

The Life Sciences Initiative Moves Forward

Mr. Speaker,

I rise in support of the life science industry initiative. As a member of the Joint Committee on Economic Development and Emerging Technologies, with the considerable help from the co-chairman from North Adams, I was able to help add one idea to this legislation that would save taxpayers money in the future, while simultaneously help expand the Massachusetts economy.

I learned about the life sciences industry in part through the Biotechnology Caucus, led by the Representative from Westport. Through his leadership, I was able to attend events such as visits to the Merck lab in Boston, or to EMD Serono, in which scientists, health care professionals, and educators work together to create new medicines to cure chronic diseases. I learned about the industry, listening to practitioners and experts, and supplementing the hearings with my own reading. I sensed that this industry really had great potential for Massachusetts, in terms of high-quality jobs and cures for tragic illnesses such as childhood diabetes, multiple sclerosis, and cancer. Here was a win-win industry that deserves attention, investment, and support, I thought.

The idea I wanted to put forward actually emanated from my private sector management consulting and MBA experience; in a nutshell, let's become part-owners in a dynamic and growing industry that has already created fourteen profitable multi-billion dollar public companies in the state. So when we offer grants through today's life science legislation to scientists, researchers, and start up companies, let's not give away the money for free. Let's instead ask for an ownership stake in the company that the grantee creates.

The current draft of the legislation states that a quasi-public entity - either the Massachusetts Technology Development Council or the Life Sciences Center - will obtain from grantees at least at 3% ownership stake in the grantee's company. A 3% ownership stake in a company that after 20 years turns into a Boston Scientific, or a Hologic, or a Genzyme could amount to stock worth about \$500 million. On a \$250,000 investment, which is the size of the grants being contemplated, that's a very good return, even if ten similar \$250,000 investments don't have such success. And that \$500 million in stock could be sold over time in order to reinvest in the life science industry, thus creating more jobs, more income tax revenues, more corporate tax revenues, and ultimately less pressure to raise taxes at the local or state levels.

Also important would be the magnet effect a Massachusetts life science revolving grant fund could have for scientists and companies over the long term. The existence and success of the fund and its steady stream of reinvestments in the industry would last for decades, debunking the thought that Massachusetts' commitment to the industry is merely the product and passing fancy of one Governor. Success over time could beget success, enhancing the value of the Massachusetts life sciences super-cluster of scientific excellence.

In conclusion, the idea of getting an ownership stake in future life science industry successes is a win-win solution for Massachusetts in a win-win industry. The idea enhances the Governor's initiative. It brings private sector principles

and creativity to meet public policy challenges. And it could ultimately help scientists based in Massachusetts find cures for ailments that affect so many of our friends and families.