

Life Sciences BC

DAVID HALL – REMARKS – 2007 BC BIOTECHNOLOGY AWARDS

Good evening ladies and gentlemen. It is my pleasure this evening to speak on behalf of the Board of Directors of LifeSciences British Columbia. I would first like to thank Karimah for recognizing the members of the Board in her opening remarks as well as welcoming our distinguished guests and members. As Chair, I must add my personal thanks to the staff of LSBC as well as the dedicated and extremely busy individuals who volunteer much time and energy for the benefit of our association. I would also like to welcome all of our new members from BC Medtech whom together with BC Biotech, formed Life Sciences British Columbia.

The focus of tonight's celebration is the seven extremely deserving recipients of this year's BC Biotechnology Awards, and the inspiring young participants of the sanofi-aventis Biotech Challenge. On behalf of the Board of Directors, I

congratulate and thank them all for their respective accomplishments and contributions. They truly exemplify this year's theme of local excellence and global impact.

Tonight's group of recipients is somewhat unique for LifeSciences BC as an *industry* association. Although our recipients have certainly achieved much commercial and private sector success over the course of their careers, notably, tonight we are also recognizing several individuals for their affiliations to our public agencies and research institutions, including Genome BC, the Michael Smith Foundation, the BC Innovation Council, the BC Cancer Agency's Terry Fox Laboratory, and the Brain Research Centre at UBC and Vancouver Coastal Health. I believe these award winners highlight the intrinsic links that are fundamental to our commercial health science industry. Without these organizations and the strong leadership of these recipients, our industry can not grow.

I mention this because it really underscores just how important government is to our industry's equation, as the

providers of the majority of funding supporting these organizations. And although tonight is about the award recipients themselves, I feel the evening would be missing a very central element if we didn't recognize the fact that without government's strategic investments in research, and supportive public policies, much of the work of would simply not happen. Indeed, most of the work we all do would not be happening.

As you know, LifeSciences British Columbia is first and foremost an advocacy organization. So, we see working with government and our constituents to ensure that a supportive climate is continually enhanced - is critical to our ability to grow and to compete globally. That is our primary focus. And in keeping with that focus, last year at this time, we published a Position Paper which was developed after much community consultation and which laid out a series of industry commitments and recommendations to government on how to strengthen our industry. Since then, we've used this document as the blueprint for our advocacy efforts, and focused those efforts on the four areas identified in the

Position Paper as being the most critical to address. They are:

(1) increasing critical mass in order to accelerate commercialization; (2) increasing market access in British Columbia for the innovative products; (3) adapting government infrastructure to optimize commercialization potential; (4) and finally increasing access to risk capital.

As an organization that is accountable to you our members, I thought it important to take this opportunity to report on how LifeSciences BC is performing relative to our Position Paper. And this too is cause for celebration tonight, as we have been able to influence and affect several changes which will have a material impact on our industry.

The 1st critical area of the Position Paper focused on increasing critical mass - And here we have seen progress.

1. In 2006 the BC government passed legislation to expand the IFC to include BC based medical products and thereby giving an income tax break to those profitable companies based in BC. This has the result of encouraging anchor firm development as well as

benefiting even the smallest of firms whom are generating taxable income - and in BC, there are many small device companies doing just that.

2. The governments have also listened to our arguments along with others in the technology industry around the issues of foreign recruitment. Both the Feds and the Provincial government have made the immigration file a priority and we expect enhancements around fast tracking key hires in the future including spousal employment issues.
3. The provincial government has also heard our arguments around advanced education and graduate student positions by increasing both funding and seats.

In terms of the 2nd of our four major areas, we have been working with the Government as well as patient groups and health care providers towards improving Market Access in BC for our industry's products.

1. LifeSciences BC with key support from Minister Colin Hansen and the Dean of the UBC School of Pharmacy, Bob Sindelar, played an important role in instituting

changes to federal regulations improving Canada's patent and data protection regimes. As we all know, IP is our industry's lifeblood, and these changes will help our competitive position.

2. We have also begun discussions with the Provincial government around facilitating international industry investment in BC and are confident that the Government is listening.
3. We have presented to the Government our position on Reference Based Drug Pricing, BC's restrictive formularies and the lack of transparency and accountability in the approval process in BC of innovative medicines. Again, we believe the Government is listening to our balanced and objective arguments. Future meetings have already been set to explore solutions. We are not asking for special privileges, we are asking only for transparent, accountable and objective evidence based processes.

The 3rd area of focus has been on convincing the Government to adapt its infrastructure to optimize commercialization potential.

1. The major thrusts of our activities have been around bringing the Ministries of Advanced Education and Economic Development – the innovation ministries if you will – together with the Ministry of Health. This is a difficult task as Health is in our opinion, myopically focused on costs as opposed to strategic investments towards improving patient outcomes and costs. However, we believe the Conversation on Health is a good indication that the Government wants to hear from all groups to formulate strategic change and that includes Life Sciences BC. In addition, I can report to you that LS-BC has successfully convened meetings with the Ministers of Health, Advanced Education and Economic Development together and separately to table our case. And we have a commitment to advance these discussions further.

- a. What we are looking for specifically is the establishment of a committee for Health

Innovation and Economic Development that can advise on the activities of the three Ministries to improve public-health care through linking of economic benefits of health innovation.

- b. We had also recommended the Government establish a Ministerial level position to champion innovation, not just for the biotech industry, but for all technology industries and they have done so by creating an Assistant Deputy Minister for Research and Innovation. Mr. Brent Sauder as mentioned earlier by Karimah has been recently hired in that capacity.

From this, we believe a robust commercialization strategy can begin to emerge.

The last major theme of our Position Paper focused on Access to Risk Capital. Here progress has been made on several fronts.

1. We have seen continued support and increased public sector investment into basic research. Nothing could be clearer to us than the commitment the provincial

government has (even in these budget constrained days) to basic research. The Centre for Drug Research and Development (CDRD) which is a multi-institutional vehicle to mature technologies and help bridge the funding gap that currently exists - has been a good example of government, industry and academia working together with a shared vision. Earlier this evening, Premier Campbell announced a \$25 M investment into CDRD by the Provincial Government, which is truly exciting news, and reinforces my point that government's role must be recognized and appreciated by not only the academic research world, but industry as well. Prior to today's announcement, CDRD had received an \$8 M investment from the Canada Foundation for Innovation, which when fully leveraged, in part by the Province, will amount to approximately \$20 M in incremental funds for the Centre.

Most recently, CDRD was awarded a platform grant from the Michael Smith Foundation. W.E.D. was also critical to the success of CDRD, providing essential

start-up funding that helped keep the CDRD dream alive over the last year while the team was securing longer-term funding. In almost every case, the CDRD was ranked as the top submission in these funding competitions reviewed by international experts. This is an extremely strong testament to not only how important CDRD is to BC and Canada, but to how well-conceived it is. The fact that both federal and provincial governments have had the wisdom to recognize the opportunity in CDRD, and have mobilized funds to make it a reality is truly commendable.

As I mentioned, support for CDRD was one of the recommendations put forth in our Position Paper, and in fact was identified by LifeSciences BC as being the top funding priority for the industry, so it became the focus of much of our advocacy efforts over the last year. And although the credit for CDRD's success certainly goes to Natalie Dakers and the CDRD management team, as well as everyone on their Steering Committee who has worked tirelessly for its creation, and each of the

affiliated institutions and individual researchers behind the CDRD, we at LifeSciences BC are very proud to have played a significant role in this success.

2. But CDRD is not the only funding-related result from our Position Paper that we can highlight. Another key issue identified in the Paper, which was identified as a priority to rectify in the recent federal budget is the US/Canada tax treatment of US LLC's. This shift in policy will mean that our borders may soon be more open than ever to much needed private foreign investment that biotech demands. Our Provincial government championed this issue at a Federal level and we thank them for that.
3. Recently, the Province took further steps to help attract and leverage risk capital in the technology industry. They have announced \$90 million in capital committed from the B.C. Renaissance Capital Fund to be leveraged against private risk capital for the technology industry - including biotech.

These are just a few examples from our Position Paper that LSBC has delivered on. However, I can tell you that we have made great strides on additional policy issues and

recommendations to government - and will continue to do so. As you know, public policy doesn't change overnight. Yet LSBC has been able to play a very influential role in making many changes happen in a relatively short period of time, and I thank everyone who was involved.

I also want to directly thank the government. Their support has been and will continue to be crucial. One of the most important things we have to celebrate here tonight is that we have government in this province that truly understands the role they must play in building industry. It should be said that even amidst great opposition, the BC Liberal Government has consistently recognized the right thing to do, and had the courage to do it. In return, one of the most important ways we can support the government and the people of BC is to offer our expertise and input into public policy discussions in our areas of expertise, with the greatest present opportunity to do so currently being the Conversation on Health. LSBC is an active participant in this consultation process, but we need all of you to lend your voices to the discussion. And as referenced in our Position Paper, market access policies have

a very direct and profound impact on our industry. So it's imperative that we all get engaged in these discussions, and offer back our support and assistance in creating the kind of healthcare system which supports innovation and ensures that all British Columbians have access to simply the best healthcare there is.

But what we owe most to British Columbians, and how you can best support them is to continue working to translate investments in research into commercial success, and thereby doing our part in realizing the kind of benefits that will build an even better and healthier British Columbia for everyone.

So with all of these reasons to celebrate around us, I hope tonight more than anything, serves as great motivation and inspiration for us to raise the bar even higher - so we can come back again next year to celebrate more great accomplishments and another impressive group of researchers, business people and companies as the next BC Biotechnology Award recipients - all of whom will have

distinguished themselves through outstanding work, just as
this year's recipients' have done.

Thank you and enjoy the evening.