

THE BILL OTTERSON BIOTECH LETTER
APRIL 12, 1993
NUMBER 3-15

WARD VALLEY

1. **David Hale**, President of *Biomedical Industry Council (BIC)*, **Chairman, President and CEO, Genzia Pharmaceuticals, Inc.**; **Mary Walker**, Chair, Environmental Committees of BIC, BIOCOM, and the Chamber of Commerce; and **Bernie Rhinerson**, Executive Director of BIC, will visit the **Governor's Office** and key legislators **Monday, April 26**, to discuss the Ward Valley impasse, emphasizing that delay in licensing Ward Valley is escalating the cost of disposal and forcing some biomedical companies to consider moving to states that still have a disposal facility. At present, this is largely a San Diego issue because Northern California biomedical companies have not as yet been organized.
2. **Karl Lytz**, *Latham & Watkins*, reported to the *Chamber of Commerce Environmental Committee* that the land transfer was still being contemplated by **Secretary of Interior Bruce Babbitt**. Lytz recommended that the Chamber put out a Legislative Alert encouraging letters of support to Secretary Babbitt. **Chair Mary Walker** concurred.

CLEAN AIR ACT - TRIP REDUCTION PLANS

3. In a presentation to the *SANDAG TRANSNET Subcommittee* on ISTEA Funding for San Diego Highways, **CONNECT Champion Terry Bibbens**, speaking as part of the *Greater San Diego Chamber of Commerce Air Quality Committee* pointed out that the much-abhorred Trip Reduction Plans (TRP) offers more a matter of congestion resolution than pollution control. Pointing out that TRP's would cost San Diego millions of dollars annually, but only reduce pollution by one-percent, he pointed out that so-called "market alternatives," like buying up old cars, could be much more effective. Based on that fact, **Harriet Stockwell**, **Deputy Mayor, City of El Cajon**, and **San Diego City Councilwoman Judy McCarty** proposed killing the TRP program, because of its high cost to business.

On the other hand, Bibbens pointed out that High Occupancy Vehicle (HOV) lanes serve to reduce traffic congestion (and smog) by carrying more passengers per hour. The incentive to use these faster lanes causes commuters of the HOV to increase average vehicle ridership (AVR) automatically, said Bibbens. Bibbens anticipates the need for business CEO's to visit state legislators regarding TRP's as they are still the favored solution of the State Air Resources Board.

4. The county *Air Pollution Control District* reported that smog levels were down last year, despite increased population and traffic. For the first time since records were kept in 1983, the number of days that the county exceeded strenuous state pollution standards was below 100. Federal standards were exceeded on only 19 days, of which 11 were the result of "transport smog." "The improved results show that new vehicles are significantly less polluting than older ones. The entire problem might be resolved if old cars were repaired or removed from the road," according to **CONNECT Champion Terry Bibbens**, adding, "the additional improvement from Trip Reduction Plans would result in only marginal improvements and would clearly not be cost justified." Terry continues to meet with the *Chamber of Commerce, SANDAG* and the *Air Pollution Control District* to work out market-based solutions for further improvements in air quality.

WATER

5. The *Biomedical Industry Council (BIC)* and the *BioCommerce Association (BIOCOM)* supported the *Metropolitan Water District of Southern California (MWD)* plan to increase its annual so-called "standby" charge to help finance the \$1.6 billion cost of construction of a new reservoir for San Diego County. "No one likes fee hikes, said **BIC Executive Bernie Rhinerson**, "but to ensure our future water supplies, we need more reservoirs, and they have to be paid for some way."

Water has been an issue since California became a state. Now the contest may be between Central Valley agricultural interests and cities, including industrial use. With more votes in the urban areas, some believe we will eventually win. But, in the meantime, what does biotech do?

THE ECONOMY

6. In order to make San Diego a more business friendly city, the *San Diego City Council* named May 18, 1993 as "Regulatory Relief Day." **Assistant City Manager Maureen Stapleton** has issued a request for comments and recommendations on how to simplify adopted policies and regulations to be sent by **APRIL 9** to **Assistant City Planning Director George Arimes**, 202 C Street, MS 5-A, San Diego 92101-4199, **FAX 236-6478**. For questions, contact **Rudy Gonzalez** in the City Manager's Office, **236-6234**.

This issue is also on the agenda of the *Chamber of Commerce*, through its *Environmental Committee*, chaired by **Mary Walker**. Suggestions can also be funneled through her at 699-2532.

7. The *Scripps Institution of Science and Medicine* and **CONNECT** are formulating ideas for a seminar of **President Clinton's** reform plans for healthcare. With virtually all facets of health care represented in San Diego, from biopharmaceutical companies to managed health care providers, there is an opportunity to both educate people about and even influence the direction of the final plans. Call my **Administrative Assistant Deborah Abblitt** at 534-4750 for more information.

HIGH-TECH ON THE AIR

8. **Associate Director Bryna Kranzler** took the story of San Diego's vibrant high-tech and biotech communities to new heights by enlisting the support of classical music station **KFSD-FM 94.1** to co-develop and air a nightly drive-time interview program with San Diego high-tech CEO's. **Business Editor Frank Warlick**, a long-time believer in high-tech, will conduct and edit the interviews; Kranzler will coordinate the "talent." **Jerry Caulder, Ph.D., Chairman, President and CEO of Mycogen**, taped the first interview; in addition to discussing *Mycogen*, Caulder also talked about the need to combat science illiteracy, and the improved business climate that he perceives in San Diego.

Dr. Robert Beyster, Chairman and CEO of SAIC, has volunteered for the next interview. Sponsors are being sought for these programs, and would be acknowledged on air each night and in the stations's advertising. To express your interest in supporting this program, please call **Teesha Hanson** at **534-6114**. Please also let Teesha know what time you listen to KFSD so that we can plan to air these programs when you can hear them!

ANIMAL RIGHTS MOVEMENT

9. Concerns that **John Gibbons**, President Clinton's **Science Advisor**, may have serious reservations regarding the use of animals in medical research, have been addressed in *Science*, *Nature*, and the *Chronicle of Higher Education*. The *California Biomedical Research Association (CBRA)* reports that *Associated Press Science Editor Paul Raeburn* said that Gibbons is "a firm believer in animal rights, refuses to eat veal and believes some researchers have needlessly abused laboratory animals."
10. The *CBRA* reports that, using guinea pigs, researchers at the University of Virginia have shown that regeneration of the hair cells of the inner ear is possible. The researchers hope these findings may lead to treatment and drug therapy to repair hearing loss due to age, toxic drugs and chronic exposure to loud noise. This writer and his coterie wait expectantly!
11. **Dr. Pat Cleveland**, Director, *San Diego CFAAR*, reports there are rumors that animal rights activists may stage demonstrations on **Saturday, April 24** against the use of animals in medical research. Biomedical animal care managers can call Cleveland at **552-8585 ext.3004** for more information.

FIXED-WING GLIDERPORT

12. On April 13, at 10:00am, the *San Diego City Council* will be asked to endorse an application for State and National historic designation of the *Torrey Pines Gliderport*. A portion of the Glider Port is on the UCSD campus, and is the largest undeveloped parcel at UCSD. Since such a designation could effect the future use by the University of this land, **Bruce Darling**, **Associate Vice-Chancellor**, has requested all members of the *Chancellor's Associates* to communicate with city councilpersons explaining that the University needs this land for future development, and that historical designation could well impede the University's long range plan for development of this parcel.

Darling adds that, "this request applies to the fixed-wing gliderport only and not to the popular and visible hang gliding and para-gliding which occur on adjacent city property. The fixed-wing operations are used only a few weeks each year. In 1992, only 80 persons participated in fixed-wing glider activities. An editorial in Sunday's *Union-Tribune* eloquently summarized the case for holding this crucial piece of land for future job-producing plans of the University.

UCSD

13. **Dr. John F. Alksne**, **Dean**, *UCSD School of Medicine*, invites interested persons to a presentation on "Gene Therapy for Human Genetic Disease" at the Tent/Pavillion of the new UCSD Medical Center in La Jolla on **May 6, 1993, from 4:30 p.m. to 6:30 p.m.** to learn firsth and about the new UCSD Gene Therapy Program. This will be a non-technical presentation suitable for senior non-technical managers. There will be an opportunity to meet with and discuss the program with faculty. Attendance is limited. Call **Deborah Ablitt** at **534-4750** for information and reservations.

NORTH AMERICAN FREE TRADE AGREEMENT (NAFTA)

14. **Dr. Colleen Morton**, **VP**, *Institute of the Americas*, discussed "The History of NAFTA" at a seminar at the Institute. According to Morton, the dramatic change of attitude of Mexico and the Mexican government under **President Salinas** was the driving force behind U.S. business' initial interest in a trade agreement, she said. **U.S. Trade Negotiator Carla Hills** appeared to favor the *Uruguay Round of Trade Talks* over NAFTA, and the pharmaceutical industry reserved support, pending tightening intellectual property laws in Mexico (since accomplished). She pointed to the "Peat Marwick Study" as being one of the first positive

supports for the plan. In her opinion, the current environmental and labor standards concerns are driven primarily by U.S. organized labor, which has been violently opposed to Maquiladora's since the beginning.

DEFENSE CONVERSION FUNDS

15. As part of CONNECT's Defense Conversion Project, a roundtable focusing on biomedical industry futures will be held on Thursday, April 15, 4:00-6:00pm at the La Jolla Marriott. The roundtables are designed to introduce executives in the defense industry to new opportunities for their technologies and company capabilities. Each roundtable will focus on a specific industry where there are potential applications for defense technologies and skills. Please call **Dr. Abi Barrow** at 534-3435 for more information.

GENETICALLY ENGINEERED FOODS

16. *Calgene* is hosting the California Biotechnology Industry Summit Meeting to be held April 27, 1993, in Davis, California, and will discuss both the current and future direction of California's biotechnology industry, including genetically engineered foods. For more information call **Roger Salquist** at (916)753-1510.

OTHER

17. The *San Diego City Council* is seeking volunteers to serve on the City's *Quality of Life Board*. The duties of this Board are to advise the Mayor, Council, Manager, and other city agencies on matters relating to human resources, environment and quality of life. Volunteers are sought from academia and the private sector. CEO's, HR officers, environmental safety officers and faculty in physical and environmental sciences, and the areas of social and behavioral sciences are encouraged. FAX nominees to Deborah Abblitt at **552-0649**.

The much-watched trial of a suit against *San Diego Gas & Electric* claiming that electromagnetic radiation from the utility's high-voltage lines caused a young Santee girl to develop a rare kidney cancer began in San Diego last week. In discussions on the subject, local scientists raised the charge of "junk science". One leading UCSD researcher said, "The Academy (National Academy of Science) studied this and came to the opposite conclusion (than the plaintiff's attorney)."

18. **Dr. Harold Ticho, Professor Emeritus, UCSD**, has been asked by **Chancellor Richard Atkinson** to chair a faculty study, of ways that the University could help the local biomedical community.

PAST WEEK

19. The **HR CONNECT** (Human Resources) course titled, "EMPLOYMENT: Staffing for Success," Wednesday, featured **Stephen Israel, VP, Administration, Cytel Corp.**, and **Timothy Wollaeger, CEO, Sutter Corp.** For information of future programs, call Dr. Barrow at 534-3435.

UPCOMING

21. **UCSD Chancellor Richard Atkinson** will address the *Financial Executives Institute* on **Thursday, April 15** at the La Jolla Marriott on the subject, "High Tech Business's Impact on San Diego." For more information, call **Ken King, President, Signal Consulting Group, at 793-2123**.

NEWS FROM SPONSORS AND MEMBERS

22. *Prizm Pharmaceuticals, Inc.* announced that **Stephen C. Mendell** will become **President and CEO**. Mendell was formerly Chairman and continues as a **Director** of *Xoma Corporation* of Berkeley. **Richard S. Schneider, Ph.D.** Chairman of *Prizm* and **General Partner** of *Domain Associates*, one of the founding venture capitalist investors in the company, said, "Steve successfully built one of the original biotechnology companies, charting Xoma's course through the industry's first decade..(he) will accelerate Prizm along the path to commercialization."
23. *SAIC* hosted its senior employees in San Diego Thursday at an all-day meeting at the Marriott. With over 14,000 employees worldwide, including 4000 in San Diego, SAIC is one of the City's largest "headquarters companies," but also one of the City's least known. Primarily a government contractor, the Company is branching out into the private sector through strategic alliances and joint developments. It is particularly interested in biopharmaceuticals and biopesticides, and invited **Jerry Caulder, Ph.D., Chairman, President and CEO** of *Mycogen, Inc.* as keynote speaker.
24. With the recent acquisition of *Agrigenetics*, *Mycogen* now has 1,200 employees, including 300 in San Diego. "You can grow pretty fast through the acquisition route," quipped **President Jerry Caulder**.
25. *General Atomics* and Russian experts are joining forces to develop a nuclear reactor that could produce electricity from weapons-grade plutonium from nuclear warheads. Rather than bury the highly active material, GA is planning to decay it through use, thus solving one of the stickiest problems in disarmament. **Walter Simon, Vice President** of General Atomics, said the energy reactor would destroy up to 95 percent of the uranium and would render the remaining unsuitable for weapons use. A new reactor design, called the Direct Cycle Gas Turbine Modular Helium Reactor, would generate electricity with 50 percent efficiency vs. the present standard of 33 percent, and would be "environmentally clean and inherently safe" since it would be helium cooled rather than water cooled.