

The Bioscience Brief

A National Bioscience Newsletter

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Welcome to the Second Edition of the BiMonthly Brief!

We here at the Bioscience Brief wish to inform you about what's happening in bioscience sectors across the country. We understand your concerns about Spam and assure you that our newsletter is not intended to be as such. You have received the Bioscience Brief Newsletter as a result of your RSVP to one of our events that took place in your state and were sponsored by our national partners: the Biotechnology Industry Organization (BIO), the Pharmaceutical Research & Manufacturers of America (PhRMA), the National Venture Capital Association (NVCA), and the United States Chamber of Commerce.

Thank you,

Bioscience Brief Staff

National Partner Spotlight: BIO

The Biotechnology Industry Organization (BIO) represents more than 1,100 biotechnology companies, academic institutions, state biotechnology centers and related organizations across the United States and 31 other nations. BIO members are involved in the research and development of healthcare, agricultural, industrial and environmental biotechnology products.

Hundreds of millions of people worldwide have been helped by more than 200 biotechnology drugs and vaccines currently available. The industry has a robust pipeline of new and emerging technologies that could lead to treatments for numerous diseases including cancer, Alzheimer's disease, heart disease, diabetes, multiple sclerosis, AIDS and arthritis. In addition to human healthcare, the biotechnology is revolutionizing production agriculture and industrial manufacturing and will continue to play an increasing role in our everyday lives.

The bioscience industry – broadly defined – provides significant development opportunities as they include diverse industry sectors serving a large number of markets. The biosciences are expected to grow significantly during the coming decade as new products, which have been in development, begin to enter the market and new industrial and agricultural applications are introduced.

The BizBio program has been useful in helping to improve understanding about the future of the bioscience industry. State governments are playing an increasingly important role in helping to develop the bioscience industry. Many state legislatures have passed, or are considering, proactive legislation to support the further development of their bioscience industry. Some positive legislative initiatives include: net operating loss carryover, Rx tax credits, development of bioscience research parks and bioscience incubators, use of tobacco settlement funds to fund health research, utilization of state

pension funds to leverage investments in bioscience ventures, state bio venture funds making direct equity investments in entrepreneurial ventures, the promotion of, and investment in, technology transfer and commercialization of university bioscience.

Jumpstart Your Community's Bio Tech Industry

Iowa's biotech community recently got a boost through a rare opportunity that recently presented itself in Des Moines, IA. "I wanted an opportunity to showcase the fast growing Biotech industry in our state," said Doug Getter, Executive Director of the Iowa Biotechnology Association. This opportunity presented itself with the creation of the program entitled 'Iowa's Biotech Community: Building a Foundation.' As Getter put it, "This program was incredibly successful for our organization and for the biotech sector in our state."

Two months of planning culminated in a great event attracting over 80 attendees from State Legislators, representatives of academia, to biotech entrepreneurs, members of the Board of Regents and public policy professionals. Co-sponsors included: Iowa Biotechnology Association, Association of Business and Industry, Iowa Chamber Alliance, Iowa Department of Economic Development, Professional Developers of Iowa, Biotechnology Industry Organization, National Venture Capital Association, U.S. Chamber of Commerce and Pharmaceutical Research & Manufacturers of America.

The event was keynoted by Cavan Redmond, Executive Vice President and General Manager of the BioPharma Business Unit at Wyeth Pharmaceuticals. Mr. Redmond provided attendees with an excellent overview of the types of public policies that may encourage a major pharmaceutical company to invest in a particular area.

The program also offered two panel discussions: "The Paths of Innovation" and "Building the Future Today." Both featured prominent panelists attracting numerous representatives from biotechnology and business executives, to economic development professionals, academics, venture capitalists, and local media in attendance to helping publicize the event.

In addition to serving as an educational opportunity, the conference provided Iowa's growing bioscience industry with an excellent base from which to develop an innovative communications network.

Written feedback from participants following the event was overwhelmingly positive with most asking for more frequent programs of this nature. "I would strongly encourage anyone interested in building a better biotech community to consider hosting one of these conferences," Getter stated.

Louisiana's Bioscience Community: Rebuilding The Foundation

Louisiana's medical schools, specifically Louisiana State University's (LSU), received some good news right before Christmas. Governor Kathleen Blanco pledged to come up with the funds New Orleans' devastated school system needs in order to survive. But it may not have been enough under the tree.

Larry Hollier, LSU Health Sciences Center Chancellor, appealed for \$90 million in "bridge funding" so

teaching programs could continue through June 30. "Without it," Hollier said, "the programs that train the state's future physicians and other health care professionals are in jeopardy of closure because they won't be considered financially viable by accrediting bodies."

While verbal commitments to Louisiana's public health system and teaching institutions continue to come forth, LSU's hospital and medical training executives warn the financial situation is growing dire, threatening medical school accreditation.

Christmas approached with only 296 out of roughly 4,000 employees left at the two New Orleans public hospitals.

Medical schools and public hospitals are linked. The schools provide physician manpower to the hospitals and the hospitals pay for services delivered. Those dollars fuel the medical school's budget. Today, LSU's two New Orleans hospitals are shuttered and traditional revenue sources are gone.

"The medical school graduates about 165 students a year, and 75 percent of them stay in Louisiana for training and continued practice," said Louisiana Senate President Don Hines, a physician.

At a recent summit sponsored by the Louisiana Business Group on Health, professionals from both the private and public sectors voiced similar worries about the post-Katrina environment. Some were shocked that the state's top-notch health care system is now in third-world status due to storm damage.

Medicaid rolls have grown in the state by 60,000 beneficiaries in one 30-day period. The State Department of Insurance has fielded a minimum of 10,000 calls a month post-Katrina; though it typically fields 16,000 calls in a year.

Nearly one in five Louisiana residents have been displaced. Unemployment rocketed from 5.8 to 14.8 percent. Approximately 81,000 businesses in southern Louisiana shut down for a while. A study commission estimates the cost of rebuilding homes in Orleans Parish alone at \$14 billion.

Many participants from the Biotechnology Industry Organization (BIO) Conference, held last May in Louisiana, have had to relocate out of New Orleans or are doubling hourly wages just to find employees. In an informal survey of conference attendees, concerns for the bioscience industry in 2006 boiled down to three repetitive questions:

1. Will industry have an incentive to invest in New Orleans until its security against future catastrophic storms is bolstered by stronger levees and a more reliable floodwater protection system?
2. How can we retain our intellectual capital, particularly lead scientists and a trained New Orleans medical workforce, if the teaching hospitals and medical schools falter?
3. Is the bioscience industry going to lose the subject population's, which was once in New Orleans, interest in participating in clinical studies?

Long-term planning in Louisiana is being addressed by the Louisiana Recovery Authority, a bioscience committee reporting to the Bring New Orleans Back Commission. Eventually, a revitalized Bio-Business network will emerge with a unified voice as the new year dawns. Louisiana needs smart growth principles as well as flexibility from government and commerce, to rebuild its health care system into an international model.

Maryland Looks to its Future in Bioscience

Prior to the closing remarks by Maryland's Secretary of Business & Economic Development (MD DBED), Aris Melissaratos, more than 160 scientists, legislators, bioscience entrepreneurs, economic development professionals, business executives, venture capitalists, academics and journalists explored the state's present and future place in the bioscience sector's domestic and international marketplace.

Lead by a planning committee with representatives from the Technology Council of Maryland, University System of Maryland, Johns Hopkins University, the Maryland Chamber of Commerce, and MD DBED, a half day program was developed examining all elements of the biopharmaceutical innovation pipeline.

The half day forum was kicked-off by a "Conversation about Venture Investing" exploring the differences between traditional and new model venture capital investments. Mark Heesen, president of the National Venture Capital Association and David Mott, president, CEO and vice-chairman of MedImmune and an investment committee member of MedImmune Ventures, Inc. led the conversation.

Following this conversation, two panels discussed the current status of Maryland's bioscience industry and how it must evolve to continue to compete globally. With the president of the Technology Council of Maryland serving as the forum's Mistress of Ceremonies, panelists represented executives and administrators from various institutions, like the chief executives from Advanics Pharmaceuticals and MedImmune; the Maryland Chamber of Commerce; University of Maryland Biotechnology Institute and University of Maryland, Baltimore; Johns Hopkins University; MD DBED; and Quaker Bioventures.

The planning committee plans to continue building on this forum by developing a collective agenda representative of all aspects of the industry from across the state and its competing, and collaborative, interests. Some agenda items under consideration focus on the expansion of state backed investments in Maryland's bioscience industry; promotion of a marine biotech initiative; development of an annual, statewide bioscience forum; and the establishment of integrated graduate-level management for the bioscience industry.