

April 9, 2010

The Honorable Mary Hayashi
Chair, Assembly Committee on Business, Professions and Consumer Protection
California State Assembly
State Capitol, Room 6005
Sacramento, CA 95814

RE: Assembly Bill 1733 (Hill) - SUPPORT

Dear Assembly Member Hayashi:

On behalf of the California Healthcare Institute (CHI), whose more than 270 members include our state's premier biotechnology firms, medical device companies, pharmaceuticals, and academic research institutions, I am writing to support AB 1733. This measure creates the position of Director of Biotechnology Retention and Recruitment, within the Office of the Governor, and directs that person to serve as an informational resource for biotechnology, life science, and medical companies to comply with the complex regulatory frameworks at the state and local levels.

California's biomedical industry provides employment for over 274,000 Californians at more than 2,700 companies. These jobs pay an average wage of \$75,000 per year. California is the leader in attracting capital for biomedical research and development. In 2008, California received 7,228 National Institutes of Health (NIH) grants – more than any other state. These grants brought \$3.15 billion home to California for research and development. The biomedical industry also outpaced every other employment sector in attracting private venture capital.

The biomedical industry is a stable and robust source of employment in California, and will hopefully be one of the economic drivers that helps the state emerge from its protracted fiscal crisis. In recent years, however, several other states have begun aggressively recruiting biomedical research, development, and manufacturing firms away from California. These states

have realized the economic potential of the industry, and have developed coordinated recruitment and retention operations designed to facilitate industry growth and development in their jurisdictions.

AB 1733 takes the first step in establishing a similar operation within California so that the state can be more competitive in attracting and retaining biomedical research firms. While our state is home to several dynamic clusters of research and development in the San Francisco, San Diego, and Orange County areas, we nonetheless are missing opportunities to develop and grow the capacity for biomedical manufacturing in the state. Our often complex regulatory framework is burdensome and confusing, and having a designated position within the Office of the Governor to help companies comply with California-specific requirements will be a great first step in facilitating expansion of the biomedical industry in the Golden State.

For these reasons, we strongly support AB 1733, which we believe will help the state more fully develop the potential of California's biomedical industry. Please feel free to contact us if you have any questions or would like to discuss this further.

Sincerely,

A handwritten signature in black ink, appearing to read "Sandra Pizarro". The signature is fluid and cursive, with a large initial "S" and "P".

Sandra Pizarro
Vice President – State Government Affairs

cc: Members, Assembly Committee on Business, Professions, and Consumer Protection
Assembly Republican Caucus