechnology, could be lost.

We understand the great pressures facing the American economy, and we thank you for considering our request. We look forward to working with you to ensure that the economic stimulus package preserves the promise offered through biotechnology – both in workforce development, but more importantly, in translating innovation and discovery into better therapeutics for the patients we represent.

Sincerely,

Alfred E. Mann Foundation for Biomedical Engineering
Alliance for Aging Research
American Autoimmune Related Diseases Association
Aplastic Anemia & MDS International Foundation.
Californians for Cures
Candlelighters Childhood Cancer Foundation
Children's Tumor Foundation
Congress of Neurological Surgeons
Cooley's Anemia Foundation
Cutaneous Lymphoma Foundation
Cystic Fibrosis Foundation
Cystinosis Research Network
Dystonia Medical Research Foundation
Families of Spinal Muscular Atrophy
Foundation Fighting Blindness
Foundation for Sarcoidosis Research
Huntington's Disease Society of America
Jolene Koester
Kate and Roger Semerad
Lupus Foundation of America, Inc.
Men's Health Network
Muscular Dystrophy Association
National Alopecia Areata Foundation
National Grange of the Order of Patrons of Husbandry
National Spinal Cord Injury Association
National Tay-Sachs & Allied Diseases Association, Inc.
Parent Project Muscular Dystrophy
Research for Cure
Research!America!
RetireSafe
Sudden Cardiac Arrest Association
The Adenoid Cystic Carcinoma Research Foundation
The American Association of Neurological Surgeons

The Kidney Cancer Association
The Leukemia & Lymphoma Society
The Parkinson's Institute and Clinical Center
The Society for Women's Health Research
The Southern California Biomedical Council
The Student Society for Stem Cell Research
The Tuberous Sclerosis Alliance