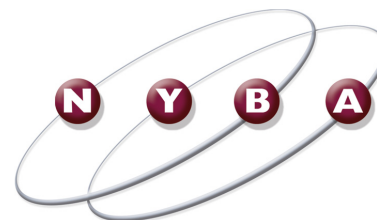


New York Biotechnology Association 2011 Legislative Priorities

www.nyba.org



The Cures Start Here®

As the only statewide association in New York State dedicated solely to the issues of the bioscience industry, NYBA urges legislators to support the industry by focusing on issues that will create a better business climate that will allow companies at all stages of development to grow and succeed. NYBA is committed to policies that ensure patient access to the innovative therapies, devices and diagnostics that are being developed by the many bioscience companies across New York.

- **The Bioscience Industry in New York State**

The bioscience industry has been a leading business sector in New York State for well over 150 years. Countless medical discoveries have been made right here in New York. From vaccines to protect against polio, diphtheria and smallpox, to advanced DNA discoveries to life-saving antibiotics, to name a few, and companies located in New York continue to lead innovation in biosciences. New York has also recently emerged as a leading center of nanotechnology and this cutting edge technological expertise, together with the recent advances in the mapping of the human genome, positions New York extremely favorably to leverage the widely anticipated nexus between nanotechnology and biotechnology. Now more than ever, it is imperative for New York to encourage and promote the research and development of new life saving medicines. The State must recognize and capitalize on the existing resources the bioscience industry provides to the State and work to grow this vital industry. With the right incentives and supportive policies, New York State can strengthen its position as a leader in biotechnology and further develop the bioscience industry in the State to benefit patients worldwide.

New York Biotechnology Association 2011 State Public Policy Agenda

Top Priorities

1. **Maintain a Supportive Regulatory Environment in New York State**

In order to maintain leadership as a location for the bioscience industry to flourish, NYBA recommends that the Legislature refrain from passing legislation that unduly regulates the bioscience industry in practices that are ultimately governed by an existing federal regulatory structure. Specifically, NYBA opposes measures that inhibit the ability of researchers to perform clinical trials in the state, restrict marketing, or proscribe continuing medical education programming. Similarly, NYBA opposes price controls or similar measures, and supports fair reimbursement rates for drugs and devices that are the result of bioscience research. NYBA also opposes any weakening or elimination of drug re-importation laws.

2. **Protect Patient Access to Innovative Therapeutics and Devices**

Patients in the U.S. are offered the latest and best medicines because our national policies have fostered innovation and ensured that patients can benefit from this innovation. This is not the case in many countries. It is important that New York reflect this commitment to innovation by ensuring that State programs and policies do not unduly limit a patient's ability to receive, in consultation with their doctors, the best therapies and devices for him or her.

3. **Renew and Expand the QETC Tax Credit**

The QETC facilities operations and training credit, has been one of the most successful incentives for growing biotechnology companies in New York, needs to be renewed. NYBA urges the legislature to expand that credit, and to look at expanding the other QETC credits to make them more effective in spurring growth in small and medium sized biotechnology companies across the state.

4. **Establish an Early Stage Seed Capital Investment Fund**

By creating a state-sponsored seed fund, New York will have taken a vital first step in invigorating the economic opportunity offered by new technologies. It is difficult for growing companies to obtain seed and early-stage investment because venture funds, as they have become larger, tend to make larger, later-stage investments. As a result, angel investors have also moved downstream, making more post-seed and later-stage investments than previously. So, in addition to the difficulty of obtaining translational research and precommercialization funding, firms are facing a gap at the start-up phase where they need \$500,000 to \$2 million.

Other Priorities

- **Full Funding for New York's Centers for Advanced Technology**

NYBA strongly supports restoration of full funding for the Centers for Advanced Technology (CAT) program, and the preservation of university-based economic development programs as a means to fuel high-tech economic growth. The CAT program capitalizes on the \$2B annual investment by the federal government in New York's academic research infrastructure by "bridging the gap" between early stage discovery and commercial development. Strong links between our research institutions and industry are critical to maintaining global competitiveness in the life sciences, fueling product development pipelines, fostering new company formation, and new job creation.

- **Bioscience Tax and Business Climate Incentives**

- **Research and Development (R&D) Tax Credits**

- Currently, investments in R&D facilities are eligible for a 9% corporate tax credit. Additional credits are available to encourage the creation and expansion of emerging technology businesses, including a three-year Job Creation Credit of \$1,000 per employee, and a Capital Credit for investments in emerging technologies. We recommend the Job Creation Credit be modified to increase the credit amount to \$2,500 per employee and extend the utilization period indefinitely for qualified companies with less than 100 employees that continue to add jobs in New York.

- **Transferable Research and Development (R&D) Tax Credits**

- Many bioscience companies are not profitable for much of the product development and commercialization process due to the high cost of research and clinical development and long commercialization process, particularly throughout the FDA-regulated clinical trial process. Therefore, we recommend that New York State allow R&D Tax Credits to be bought and sold by and between life sciences companies within New York State.

- **CAPCO Program Enhancement and Expansion**

- NYBA suggests expansion of the CAPCO program by providing New York State pension funds to designated venture capitalists that are mandated to invest a minimum percentage of funds into New York State ventures.

- **Technology Transfer and Commercialization**

- **Technology Transfer Incentive Program (TTIP)**

- The Technology Transfer Incentive Program (TTIP), currently administered by NYSTAR, can provide up to \$750,000 to an academic research institution, in collaboration with a New York State corporate partner, to develop and commercialize technology. The TTIP disallows applications with commercialization time frames of more than 2-3 years. As most bioscience products require between 3-15 years from concept to market, this time requirement diminishes the value of this program for the biosciences industry. Therefore, we recommend an extension of the required commercialization time frames.

- **Innovation Match Program to Advance and Commercialize Technology in New York (IMPACT-NY)—An NIH SBIR/STTR Phase II Matching Grant**

- We recommend that New York State take the next step to help small bioscience companies grow through a competitive National Institutes of Health (NIH), National Science Foundation (NSF), Department of Defense (DOD) or similar government agencies participating in the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) Phase II matching grant program. The Innovation Match Program to Advance and Commercialize Technology in New York (IMPACT-NY) will enhance the development of early-stage firms that have validated their science and commercialization strategy by obtaining SBIR/STTR Phase II grants from the federal government. As part of this program, New York State will provide up to \$250,000 in matching funds for successfully funded NIH SBIR/STTR Phase II applications. Utilization of matching grants provided by New York State on a competitive basis will be limited to equipment purchases, facility improvements, select salary support, and intellectual property protection. In addition, companies receiving such support will be required to remain in New York State for a minimum of three consecutive years following investment or the grant converts to a government loan.

- **Bioscience Facilities for Growth**

- **Biosciences Good Manufacturing Practices (GMP) Facility Assistance Program**

- We recommend that New York State make available grants for bioscience companies creating/expanding GMP facilities that will create and/or retain 50+ jobs).

- **Bioscience Workforce Development**

- **Bioscience Workforce Development and Training Assistance Program**

- We recommend that at least \$250,000 in annual funds be made available and allocated to companies, institutions and organizations on a competitive basis to develop curriculum and administer bioscience specific training programs for current and prospective industry employees. Moreover, we recommend expansion of the Building Skills in New York State (BUSINYS) training grant program with specific emphasis on the bioscience industry.