



Three states join to pursue biotech funding

New cooperation capitalizes on strengths of greater Phila. region in life sciences

By GARY HABER, The News Journal

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Delaware and its neighbors Pennsylvania and New Jersey are taking a unique approach to boosting biotechnology in the three states: They're working together.

At a news conference today in Philadelphia, officials from the three states will announce a joint effort that has landed \$6.6 million in federal funds to develop programs that train workers in the biotechnology and life sciences industries in a 13-county region that includes New Castle County, southeastern Pennsylvania and southern New Jersey.

The event, which Gov. Ruth Ann Minner of Delaware and Gov. Ed Rendell of Pennsylvania are scheduled to attend, will stand in stark contrast to the way states usually approach biotechnology expansion, such as the interstate squabbling that broke out several years ago, when the two states vied fiercely to land AstraZeneca's U.S. headquarters.

"I haven't seen this kind of collaboration outside the New Jersey-Pennsylvania-Delaware area," said Patrick Kelly, vice president for state government relations at the Biotechnology Industry Association in Washington, D.C. "It's a smart approach, given the region's strengths in the life sciences."

The greater Philadelphia area, with its bounty of universities, pharmaceutical makers and medical device manufacturers, is already a major player in biotechnology and the life sciences. A 2005 study by the Santa Monica, Calif.-based Milken Institute ranked it third, behind only Boston and San Francisco.

Until now, however, the three states largely went it alone when it came to developing their biotechnology industries.

"I think this is a first step," said Bob Dayton, president of the Delaware BioScience Association.

Dayton, who sees more cooperation on the horizon, said the size of Delaware's biosciences industry is underestimated because studies, like a 2006 study conducted for the Biotechnology Industry Organization, sometimes fail to include AstraZeneca and the DuPont Co., each of which have substantial biotech operations.

A regional approach makes sense in an area like this where workers often live in one state, but cross the border to work, said Dayton.

"I don't have a concern that we won't get our fair share," he said of Delaware.

Delaware's biotech efforts should focus on the state's existing strengths, such as AstraZeneca, DuPont, the Delaware Biotechnology Institute and the Fraunhofer USA Inc. Center for Molecular Biotechnology, said state Treasurer Jack Markell.

"The challenge for us is figuring out how we're going to be different," Markell said. "It's not as simple as saying that biotech is the industry of the future. A lot of states are saying the same thing."

"Other states are going to win the battle of the big check, so we have to win by being smart, nimble and opportunistic," he said.

Lt. Gov. John Carney, who chairs the state's Science and Technology Council, said the creation of the Delaware Biotechnology Institute, funded with \$20 million in state funds, has generated \$100 million in grants and additional investment and sparked collaboration among the University of Delaware, Delaware State University, Wesley College and Delaware Tech.

"I think there's great potential for Delaware in the biosciences. It's an area in which we can generate business and create jobs,"

Carney said.

While Carney likes the idea of a partnership, he also sounds a cautionary note.

"I worry about us, as the smallest of the three states, being shouldered aside, but we need to be at the table," he said.

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BIOSCIENCE IN THE REGION

Bioscience jobs in 2004:

- Pennsylvania: 34,610 (rank in the U.S. No. 4)
- New Jersey: 21,290 (18)
- Delaware: 720 (No. 51 out of 51)

Degrees in bioscience fields, academic year 2004:

- Pennsylvania: 5,360 (rank in the U.S. No. 4)
- New Jersey: 2,309 (14)
- Delaware: 385 (47)

University R&D spending on life sciences, fiscal year 2004:

- Pennsylvania: \$1.21 billion (rank in the U.S. No. 4)
- New Jersey: \$367.3 million (22)
- Delaware: \$26.7 million (50)

Source: Battelle Technology Partnership Practice and SSIT study for the Biotechnology Industry Organization, 2004.