

THE BILL OTTERSON BIOTECH LETTER
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WARD VALLEY

1. The ruling from the State Court of Appeals in response to the lawsuit by U.S. Ecology, CalRad, and the National Association of Cancer Patients charging that the agreement by the Governor to hold Adjudicatory Hearings on the Ward Valley license is expected this month. Meanwhile, an anti-nuclear group is preparing a lawsuit claiming the license would violate a deadline for identifying overall habitat of the endangered desert tortoise. (The tortoise was clearly covered in the Environmental Impact Report filed long ago.)
2. NACP Consultant **Carolyn McGraw** met with **Congressman Ron Packard (R, Oceanside)**. He pledged full support for Ward Valley licensing.

THE ECONOMY

3. "State Jobless Rate 10.1% - Worst Level in 9 Years" screams the headline in the Los Angeles Times. "For California, Experts See Few Bright Spots" leads the accompanying story. Reporting on the announcement by the U.S. Labor Department, the story identifies declining employment in defense and electronics as the primary culprits. Further explaining California's employment problems, the article reports, "...the state has gained a reputation for over-regulation and an inefficient worker's compensation system." California Department of Finance economist **Ted Gibson** says new high-tech jobs are going to Texas, Arizona and New Mexico.

The California Employment Development Department puts San Diego unemployment a bit lower, at 7.8%, where it has hovered since July.

A NATIONAL TECHNOLOGY POLICY

4. **Dr. Ed Frieman, Vice Chancellor-Marine Science and Director of Scripps Institution of Oceanography**, is working with the **Clinton/Gore Transition Team** on developing a National Technology Policy. Entitled "Technology: The Engine of Economic Growth," the report is based on the campaign literature of that name and is currently being refined. Dr. Frieman thinks the policy could have enormous impact on this community. He urges all that have an interest to get involved through CONNECT.

MANUFACTURING IN SAN DIEGO

5. **San Diego City Councilmember Abbe Wolfsheimer** gained unanimous approval from members of the Transportation, Planning, and Environment Committee, of which she is Chair, to remove land use barriers and to facilitate the biomedical industry's move into manufacturing. Specifically she proposed directing the City Attorney to amend the SR Zone ordinance to permit manufacturing; directing EDC to market the City as friendly to companies engaged in research, prototype development, and product manufacturing; creating new SR zones; and setting aside land adjacent to SR zones for additional research and manufacturing uses.

Subsequently, the Council unanimously passed an economic development package, incorporating the above Committee recommendations.

CALIFORNIA CLEAN AIR ACT

6. The San Diego Air Pollution Control District has scheduled workshops to discuss the San Diego proposed Rule 1302, its Trip Reduction plan. (See the editorial page for more details.)

NAFTA AND EXPANDED AIRPORT

7. The Union-Tribune ran "Lessons from Brownsville..." by Richard Kiy, a special assistant for U.S.-Mexico border affairs with the U. S. Environmental Protection Agency in the Sunday Editorial. A member of the Crawford High Class of 1980, he said, "I was astounded by the number of fellow graduates who had left San Diego (because of)...the lack of promising job prospects."

HAZARDOUS MATERIAL BUFFER ZONE

8. The Chamber convened a small group to discuss the proposed Hazardous Material Buffer Zone ordinance, which is coming up for vote at the Transportation, Planning, and Environment Committee, **January 13 at 2:00pm**. The ordinance, proposed by the Environmental Health Coalition, includes a thousand foot "buffer area" (three football

fields) to surround any facility in which "Acutely Hazardous Materials" (some 385 chemicals, including chlorine) in quantities greater than the Threshold Planning Quantity are stored or used. Although the City Council proposed a study, limited to the Barrio/Logan, be undertaken, it is believed that any ordinance, if approved, would apply City-wide. **Caroleen Williams, Executive Director, Industrial Environmental Association** is seeking companies to testify. Call her at 460-4212.

The new (or reconstituted) Quality of Life Board's membership and charter were discussed.

OTHER

9. **Bernie Rhinerson, Executive Director, Biomedical Industry Group**, arranged a meeting with Mayor-elect **Susan Golding** and Biotech/Biomed CEOs. The CEOs included **David Hale, Chairman, President, and CEO, Gensia Pharmaceuticals**; **Gerald Yakatan, Ph.D., President and CEO, Tanabe Research Labs**; **Jerry Caulder, Ph.D., Chairman, President and CEO, Mycogen**; **David Kabakoff, Ph.D., President and Chief Operating Officer, Corvas International**; **Cam Garner, President and CEO, Dura Pharmaceuticals**; **Bill Rastetter, President, IDEC Pharmaceuticals**; **Don Grimm, Chairman, Hybritech**; **Lois Crandall, CEO, BTX, Inc.**; **Andrew Wiseman, Director of Business Development, La Jolla Pharmaceutical Company**; and **Steve Kenney, CEO, Ambis Systems, Inc.** The issues discussed were: Guaranteed water for target industry manufacturing, use of city bonds for financing buildings, the proposed Hazardous Materials Buffer Zone ordinance, and Air Quality.
10. **Bob Lichter, President, Coalition for San Diego Business**, **Malin Burnham, Tom Page, Bob Goldsmith, Mac Strobl, Murray Galinson, Jerry Yakatan, Roy Lessard, Caroleen Williams**, and others, met to discuss ongoing strategy for the group. I suggested an active involvement with immediate issues like the Trip Reduction Plan or the Hazardous Material Buffer Zone that require a business turnout at the City or County. I was also pleased to be able to get some input to the Coalition's joint report with the Chamber: "Restoring San Diego's Economy."
11. CONNECT's Steering Committee participated in an off-site planning session Saturday at the Sheraton Grande Torrey Pines. The major focus was on the economy and how CONNECT could help the high-tech sector. **Marney Cox, Economist** for SANDAG and author of the report "Evaluating Economic Prosperity in the San Diego Region," set the stage with a sobering appraisal of San Diego's current economic picture. "The Economic Health of the Region Today is 'Average'," which downplays this area's strengths and weaknesses.

Programs to be considered by CONNECT include in-depth training for all sectors of biomedical and high-tech companies in manufacturing; input to the Clinton/Gore Transition Team working on Clinton National Technology Policy; a University-level Public Policy Forum with lectures and seminars on rationalization conflicting forces in the Environment vs. Jobs debate; development of a San Diego High-Tech Policy for the 21st Century; continued education of the service sector in serving emerging growth companies; the use of the world's lowest cost manufacturing pool of workers in Tijuana and coordinating with the teachers of San Diego's future workforce. The CONNECT staff will prepare a new business plan.

UPCOMING

12. [REPEAT] With an expected participation of over 500 high-tech executives and service providers, CONNECT's annual **Most Innovative New Product Awards Luncheon** is oversubscribed. Scheduled for **Dec. 9, 11:30a.m.-2:00p.m.**, the Luncheon will feature table-top demonstrations of the award-winning products from twelve finalist companies in four categories. **Chairman Tom Page** of San Diego Gas & Electric will speak and **Mayor Susan Golding** is expected to drop by. (All San Diego City, County, State and national elected officials have been invited.)
13. [REPEAT] The next Meet the Researchers Breakfast is Friday, December 11, from 7:30 a.m. to 9:00 a.m. The topic is "The High-Tech Solution to a High-Volume Clinical Diagnostic Product." **Thomas Edgington, M.D.**, a member of the Department of Immunology, The Scripps Research Institute, an Adjunct Professor of Pathology, UCSD, and a founder and director of Corvas International, Inc.; and **Howard Soule, Ph.D.**, Vice President, Product Development, of Corvas International, Inc. will be speaking at the Great Hall, Schaezel Center for Health Education, Scripps Memorial Hospital. Call 534-6114 to register.
14. The Second Annual Joint BIC/BIOCOM Meeting will take place on **Friday, December 18, from 7:30-9:00 a.m.** It will be held at the Museum of Man, Evern Ham Hall, 1350 El Prado, Balboa Park. **Gil Partida, incoming Executive Director** of the Greater San Diego Chamber of Commerce, will be the featured speaker. Prepaid registration due December 14 is \$35 for BIC/BIOCOM members and \$45 for non-members. Registration on the day of the event is \$50. BIC members should RSVP to Jacqui Levon at 236-1332 (FAX 236-0683) and BIOCOM members should RSVP to 525-2020 (FAX 231-4396).

MEMBER NEWS

15. Eli Lilly & Co. confirmed that it had discussed buying city-owned land in the Eastgate Technology Park. Lilly's three companies in San Diego are Hybritech, IVAC Corp. and Pacific Biotech. Lilly's 1991 sales were \$5.7 billion.
16. IDEC Pharmaceuticals had a small fire a week ago in the fan motor of a Kenmore refrigerator, but it received considerable publicity because some 50 firefighters responded, and several firemen were "decontaminated" afterwards. **President Bill Rastetter**, who was the first person from IDEC on the scene, determined that the

contents of the refrigerator were nothing more than clinical specimens from a cancer clinical trial. Dr. Rastetter has invited all interested city officials to visit IDEC and see what this exciting biotech company does and to ascertain for themselves the extent of any possible risk.

17. Sandoz Pharmaceuticals signed a ten year, \$300 million research alliance with the Scripps Research Institute to begin in 1997.
18. Mycogen has completed its acquisition of Lubrizol Corp.'s agricultural seed and plant science division, Agrigentic Co., in a \$135 million deal announced in April.
19. ImmunoPharmaceutics Inc. and scientists from the University of California, Riverside published the first complete X-ray of an intact antibody molecule.
20. IDEC Pharmaceuticals announced that it has signed the lease on what will become its new corporate headquarters, research labs and mammalian cell culture pilot plant only a few hundred yards from their current La Jolla location. The company will move its entire operations to the new two-story building beginning in mid-1993 from both the Mountain View and La Jolla.

SPONSOR NEWS

21. **Jim McGraw, President** of McGraw/Baldwin Architects, spoke to the National Association of Industrial and Office Parks about potential biotech construction. He said, "There is a pent-up demand for between 150,000 and 350,000 square feet of 'wet lab' space."

The Clean Air Conundrum

Although this is the third straight editorial on this subject, I believe it is justified based on the severity of the problem and proximity to Armageddon.

As proposed, the new plans will affect every San Diego employer with 60 or more employees, from service providers to software companies; from biotech companies to CPA's! Average Vehicle Ridership (AVR) will have to increase to 1.55 by July 1, 1993 and to 1.75 by 1999. (Divide your number of employees by this number to get the maximum number of cars permitted. For example, if you have 100 employees, by 1999 you can have only 57 cars driving to work.) If you don't meet these requirements, you will have to provide other pre-approved Draconian mitigation measures, like a guaranteed ride home program for employees, van-pooling, etc.

All employer/employee organizations, including the *Chamber, The Coalition for San Diego Business, EDC, AEA, BIC, BIOCUM, High-Tech Council, etc.* need to get involved in this plan to understand its far-reaching implications; what, three years ago, was just a bad dream, is soon to become reality.

The plan will not work to reduce smog significantly for the following reasons:

1. "Of the 106 days last year exceeding the state clean air standard, 52 days can be attributed to locally-generated pollution and 54 days to pollution transported to San Diego from the Los Angeles Basin." (Source: Air Pollution Control District 1991 Annual Report, p5.)
2. A report by the *Senate Office of Research, Reducing Automobile Pollution*, referenced by the *San Jose Mercury News*, Sept 22, 1991, found that an estimated 12 percent of the cars create 75 percent of the smog generated by automobiles in California. Part of the problem, is that cars sold before 1966 are exempted from California's Smog-Check program and smog-related repairs for other cars are not required if they would exceed a price cap. The cap ranges from \$50 for pre-1972 cars to \$300 for 1990 or

newer models. An estimated 750,000 cars received waivers in 1990.

3. The trip reduction plan focuses on employers, because they are easy to identify and regulate and because a large percentage of trip miles each weekday is made up of commuters. But these cars are also the cleanest cars, because their owners have jobs and can better afford to pay for repairs. Even if commuting traffic were reduced by 35%, resulting smog would not necessarily be reduced by a similar amount, if the cars not driven were non-polluting, new cars.
4. State ozone standards (9 parts per hundred million) are 25% stricter than federal standards (12 pphm). The only smog detector in San Diego County registering over 12 pphm for more than 21 hours last year was the one in Alpine. It exceeded 12 pphm for only 27 hours (13 days for about 2 hours per day). The medical recommendation at 12 pphm is that "sensitive persons should reduce strenuous outdoor activities." Wouldn't it be more economical to suggest that Alpine residents "reduce strenuous outdoor activities" for these short (predictable) periods. For example, "don't jog or bicycle in Alpine in the afternoon."
5. The only measures that will help San Diego are technical improvements to automobiles driven and fuels in Los Angeles and San Diego, such as are being phased in by the *Air Resources Board*. (Source: ARB, "California's Plan To Reduce Motor Vehicle Pollution".) Project opponents suggest that the state should delay the implementation of the stricter standards until the problems with old cars has been resolved and the new technology has been adopted.

But the damage to San Diego companies and the resulting job loss could be substantial. The *Greater San Diego Chamber of Commerce* is leading the foray against the plan. Since the plan is mandated by the state, it will be necessary to convince state legislators to amend the California Clean Air Act.

There will be an opportunity to learn more about the proposed rules, and all organizations who expect to have 60 or more employees by the end of the decade should send a representative. It will take place Wednesday, Dec. 16, from 9:00am-1:00pm at the Scottish Rite Masonic Center, 1865 Camino del Rio South. To testify, call **Andrea Korogi** at the Chamber, 544-1360. **Ollis Hill, Mgr. Environment, Health & Safety, Raytheon Semiconductor** at 457-1000, or **Chris Neils** at Sheppard, Mullin 338-6500.