



September 22, 2008

The Honorable Christopher Cox
Chairman
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549-1090

Linda Chatman Thomsen
Director, Enforcement Division
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549-1090

Dear Chairman Cox and Director Thomsen:

On behalf of its members, the Biotechnology Industry Organization ("BIO") would like to commend the Securities and Exchange Commission's ("SEC") recent efforts to investigate fraud and combat manipulation in the securities markets. The recent turmoil in our nation's financial markets has adversely impacted the biotechnology industry by driving down security prices and harming investor confidence in our capital markets.

BIO represents more than 1,200 biotechnology companies, academic institutions, state biotechnology centers and related organizations across the United States and in more than 30 other nations. BIO members are involved in the research and development of innovative healthcare, agricultural, industrial and environmental biotechnology technologies, thereby expanding the boundaries of science to benefit humanity by providing better healthcare, enhanced agriculture, renewable fuels, and a cleaner and safer environment.

Overall, we believe the SEC's recent rulemaking will be beneficial in strengthening investor protections against abusive "naked" short selling for all public companies, including the biotechnology industry. In addition to the recent rules, BIO urges the SEC to issue proposed rulemaking that would provide adequate disclosures of short positions to the SEC and to the public. We believe that such an initiative would increase transparency in short selling and encourage investor confidence in the financial markets. The biotechnology industry has been and is increasingly vulnerable to investors who illegally spread false rumors in efforts to manipulate security prices. This type of illegal behavior is especially detrimental to emerging biotechnology companies whose value is so dependent on the results of their research and development efforts. For example, false rumors such as "negative" results or even intentional mischaracterization of a clinical trial or in a particular individual could substantially drive down a biotechnology company's stock price.

BIO appreciates the efforts of the Commission to combat market manipulation and looks forward to working with the agency through the regulatory rulemaking process to ensure that securities of all public companies, including the biotechnology industry, are protected against illegal abusive “naked” short selling and false rumors. If you have further questions, please contact me or Shelly Mui-Lipnik, Director of Capital Formation and Financial Services Policy at (202) 962-9200.

Sincerely,



Alan Eisenberg

Alan F. Eisenberg
Executive Vice President
Emerging Companies and Business Development
Biotechnology Industry Organization (BIO)