



May 25, 2021

The Honorable Bryan Steil
1526 Longworth House Office Building
U.S. House of Representatives
Washington, DC 20515

Dear Representative Steil:

On behalf of the Biotechnology Innovation Organization (BIO) and its 1,000 members, I am writing in support of your bill, the "Helping Startups Continue to Grow Act" (H.R. 3448). This bill extends the exemption afforded to Emerging Growth Companies under the JOBS Act from certain executive compensation, financial, and other disclosure requirements for an additional five years.

Since the JOBS Act was enacted in 2012, more than 320 biotechs have gone public – which is a testament to the success of the on-ramp and regulatory relief provisions included in the bill. Yet under current law, a company may retain its emerging growth company (EGC) status for just five years, whereas most biotechnology companies remain pre-revenue long after their EGC status expires.

As helpful as this five-year exemption is, the biotech development timeline is a decades-long affair. Emerging biotech companies working on innovative therapeutics are highly dependent on access to capital during this time. Developing a single therapy requires an average investment of more than \$2 billion, and the clinical testing period alone consumes a decade or more. During this development stage, companies do not have a product to generate revenue and are dependent on capital markets to fund clinical trials. Every dollar spent on regulatory burdens that do not provide useful information to investors is a dollar diverted from the lab. A five-year extension of EGC provisions will enable small public biotechs to continue to prioritize research and innovation, and will free up more capital to hire scientific and technical talent, invest further in R&D and clinical development, and enhance their ability to deliver product candidates to patients suffering from various diseases.

The ability to go public as an EGC has been a welcome boon for biotechs, and an extension of the provision will sustain the growth of the biotech industry and support the search for the next generation of medical breakthroughs. I thank you for your attention to this important issue for emerging innovators, and look forward to working with you in the future.

Sincerely,

A handwritten signature in black ink, appearing to read "Michelle McMurry-Heath", written in a cursive style.

Dr. Michelle McMurry-Heath, President and CEO