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DAVID L. GOLLAHER, PH.D.

April 7, 2005

The Honorable David Dreier
233 Cannon House Office Building
Washington, DC 20515

Dear Chairman Dreier:

On behalf of the California Healthcare Institute (CHI), whose more than 250 members include our state's leading biomedical innovators, I am writing to express support for H.R. 1500, the Investment Tax Simplification Act.

California's life sciences industry invests some \$15.5 billion annually in researching and developing new medical treatments, technologies, and devices, employs nearly 250,000 workers, and provides over \$14 billion in wages and salaries. Life sciences innovation has helped reduce death from heart disease and stroke by more than half over the past 30 years and led to advanced therapies, diagnostics, and vaccines targeting hundreds of diseases including cancer, Alzheimer's, diabetes, and AIDS. And we are still at the earliest stage of the biotechnology revolution, with hundreds of products in pipeline development.

The success of California's biomedical industry is in large part due to the private and venture capital investment model upon which it was founded. Simplifying and making the maximum 15 percent capital gains tax rate permanent, as your legislation does, would not only strengthen this foundation, but encourage business expansion and job creation by freeing up "locked in" capital.

Thank you for your leadership on this important issue.

Sincerely,



David L. Gollaher, Ph.D.
President & CEO

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