

October 14, 2015

The Honorable Susan Brooks
1505 Longworth House Office Building
Washington, D.C. 20515

The Honorable Anna Eshoo
241 Cannon House Office Building
Washington, D.C. 20515

Dear Representative Brooks and Representative Eshoo:

We write to thank you for your leadership in the area of biodefense. We strongly support your efforts in the House (H.R. 3299, the Strengthening Public Health Emergency Response Act) to provide certainty and new incentives for the development of medical countermeasures (MCMs).

As members of the investment community who have invested in the life sciences space for years, we have watched the biodefense enterprise struggle to attract and sustain investment and participation from companies and financial partners. The lack of sustainable and predictable incentives for companies who have promising technologies for biodefense applications is the primary driver of this struggle.

As you know, the decision for investors to fund MCM candidates is incredibly risky relative to other areas where investment firms can invest. Given there is no private market for MCMs, the government's commitment to a robust biodefense enterprise is the key factor we look for when deciding whether or not to invest in MCMs. Quite simply, the decision to invest in the biodefense sector is infinitely more risky than any other portion of the biotech sector.

This lack of a dependable market for biodefense also makes it difficult for investors to gauge the value of MCM products upon their successful development. The federal biodefense enterprise is immature relative to other government partners, such as the Department of Defense. And the recent conversion of Project BioShield's advanced appropriations has subjected MCM funding to the unpredictable whims of the annual appropriations process.

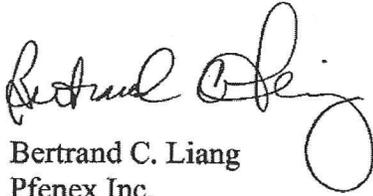
While there is no substitute for sustained federal funding for MCMs, the incentive you have proposed in H.R. 3299 to create a biodefense Priority Review Voucher (PRV) at the Food and Drug Administration (FDA) would be a game-changer for investment in this space. The PRV is a proven and valuable incentive that has worked to spur investment in other neglected areas of research and development, such as rare pediatric diseases and neglected tropical diseases. The creation of a biodefense PRV would revitalize interest in MCM development and provide much needed certainty that MCM products can have value in the marketplace.

In addition, H.R. 3299 would create transparency in the long-term plans for development and procurement of MCMs by the U.S. government. Establishing predictability and accountability in MCM contracting would be incredibly valuable to us as investors in this space.

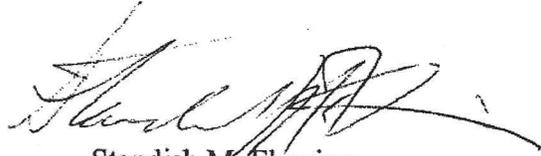
Existing contracting procedures at the Department of Health and Human Services (HHS) are cumbersome at best and obfuscate the path to approval and procurement for most MCM products.

We look forward to supporting your efforts to move these critical policies through Congress.
Thank you again for your continued leadership in this critical space.

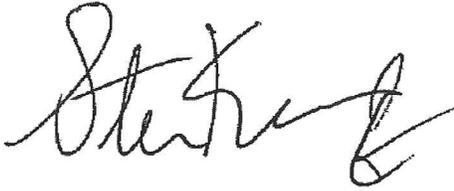
Sincerely,



Bertrand C. Liang
Pfenex Inc.
Forward Medical Science Partners



Standish M. Fleming
Forward Ventures
Managing Member



Steven Kornfeld, CFA
Franklin Templeton Investments Inc.



Evan McCulloch
Franklin Templeton Investments Inc.