

March 10, 2014

The Honorable Ron Wyden, Chairman U.S. Senate Committee on Finance Washington, D.C. 20510

The Honorable Dave Camp, Chairman U.S. House Committee on Ways & Means Washington, D.C. 20515

The Honorable Orrin G. Hatch, Ranking Member U.S. Senate Committee on Finance Washington, D.C. 20510

The Honorable Sander Levin, Ranking Member U.S. House Committee on Ways & Means Washington, D.C. 20515

Dear Chairmen Wyden and Camp and Ranking Members Hatch and Levin:

A proposal made public by Chairman Dave Camp (R-Michigan) to amend the Internal Revenue Code of 1986 would repeal the *Orphan Drug Tax Credit*, one of the most successful tax credits ever passed by Congress, and one that has literally saved thousands of lives. The National Organization for Rare Disorders (NORD) and the over 130 undersigned patient organizations and professionals within the rare disease community oppose this proposed repeal.

Repeal of this tax credit would be an anti-patient, anti-public health policy, and would squelch medical research and innovation. Repeal would remove one of the major incentives to finding cures and treatments for some of the most challenging diseases.

The credit allows drug manufacturers to claim a tax credit of 50% of certain research costs for orphan drugs (drugs for diseases affecting 200,000 Americans or fewer). Due to this *Orphan Drug Tax Credit*, as well as other incentives, more research is taking place for orphan drugs than ever before. A third of the new drugs being approved by FDA each year are orphan drugs that benefit from the tax credit. Many if not most of these new drugs may never have been developed if this tax incentive did not exist.

The vast majority of people with a rare disease pray every day for medical progress. About 7,000 rare diseases affect 30 million Americans. Only a few hundred rare diseases have an approved drug.

People in this country with rare diseases deserve to be treated with respect and to retain the hope that, someday, a cure or better treatment will be developed for them. Repealing this tax credit is a signal from the Congress that new treatments for people with rare diseases are unimportant. NORD and the undersigned appeals to Congress to block this proposed repeal and to keep the light of hope on for so many who desperately need life-saving interventions.

Orphan drugs don't serve just patients with rare diseases. Patients with more common diseases have benefited from the advancements made in orphan drug development. Access to these treatments has saved medical costs by keeping people healthy and out of the hospital and emergency rooms. New treatments promise to save even more.

NORD and the entire rare disease community urge Congress to reconsider the implications of repealing the *Orphan Drug Tax Credit* as proposed by Chairman Camp, and to keep patients and public health first.

Sincerely,

Rare Disease Patient Organizations:

The AIDS Institute

Alpha-1 Association

Alpha-1 Foundation

Alport Syndrome Foundation

The ALS Association

ALS Hope Foundation

ALS Therapy Development Institute

Alveolar Capillary Dysplasia Association

American Autoimmune Related Diseases Association

American Brain Tumor Association

American Childhood Cancer Organization

American Partnership for Eosinophilic Disorders

Angioma Alliance

ARPKD/CHF Alliance

Asbestos Disease Awareness Organization

The Association for Frontotemporal Degeneration

Association for Glycogen Storage Disease

Association of Clinical Research Organizations

Ataxia-Telangiectasia Society

Batten Disease Support and Research Association

The Bili Project Foundation

CADASIL Association

Canavan Research Illinois

Caring for Carcinoid Foundation

Celiac Sprue Association

The Cholangiocarcinoma Foundation

Circadian Sleep Disorders Network

The CJD Foundation

Coalition for Pulmonary Fibrosis

Community Access National Network

Community Health Charities of America

Cooley's Anemia Foundation

Council for Bile Acid Deficiency Diseases

CSA Foundation

Cure JM Foundation

Cystinosis Foundation

The Desmoid Tumor Research Foundation, Inc.

Dup15q Alliance

Dystrophic Epidermolysis Bullosa Research Association of America

Epilepsy Foundation

The Everylife Foundation for Rare Diseases

Fabry Support & Information Group

Fibromuscular Dysplasia Society of America

FMD Chat

FOD Family Support Group

FORCE: Facing Our Risk of Cancer Empowered

Foundation Fighting Blindness

Friedreich's Ataxia Research Alliance

Global Genes

Global Healthy Living Foundation

Greater Missouri Tourette Syndrome Association

The Guthy-Jackson Charitable Foundation

Hemophilia Federation of America

Histiocytosis Association

HypoPARAthyroidism Association

Immune Deficiency Foundation

International Cancer Advocacy Network

International FOP Association

International Foundation for CDKL5 Research

International Myeloma Foundation

International Pemphigus & Pemphigoid Foundation

Jeffrey Modell Foundation

Joseph G. Fortier Foundation for MSA

Kennedy's Disease Association

Kids V Cancer

LAL Solace

Les Turner ALS Foundation

The Life Raft Group

Little Miss Hannah Foundation

Lupus Foundation of Mid and Northern New York, Inc.

Lymphedema Advocacy Group

M-CM Network

March of Dimes

Marfan Foundation

Mastocytosis Society

Mebo Research

Minnesota PKU Foundation

MLD Foundation

Moebius Syndrome Foundation

Mucolipidosis Type IV (ML4) Foundation

Muscular Dystrophy Association

Myotonic Dystrophy Foundation

National Adrenal Diseases Foundation

National Brain Tumor Society

National Eosinophilia Myalgia Syndrome Network

National MPS Society

National Multiple Sclerosis Society

National Organization for Rare Disorders

National PKU Alliance

National Tay-Sachs & Allied Diseases Association, Inc.

NBIA Disorders Association

Neurofibromatosis Network

NF Michigan

Noah's Hope

The NOMID Alliance

The Oley Foundation

Oxalosis & Hyperoxaluria Foundation

Pachyonychia Congenita Project

Parent Project Muscular Dystrophy

Parkinson's Action Network

PCD Foundation

PFIC Progressive Familial Intrahepatic Cholestasis-Resource for Pediatric Liver Disease

Phelan-McDermid Syndrome Foundation

Prevent Cancer Foundation

Pulmonary Fibrosis Advocates

Pulmonary Fibrosis Foundation

Raynaud's Association

Research!America

Rothmund-Thomson Syndrome Foundation

Sarcoid Registry

Scleroderma Research Foundation

Shwachman Diamond Syndrome Foundation

SMA Foundation

TargetCancer

Tuberous Sclerosis Alliance

United Mitochondrial Disease Foundation

VHL Alliance

Wilson Disease Association

Professionals in the Rare Disease Community:

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For additional information, contact Diane Edquist Dorman, Vice President, Public Policy, National Organization for Rare Disorders (NORD), ddorman@rarediseases.org, (202) 588-5700 ext. 102.

CC: Members of the U.S. Senate Committee on Finance

Members of the U.S. House of Representatives Committee on Ways & Means