



James C. Greenwood
President & CEO

November 6, 2013

The Honorable Robert Menendez
528 Hart Senate Office Building
United States Senate
Washington, D.C. 20510

The Honorable Patrick Toomey
248 Russell Senate Office Building
United States Senate
Washington, D.C. 20510

Dear Senators Menendez and Toomey:

On behalf of the Biotechnology Industry Organization (BIO) and its 1,100 members, I am writing in strong support of your Start-up Jobs and Innovation Act. I want to thank you for introducing this important legislation, which will spur investment in small biotech companies and other innovative businesses.

Many research-intensive companies rely on private investment to support their groundbreaking R&D. Because of the long research process intrinsic to scientific advancement, growing innovators operate without product revenue and thus cannot use the sale of one product to finance the development of another. The investment dollars that fund the decade-long, billion-dollar biotech pipeline are supporting the next generation of breakthrough technologies.

While your legislation is not industry-specific, your bill will invigorate biotech R&D by encouraging investment in early-stage businesses. By providing an incentive for investors to partner with a young research company, the Start-up Jobs and Innovation Act stimulates R&D investment at the earliest, most-critical stages of a company's research. The R&D Partnership Structures allowed by the legislation will lead to long-term investment strategies, which are critical to the success of innovative research. Allowing longstanding investors in small business innovators to benefit from a reduced capital gains rate will similarly encourage critical investments.

The economic effects of scientific advancement are striking. The biotech industry already has an employment impact of over 5 million Americans, the vast majority of which are working for growing businesses. An independent study of your R&D Partnership Structures proposal revealed that it will create over 150,000 additional jobs and spur increased investment by \$10 billion per year. These jobs are essential if America is going to lead the way in the 21st century innovation economy.

Innovative biotech companies at all stages of the development process are working toward next generation technologies to heal, fuel, and feed the world. Your Start-up Jobs and Innovation Act will support the early-stage research critical to bringing these breakthroughs to the world. I want to thank you again for introducing this critical legislation, and we look forward to working with you on this important issue.

Sincerely,

A handwritten signature in black ink that reads "Jim Greenwood". The signature is fluid and cursive, with the first name "Jim" being more prominent than the last name "Greenwood".

James C. Greenwood
President and CEO