

April 7, 2010

James C. Greenwood
President & CEO

The Honorable David R. Obey
Appropriations Subcommittee on Labor,
Health and Human Services, Education,
And Related Agencies
2358 Rayburn House Office Building
Washington DC 20515

The Honorable Todd Tiahrt
Appropriations Subcommittee on Labor,
Health and Human Services, Education,
And Related Agencies
1016 Longworth House Office Building
Washington DC 20515

Dear Chairman  Obey and Ranking Member  Tiahrt:

On behalf of the Biotechnology Industry Organization (BIO), I am writing to express our strong support for \$500 million for the Cures Acceleration Network (CAN) Act, a new initiative at the National Institutes of Health (NIH) that was authorized in the recently-enacted Patient Protections and Affordable Care Act.

Implementation of CAN will help NIH-funded researchers bridge the precarious gap between basic research and the eventual development of new cures and treatments for many of the diseases we face today. The Patient Protection and Affordable Care Act establishes CAN in the Office of the Director of NIH. It authorizes grants for public and private entities that will target discoveries that have shown promise at the laboratory level, but have not been able to advance enough to attract investors that are willing to commit to such promising discovery. If funded, CAN will significantly enhance the quality of health care for the American people by speeding up our ability to transition the research originating from NIH into cures and treatments.

In addition to accelerating the development of therapies and treatments, funding for CAN will also provide the economy with a much needed boost. The biotechnology industry is extremely capital intensive, and the shrinking of the capital markets has forced many of our emerging companies to slow down or curtail work on many innovative cures and treatments. As of late 2009, over one-third of publicly traded U.S. biotech companies were operating with less than a year of cash, and over half of those were operating with less than six months of cash. Small biotech companies have cut cash spending by 40% since the beginning of 2008, and have cut or placed on hold more than 40 drug development programs. These companies have postponed clinical trials to treat cancer, lupus, multiple sclerosis, diabetes, pandemic flu and more.

We recognize the current constraints on government spending; however, we do not believe that this funding should come at the expense of ongoing research at NIH. The experience of the past decade demonstrates the problems caused by cyclical periods of rapid funding growth followed by periods of stagnation. After a strong period of growth in NIH funding, NIH has lost more than 17.5% of its purchasing power since FY 2004, and now is only able to fund one in ten meritorious research proposals (down from one in three in 2003). Consistent



sustainable growth in NIH funding is critical to knowledge development that contributes to advancing better health for all Americans. Additionally, advancing scientific discoveries is critical to the establishment of a 21st century economy.

Consistent with the President's budget request for the NIH, BIO requests an increase of at least 3.2% above last year's level to support the traditional research mission at the NIH. This increase is the minimum necessary for NIH to most effectively continue its important basic research portfolio. In addition, BIO requests the Committee provide \$500 million above the President's request in order to fund the CAN at its authorized level. We believe that it is imperative that the Cures Acceleration Network be fully-funded as envisioned by the Patient Protection and Affordable Care Act so that it can increase our ability to bring new cures and treatments from lab to the public.

Thank you for your consideration of this request. Should you have any questions or comments, please feel free to contact me or Patrick Carroll, Director of Federal Government Relations, at (202) 962-6696.

We look forward to working with you throughout the appropriations process.

Regards,



James C. Greenwood
President and CEO