



Connecticut United for Research Excellence, Inc.

300 George Street, Suite 561
New Haven, CT 06511
Tel. 203-777-8747
Fax 203-777-8754
www.curennet.org

The Center of Connecticut's BioScience Cluster

January 9, 2009

BOARD OF DIRECTORS

CO-CHAIRS

PETER R. FARINA, PH.D.
DEVELOPING WORLD CURES, INC.

DAVID W. KEISER
ALEXION PHARMACEUTICALS, INC.

DANIEL D. ADAMS
PROTEIN SCIENCES CORPORATION

TIMOTHY F. BANNON
PURDUE PHARMA

JAMES G. BAXTER, PHARM.D., PH.D.
BOEHRINGER INGELHEIM

HEATHER J. BESOZZO WHITE, D.V.M.
CONNECTICUT VETERINARY MEDICAL
ASSOCIATION

DEREK CHALMERS, PH.D.
CARA THERAPEUTICS

SUSAN FROSHAUER, PH.D.
RIB-X PHARMACEUTICALS, INC.

JUDITH B. GREIMAN
CONNECTICUT CONFERENCE OF
INDEPENDENT COLLEGES

MICHAEL J. HOGAN, PH.D.
UNIVERSITY OF CONNECTICUT

MICHAEL D. KISHBAUCH
ACHILLION PHARMACEUTICALS, INC.

HOLLIS D. KLEINERT, PH.D.
KLEINERT SCIENTIFIC/COMMERCIAL
CONSULTATIONS

FRANK J. MAREO, J.D.
WIGGIN AND DANA LLP

JOAN McDONALD
CONNECTICUT INNOVATIONS

CHRISTOPHER K. McLEOD
454 LIFE SCIENCES

SANDRA S. OLIVER
BAYER HEALTHCARE

HARRY H. PENNER, JR.
MARINUS PHARMACEUTICALS, INC.

GORDON P. POLLEY
THE INSTITUTES FOR PHARMACEUTICAL
DISCOVERY, LLC

KEVIN RAKIN
ADVANCED BIOHEALING

JOHN E. ROSSI
WEBSTER BANK

JONATHAN M. ROTHBERG, PH.D.
RAINDANCE TECHNOLOGIES

SETH A. RUDNICK, M.D.
CANAAN PARTNERS

DAVID SCHEER
SCHEER AND COMPANY

JOHN S. SWEN
PFIZER, INC.

JAMES P. TORGERSON
UTL HOLDINGS CORPORATION

PRESIDENT AND CEO
PAUL R. PESCATELLO, J.D., PH.D.
CURE

SECRETARY
BRUCE D. ALEXANDER
YALE UNIVERSITY

TREASURER
MICHELLE BOWMAN
PRICEWATERHOUSECOOPERS

The Honorable Christopher Dodd
United States Senate
448 Russell Building
Washington, DC 20510

Dear Senator Dodd:

On behalf of Connecticut United for Research Excellence (CURE) and our 123 members of the life sciences community, we applaud your commitment to economic stimulus legislation early in the 111th Congress, and urge you to use this opportunity to promote innovation and job creation through tax and capital formation policies for small, research-intensive companies.

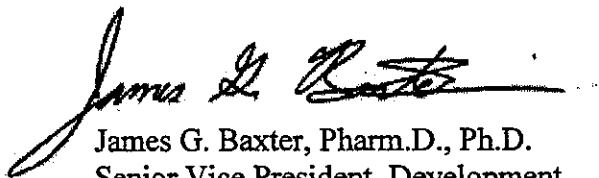
Connecticut's early stage biotech companies, which are involved in the development of next-generation technologies to treat and cure diseases, are struggling to raise the necessary capital to survive the current financial crisis. Compared with 2007, funding raised by small biotech companies, both private and publicly-traded, has decreased by nearly 60 percent. Roughly one-third of small public biotech companies are currently operating with less than 6 months of cash-on-hand and nearly half have less than 1 year of cash remaining. This year, funds raised from initial public offerings (IPOs) have fallen a staggering 97 percent. Many small biotech companies throughout the United States have been forced into bankruptcy due to the financial crisis.

We fear that if no action is taken by the Congress to address the crisis facing small biotech companies' restricted access to capital in any stimulus package, more bankruptcies will occur—some in Connecticut. The search for new treatments will be threatened and key clinical trials of important new medicines may be canceled. Additionally, the industry's high-wage, high-skill American jobs will be put at risk. Small life sciences companies are a key component of the intellectual infrastructure of America's 21st century economy. If small R&D-intensive companies are allowed to fail due to the current capital crisis, America's competitive edge in a variety of cutting-edge industries, such as biotechnology, could be lost.

As such, CURE urges you to include in the economic stimulus bill a provision allowing small companies to accelerate the use of their tax assets, such as net operating losses (NOLs) or Research & Development (R & D) credits, in order to receive critical funding now in return for giving up these tax benefits in the future. To ensure a stimulative effect for the economy, under this proposal any new funds received by companies must be used for R&D activities in the U.S.

We understand the great pressures facing the American economy, and look forward to working with you to ensure that the economic stimulus package preserves the promise offered through biotechnology both in workforce development and patient care.

Sincerely,



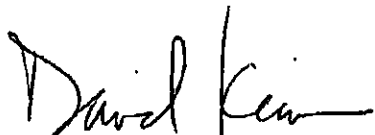
James G. Baxter, Pharm.D., Ph.D.
Senior Vice President, Development
Boehringer Ingelheim



Derek Chalmers, Ph.D., D.Sc.
President and CEO
Cara Therapeutics



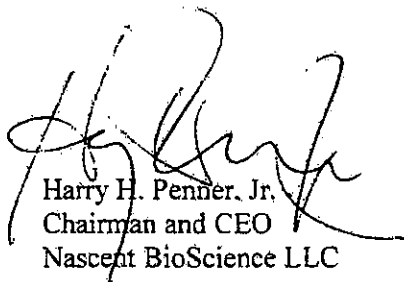
Peter R. Farina, Ph.D.
Chief Executive Officer
Developing World Cures



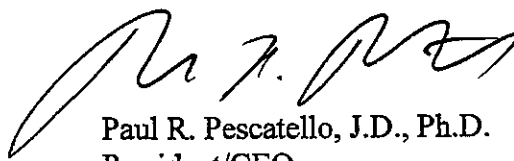
David W. Keiser
President and Chief Operating Officer
Alexion Pharmaceuticals, Inc.



Frank J. Marco, J.D.
Partner
Wiggin and Dana LLP



Harry H. Penner, Jr.
Chairman and CEO
Nascent BioScience LLC



Paul R. Pescatello, J.D., Ph.D.
President/CEO
Connecticut United for Research Excellence



Kevin L. Rakin
Chief Executive Officer
Advanced BioHealing



David Scheer
President
Scheer and Company

c: Jim Fenton, Legislative Director
Ed Mann, State Director