



BIOTECHNOLOGY
INDUSTRY
ORGANIZATION

May 25, 2004

The Honorable Dede Alpert
Chair, Senate Appropriations Committee
State Capitol, Room 2206
Sacramento, CA 95814

Re: Assembly Bill 262 -- Oppose

Dear Senator Alpert:

On behalf of the Biotechnology Industry Organization (BIO), I am writing to express our concern with AB 262, a bill that would make it unlawful to access information related to physician prescribing information from pharmacies.

BIO is the national trade association for the biotechnology industry, representing more than 1,000 member companies. Members include biotechnology companies, academic institutions and state biotechnology research centers. We represent 230 member companies and institutions in California and work closely with BIOCUM San Diego, the Bay Area Bioscience Center (BayBio) and the California Healthcare Institute (CHI).

Our primary concern with AB 262 is that it will have a direct impact on many of our member companies. Our companies, most of which do not have products on the market, rely on a variety of information when conducting research. Prescribing data, collected under strict AMA confidentiality guidelines, enables small biotech companies to review and target their research towards specific therapeutic categories. Without patient population and usage data, biotechnology companies would have a very difficult time raising venture capital - the lifeblood of the biotechnology industry.

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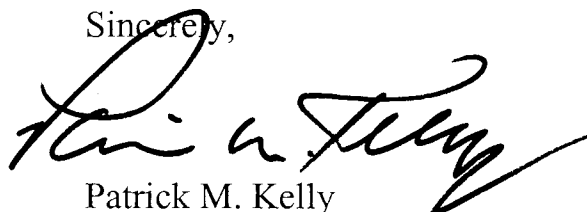
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Alpert Letter
May 25, 2004
Page 2

As you know California is home to the largest number of biotechnology companies in the world. This legislation would severely hinder the industry's capabilities and potentially jeopardize the state's reputation as a center of excellence of biotechnology research and development.

Thank you for your consideration. If you have any questions, please feel free to contact me at (202) 962-9200.

Sincerely,

A handwritten signature in black ink, appearing to read "Patrick M. Kelly". The signature is fluid and cursive, with a large initial "P" and a long, sweeping underline.

Patrick M. Kelly
Vice President
State Government Relations
Biotechnology Industry Organization