

THE BILL OTTERSON LETTER

November 2, 1993

NUMBER 3-44

WARD VALLEY

A disposal site for low-level radioactive waste (LLRW) generated as a bi-product of medical research remains in limbo, according to **Carolyn McGraw, Special Assistant to the Director, CONNECT.**

This week **Senator Barbara Boxer** continues to claim that 97.7% of the waste (and all the radioactivity) comes from nuclear power plants. According to records, this is not true. Historically, power plants have contributed roughly 40% of the volume and less than 25% of the radioactivity. It appears that the Senator is relying solely on project opponents for her information. It cannot be disputed that university researchers, biomedical companies and other (non-reactor) industries produce significant amounts of waste which cannot be practically stored on-site for decay. Storing on-site, however, appears to be Senator Boxer's solution. In a recent *Orange County Register* editorial, Senator Boxer recommended on-site storage for "benign non-utility waste."

The Senator's proposal seems to be based on the assumption that only nuclear power plants use long-lived radioisotopes. In fact, C-14 (half-life over 5,000 years), tritium (half-life 12.3 years), and other long-lived isotopes are routinely used in

biomedical research. Letters to Senator Boxer acquainting her with specific non-power plant uses involving long-lived isotopes and a description of the practical difficulties which are arising when this waste cannot be shipped off-site for disposal would be appreciated. Please urge Senator Boxer to seek out credentialed experts.

CAPITAL FORMATION

CONNECT's "Fifth Annual Corporate Partnership Forum" is this Thursday and Friday at the La Jolla Hyatt Regency. **Jay Creutz, Forum Coordinator**, expects the largest attendance so far. Committee members have been meeting since May evaluating applications, arranging speakers and rearranging schedules. First time San Diego presenters include: *Calbio Marine, Genset, Invitrogen, Neocrin, and Syntello*. Special guest speaker will be **Kary Mullis**, San Diego's newest Nobel prize winner, and **Walt Woodbury, President of QualMed**, a company which is merging with *HealthNet*. For more information, please call 534-6114.

UCSD

UCSD's San Diego Dialogue is having a briefing called "New Facts

on Border Crossers" on Wednesday, November 10, from 7:30 - 9:30 a.m. at the *UCSD Downtown Center*, 600 West Broadway, Suite 200. At this briefing the *San Diego Dialogue* will release new data from two major studies it has undertaken on the border. For more information, call 534-8638.

INDUSTRY/FDA/TQM PROJECT

The "kick-off" meeting of the regulatory affairs working groups was held on Monday, 1 November at the *UCSD Faculty Club*. In attendance were representatives from ten of the leading biotech product firms in San Diego. *Price Waterhouse* was also in attendance and is committed to providing the anonymity required in the preparation of the report. The working groups for CBER, CDER and CDRH were established and will meet in the next three weeks. The full group is scheduled to meet again on Tuesday, 1 December. If you are interested in participating in this project, call **Deborah Ablitt** at 534-4750 or **Terry Bibbens** at 534-8101.

TRIP REDUCTION PROGRAMS

Air Pollution Control District

(APCD) has docketed their Reg 13 with the Board of Supervisors and it is scheduled for public hearing in early December. APCD states that the program is not a cost-effective method of reducing air quality, and the Board members have refocused their efforts on convincing the EPA to reclassify the *Air District* from "severe" to "serious."

INTERNATIONAL TRADE AND BUSINESS ZONES

Supervisor Pam Slater has publicly presented her task force's report on the ITBZs for the County. This will be formally presented to the Board on November 2. The *Technology Issues* subcommittee was co-chaired by Terry Bibbens, Director of Public Policy, CONNECT, and by Caroleen Williams, Director of Government Relations, San Diego Supercomputer Center.

CONNECT

"High-Tech Meets Hollywood: How to Make Money in Multimedia" is the topic of CONNECT's seminar on Tuesday, November 9 at the La Jolla Marriott from 7:30 - 11:00 a.m. The seminar will focus on the future of the multimedia industry and the nuts and bolts of putting together multimedia deals. It is intended for multimedia entrepreneurs, professional service providers and others who are interested in learning more about this fast-growing and exciting industry. The fee for attending is \$50 for CONNECT

Members/Sponsors and \$75 for the general public. For more information call CONNECT at 534-6114.

CONNECT is still seeking nominations of companies in need of capital to present at the "1994 Technology Financial Forum." Companies at all stages and in all industries are eligible. Please call Jay Creutz at 534-8890 with your suggestions.

CONNECT is looking for an instructor for its popular course "How to Start and Manage a High-Tech Company." This course is offered during the spring quarter and meets between six and eight times on a weekday evening for three hours each time. For the past four years, the class has been taught by Tim Wollaeger, General Partner of Biovest Partners and President and CEO of Smith Laboratories. Wollaeger has developed an extensive curriculum, utilizing guest speakers and Harvard Business School cases, and he is willing to work with the new instructor in the transition. If you are interested, please call Barbara Bry at 534-6330.

LOCAL GOVERNMENT

Readers who receive this on Election Day should be sure to vote and to encourage their friends and employees to do so also, especially because several of the City Council candidates are running in a dead heat. Important issues include the selection of San Diego City Councilpersons in the First (Mathis vs. Navarro), Fifth (Warden vs.

Colby) and Third (Schulze vs. Kehoe) Districts, plus Propositions 172 (Continuing the Sales Tax) and 174 (School Choice).

SPONSORS/ MEMBERS NEWS

Genset, the antisense company, announced their first U.S. patent for cationic metalloporphyrin derivatives, their synthesis and their use for nuclease activity. Genset expects first reports on anti-HIV activity of these by early 1994.

Viagene Inc., a biotechnology firm developing gene transfer drugs, has filed for an initial public offering of 2.5 million common shares. The company expects its stock to come to market at between \$11 and \$13 a share.

General Instrument will combine its VideoCipher Division, which pioneered digital high-definition television (HDTV), with Jerrold Communications, its Pennsylvania-based unit that builds cable converters, according to the San Diego Union-Tribune. VideoCipher employs 551 people in San Diego and does not plan on relocating any facilities or employees. VideoCipher is best known for developing a digital system that erased Japan's decade-long lead in HDTV technology and fueled a resurgence of U.S. television research and development.

attack on pharmaceutical company "price gouging," have driven down the market valuation of these companies. One company, a star in its field of anticancer drugs, reports that its market valuation is less than its cumulative R&D investment.

Shareholder investment in the company, and in turn the company's investment in R&D, has created enormous value in innovative product candidates for cancer therapy---products which promise to increase the duration and quality of disease remissions, and reduce the debilitating and costly side-effects which accompany the use of chemotherapies. Yet, Wall Street fears an era of Health Care Reform which will reward the low-priced, "me too" drug manufacturer and leave little room for the fledgling biomedical concerns which are truly the engines of innovation. This dilemma must be resolved---and resolved at a pace to which Washington is unaccustomed, if this nation is to preserve its lead in the commercialization of products from the "new biologics." Without a resolution, the future of our biomedical industry will fall, through acquisition and through bankruptcy, into the hands of more self-sufficient pharmaceutical companies worldwide. A national resource is at stake--the time for Administration action is now!

There are several steps the Administration could take. The first would be for the First Lady to be seen promoting the biotech and medical device industries in personal visits which could be used as a backdrop for her to say publicly exactly what Mr. Magaziner said to

the CalBioSummit. The second would be to disavow the Advisory Council on breakthrough drugs as being redundant, bureaucratic and unnecessary. The powerful Health Alliances will be educated buying groups which will ensure fair pricing of innovative drugs and devices. The third would be to let the free market set the price of drugs for Medicare, and the fourth would be to reduce the enormous cost of developing new drugs and devices streamlining the *FDA*'s approval procedure.