

**THE BILL OTTERSON BIOTECH LETTER**  
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**RAISING CAPITAL**

1. As **Dr. Tina Berger**, COO, *Prizm Pharmaceuticals* told **Congresswoman Lynn Schenck**, Friday, "Biotech companies need to raise as much as \$250 million to bring a new pharmaceutical drug to market." "The money has to come from somewhere, and the only choices are from large pharmaceutical companies or the public market. Both of these sources depend upon profits. When Congress knocks the profitability of drugs and vaccines, they are directly reducing our ability to raise money," she added.
2. At the *Biomedical Industry Council* meeting, **David Hale** said that he had just completed a visit with sixty analysts, and *every one* had asked questions relating to Congress' attack on the pharmaceutical industry. One industry source observed, "Society can't have it both ways - low drug prices and state-of-the-art medicine. Someone has to pay."
3. As a possible direct casualty of the Congress-induced drop in pharmaceutical stock prices, *Amylin Pharmaceuticals Inc* cancelled plans for a secondary stock offering of 2.5 million shares. Amylin's share prices have dropped from \$14.25 to \$11.25 since January.

**WARD VALLEY**

4. The recently formed *San Diego County Science Advisory Board* heard testimony from **WWO** and **Ken Helms**, **UCSD Radiation Control Officer** regarding Ward Valley and society's need for a Low-level Radioactive Waste (LLRW) disposal site. The Council will send a recommendation to the *County Board of Supervisors* that the Ward Valley site holds minimum risk to the health and safety of citizens and is greatly superior to on-site storage. Forum members include **Dr. Harold Agnew**, former Chairman, *General Atomics*; **Dr. William Nierenberg**, former Director, *Scripps Institution of Oceanography*; **Dr. Helen Raney**, former Chairwoman *UCSD School of Medicine*; **Dr. Andrew Viterbi**, co-founder *bDr. Linkabit* and *Qualcomm*; **Dr. Pat Abbot**, *SDSU Geology Department*; and **Roger Beachy**. **Stephen A. Brennen**, **Manager Economic Policy**, *County of San Diego* is the Council's Administrator.
5. "The prospects of thousands of research organizations storing their own waste, and the internal bureaucracy, documentation, personnel and space it would require just doesn't make any sense at all," **William Rastetter**, **President of Idex Pharmaceuticals Corporation** said in a recent interview with the *San Diego Daily Transcript*. (But, IF California had a solution, while Massachusetts doesn't ...)
6. According to an article in the *Lake Havasu City Herald*, *Department of Interior* spokesperson **Stephanie Hanna** said **Secretary of Interior Bruce Babbitt** "wants to look at this particular case (Ward Valley) in depth" and asked **Judge Marilyn Patel** to delay her preliminary injunction hearing until Feb. 24. *The Ward Valley Coalition* and other environmental groups alleged that the *U.S. Fish and Wildlife Service* failed to designate Ward Valley as critical

habitat for the threatened desert tortoise.

#### CLEAN AIR ACT - TRIP REDUCTION PLANS

7. *The San Diego Business Journal* called **Supervisor Brian Bilbray's** call for a moratorium on all new anti-business regulations "grandstanding". Earlier, in a *Union-Tribune* article, WWO said, "This resolution sends a strong signal to governments and high-tech chief executive officers everywhere that this county is serious about job creation." In a letter to **CONNECT CHAMPION Terry Bibbens, Supervisor Pam Slater**, added, "...asking the county cities, state and federal agencies to pioneer Trip Reduction Programs in San Diego sends a clear message to the business community that we are willing to work together to achieve trip reduction and better air quality."
8. A researcher at the *Rocky Mountain Institute* told the *American Association for the Advancement of Science Institute* that a safe, dependable, "ultralight" car could be built with existing technology. Using existing carbon-fibre materials in lieu of steel and aluminum, **Amory Lovins**, said such a vehicle could drive from Los Angeles to New York on only 29 gallons of gas. Tailpipe emissions would be correspondingly reduced.

#### NORTH AMERICAN FREE TRADE AGREEMENT (NAFTA)

9. **Democratic Congresspeople Lynn Schenk and Bob Filner and Republican Congressmen Ron Packard, Randy "Duke" Cunningham and Duncan Hunter** spoke to some five hundred guests of *The Greater San Diego Chamber of Commerce* Friday, discussing the economy, base closings, harmony and *NAFTA*. Packard and Cunningham indicated they would vote for *NAFTA*. Filner, Scheck and Hunter indicated they opposed it.
10. "The pending U.S.-Mexico free trade agreement should play to San Diego's economic strengths, including advanced electronics, communications, biotech products, and business services," according to a *San Diego Union-Tribune* OpEd piece authored by *Luce, Forward's John McNeece and Chuck Nathanson*, executive director of *San Diego Dialogue*.

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#### HAZARDOUS MATERIAL BUFFER ZONE - REQUEST FOR CEDMET VIOLATION DETAILS

12. In a meeting with the *Chamber of Commerce* and *CONNECT* Environment Committee lead by *Luce, Forward's Steve McDonald, City Councilman George Stevens* said his district needs more enforcement on HAZMAT issues but isn't getting its fair share. As an example, he cited small plating and auto-painting shops that are storing waste in "rusting barrels in the back yard". McDonald and the committee, including **Terry Bibbens, CONNECT; Caroleen Williams, Industrial Environmental Association, Dana Austin, Southwest Marine; and Dr. Gerald Spahn, Salk Institute** encouraged a joint effort by the City, business and other groups to address these apparently flagrant violations through existing laws without resorting to the Draconian measures of the proposed Hazard Material Buffer Zone (HMBZ) ordinance.
13. The City Managers report on the proposed HMBZ has been referred to the *Committee on Transportation and Land Use*, chaired by **Councilman Ron Roberts**, and a hearing will be held on March 17, at 2:00 p.m. in the City Administration Building on the 12th floor. The report pointed out that the proposed buffer zone ordinance would affect the entire city of San Diego, and citing the many laws and regulations already in place to protect the public from

misuse of hazardous materials, did not find a need to establish an HMBZ. The *Biomedical Industry Council (BIC)*, *Biocommerce Association (BIOCOM)* and High-Tech Council all oppose HMBZ and are expected to issue Legislative Alerts to members.

## THE ECONOMY

14. "Anyone who cares about the future of jobs in California should keep an eye on this week's Economic Summit called by **Assembly Speaker Willie L. Brown, Jr.**", states **Wilford D. Godbold, Jr.**, chairman of the board of the *California Chamber of Commerce* and CEO of *Zero Corp.* Modelled after **President Clinton's** economic summit in Little Rock, the Summit will feature discussions on the economy by leading economists on Tuesday and four panel discussions on proposed solutions on Wednesday. WWO will participate on the panel, "Frontier Opportunities" along with **Sam Colella**, partner *Institutional Venture Partners*; **Howard Palefsky**, **President Collagen Corporation**; **Kathleen Stafford**, *Amgen, Inc*; **Pam Morrone**, **President Novo Nordisk Entotech, Inc**; **Phil Quigley**, **President Pacific Telesis**; **Ron Brady**, **Senior Vice President University of California**; and others. Discussion topics will include technology transfer, high-tech start-ups, the role of venture capital in company formations and innovative public-private partnerships.

## GENETICALLY ENGINEERED FOODS

15. Advances already made in the genetic engineering of plants could be used to double crop production in Africa, according to a paper presented at the annual meeting of the *American Association for the Advancement of Science* and reported by David Graham in the *San Diego Union-Tribune*.

## OTHER

16. The newly-formed *High-Tech Council* is planning a High-tech Summit March 11 for San Diego's elected officials. Speakers will include **Joel Schindall**, **Division President Loral Conic**, a defense contractor; **Peter Savage**, **President Applied Digital Access**; **John Belden**, **President, OCTuS**; **Dave Flowers**, **President Pulse Engineering**; **Dan Alspach**, **President Orincon**; and **Larry Epp**, **President Laresis Corporation**.
17. **President Clinton** blasted the pharmaceutical industry for charging "shocking" prices for vaccines. In rebuttal, the industry association pointed out that the prices quoted by Clinton did not make allowance for discounts.
18. **State Transportation Commissioner Dean Dunphy** and former *Caltrans District Director Jack Grassberger* told fifty members of the "*Win the Caltrans R&D Center for San Diego Committee*" that it would take considerable effort to swing the Department of Transportation project from Sacramento to San Diego. *Economic Development Corp.* **Vice-President Ron Phillips** is leading the effort. Noting that "where the research goes, the manufacturing is likely to follow", one observer pointed out that the presence of the one-of-a-kind *UCSD Structures Lab* in San Diego should be a plus for this area.
19. *San Diego Union-Tribune* financial editor **Don Bauder** questions the credibility of San Diego's *CytoProbe Corp* and *Alco International Group* in his Sunday piece.
20. **Gov. Pete Wilson** named the 16 members of his *Council of Economic Advisers*. Headed by former **Secretary of State George Shulz**, the group will include former **U.S. Trade Representative Carla Hills**, **Nobel Prize-winning economists Gary Becker** and **Milton Friedman**, and former presidential economic advisors **Martin Anderson** and **Michael Boskin**. On the council from San Diego is **UCSD economics professor George Borjas**.

## PAST WEEK

21. Attendees at the *The University of California Statewide Extension* Retreat in San Diego heard **Ed Furtek, Director of Federal Policy, UCSD; Sam Popkin, Professor of Political Science, UCSD; Ross Starr, Professor of Economics, UCSD; Dr. Robert Arnold, Director Center for the Continuing Study of the California Economy** and **Joel Kotkin, Author** talk about the California economy. Kotkin emphasized the benefits of migrant populations in the economic development of the region. Arnold argues that California's recession is caused more by the global recession and the demise of defense spending than the "business climate".
22. CONNECT'S ninth annual *San Diego Technology Financial Forum* February 10th and 11th at the Hyatt Regency featured 33 biotech and high-tech companies giving 8-minute presentations to venture capitalists. **Forum Administrator Charleen Boyl** reported that attendance by capital providers was twenty per cent of last year. She reported many compliments from attendees, many of whom cited the organization and coaching as superior to other forums. "In its nine-year history, the Forum has helped over two hundred companies meet capital providers," said WWO in his opening address, adding, "Many of San Diego's premier technology companies have presented here."

CONNECT service providers attended the Wednesday reception and had an opportunity to mix with the service providers. xxx, President *Hambrecht & Quist* in the keynote speech said the IPO "window" was still open, with many more IPO's expected soon.

## UPCOMING

23. [Repeat] **UCSD Chancellor and Mrs Richard C. Atkinson** will host a reception on Feb 25, honoring **University of California President and Mrs. Jack W. Peltason** on the occasion of the 125th Anniversary of the founding of the University. For more information, call **Deborah** at **534-4750**, as it will be overbooked.
24. *Luce, Forward's Mary Walker* will be on the talk circuit in Los Angeles this week on the subject of Ward Valley. Her schedule includes the *Santa Monica Kiwanis Club, KFI-FM Radio, USA Radio* and an interview with the *Los Angeles Times*. "The damage to California's economy will be enormous if the state does not build the low-level radioactive waste facility it needs," said Mary in a prepared release.

## SOCIAL NEWS

25. **Cesar Hernandez** was outstanding as *Pinkerton*, and **Elizabeth Hynes**, tremendous as *Cio-Cio-San* in Puccini's *Madama Butterfly*, Saturday night, but the WWO family's eyes were on **Sarah Blaze's Mrs Pinkerton**, because she has been living with us for the past month while rehearsing her part, as result of an opera guest program. Many opera goers were pleased to see **Mayor Golding** attend as a guest of **General Director Ian** and **Anne Campbell**. "Bravissima!" observed one wag. Additional performances are scheduled for Feb. 19, 21, and 24.

## MEMBER AND SPONSOR NEWS

26. [DOES CAROLE HAVE ANYTHING FOR THIS? DO YOU}

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The following comments are the opinions of the author and do not necessarily reflect the opinions of the University, of CONNECT or of CONNECT Sponsors and Members.

**Bill's Editorial**  
**February 15, 1993**

**Counter the Business Journal?**

As much as I admire the editorial policy of the *San Diego Business Journal*, I find myself taking the "opposite view" with regards to their recent editorial on **Brian Bilbray's** courageous proposal to delay implementation on new and revised (APCD) regulations regarding Trip Reduction Plans.

After countless telephone calls, letters and personal meetings with government officials, the county finally heard what local business leaders have been saying all along -- "we are miserably over-regulated as compared with our competitors in other cities, states and countries. We don't like it, and in fact, we can't afford to stay in San Diego if it continues. We are competing in global markets, and these local over-regulations add costs that unfairly make our employees less productive. As a result, we lose jobs to our competitors, and San Diego employees pay the real penalty when we must shift operations to other sites."

One of the elected officials to whom technology executives explained their plight was **Supervisor Brian Bilbray**. In a bold statement as part of his State of the County address and in subsequent board action, Bilbray convinced the *County Board of Supervisors* to halt this continuing escalation of unnecessary regulations. However, he and the Board unanimously asked APCD to work to require the largest employers in San Diego, the city, county, state and federal agencies to pioneer the APCD Trip Reduction Programs. In other words, instead of placing the burden of innovation on the backs of business, he suggested that government should "go first". With this audacious step, the County of San Diego may now be seen by other jurisdictions as the paradigm of business de-regulation.

Certainly, this type of statement will be heard by regulators throughout the bureaucracy. Regulators everywhere who are sympathetic to business' plight and want to help in job creation - and I am finding more kindred souls than I would have ever imagined - will find solace in this vote.

A one-year moratorium is certainly not the answer to all of our problems. We prefer technology solutions, like lighter cars, more efficient catalytic converters, lower-smog fuels, etc. and market solutions like enforcing smog regulations against

the ten percent of the (old) vehicles that produce forty percent of the unburned hydrocarbons. It will also give the local government agencies a chance to develop the transportation infrastructure to allow the Trip Reduction Programs to work, before APCD tries to coerce an unworkable requirement on our employers.

This is clearly a reasoned first step in turning around what has become a regulation nightmare that is causing San Diegans to lose jobs. Congratulations to Brian Bilbray and all the members of the Board of Supervisors for their unanimous statesmanlike response to the needs of business without compromise to the quality of life that makes San Diego "America's Finest City".