



October 25, 2007

The Honorable Nancy Pelosi
Speaker of the House
H-232 U.S. Capitol
Washington, DC 20515

The Honorable David R. Obey
Chair
Appropriations Subcommittee on Labor,
Health and Human Services, Education, and
Related Agencies
B-300 Rayburn House Office Building
Washington, DC 20515

The Honorable Jerry Lewis
Ranking Member
Committee on Appropriations
H-218 U.S. Capitol
Washington, DC 20515

The Honorable James T. Walsh
Ranking Member
Appropriations Subcommittee on Labor,
Health and Human Services, Education, and
Related Agencies
B-300 Rayburn House Office Building
Washington, DC 20515

Dear Speaker Pelosi, Rep. Obey, Rep. Lewis, and Rep. Walsh,

On behalf of the undersigned organizations, representing the life sciences industry in California and nationwide, we urge you to support a funding level for the National Institutes of Health (NIH) in the final FY 2008 Labor, Health and Human Services, and Education (LHHSE) Appropriations bill that is at least equal to the level provided in the Senate bill. We also would very much appreciate an opportunity to meet with your staff to discuss in greater detail the importance of NIH funding to the nation and to California.

The United States is the foremost leader in developing novel medicines for patients suffering from untreated and under-treated diseases, in part as a result of the extensive scientific partnership between the publicly-funded biomedical research enterprise centered at the NIH and the life sciences community. As an industry that does a tremendous amount of basic research, we value the work of NIH and the cooperative spirit that has allowed industry and the government to achieve the common goal of finding treatments and cures for diseases. California's academic and private research centers are national leaders in NIH-supported research that yields groundbreaking scientific discoveries. In 2004, for example, California received 7,788 grants and contracts totaling \$3.6 billion. This contribution is critical to the development of innovative diagnostics, therapeutics, vaccines and technologies through the collaborative efforts of NIH and industry.

Significant medical progress was fueled by the doubling of NIH's budget between 1998 and 2003. Over the past four years, however, the NIH budget has been flat or declining in real-dollar terms. Because funding has failed to keep pace with biomedical research inflation, NIH has lost 8.3% of its purchasing power since 2004, resulting in fewer research grants, forfeited clinical trials, research lab layoffs, the phasing out of research programs, reduced interest in research careers and declining morale, especially in the ranks of young investigators.

In order for NIH to recover the losses from biomedical inflation and invest in today's unprecedented scientific research opportunities, we support increasing NIH funding to \$30.8 billion in FY 2008. As you know, the House bill provides \$29.35 billion at the program level for NIH. While this funding level is more than the President's FY 2008 budget request and a 1.9% increase over FY 2007 funding, the increase is still less than the projected rate of biomedical inflation (3.7% in FY 2008). The Senate bill provides \$29.89 billion for NIH, which, though also less than biomedical inflation, is a greater increase in much-needed funding for NIH.

We appreciate the need for fiscal responsibility and the many priorities that Congress must fund with limited resources. Yet sustained, robust funding for biomedical research is needed if we are to continue to realize the scientific breakthroughs that lead to new treatments, cures, and improved health for all Americans. Therefore, we respectfully request a meeting with your office and your support to ensure that the FY 2008 LHHSE Appropriations bill includes an increase for NIH that is at least equal to the Senate level and, if possible, additional funding to keep pace with biomedical inflation.

Sincerely,



Matthew M. Gardner
President
BayBio



James C. Greenwood
President & CEO
Biotechnology Industry Organization



David L. Gollaher
President & CEO
California Healthcare Institute



Joe Panetta
President & CEO
BIOCOM