



To the Oregon Senate Committee on Finance and Revenue:

My name is Trevor Nicks, PhD. I am the founder and CEO of Caravel Bio. Caravel is an early-stage biotechnology platform company building products across carbon capture and utilization, DNA synthesis, critical mineral separations and recycling, and therapeutic protein manufacturing. That may sound like an eclectic mix of technologies. It is. Our biotechnology platform redefines protein engineering and protein scale-up, enabling unique and differentiated products across these distinct verticals. Caravel is located in Portland, Oregon and employs seven individuals using a mixture of venture funding, Federal grants, and R&D contract revenue from private companies. I am writing this letter to express my support for SB1586. Below, I will detail how the bill could directly benefit Caravel and similar companies, provide examples of how similar policies have enabled other states and countries to expand their biotechnology sector, and provide my input on how else Oregon might support the growth of the biotechnology and other deeptech industries.

If passed, Caravel and similar startups would directly benefit from the expanded R&D tax credit. By my calculations, if Caravel had been eligible for the tax credit in 2025, we would have been able to afford to hire one additional employee. As a small business, the impact of an additional hire cannot be understated. Five of our seven employees hold PhDs from some of the world's top-most universities and are experts in their field. Having an additional expert on the team would have augmented our capabilities earlier and accelerated product development. Expanding the tax credit will allow Oregon-based biotechnology startups like Caravel the opportunity to spend more money on hiring and experiments, increasing the chance they succeed and grow. I strongly support the expansion of the R&D tax credit and believe it has the potential to create jobs, generate wealth within the state, and increase the number of biotechnology companies in Oregon. As a scientist and engineer, I don't like to make claims without giving examples and citing sources, so I have included a shortlist of three model examples here:

1. **Massachusetts:** Since launching its Life Sciences Tax Incentive Program in 2008, Massachusetts has deployed over \$1 billion in combined grants, loans, and tax incentives, helping life sciences companies commit to creating more than 20,700 jobs. The program has attracted major companies like Moderna and Vertex Pharmaceuticals to fund manufacturing and research positions, establishing Massachusetts as the world's leading life sciences cluster.
 - a. Source: masslifescience.com
2. **Michigan:** In early 2025, Michigan introduced a new R&D Tax Credit designed to bolster startups and attract investment, including an additional \$200,000 incentive for companies that collaborate with a research university — a model that could help Oregon leverage institutions like OHSU and Oregon State University to bridge industry and academic research. Caravel currently has an NSF grant with collaborators at Oregon State University, I would love to see a policy like this happen.



- a. Source: State Science and Technology Institute. (2025, February). *Several states have recently proposed or implemented R&D state tax credits*. SSTI.
<https://ssti.org/blog/several-states-have-recently-proposed-or-implemented-rd-state-tax-credits>
3. **Australia:** Australia's R&D Tax Incentive generated a return of \$2.18 for every dollar of tax revenue spent between 2011 and 2021, rising to \$3.14 by 2021, and contributed an estimated \$9.1 billion in increased GDP over that decade. The biotech sector responded dramatically, with the number of companies growing from 800 to more than 1,400 between 2017 and 2022 — a 75% increase in just five years.
 - a. Source: Proactive Investors. (2023, November 20). *Report reveals economic boost from R&D tax incentive for Australian biotech industry*. Proactive Investors.
<https://www.proactiveinvestors.co.uk/companies/news/1033593/report-reveals-economic-boost-from-r-d-tax-incentive-for-australian-biotech-industry-1033593.html>

In addition to these examples, there is ample evidence of government policies like the proposed tax credit (and other incentives and grant systems) creating and enabling the biotechnology industry to flourish. There are other examples near and far demonstrating that small public investments in the biotechnology industry can support strong, long-term economic growth and job creation: Singapore, the United Kingdom, and Washington come to mind as other prime examples. Relevant to this discussion, the state of Oregon lost the opportunity to be home to a multi-billion dollar biotechnology company when it couldn't compete with a mere \$200,000 in development funds to AbSci offered by the state of Washington to move across state lines to Vancouver ("Inslee: State's investment in Vancouver's AbSci is money well-spent", The Columbian, February 20, 2020). Programs like the R&D tax credit could prevent such losses in the future.

To be clear, I am not suggesting that Oregon should rush to compete in a race-to-the-bottom competition with Washington or any other state. I grew up on a farm in rural Missouri. I witnessed how border wars to win businesses like those between Missouri and Kansas lead to loss of tax revenue, a loss of services in rural communities, and the hallowing out of public institutions like research universities. I do not want that for Oregon. Instead, I am advocating for sensible, evidence-based policies that balance the need for economic development and the needs of the public in a way that leads to long-term economic growth. In fact, I would like to leave you with an important note and recommendation for the long-term health of Oregon's innovation economy.

It is my opinion that education is the greatest economic driver. My older brother is a pastor. My younger brother sells tractors. I have a PhD and have started a company only because of the higher-education opportunities that were afforded to me. In my case, I happened to be really good at throwing shot put in high school and paid for college with a track scholarship. After finishing college in Kansas City, I was lucky enough to attend Tufts University in Boston where I earned my PhD in Biotechnology Engineering while surrounded by innumerable biotech entrepreneurs and other startups. Starting a company felt like an almost natural option. In addition to having strong biotechnology sectors, the states of Massachusetts, Washington, and Michigan also have some of the nation's top public and private research



universities. In contrast, Oregon's research universities receive some of the least funds/capita in the country, ranking 37th. If you truly want to support and grow an innovation economy in Oregon, this needs to be remedied. Startups like Google and Caravel started as research projects in university labs where optimistic young people built new technologies and then spun them out into companies. If Oregon wants – and I would say needs – more companies like this, then Oregon needs to increase its funding of higher education, specifically taking measures to increase the number of people earning STEM and related PhDs within the state. You should be seriously considering how to re-balance the state's educational budget around attaining this goal. Doing so would provide an optimistic future for Oregon's young people while creating a stronger economy that supports everyone.

With kind regards and optimism for the future,

Trevor Nicks, PhD
Founder & CEO | Caravel Bio, Inc.