



May 7, 2009

Mr. Russell G. Golden
Chairman of Emerging Issues Task Force
Financial Accounting Standards Board
401 Merritt 7
Norwalk, Connecticut 06856-5116

RE: BIO Comments on EITF 08-9

Dear Chairman Golden:

On behalf of its members, the Biotechnology Industry Organization ("BIO") is pleased to provide comments on the Emerging Issues Task Force (EITF) Issue No. 08-9, "Milestone Method of Revenue Recognition".

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 biotechnologies, thereby expanding the boundaries of science to benefit humanity by providing better healthcare, enhanced agriculture, renewable fuels, and a cleaner and safer environment.

BIO applauds the Emerging Issues Task Force in its development of EITF 08-9. We believe that this is a great first step in addressing some of the concerns the industry has had in the area of revenue recognition as it relates to collaborative agreements.

Due to the capital intensive nature of bringing a new therapy to market, biotechnology companies will often collaborate with one another or a larger pharmaceutical company to pursue their research and development objectives. These agreements commonly include payments for achieving substantive development milestones. EITF 08-9 provides guidance on how to use the milestone method to account for a substantive milestone as a single deliverable or unit of accounting. This will allow biotechnology companies that have entered into collaborative arrangements to recognize the revenue associated with their substantive milestones upon completion of the developmental achievements. We believe this method of accounting is

consistent with how biotechnology companies manage the economics of their collaborative arrangements.

BIO again applauds the work done by the EITF in developing EITF 08-9. We look forward to continuing our work with the FASB on revenue recognition issues as they relate to other kinds of payments within collaborations. BIO's ultimate goal remains focused on providing meaningful financial information to investors and reflect the underlying economics of collaborations. 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,

A handwritten signature in black ink, appearing to read "Alan F. Eisenberg", written in a cursive style.

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