



James C. Greenwood  
President & CEO

March 15, 2012

The Honorable Harry Reid  
Majority Leader  
United States Senate  
S-221, U.S. Capitol  
Washington, D.C. 20510

The Honorable Mitch McConnell  
Minority Leader  
United States Senate  
S-230, U.S. Capitol  
Washington, D.C. 20510

Dear Majority Leader Reid and Minority Leader McConnell:

On behalf of the Biotechnology Industry Organization (BIO) and its more than 1,100 members, I am writing in strong support of H.R. 3606, the Jumpstart Our Business Startups (JOBS) Act. I urge swift consideration and passage of this important legislation by the Senate, without weakening amendments.

This legislation contains several provisions which would make capital formation easier for small biotechnology companies while maintaining key investor protections. The “on-ramp” to the public market included in the JOBS Act would give emerging growth companies five years to focus on conducting critical research before having to divert funds to costly regulations, including Sarbanes-Oxley (SOX) Section 404(b). Most small innovative biotechnology companies do not yet have product revenue, so they must spend their limited investor dollars on compliance rather research and development. An on-ramp would allow companies to go public at an earlier stage in their growth cycle, giving them access to valuable innovation capital as they search for cures and breakthrough medicines.

Similarly, the reforms to SEC Regulation A found in the JOBS Act would spur early-stage capital formation for emerging biotech companies. By expanding Regulation A’s eligibility requirements to include companies conducting direct public offerings of up to \$50 million, the JOBS Act would provide a valuable funding alternative for small biotech startups and strengthen their fundraising potential.

The JOBS Act also includes significant provisions to help growing biotech companies broaden their investor base. By allowing for more private shareholders and exempting employees from triggering the SEC private shareholder limit, this bill would give emerging biotech companies more investor options to finance their early-stage research. Likewise, lifting the ban on general solicitation under Regulation D would further broaden the investor base, allowing innovative companies access to the full range of SEC accredited investors.

The JOBS Act was passed by an overwhelming bipartisan margin in the House of Representatives, and Senators on both sides of the aisle have shown exemplary leadership in introducing the many bipartisan provisions in this legislation. BIO supports the JOBS Act and its efforts to incentivize and encourage capital formation for growing companies. I encourage you to support this important legislation.

Sincerely,

James C. Greenwood  
President and CEO  
Biotechnology Industry Organization

cc: United States Senate

