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THE BILL OTTERSON BIOTECH LETTER  
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**WARD VALLEY**

1. Attention is again drawn to the CalRad alert and request for letters. If you don't have a copy, call Cathie at 534-4750.

**CALIFORNIA CLEAN AIR ACT**

2. *The California Air Resources Board* met in San Diego last Thursday and approved a plan to require employers of 60 or more employees to force a third of their employees to carpool, bicycle, bus or walk to work. *The Greater San Diego Chamber of Commerce* supported the plan as "the lesser of evils," but previously had arranged for five or six high-tech employers to testify that their efforts to increase ridership from 1.1 to 1.5 riders per vehicle had been expensive and non-productive.

Speaking for high-tech and biotech, I argued that these employees don't work uniform hours. Biotech researchers might need to check on experiments at any time of day or night. I raised the question of whether 40% of the smog is caused by 10% of the vehicles not subject to smog controls and pointed out that manufacturing jobs might be lost in California to states with lower clean air requirements (California's standards for petrochemical smog are 25% tougher than the federal Clean Air Act). I reported that the CEOs of several high-tech companies who had tried ride sharing reported that it did not work (and was supported by the Board's consultant). In response to my suggestion of a "high-tech" solution, I was told that automobile manufacturers said they could not build catalytic converters efficient enough to meet California's standards.

**INTERNATIONAL AIRPORT**

3. A proposal to lift the ban on building in certain areas near the proposed Twin Ports airport was made by **Councilman Ron Roberts**. The *Union-Tribune* quickly editorialized that this would impair plans and then suggested that the City Council consider the *San Diego Dialogue's* proposal to form a Joint Powers Authority to move the airport proposal forward.

## SAN DIEGO DIALOGUE

4. **Chuck Nathanson** and *The San Diego Dialogue* were credited by the *Union-Tribune* for helping in the economic integration of Tijuana and San Diego by showing the value of decreasing the waiting times at the border. In a recent experiment proposed by the *Dialogue*, all gates were staffed for the day, and the congestion disappeared. Customs and Immigration have agreed to continue the staffing.

## THE GREATER SAN DIEGO CHAMBER OF COMMERCE

5. **Gilbert Partida** a bi-lingual associate with *Gray, Cary, Ames & Frye*, was elected President of the Chamber to replace **Lee Grissom**, who went to Sacramento to assist **Governor Pete Wilson**. "San Diego will do better by working with the border and the Pacific Rim to be a global leader," was how Chamber Chairman **Mel Katz** introduced Gil.

The Chamber appointed three CONNECT members and high-tech CEO's to its Board: **Don Grimm, Chairman, Hybritech; David Hale, Chairman, President and CEO, Gensia Pharmaceuticals; and Pam Coker, President, Acucobol.** CONNECT sponsor **Luce, Forward Partner Mary Walker** is head of the Environmental Committee.

## PAST WEEK

6. *Expotech '92*, high-tech trade show for high school students and defense industry job seekers at the *San Diego Tech Center* heard *Mycogen* **President Jerry Caulder** describe a recent discussion with President-elect Clinton's science policy coordinators: "I think we'll see a re-direction of spending from product-oriented research to more basic research," Caulder opined. The Center, under the management of **Steve Williams, Williams Partners**, was dedicated to **Roger Revelle**, "father of UCSD," and I was permitted to make a few comments about this great visionary.
7. CONNECT's award-winning program, **Meet the Researchers**, featured *The Whittier Institute of Diabetes and Endocrinology* and *Amylin Corporation* at *Scripps Memorial Hospital* last Friday. **Dr. Jack Gerich, Director of Whittier**, described its research in insulin and amylin, which was followed by a description of *Amylin's* work by **President Timothy Rink, Sc.D.** Separately, in response to a question regarding what the City could do to keep large-scale manufacturing in San Diego Dr. Rink said "water, water, water." Next month's speakers will be **Thomas S. Edgington, M.D.,** Member, Department of Immunology, *The Scripps Research Institute* and **Howard R. Soule, Ph.D.,** Director of Product Development, *Corvas International, Inc.*, speaking on "The High-Tech Solution to a High-Volume Clinical Diagnostic Product" on **Friday December 11, 1992 from 7:30 a.m. to 9:00 a.m.** Call 534-6114 to register.
8. Recognizing that a balanced approach to environmental concerns is one of the most important ingredients of job creation, the *Chamber of Commerce Environmental Committee*, chaired by **Mary Walker** of *Luce, Forward* and the *BIC/BIOCOM* Joint Environmental Committee, held its first organizing meeting. In recognition that the Chamber already has several sub-committees focusing on various environmental domains, Mary asked participants to delineate subjects in which they had interest and/or expertise. With its 3000-member base, the Chamber can bring a broader perspective to issues like the proposed **Hazardous Material Buffer Zone ordinance.**

9. BIOCUM's monthly meeting featured a panel of biotech CEO's discussing their manufacturing plans and where they will locate their facilities. **Councilwoman Valerie Stallings** and 80 other guests heard *Union-Tribune* **Financial Editor Don Bauder** quote the recent SANDAG report describing the importance of manufacturing jobs to the San Diego economy. *IDEC Pharmaceuticals'* **President Bill Rastetter** credited organizations like CONNECT and BIOCUM with improving the business climate here. *Alliance Pharmaceuticals'* **President Duane Roth** is very concerned with adequate water. *Kelco* **Vice President Peter Kovacs** said San Diego has many problems to overcome to be able to keep large-scale biotech manufacturing here, citing over-regulation and electricity costs. **Lyle Turner, President of Invitrogen**, complained of high health insurance costs in California.

The SANDAG report, which prompted the meeting, compared the \$29,966 average salary in the manufacturing sector with the \$13,201 average in the trade sector in San Diego. It strongly argues for the need to keep manufacturing companies in San Diego. The report goes on to compare the total taxes generated per employee as \$12,236 (manufacturing sector) vs. \$7,316 (service sector).

10. An "East-West Connector" moved a step closer to reality last week, according to **Randy Broberg** of *Brobeck, Phleger, & Harrison*. Randy reports that the recent court defeat for opponents of State Route 56 brings affordable housing a step closer to high-tech companies in Sorrento Valley and Torrey Pines Mesa. When fully completed in 2010, the parkway will carry 52,000 cars per day between I-5 and I-15.

#### UPCOMING

11. "*Dietary Factors in Breast Cancer: Epidemiologic Controversies*," will be presented Saturday, **November 21, from 8:30 a.m. to 12:30 a.m.** at the **Sheraton Grande Torrey Pines**. PLEASE call **Beverly Jones at 534-6058**; Admission: \$5.
12. The Tenth Annual Fall Conference on "*Low-Level Radioactive Waste Disposal in California: Political, Technical and Legal Update*" sponsored by *Cal Rad* (California Radioactive Materials Management Forum) will be held **Sunday and Monday November 22-23, 1992** at the Hyatt Islandia in Mission Bay. Speakers include: **David Hale, Chairman President and CEO, Gensia Pharmaceuticals**; **Mary Walker, Partner, Luce Forward**, and **Abby Silverman, Partner, Baker & McKenzie**. For more information call (916) 988-9462.
13. **Governor Pete Wilson** will address *EDC's* annual meeting Tuesday night and attend a small lunch Wednesday at Rancho Valencia. Also on Wednesday, November 18, **Stephanie Riser**, who represents trade and commerce issues in Governor Wilson's Washington Office, will be in San Diego. In the afternoon she will be visiting CONNECT and would like to meet with representatives from the biotech industry who have specific legislative issues they want the State to work on in Washington. The meeting will take place in the UCSD Extension Dean's Conference Room from 2:30 to 3:30. If you would like to attend, please RSVP to **Cathie Hilker at 534-4750**.
14. **Otto Sorenson, Partner, Adams, Duque & Hazeltine** invites interested parties to a seminar, "Health Risk Assessments and Government Prosecutions Under Prop. 65" 7:30-10:30, Thursday, November 19 at the San Diego Princess Resort. **Call Kris Cohn at 453-8415**.

15. The Biomedical Industry Group (BIC) will discuss Clinical Trials at *Gensia Pharmaceuticals*, Friday, November 20 at 7:30. Open to BIC members and "Wannabe Members". Call Executive Director Bernie Rhinerson at 557-0344.

## OTHER

16. In the face of continuing incredibly good ideas to support its members, CONNECT is cadging to its friends to fill the following needs and would appreciate donations of any of the following: a new FAX machine (ours is outdated, tired and overworked), a copier, a Macintosh IICi 5/80 or 5/230, 25 MHZ, 68030 CPU, cache card, a HPZC scanner, QUARK 3.1 Software, and Calligraphy Software. A plaque bearing the donor's name will be affixed to the piece of equipment in the office and you will be toasted, daily!
17. CONNECT volunteer, **Joel Sollender**, former CFO of a Fortune 500 company, has completed a study of the market valuation of San Diego's publicly traded companies. Joel reports that as of the close of the market October 31, San Diego's 28 biomedical companies, led by *National Health Labs* and *Gensia*, had a sum total valuation of over \$5 billion. High tech companies, led by *QUALCOMM* and *Magma Power* totalled over \$3 billion. The grand total of all San Diego publicly traded companies is about \$15 billion, to put these figures in perspective.

## MEMBER NEWS

19. **Martin Nash, President, Cypros Pharmaceutical Corporation** (formerly NeuroTherapeutics Corporation) announced the completion of a private placement of \$7 million. Cypros is a biopharmaceutical company developing small molecule therapeutic drugs for the treatment of disorders involving ischemia, such as stroke, traumatic head injury and heart attack.

# BILL'S EDITORIAL PAGE

November 16, 1992

(The opinions presented herein are those of the author and do not necessarily represent the views of CONNECT or the University)

## Crossing the Border is Fun, Now!

It's fun to be able to see when you have really "made a difference." That fun belonged to **Chuck Nathanson** and all members of his *San Diego Dialogue* this week when they saw the photos of the open border, as described above. Congratulations Dialogue!

## How Clean do we Need It?

The California Clean Air Act has laudable objectives - we all want clean air - but the present plan of ride sharing has not worked in the past; why assume it will in the future? Let's put our aerospace engineers on a project to make more efficient catalytic converters and solve the problem technically, rather than by edict. The present plan smacks of Social Engineering and an urge to satisfy puritanical impulses - "let's change how people act." Rationality filtered through the alembic of behavior modification becomes Social Engineering. A concatenation of the truth.

I would like to see a Chamber of Commerce seminar on the subject of "**What To Do When The San Diego Clean Air Plan Passes**," cosponsored with CONNECT, BIC/BioCom, AEA, etc. We all need to be updated and to learn from the experiences of those companies who have tried car pooling. The emphasis should be on saving jobs.

But, you still ask yourself, "Why does California need tougher air quality standards than other states? Do we jog more out-of-doors? Do we have more emphysema than other states? Or do we just have more energetic legislators?" The reason this question is important is that the press uses the number of days the standards have been exceeded as a rallying cry for action. But the number of days the federal standards are exceeded are much less. (So few that you could solve the problem by requiring car pooling on those few days only!)

## An Hispanic for Global Trade

Only thirty years old, but already possessed of great enthusiasm and ideas, knowledge of NAFTA and bi-cultural genes, **Gil Partida**, incoming Chamber President, deserves to be nurtured and assisted by the business community. CONNECT will be happy to help.

## Inherit the Wind

For those looking for commercial projects for displaced defense workers, my tennis partner and **former head of the low velocity wind tunnel for General Dynamics, Stan Griffin**, suggests that federal monies might be well spent on underwriting the design and prototype production of a SuperConcorde - a larger, more fuel efficient design based on today's quieter engines and advanced materials. Alternatively, he suggests a Short Takeoff and Landing (STOL) jet transport that would require shorter runways and have a lower noise envelop than current designs.

## The Answer is Manufacturing Jobs

As is well documented in the recent SANDAG report on San Diego's economy, we simply must build up our manufacturing base here. Technology companies currently manufacturing here, including *Kelco, Hybritech, QUIDEL, Overland Data*, and hundreds of others, employ all kinds of San Diegans from every socio-economic group. If we are going to begin to replace the defense jobs lost, technology manufacturing will have to be the engine. But we can kill manufacturing jobs through overregulation and overstringent environmental controls, impossible permitting times, lack of guaranteed water, excessive taxes, etc. Since every manufacturing job lost loses another 2.4 jobs (the multiplier effect), we can't afford to lose potential manufacturing sector jobs! Every sector of the City and County benefits from increasing manufacturing sector employment. Every proposed tightening of environmental regulations must be juxtaposed against the economic costs of jobs lost. A perfect example is the **Hazardous Material Buffer Zone**. It suggests new regulations to protect the public health, but adequate provisions currently exist. Just raising the specter of the HMBZ was enough to scare away a potential biotech building investor. (The company, a major insurance fund, simply took its cash elsewhere.)