



Association of Canadian Academic Healthcare Organizations  
 Association canadienne des institutions de santé universitaires  
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**AFMC**

The Association of Faculties  
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 L'Association des facultés  
 de médecine du Canada



**BIOTECANADA**

Canada's Research-Based  
 Pharmaceutical Companies



Les compagnies de recherche  
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**MEDEC**

CANADA'S MEDICAL DEVICE TECHNOLOGY COMPANIES  
 LES SOCIÉTÉS CANADIENNES DE TECHNOLOGIE DES DISPOSITIFS MÉDICAUX

**Research Canada**  
 An Alliance for Health Discovery

**Recherche Canada**  
 Une alliance pour les découvertes en santé

March 13, 2009

The Rt. Hon. Stephen Harper  
 Prime Minister  
 Prime Minister's Office  
 Langevin Block, 80 Wellington Street  
 Ottawa, ON K1A 0A3

Dear Prime Minister Harper:

On behalf of our seven leading national organizations and building on the foundation that has been set out in Budget 2009, we are collectively looking to establish an ongoing dialogue with the Government of Canada to discuss how the health sector can fully leverage public and private investments that support science and technology. Collectively, our national organizations represent the full continuum of the health discovery process from discovery research to commercialization; from the health system to the health of Canadians.

The current and unprecedented global competition for state-of-the-art research capacity building, the brightest minds, and the commercialization of knowledge can bring substantial short-, medium- and long-term dividends for the Canadian economy, and for the health of Canadians.

Our seven national organizations remain dedicated to ensuring these challenges will be proactively addressed by encouraging effective and strategic policy development that will create jobs, mobilize capital and improve the health of Canadians by strategically leveraging investments in research and development (R&D) in the health sciences.

As you are aware, a number of international governments are embarking on very direct, long-term investment stimulus aimed at building research capacity, recruiting the best minds while specifically targeting new initiatives focused on commercializing knowledge and attracting investment. These initiatives have, in many cases, been framed

specifically to address patient and health care needs and to incorporate private industrial and not-for-profit partnerships.

In keeping with the government's science and technology goals outlined in *Mobilizing Science and Technology to Canada's Advantage*, we had identified in our Stimulus Brief entitled *Stimulus for Science and Technology*, four high-level, strategic areas of focus in support of Canada's R&D/S&T sector in order to stimulate economic recovery, improve productivity and global competitiveness. While Budget 2009 took critical steps to address research infrastructure requirements—one of the four key strategic areas we identified in our Stimulus Brief—we would like to draw further attention to the other three strategic areas we profiled which are aimed at realizing a direct return on public and private investments for Canadians. They are:

- 1. Tax and Operating Policy:** Enhancements to our current tax structure can facilitate the maximum fiscal advantage for investment and leverage the value of that investment back into the Canadian economy for greater economic recovery. Adopting competitive tax incentives to attract investment capital will be critical to ensuring that new technologies developed by Canadian entrepreneurs are ready to be commercialized when the money markets begin to open up.

Introducing measures to encourage all Canadians to continue to make charitable donations are crucial in supporting health research, innovation and commercialization across the country. The quick take up and increase in donations stimulated by permitting direct donations of stocks and listed securities has proven that such incentives can work quickly. Those donations are also crucial in order to assist charities not only to continue investing in health research, but to *increase* those investments.

Intellectual Property (IP) protection, including patent protection, is a catalyst for new ideas and innovation, particularly today when research and development can take place anywhere in the world. Strong IP safeguards have the potential to attract research and development to Canada and create jobs and investment in the knowledge-based economy. With these incentives in place, both immediate and long-term benefits to the federal revenue base will be assured.

- 2. Talent Management:** Canada is producing a highly-educated workforce that can fully capitalize on the creation, ownership and translation of knowledge. The future is in our highly-skilled citizens who have vision and entrepreneurial spirit that will create the knowledge and ultimately innovations leading to job creation, new

economic prosperity and improved health for Canadians. Dedicated researchers of international calibre lead the way in translating research findings into the public domain, however they need supportive research funding programs, particularly in the clinical setting where investment in developing innovation is difficult to balance with the immediate challenge of providing health care. Investments aimed at enabling clinical researchers and career scientists to conduct world-class research in Canada will create and sustain productive and transformative research careers, and the application of discovery to improve the health of individuals and populations.

- 3. Discovery Research Capacity:** Canada's discovery research endeavours should be aimed at retaining and recruiting the best minds and developing world class, leading programs to develop modern technologies for disease prevention and improvement of patient care. Increasing operating grants through the granting councils' budgets in the future will give them capacity to respond to the growth in infrastructure that will continue based on commitments made in Budget 2009. Alignment of these funding streams at the federal level will create a balance in the supply and demand in health and life sciences research, which will strengthen our capacity to retain and recruit the best scientists and maximize our potential to capitalize on the material investments already made.

Discovery research is also about translational research which helps us to become informed about public policy interventions that hold the most promise to be broadly replicated.

As the economic cycle towards recovery evolves, governments at all levels will be challenged with creating tactical collaborations with industry sectors to derive the maximum advantage for those partnerships to manifest value. The role of the private sector is paramount to ensuring this is realized. This will involve aligning legislative, regulatory and intellectual property regimes to remain competitive and ensure Canada is an attractive destination for investment.

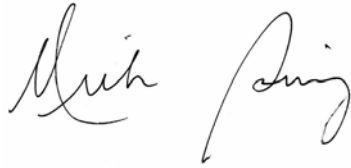
The economic impact of Canadian health research is significant. On an annual basis it generates \$12.0 Billion in economic activity and provides employment and training for over 100,000 people across Canada. The sector also supports more than 20,000 scientists, clinical investigators, other researchers and staff. Importantly, public and private sector partnerships are a cornerstone to maximizing our return-on-investment in health research, innovation and commercialization.

We look forward to working with the Government of Canada to address the opportunities we have outlined.

Sincerely,



Glenn Brimacombe  
President and CEO  
ACAHO



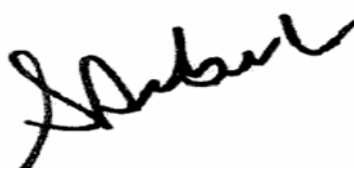
Nick Busing  
President and CEO  
AFMC



Peter Brenders  
President and CEO  
BIOTECCanada



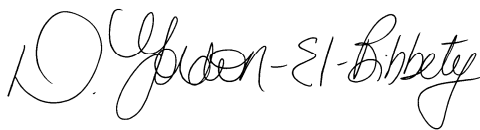
Deirdre Freiheit  
Executive Director  
HCCC



Stephen Dibert  
President and CEO  
MEDEC-Canada's Medical  
Technology Companies



Russell Williams  
President  
Rx&D



Deborah Gordon-El-Bihbety  
President and CEO  
Research Canada

Attach.

cc. The Honourable James Flaherty, Minister of Finance  
The Honourable Tony Clement, Minister of Industry  
The Honourable Leona Aglukkaq, Minister of Health  
The Honourable Gary Goodyear, Minister of State, Science and Technology