

GEORGE RUNNER
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SAM AANESTAD
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California Legislature

SENATE COMMITTEE ON HEALTH

DEBORAH V. ORTIZ
CHAIR

STATE CAPITOL, ROOM 2191
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AMOFIA (MOE) KATSIMBRAS



March 6, 2006

Mr. Robert Klein III, Chairman
Independent Citizens' Oversight Committee
210 King Street
San Francisco, CA 94107

Dear Mr. Klein:

One of my priorities as Chair of the Senate Health Committee has been ensuring greater public accountability for the state's administration of stem cell research funds made available by Proposition 71.

I am pleased that the Independent Citizen's Oversight Committee and California Institute for Regenerative Medicine have responded to calls for greater accountability by adopting the package of policy enhancements at its August, 2005 meeting and more recently through the adoption of policies governing intellectual property and donation of eggs and other genetic material for stem cell research.

However, I think there is more we could accomplish in each of these areas to ensure that the program is on sound footing when it commences committing funds for stem cell research projects, which will hopefully be early next year.

As part of our ongoing role to address these issues, Senator Runner and I plan to introduce amendments to SB 401 which will seek to codify the reforms the ICOC has adopted in each of these areas but also push them a bit further.

For example, the amendments will require working group members without exception to disclose income and investments in biotechnology and pharmaceutical and research institutions they or close family members have, and to recuse themselves from any matter in which they or a close family member has a financial interest in excess of \$5,000. They will more clearly articulate allowed exemptions from open meeting and public records laws for working groups.

They will also require CIRM to produce and post written summaries of proposals recommended and not recommended for funding prior to the ICOC vote on them.



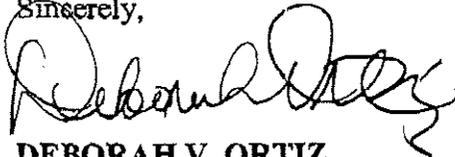
Finally, they would require the CIRM and ICOC to negotiate a higher share of royalties and more favorable pricing provisions for therapies and treatments developed with CIRM funding where feasible without impeding important research, and to seek a higher share of royalties where necessary to offset the additional cost of using taxable bonds, as suggested by the Treasurer in his October 26, 2005 letter to CIRM.

As I have said on more than one occasion, it shouldn't matter whether enhancements to address Proposition 71 public accountability concerns are addressed through legislation or through binding regulations adopted by the ICOC. The important thing is for the enhancements to be made.

I would welcome an opportunity for our offices to meet to discuss these proposed changes, as well as the status of the ICOC and CIRM's public accountability reforms and the regulations to implement them.

I look forward to continuing the dialogue on these important issues and to achieving the important goals of advancing stem cell research in California while ensuring public transparency and accountability.

Sincerely,



DEBORAH V. ORTIZ
Chair

cc: Dr. Zach Hall

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California Legislature

SENATE COMMITTEE ON HEALTH

DEBORAH V. ORTIZ
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March 6, 2006

Dr. Ed Penhoet, Vice Chairman
Independent Citizens' Oversight Committee
210 King Street
San Francisco, CA 94107

Dear Dr. Penhoet:

One of my priorities as Chair of the Senate Health Committee has been ensuring greater public accountability for the state's administration of stem cell research funds made available by Proposition 71.

I am pleased that the Independent Citizen's Oversight Committee and California Institute for Regenerative Medicine have responded to calls for greater accountability by adopting the package of policy enhancements at its August, 2005 meeting and more recently through the adoption of policies governing intellectual property and donation of eggs and other genetic material for stem cell research.

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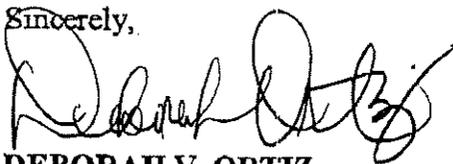
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Sincerely,



DEBORAH V. ORTIZ
Chair

cc: Dr. Zach Hall

March 6, 2006

The Honorable Deborah Ortiz
Chair, Senate Committee on Health
State Capitol, Room 2191
Sacramento, CA 95814

Dear Senator Ortiz:

Thank you for your letter today with the invitation to meet to hear your ideas.

As we communicated with Peter Hansel in December, we are happy to meet with you and are awaiting an agenda and possible dates. Any specific proposals will need to be considered by the entire board of the CIRM. The next meeting of the Independent Citizens Oversight Committee is April 6, 2006 in Los Angeles.

As you know, I have been focusing on the just-completed trial on litigation brought forth by opponents of CIRM and on the bridge financing.

Thank you for your on-going commitment to stem cell research.

Sincerely,



Robert Klein
Chairman
Independent Citizens Oversight Committee

CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE

March 8, 2006

The Honorable Deborah Ortiz
Member, California State Senate
State Capitol
Sacramento, CA 94248

Dear Senator Ortiz:

It was a pleasure to see you and have lunch with you last week at the stem cell conference in Berkeley.

Thank you for your 3/06/06 letter and for the invitation to meet to discuss CIRM policy and process enhancements. The Independent Citizens' Oversight Committee is committed to maintaining open and productive lines of communication with the legislature and with the growing number of stakeholders in California.

We welcome the opportunity to hear your ideas and await possible dates for a meeting.

Sincerely,



Edward E. Penhoet, Ph.D.
Vice Chairman
Independent Citizens Oversight Committee