

January 8, 2010

The Honorable Steny H. Hoyer
Majority Leader
United States House of Representatives
H-107, The Capitol
Washington, D.C. 20515
Fax: 202-225-4300

Dear Majority Leader Hoyer:

On behalf of the Tech Council of Maryland (TCM), TCM's MdBio Division Board of Directors and Maryland's biotechnology industry, we are writing to urge your support for the Qualifying Therapeutic Discovery Project Credit provision (section 9023) that was included in H.R. 3590, the Senate-passed Patient Protection and Affordable Care Act.

Maryland's biotechnology industry is made up of predominately small companies that are driving research and development of innovative new therapies and vaccines for swine flu, cancer, Alzheimer's disease, heart disease, diabetes, multiple sclerosis, AIDS and arthritis. In addition, many companies are developing vaccines and treatments to protect our homeland and keep our military personnel safe in the field. Maryland is home to more than 1,028 bioscience companies and is recognized as a national leader in bioscience research and development, with 78,248 employees with an average salary of \$67,000.

The Qualifying Therapeutic Discovery Project Credit is critical to the survival of such emerging Maryland biotechnology companies that are currently struggling to raise capital. Since the research and development of innovative treatments and therapies is an extremely capital intensive process, Maryland's emerging biotechnology companies have been working closely with the Tech Council of Maryland on addressing the severe capital crunch facing Maryland's early-stage biotechnology companies. This credit will serve not only to sustain high-wage high quality jobs in Maryland but will also provide much needed support to continue the development of life-saving future new therapies for patients.

Allowing emerging innovative companies with less than 250 employees the ability to apply to the Treasury Department for a reimbursement of up to 50 percent of the eligible costs associated with the development of new therapies designed to treat or prevent diseases and conditions would help sustain research and development of new therapies. This would fund activities such as hiring researchers and scientists and conducting clinical studies. Without this immediate capital infusion, Maryland's small biotechnology companies will not be able to gain access to much needed private investments given the current investment climate, resulting in a loss of a generation of cures and therapies.

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Maryland's biotechnology sector has seen rapid job growth - up to 15 percent in recent years. These high-skill, high-wage jobs directly and indirectly contribute to Maryland's economic growth. The State's position as a national leader in innovative research and development would benefit significantly with the passage of the Qualifying Therapeutic Discovery Project Credit as part of any final healthcare reform legislation.

Therefore, we strongly urge your support for the inclusion of this credit as part of the final healthcare reform legislation. Your support on this issue is invaluable to Maryland's future economic growth and will further future medical breakthroughs and development of potentially life-saving new therapies.

Thank you for your consideration.

Sincerely,



Edward M. Rudnic, Ph.D.
Chairman, TCM Board
Managing Director, UnionBridge Management LLC



Stephen J. Trevisan
Chairman, TCM MdBio Board
President and CEO, Accelovance



Jerry L. Parrott
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Renée M. Winsky
Chief Executive Officer, TCM