

# SENATE BILL REPORT

## SB 6844

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As Reported By Senate Committee On:  
International Trade & Economic Development, January 31, 2006

**Title:** An act relating to a study of the top ten United States of America biotechnology and biomedical device business clusters by the joint legislative audit and review committee.

**Brief Description:** Evaluating the business climate in mature biotechnology and medical device manufacturing sectors.

**Sponsors:** Senators Shin and Berkey.

**Brief History:**

**Committee Activity:** International Trade & Economic Development: 1/31/06 [DPS-WM].

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### SENATE COMMITTEE ON INTERNATIONAL TRADE & ECONOMIC DEVELOPMENT

**Majority Report:** That Substitute Senate Bill No. 6844 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Shin, Chair; Sheldon, Vice Chair; Pflug, Ranking Minority Member; Doumit, Eide, Roach and Zarelli.

**Staff:** William Bridges (786-7424)

**Background:** Business Clusters. Popularized by Harvard Business School Professor Michael E. Porter, "business clusters" are geographically concentrated groups of companies and associated institutions that are interconnected by common technologies and skills. Hollywood and Silicon Valley are two well-known examples of such clusters.

Biotechnology & Medical Devices. There is no standard industrial classification for the biotechnology industry. In a 2002 study, the Brookings Institution (Brookings study) defined the biotechnology industry as one that develops and commercializes "the application of biological knowledge and techniques pertaining to molecular, cellular, and genetic processes." The largest category of biotechnology applications is the diagnosing, treating, and preventing of disease.

Medical devices, such as diagnostic instruments and surgical tools, are generally considered outside the rubric of biotechnology, according to the Brookings study. A 2004 study by the Battelle Memorial Institute (Battelle study) classifies "medical devices and equipment" as the largest subsector of the "biosciences."

Biotechnology and Bioscience Clusters. The Brookings study identified the Seattle-Tacoma-Bremerton metropolitan area as one of nine in the United States with high levels of biotechnology research activity and commercialization. The Battelle study noted Washington

for its bioscience industry, particularly the subsector classified as "medical devices and equipment."

**Summary of Substitute Bill:** The Joint Legislative Audit and Review Committee is directed to review the top biotechnology and medical device manufacturing centers in the nation, as listed in this act, and identify the best practices in economic development and public policy to encourage the formation and maturation of these sectors in Washington.

A report must be delivered to the appropriate committees of the Legislature by December 15, 2006.

**Substitute Bill Compared to Original Bill:** Technical changes.

**Appropriation:** None.

**Fiscal Note:** Requested on January 27, 2006.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** The bill will encourage thinking on how to grow and keep biotechnology companies in Washington. Most biotech and biomedical companies in Washington are in the early stages of development. The study will help the state determine what is required to help these companies mature and commercialize their products.

**Testimony Against:** None.

**Who Testified:** PRO: Vicki Austin, Wash. Biotech & Biomedical Assoc.; Deborah Knutson, EDC of Snohomish County.