

connect

THE WEEKLY NEWSLETTER OF UCSD CONNECT

TUESDAY

FEBRUARY 24, 1998

ISSUE 8-07

[HTTP://WWW.CONNECT.ORG/CONNECT](http://www.connect.org/connect)

TMHAHN@UCSD.EDU

HEALTHCARE NEWS...

Agouron Pharmaceuticals, Inc. reported positive results in patients who, after failing treatment with VIRACEPT (nelfinavir mesylate), were treated with other protease inhibitors and experienced favorable anti-HIV responses. Results from the multi-center study were presented at the 5th Conference on Retroviruses and Opportunistic Infections in Chicago. In addition they announced that preliminary results from an ongoing study which showed that HIV has remained below quantifiable levels in all patients taking VIRACEPT® combination therapy for 24 months.

Alaris Medical Inc. has signed a five-year marketing pact with Johnson & Johnson Inc.'s Medical Products Canada unit and will begin selling Johnson & Johnson's vascular access products to Canadian acute care hospitals. In addition, Johnson & Johnson will support Alaris' thermometry products through its account executive and continuing-care group. (SDDT, "Local Scene." 2/18/98)

Genetronics Biomedical Ltd. announced that they have received Canadian Health Protection Board clearance to initiate multi-center Phase II clinical trials in Canada utilizing its proprietary electroporation therapy to treat patients with squamous cell carcinoma of the head and neck who have failed conventional therapies. In addition, a supply agreement with Abbott Laboratories was announced, allowing Genetronics to purchase the approved anti-cancer drug sterile bleomycin sulfate for use with the Genetronics MedPulser™ drug delivery system in treatment of patients with solid tumor cancer.

IDEC Pharmaceuticals announced it has begun a Phase I clinical trial with the company's humanized monoclonal antibody, IDEC-131. The study will evaluate the safety and tolerability of the investigational treatment in approximately 30 patients with systemic lupus erythematosus.

Ligand Pharmaceuticals Inc. announced the appointment of Philip A. Duffy

Please see HEALTHCARE NEWS... on Page 3

SHORTAGE OF INFO-TECH WORKERS UNDERSCORES NEED FOR FLEXIBLE IMMIGRATION POLICIES

By Laura Foote Reiff, Partner, Baker & McKenzie and Chair, Global Competitiveness Project, American Immigration Law Foundation

The breaking point may be near as U.S. high technology businesses battle each other for new workers according to a Department of Commerce study released in September 1997. Newly released reports from the Labor and Commerce report severe shortages of much needed workers across the U.S. The DOC study, *America's New Deficit: The Shortage of Information Technology Workers*, released by the Office of Technology Policy reiterates a common theme already painfully clear to most information technology executives — there is a severe shortage of information technology workers that is growing exponentially by the day.

The problem has become so pronounced that DOC, in conjunction with the Department of Education, the Information Technology Association of America, and the University of California-Berkeley has formed six task forces to bring together government and industry leaders to develop strategies for handling this problem.

Many businesses are turning to universities to help solve their workforce needs. However, universities cannot supply the number of new recruits needed. The DOC study estimates that the U.S. will need 95,000 new technology workers annually through the year 2005. However only approximately 25,000 college graduates receive computer related degrees each year. Indeed, many of the potential university recruits are foreign students. To further exacerbate the problem, reports by the DOL show that the U.S. unemployment rate has dropped to its lowest level since 1973. The report does not make the prospects for identifying new high tech workers any brighter.

To fill critical positions, meet contractual obligations and remain competitive, U.S. businesses must turn to workers from outside the U.S. on both a temporary and permanent basis. The Immigration and Naturalization Act does provide for a limited number of professional workers. However the current limitations on the employment and retention of workers from outside the U.S. are beginning to strain the immigration process. Unless the immigration laws are amended to accommodate business needs, this relief mechanism to a national worker shortage will not be an option.

In 1990 as part of the Immigration Act of 1990, Congress imposed additional procedural and quantitative restrictions on the sponsorship of professional or specialty occupation Workers from outside the U.S. In addition to the 6-year maximum stay in the U.S., there is a cap of 65,000 on the number of workers from outside the U.S. entering the country annually. This cap was reached in fiscal year 1997 during the month of July. If things continue at the current pace, the cap could be reached as early as March in 1998. This will disable U.S. companies from sponsoring much-needed workers from outside the U.S. on temporary visas until the beginning of fiscal year 1999.

The immigration problem is becoming even more obvious in the employment-based immigrant and permanent residence categories. The Department of State, charged with monitoring the issuance of the 140,000 employment based immigrant visas allotted each year, has recently reported that the employment based visa numbers for China and India have been over-subscribed in the categories most used for high tech employees. This over-subscription may cause delays of up to three years for the issuance of permanent residence to critical workers from outside the U.S.

All the converging information and data argue for a re-examination of the current level of employment based immigration on both a temporary and permanent level. In the meantime, U.S. business has found one more obstacle to securing critical high tech and professional workers.

FROM THE DIRECTOR

By William W. Otterson (botterson@ucsd.edu)

THE FOLLOWING COMMENTARY IS THE OPINION OF THE WRITER, AND DOES NOT NECESSARILY REFLECT THE OPINION OF CONNECT AND/OR OUR SPONSORS & MEMBERS.

RAISING THE H1-B CAP

As readers of this column know, we think helping our high-tech executives fill their open engineering positions in San Diego is our most critical issue. Simply stated, if, in order to respond to market demands for new products, the companies need to recruit more engineers, they will. If they can't find them here or bring them here, they will set up engineering offices where the engineers are. That community will then reap the benefits of San Diego creativity. In the case of foreign workers, like software programmers, if immigration policy will not permit bringing programmers here from, say, India, then the companies will do the work in India. The former is certainly better for jobs in America, than the latter. (The argument that foreigners take jobs away from Americans is the crux of the argument against raising the H1-B visa cap)

Senator Abraham, of Michigan, has presented new draft legislation that will likely not eliminate the H-1B cap, but rather raise it substantially and index it to unemployment. The Coalition for Engineering Recruiting supports the Senator in raising or eliminating the cap.

We asked **William Bold**, **QUALCOMM's** Director, Government Affairs (Tel: 619/651-2086) to address the issue. Herewith his contribution, an Open Letter to **California Senator, The Honorable Dianne Feinstein**:

Dear Senator Feinstein:

It is our understanding that the **Senate Committee on the Judiciary** will soon be evaluating legislation that would lift the annual cap on the number of H-1B skilled worker visas allowed in the U.S. On behalf of the undersigned companies and organizations and our Coalition for Engineering Recruiting, we urge you to support this legislation when it is introduced.

San Diego's economy, like others in California, is experiencing record low levels of unemployment. In the technology sector, there is virtually no unemployment and in fact, San Diego is experiencing a shortage of approximately 3000 engineers. The shortage of engineers has become so acute that companies have created a new association, **Tech Force**, to jointly recruit workers to the region and to publicize the benefits of living and working in San Diego to technology centers such as the Silicon Valley and Austin. We need every talented engineer we can find.

Foreign nationals have always represented an important resource to the American technology industry. Today, they are more important than ever. It's not unusual for foreign nationals to comprise more than 50% of the graduating classes of top engineering programs in the U.S. It is imperative that U.S. companies have the ability to hire these students. With fewer and fewer U.S. students choosing degrees in math and science related careers, foreign nationals have become an integral component of the U.S. technology workforce.

San Diego, like other technology hotbeds, goes to great lengths to locally. The high-tech industry has worked closely with organizations like the **Defense Conversion Center at SDSU**, which have helped place thousands of former defense and aerospace employees in the technology sector. But, these employees have for the most part been re-employed, and the displaced defense worker population is insuffi-

cient to meet industry's demand for electrical and software engineers.

In addition, a number of our local companies and business associations are working to market technology careers to young people, and to ensure that high school graduation standards and curricula are consistent with the expectations for employees in our industries. But, with the serious disconnect that has been occurring nationally between industry, education, and the professional aspirations of young people, it will take some time for us to reverse the trend and grow our own.

We strongly support taking action that will help "fill the pipeline" with talented young Americans and lessen our need to hire foreign nationals. However, in the short run, Congress must give U.S. technology companies the resources to compete in global markets. The H-1B visa cap, which experts expect will be reached in May of this year, is a competitive impediment and should be lifted as soon as possible. Without the ability to import labor to meet our immediate workforce demands, either our growth will be stymied or we will be forced to set up operations overseas. I urge you to help us avoid such a situation.

Sincerely,

QUALCOMM, Applied Digital Access, Overland Data, Alaris, Mycogen, Baker & McKenzie, Cubic Corporation, Maxwell Technologies, Laser Power Corporation, the American Electronics Association, the San Diego Software Industry Council, BIOCUM/San Diego, the CEO Forum, the San Diego Economic Development Corporation and CONNECT members, the Democratic Biotech Council.

THE STAR PROJECT

Susanne Huttner, Ph.D., head of the **UCSD STAR Project** came to town to remind us of matching funding available to companies under this University-Private Company Research funding project. In the past year, San Diego biotech companies participating with UCSD in partially funded joint research projects included **Myelos Neurosciences, Advanced Tissue Sciences, Alliance Pharmaceuticals, Mycogen, Immusol, and Sequana Therapeutics**. Dr. Huttner is looking to **CONNECT** to advise her on additional industry segments, including semiconductor equipment, digital media, wireless communications, and medical informatics. Watch out for announcements of new solicitations in the next newsletter.

SAN DIEGO CITY PENSION FUND PRESENTATION

The EDC's **Julie Meier Wright** and **Rochelle Bold**, accompanied by **Bob Leach**, former head of UCSD **CONNECT's CONNECT InVest**, presented the **Small Business Administration's** case for prudent investing by pension funds in venture capital companies. Not only is this investment strategy a potential higher return for pension funds, but it can also recycle pension fund money into the community. At least one of the Board members complimented the presentation and showed interest in pursuing it further. The collaboration among the leadership of San Diego industry groups is an important element we are trying to demonstrate.

HEALTHCARE NEWS (CONTINUED)...

to Vice President, Technical Operations and the election of James R. Mirto, Vice President Marketing and Business Development, by the Board of Directors to officer of the corporation.

MAXIM Pharmaceuticals announced that it has initiated a Phase I clinical trial of *Maxamine Therapy* that will be based in the U.S., Europe and Australia for the treatment of patients with acute myelogenous leukemia (AML), the most common form of adult leukemia. The Company also announced that it has entered into a collaborative agreement with Chiron Corporation to test *Maxamine* in combination with Chiron's recombinant interleukin-2, Proleukin, in this trial.

Neurocrine Biosciences reported discovery of a new technology that increases insulin-like growth factors, peptides essential for normal growth and development, and can be used to treat diseases and disorders of the nervous and endocrine systems. Neurocrine's small molecule technology has the ability to cross the blood-brain barrier which is essential in the treatment of central nervous system diseases such as stroke. The company is currently optimizing those leads into drug candidates. (*SDDT*, "Local Scene." 2/18/98)

Terrapin Technologies, Inc. and Genaissance Pharmaceuticals, Inc. have entered into a research and development collaboration. The companies will work together on validating novel biological targets and identifying compounds which exhibit pharmacological activity important to the treatment of estrogen-related problems which affect primarily women's health.

HIGH-TECH NEWS...

CommQuest Technologies, Inc., a privately held company based in Encinitas that designs and markets advanced semiconductors for wireless and digital communications applications, announced they have entered into a merger agreement with IBM. The merger will speed development of a new generation of multifunction, low-cost, mobile "information appliances," such as single chip, watch-size cellular phones and products that combine cell phone, e-mail and Internet access functions in a single hand-held package. The merger will combine IBM's leadership in semiconductor technology and manufacturing with skills for wireless communications products. The companies will immediately broaden efforts to sell CommQuest products through IBM's extensive sales network.

Coopers & Lybrand L.L.P. has released their latest survey which shows that San Diego firms grew by 70 percent in the fourth quarter of 1997 compared to the same period the previous year. Investors, they show, poured more than \$160 million into San Diego firms during the quarter. During 1997, local firms attracted approximately \$434.5 million in funding from venture-capital firms, a 16 percent increase over the previous year.

Innovative Medical Services announced its installation of Citrix WinFrame thin-client/server system software to prepare the Company to seamlessly integrate existing and pending acquisitions into their network operating system.

QUALCOMM Incorporated announced the results of the joint Vodafone/QUALCOMM GSM-CDMA Technology Trial, combining the Code Division Multiple Access (CDMA) air interface with Global System for Mobile communications (GSM) networks, conducted over the last six months in Newbury, U.K. The field trial resulted in the first-ever GSM-CDMA phone which could bring significant economic benefits as well as solutions for increased network capacity. In addition, QUALCOMM and DeTeMobil of Bonn, Germany announced their intent to offer Pegasos-QEDesign, a comprehensive wireless network planning and deployment software suite for multiple technologies. The company also announced its new 800 Mhz dual-mode Code Division Multiple Access QV phone which allows customers to

seamlessly roam between 800 MHz CDMA digital cellular and analog networks. QUALCOMM has also announced a multi-million dollar royalty-bearing license agreement for cdmaOne™ Application Specific Integrated Circuits with Praction Comm. Inc.

Rhythms NetConnections will be offering, to San Diego Businesses, a portfolio of data networking services through partnerships with local Internet Service Providers. They will be offering state-of-the-art network computing technology and support that combines high speed transport technologies with appropriately configured hardware and software, technically superior network management, integration and installation in an effort to meet growing business demands for powerful network computing applications like telecommuting, secure business internet partnerships and electronic commerce.

TriTeal has introduced TED™ 4.3, a new version of the company's enterprise desktop software which provides a common operating environment for a variety of Unix platforms.

UCSD and local businesses, with funding from the Girard Foundation, have collaborated in an effort called the Principals Executive Program (PEP). PEP's objective is to: (1) provide the principals with the type of training that leaders in business and other professions receive and (2) expand the principals' knowledge of the San Diego economy, job opportunities and the changing workplace.

UPCOMING EVENTS...

The San Diego Venture Group February Meeting will feature "*Exit Strategies and How to Realize the Value Created*" on **Wednesday, February 25, 1998**, 7:00 to 9:00 a.m., at the La Jolla Marriott. Panelists will discuss recent trends in the mergers and acquisitions field, including the latest techniques for exit strategies and how to realize the value created in a company. Nonmembers are welcome to attend for a fee of \$40. Tables of ten may be purchased for \$350. Reservations are required by February 20. For further information, please call **Erin Hall** at (619) 272-1985, or via e-mail at sdvgroup@aol.com.

The State of California Foreign Offices of Trade and Investment will be in San Diego on **March 2, 1998**, and will host two meetings at the San Diego World Trade Center. The first, from 2:00-4:00 p.m., will be a briefing on the San Diego communications industry and will include a discussion on how the State can help your company reach foreign markets. The second, at 4:30 p.m., will be an *Information Technology Roundtable* to brief software companies on *Cal-IT Europe 1998*, the third annual California Information Technology Investment and Partnering Forum to be held in London in October. For further information on *Cal-IT*, e-mail invest@cal-trade.gov. For directions only, call (619) 685-1450.

The Department of Labor's OSHA will hold a regional conference, "*Effective Practices in Ergonomics*," on **March 3, 1998**, at the San Diego Convention Center. Sponsors of the event include the **University of California, San Diego OSHA Training Institute** and **OSHA Region IX**. The agenda will focus on ways to combat repetitive stress injuries, one of the nation's fastest growing groups of preventable job injuries and one of the costliest threats to worker health. For details on the conference or to register, call (800) 358-9206.

San Diego Regional Technology Alliance, Sandia National Laboratories, and SanMEC present a *SBIR/STTR Phase I Proposal Writing* workshop on **March 5, 1998**, 8:30 am to 4:30 pm., at the San Diego Concourse. This workshop provides an overview of these programs, advice on developing and writing a competitive Phase I proposal, and a list of resources in California to assist SBIR/STTR bidders. The workshop will feature pointers for developing an SBIR/STTR cost proposal. Registration is \$60 per person. For more information, contact **Justine Sarver** at (619) 685-1477 or jsarver@sdrtc.org.

Please see UPCOMING EVENTS... on Page 4

UPCOMING EVENTS (CONTINUED)...

The San Diego Supercomputer Center will host the *Third Annual Maria Goeppert-Mayer [Chemistry] Symposium* on **Saturday, March 7, 1998**, from 8:30 a.m. to 4:00 p.m., at the San Diego Supercomputer Center on the UCSD campus. The morning session will feature four distinguished speakers discussing the ways in which their current research is interwoven with fundamental ideas in chemistry. A poster session will follow in the afternoon. Attendance is free. For further information, e-mail kimb@sdsc.edu or see their website at '<http://www.sdsc.edu/~kimb/minisym98.html>'.

The March **MIT Enterprise Forum** meeting, "*So Many Drugs, So Little Time*," will feature Chromagen, which develops, manufactures and markets proprietary assay systems. The event will be held on **Wednesday, March 11, 1998**, at the La Jolla Marriott, and the presentation will begin at 6:15 p.m. The fee to attend is \$25 in advance; \$30 at the door. For more information, call (619) 236-9400 or see their website at <http://www.sddt.com/mitforum>.

The next **BIOCOM** Breakfast Meeting will feature "*The Creative Priority: Driving Innovative Business in The Real World*" on **Wednesday, March 11, 1998**, 7:30 to 9:00 a.m., at the Sheraton Grande Torrey Pines. The program will feature speaker Jerry Hirshberg, founder and president, Nissan Design International, Inc. The fee to attend is \$30 for members; \$50 for non-members. For more information, call (619) 455-0300 or see their web site at www.biocom.org.

The San Diego Software Industry Council will host its *Fourth Annual Wall of Software* on **March 12, 1998**, at the La Jolla Marriott. This 60-foot display includes product boxes of more than 250 software programs developed in San Diego. The wall is the backdrop for the regional exhibition where local developers display their software in trade show format. You must be a software company and a current member of the SDSIC to get a spot on the Wall, and an exhibit table inside the room. To place your product on the Wall of Software, send your software package, or if you don't have packaging, create an eye-catch-

ing product description sign mounted on foam core (9" x 12") to SDSIC, Attn Wall of Software, 6965 El Camino Real #105-510, Carlsbad, CA 92009, by no later than February 27, 1998. Software company exhibit tables are \$50, \$75 with a phone line; service provider tables are \$200. For more information, call **Eileen Lyle** at (760) 930-9163.

Nominations are being sought for *San Diego's 12th Annual Entrepreneur of the Year Awards*. This program, founded and produced by **Ernst & Young LLP**, and nationally sponsored by **Entrepreneur of the Year Institute, Kauffman Foundation, USA Today, and Nasdaq**, is one of San Diego's most prestigious honor for entrepreneurs who have created and sustained growing business ventures. The deadline for all nominations is **April 3, 1998**. For a nomination form or additional information on the program, call **Irene Veca** at (619) 235-5061 or see their website at www.ey.com/entrepreneur/eoy.

The *Spring Small Business Innovation Research (SBIR) Conference* will be held in San Jose, CA, **April 3-5, 1998**. The conference will feature one-on-one meetings with R&D program managers from the 11 Federal agencies responsible for 98% of all Federal R&D spending, major companies interested in partnering with innovative technologies, and several venture capitalists. The event will also feature seminars and other sessions that will provide insight into how to win federal R&D dollars and converting federally funded R&D into commercial successes. The fee to attend is \$175. For further information, call the Conference Hotline at (561) 791-0720 or visit the conference website at: <http://sbir.foresnt.com>.

FEBRUARY 26 & 27 - SHERATON GRANDE TORREY PINES

The Foundation for Enterprise Development & UCSD CONNECT Present

BUILDING THE HIGH PERFORMANCE ORGANIZATION WITH ENTREPRENEURIAL EQUITY COMPENSATION

Structured to provide people with the tools needed to make equity sharing decisions as they relate to your corporate group, the event presents two workshops priced at \$65 each, "Journey of Equity of Sharing" and "The Power of Open Book Management", and a speakers' dinner, also \$65. The second day features a variety of experts and company leaders who have worked through these processes. The fee to attend the second day is \$190. For further information call (619) 459-4662, or e-mail cpayne@fed.org.

FREE EVENT MEMBERS & SPONSORS ARE INVITED TO ATTEND THIS LIVE TAPING OF THE CONNECT SHOW!

FOCUS ON...

TELECOMMUNICATIONS INDUSTRY IN SAN DIEGO'S NEW ECONOMY

Saturday, March 21 - Price Center-UCSD Campus

San Diego is home to nearly 80 telecommunications companies, collectively employing over 12,000 professionals. A critical challenge to the future growth of our "Telecom Valley" is a shortage of skilled workers, engineers, and senior managers. At this event, industry leaders will share their insights on the professional and technical skills needed to break into or advance in the telecommunications industry. UCSD Extension will also be introducing its new graduate level certificate program in Communications Engineering, and the program will feature a live taping of "The CONNECT Show", *What's Hot in Telecommunications*. The show will feature special guests Robert Ferguson, Regional President, Pacific Bell; Bill Geppert, Vice President and General Manager, Cox Communications; William Stensrud, General Partner, Enterprise Partners; and Dan Sullivan, Ph.D., Senior Vice President, Human Resources, QUALCOMM, along with moderator Barbara Bry, Executive Director of Athena for UCSD CONNECT. For more information, call 534-8296.

MAY 27, 1998

The San Diego Venture Group & UCSD CONNECT Present

EVOLVING MARKETS & MARKETPLACES IN TELECOMMUNICATIONS

Sheraton Grande Torrey Pines

This year's conference will focus on "The Battle of Bandwidth" and "Satellite Communications." The goals of this year's event will be to: feature keynote speakers who will present current and upcoming trends in our telecommunications industry; provide the most up-to-date marketplace information about the industry; showcase our local telecommunications industry; promote San Diego and bring value to our telecommunications companies. If you are interested in exhibiting at this event please call SDVG at (619) 272-1985. For information about attending this event, call CONNECT at (619) 534-6114.