



June 17, 2015

Rep. Erik Paulsen (R-MN)
127 Cannon House Office Building
Washington, DC 20515

Rep. Ron Kind (D-WI)
1502 Longworth House Office Building
Washington, DC 20515

Dear Representatives Paulsen and Kind:

On behalf of the National Venture Capital Association (NVCA), I'm writing to express our strong support for H.R. 160, the Protect Medical Innovation Act of 2015. We are grateful for your strong leadership on this issue and look forward to continue working with you to repeal the medical device excise tax.

Representing approximately 400 venture capital firms from across the U.S., NVCA's mission is to foster greater understanding of the important role venture capital plays in fueling innovation, supporting entrepreneurship and growing the U.S. economy. A key constituency among our membership are those firms that invest exclusively in the life sciences with a particular focus on medical device startups. Venture capital has been a primary force in translating scientific discoveries into medical advances for patients and remains one of the few sources of capital to fund and nurture small, emerging companies focused on developing new drugs, diagnostics and medical device technologies.

As you know, over the last three decades, the U.S. has been a global leader in the development of medical device innovation and entrepreneurship. Unfortunately, the imposition of the medical device tax is a direct burden on a critical sector of the U.S. economy where we have traditionally held a significant competitive advantage. The 2.3 percent tax on the sales of all medical devices is particularly harsh for small and emerging venture-backed medical device companies because it is imposed whether the company has made a profit or not. This drives up the cost of all medical devices and creates an additional hurdle for any medical device startup struggling to breakthrough. NVCA remains concerned that the imposition of the medical device excise tax discourages investment in medical device innovation.

We thank the bill's sponsors for their hard work on this issue, and continue to urge Congress to take action and repeal the medical device tax. So long as the tax remains in place, it will continue to dampen investment in medical device startups and hold back entrepreneurs working on lifesaving technologies.

Sincerely,

A handwritten signature in cursive script that reads "Bobby Franklin".

Bobby Franklin
President & CEO