

BEFORE THE  
INDEPENDENT CITIZENS' OVERSIGHT COMMITTEE  
TO THE CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE  
ORGANIZED PURSUANT TO THE  
CALIFORNIA STEM CELL RESEARCH AND CURES ACT  
REGULAR MEETING

LOCATION: MISSION BAY CONFERENCE CENTER  
ROBERTSON AUDITORIUM  
1675 OWENS STREET  
SAN FRANCISCO, CALIFORNIA

DATE: AUGUST 1, 2006  
7 P.M.

REPORTER: BETH C. DRAIN, CSR  
CSR. NO. 7152

BRS FILE NO.: 75918

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1 SAN FRANCISCO, CALIFORNIA; TUESDAY, AUGUST 1, 2006

2 7 P.M.

3

4 CHAIRMAN KLEIN: WELL, TONIGHT WE HAVE A  
5 SMALL GROUP, BUT A SMALL GROUP WITH VERY STRONG MINDS.  
6 SMALL IN NUMBER, WE MAY STILL ACCOMPLISH GREAT THINGS.

7 IN PROCEEDING DOWN THE PATH TO THE STRATEGIC  
8 PLAN, WE'VE HAD SOME PHENOMENAL MEETINGS OVER THE LAST  
9 FEW WEEKS IN PARTICULAR. SEEMS LIKE THE SPEED IS  
10 CONSTANTLY ACCELERATING; AND TONIGHT, IN ADDITION TO  
11 MISSION STATEMENT REFINEMENTS, DR. HALL IS GOING TO  
12 LEAD US THROUGH A DISCUSSION OF VALUES FOR THE  
13 STRATEGIC PLAN, ISSUES RELATED TO DO WE WANT  
14 CONCENTRATION OF RISK, DO WE WANT A DIVERSIFICATION OF  
15 RISK, WHAT IS THE BALANCE WE'RE LOOKING FOR, HOW MUCH  
16 INNOVATION, HOW MUCH FOCUS ON THE GOLDPLATED, PROVEN  
17 RESEARCH MINDS OF OUR DECADE, AND HOW MUCH DO WE WANT  
18 TO REACH OUT TO YOUNG INVESTIGATORS AND BROADEN THE  
19 FIELD REACHING FOR BRILLIANT NEW IDEAS?

20 THIS IS A BROAD-RANGING DISCUSSION, AND DR.  
21 HALL, I'M SURE, WILL DRAW EXQUISITE NEW IDEAS FROM THE  
22 GROUP WE HAVE ASSEMBLED. DR. ZACH HALL.

23 DR. HALL: YOU WANT TO HAVE A ROLL CALL, BOB?

24 CHAIRMAN KLEIN: SURE. MELISSA WILL LEAD US  
25 THROUGH THE ROLL CALL.

1 MS. KING: DAVID BALTIMORE; BOB PRICE FOR  
2 ROBERT BIRGENEAU, SUSAN BRYANT, MARCY FEIT, MICHAEL  
3 FRIEDMAN, MICHEAL GOLDBERG, BRIAN HENDERSON, JACK DIXON  
4 FOR ED HOLMES, DAVID KESSLER, BOB KLEIN.  
5 CHAIRMAN KLEIN: HERE.  
6 MS. KING: SHERRY LANSING, GERALD LEVEY.  
7 DR. LEVEY: HERE.  
8 MS. KING: TED LOVE. RICHARD MURPHY, TINA  
9 NOVA, ED PENHOET.  
10 DR. PENHOET: HERE.  
11 MS. KING: PAUL BERG, CLAIRE POMEROY,  
12 FRANCISCO PRIETO, JEANNIE FONTANA FOR JOHN REED.  
13 DR. FONTANA: HERE.  
14 MS. KING: DUANE ROTH.  
15 MR. ROTH: HERE.  
16 MS. KING: JOAN SAMUELSON, DAVID  
17 SERRANO-SEWELL, JEFF SHEEHY, JONATHAN SHESTACK, OSWALD  
18 STEWARD.  
19 DR. STEWARD: HERE.  
20 MS. KING: JOHN THAL.  
21 DR. THAL: HERE.  
22 MS. KING: AND JANET WRIGHT.  
23 CHAIRMAN KLEIN: THANK YOU. DR. HALL.  
24 DR. HALL: I'LL SAY A BIT MORE ABOUT THIS  
25 TOMORROW IN MY PRESIDENT'S REPORT. I FEEL LIKE A

1 CROONER IN A NIGHT CLUB. AT ANY RATE, JUST TO BRING  
2 YOU A LITTLE BIT UP TO DATE, AND I'LL SAY A LITTLE BIT  
3 MORE TOMORROW, BUT WE'RE IN AN INTERESTING PHASE WITH  
4 THE STRATEGIC PLAN WHERE WE'RE ENDING THE SORT OF  
5 INFORMATION GATHERING PHASE. WE'VE HAD 59 INTERVIEWS,  
6 WE ALMOST LOST COUNT OF THE NUMBER OF MEETINGS. WE  
7 CERTAINLY HAVE THREE PUBLIC MEETINGS. THIS IS OUR  
8 SECOND ICOC MEETING, AND WE'VE HAD ONE FOCUS GROUP, AND  
9 WE ARE PLANNING ANOTHER ONE. SO WE HAVE AN ENORMOUS  
10 NUMBER OF IDEAS, POINTS OF VIEWS, OPINIONS, SUGGESTIONS  
11 FROM PEOPLE LITERALLY AROUND THE WORLD ABOUT WHAT WE  
12 SHOULD BE DOING.

13 AND SO WE'RE ABOUT TO ENTER NOW A PHASE IN  
14 WHICH WE TRY TO PULL ALL THIS TOGETHER, PICK OUT THE  
15 COMMON THEMES, AND ACTUALLY START THINKING ABOUT WHAT  
16 WE'VE BEEN HEARING AND TRYING TO MAKE SOMETHING  
17 COHERENT OUT OF IT.

18 SO IT'S VERY APPROPRIATE THAT AT THIS STAGE,  
19 THEN, WE HAVE SOME SORT OF, IF YOU WANT, GPS SIGNALS  
20 THAT WILL ORIENT US AND WILL TELL US WHAT SHOULD GUIDE  
21 US AS WE GO THROUGH THIS AND MAKE OUR SELECTION AND PUT  
22 THINGS TOGETHER. AND SO WE NEED THOSE IMPORTANT  
23 SIGNPOSTS. WE ARE GOING TO BE CONSIDERING TWO OF THOSE  
24 TONIGHT. FIRST IS THE MISSION STATEMENT, WHICH WE  
25 TALKED ABOUT AT THE JUNE MEETING, AND WE HAD A NUMBER

1 OF SUGGESTIONS FROM THAT, AND I'LL SAY MORE ABOUT THAT  
2 IN JUST A MOMENT. AND THE SECOND ONE OF VALUES, AND I  
3 THINK EVERYBODY HAS EITHER IN YOUR FOLDER OR THE  
4 HANDOUT SOME MATERIAL THAT WE'VE PUT OUT FOR EACH OF  
5 THOSE AS WELL AS SOME MATERIAL ON LONG-TERM OBJECTIVES  
6 JUST IN SUMMARY OF THE LAST MEETING FOR YOUR REFERENCE.

7 NOW, AT THE LAST MEETING WE TALKED AT LENGTH  
8 ABOUT THE MISSION STATEMENT, AND THERE WERE LOTS OF  
9 OPINIONS. I THINK ACTUALLY THERE WAS CONSIDERABLE  
10 CONVERGENCE; AND ALTHOUGH THE WORDING WAS SLIGHTLY  
11 DIFFERENT, I THINK THE SENSE OF THE MEETING WAS VERY  
12 STRONG.

13 AND THE VARIOUS SUGGESTIONS THAT WE GOT WERE  
14 SYNTHESIZED BY OUR TEAM ON PAGE 2, AND YOU CAN SEE  
15 THREE DIFFERENT VERSIONS, IF YOU WILL, OF THE MISSION  
16 STATEMENT.

17 WE AGREED THERE SHOULD BE A PREAMBLE THAT YOU  
18 PREFER TO PROPOSITION, AND WE ALSO AGREED THAT THE  
19 MISSION STATEMENT SHOULD BE A FAIRLY SHORT AND PITHY  
20 STATEMENT. SO I TOOK THE LIBERTY OF TAKING THOSE THREE  
21 AND SUGGESTING, JUST AS A STARTING POINT FOR A  
22 DISCUSSION, THE WORDING THAT YOU SEE HERE. PREAMBLE,  
23 IN ACCORDANCE WITH THE MANDATE OF THE CITIZENS OF  
24 CALIFORNIA, AS SPECIFIED IN THE CALIFORNIA STEM CELL  
25 RESEARCH AND CURES ACT, THE MISSION OF THE CALIFORNIA

1 INSTITUTE FOR REGENERATIVE MEDICINE IS:  
2 AND THEN TO SUPPORT AND ADVANCE STEM CELL  
3 RESEARCH AND REGENERATIVE MEDICINE OR STEM CELL  
4 RESEARCH AND RELATED TECHNOLOGIES UNDER THE HIGHEST  
5 ETHICAL AND MEDICAL STANDARDS FOR THE DISCOVERY AND  
6 DEVELOPMENT OF DIAGNOSTICS, THERAPIES, AND CURES TO  
7 IMPROVE HUMAN HEALTH.

8 SO IF YOU WANT TO TWEAK THAT, WE DON'T HAVE  
9 A QUORUM HERE TONIGHT, BUT EITHER THAT OR FEEL FREE TO  
10 SUBSTITUTE WORDING FROM THE NEXT PAGE IF YOU WISH. I  
11 THINK THE AIM OF THIS IS TO TAKE SOME STATEMENT WITH  
12 THE CONSENSUS FROM THIS GROUP THAT WE MIGHT PRESENT  
13 TOMORROW AND ACTUALLY ASK THE ICOC TO ADOPT OFFICIALLY,  
14 AND THEN THAT WOULD BE OUR STATEMENT. SO LET ME GIVE  
15 EVERYBODY A MOMENT OR TWO TO LOOK THAT OVER, AND THEN  
16 WHY DON'T YOU SUGGEST ANY CHANGES THAT YOU WISH TO  
17 MAKE; OR IF YOU THINK WE MISSED THE BOAT HERE, WE'RE  
18 FREE TO HAVE AN ALTERNATE VERSION. SO AT YOUR  
19 PLEASURE, WE'RE HERE TO SORT OF HELP THE PROCESS ALONG.

20 LET ME ASK JUST FIRST, ASSUMING WE KEEP THIS,  
21 WHAT IS THE BETTER PHRASE, REGENERATIVE MEDICINE OR  
22 RELATED TECHNOLOGIES?

23 CHAIRMAN KLEIN: WELL, THERE ARE A NUMBER OF  
24 INSTITUTIONS IN CALIFORNIA, LIKE THE COALITION IN SAN  
25 DIEGO WHO'S ADOPTED REGENERATIVE MEDICINE. AND THE ACT

1 ITSELF RELIED ON THE NAME "REGENERATIVE MEDICINE." SO  
2 IT IS SOMETHING THAT THE PUBLIC, FROM PRIOR TESTING  
3 PROBABLY, HAS A STRONG POSITIVE ASSOCIATION WITH.  
4 THAT'S NOT DETERMINATIVE, BUT JUST INFORMATION.

5 DR. HALL: I THINK THAT MAKES SENSE.

6 DR. PENHOET: TIES RESEARCH TO MEDICINE.

7 DR. HALL: YES. THAT'S A GOOD POINT.

8 DR. FONTANA: I HAVE ANOTHER COMMENT. JUST  
9 LIKE TO DISCUSS THE OPTION OF INCLUDING SPECIFICALLY  
10 EMBRYONIC AND ADULT STEM CELLS, STEM CELLS, EMBRYONIC  
11 AND ADULT, BECAUSE REALLY THIS INITIATIVE CAME ABOUT  
12 BECAUSE OF FUNDING FOR EMBRYONIC STEM CELLS.

13 DR. HALL: SO YOU WANT TO INCLUDE BOTH OF  
14 THOSE? SO LET ME JUST GET A HEARING ON THE FIRST.  
15 WOULD ANYBODY OBJECT IF WE JUST DELETED "OR RELATED  
16 TECHNOLOGIES" AND KEPT STEM CELL RESEARCH AND  
17 REGENERATIVE MEDICINE? EVERYBODY IS AGREEABLE WITH  
18 THAT? SO COULD YOU DO THAT, PAT? TAKE OUT "OR RELATED  
19 TECHNOLOGIES."

20 AND NOW, SO WHAT JEANNIE IS SUGGESTING IS  
21 INSTEAD OF SAYING TO SUPPORT ADVANCED STEM CELL  
22 RESEARCH, WE SAY TO SUPPORT AND ADVANCE EMBRYONIC AND  
23 ADULT STEM CELL RESEARCH? IS THAT YOUR SUGGESTION?

24 DR. FONTANA: SOUNDS REDUNDANT, BUT IT'S  
25 ADDRESSING THE FACT THAT THIS IS ABOUT FUNDING



1 EMBRYONIC STEM CELL RESEARCH THAT IS NOT FUNDED AT THE  
2 FEDERAL LEVEL.

3 MR. ROTH: I'D BE CONCERNED THAT THINGS COULD  
4 CHANGE AT THE FEDERAL LEVEL AND THEN --

5 DR. THAL: I AGREE. I THINK IT'S MAYBE TOO  
6 NARROW. MAYBE SOMETHING ELSE COMES ALONG IN THE FUTURE  
7 THAT WE HAVEN'T EVEN THOUGHT OF AND WE HAVE NARROWED IT  
8 TO EMBRYONIC AND ADULT. I WOULD JUST LEAVE IT.

9 DR. HALL: I WOULD SAY THE OTHER PROBLEM  
10 MIGHT BE THAT PEOPLE SAY, WAIT A MINUTE, THEY DIDN'T  
11 SAY PROGENITORS. WHAT ABOUT FETAL? SO IT GETS A  
12 LITTLE --

13 DR. FONTANA: FAIR ENOUGH.

14 DR. HALL: DUANE.

15 MR. ROTH: THE CHANGE THAT I WOULD LIKE TO  
16 SUGGEST IS TO GET THE TERM "RESEARCH TOOLS" IN THE  
17 BOTTOM PART OF THIS, DEVELOPMENT OF RESEARCH TOOLS,  
18 WHICH I THINK IS ONE OF THE EARLY WINS FOR THIS MODEL  
19 TO TEST DRUGS AGAINST AND ALSO JUST TOOLS THAT ARE  
20 GOING TO BE USED TO HELP ADVANCE THIS FIELD. I THINK  
21 WHEN YOU SAY DIAGNOSTICS --

22 DR. HALL: LET ME MAKE A SUGGESTION. WHY  
23 DON'T WE PUT THERAPIES AND CURES FIRST, AND THEN PUT  
24 DIAGNOSTICS AND RESEARCH TOOLS OR RESEARCH TOOLS AND  
25 DIAGNOSTICS. WOULD THAT BE AGREEABLE?

1 MR. ROTH: I WAS ALSO GOING TO ASK WHY YOU  
2 WANTED CURES IN THERE AS OPPOSED TO THERAPIES.  
3 THERAPIES CAN BE CURES.

4 DR. HALL: WE JUST TOOK THAT FROM -- IT WAS  
5 SORT OF A SYNTHESIS OF WHAT WAS SAID. WE'D BE HAPPY TO  
6 TAKE IT OUT IF YOU WOULD LIKE.

7 MR. ROTH: I WOULD WORD IT THERAPIES,  
8 DIAGNOSTICS, AND RESEARCH TOOLS MAY IMPROVE HUMAN  
9 HEALTH.

10 DR. HALL: DO YOU HAVE THAT, PAT? THERAPIES,  
11 DIAGNOSTICS, AND RESEARCH TOOLS.

12 DR. PENHOET: CURE IS A SUBSET OF THERAPIES.

13 DR. HALL: YEAH.

14 DR. LEVEY: WHY DON'T YOU JUST SAY TECHNOLOGY  
15 RATHER THAN TOOLS? RESEARCH TECHNOLOGIES LEADING TO  
16 IMPROVED HUMAN HEALTH OR SOMETHING LIKE THAT.

17 DR. HALL: TO IMPROVE HUMAN HEALTH WOULD BE  
18 FINE. SO NOW WE HAVE THERAPIES, DIAGNOSTICS, AND  
19 RESEARCH TECHNOLOGIES TO IMPROVE HUMAN HEALTH. IS THAT  
20 ALL RIGHT?

21 CHAIRMAN KLEIN: RATHER THAN TO IMPROVE HUMAN  
22 HEALTH, OUR MESSAGE HAS CONSISTENTLY FROM THE BEGINNING  
23 BEEN FOR PATIENTS WITH CHRONIC DISEASE AND INJURY.

24 DR. HALL: WHAT ABOUT TO RELIEVE HUMAN  
25 SUFFERING? I THINK THAT'S TOO BROAD. WHAT YOU ARE

1 SAYING, I TAKE YOUR POINT, IT'S AN IMPORTANT ONE; THAT  
2 IS, WE'RE NOT JUST WORKING -- WE'RE WORKING ACTUALLY TO  
3 RELIEVE A BURDEN.

4 CHAIRMAN KLEIN: WE CAN SAY --

5 DR. HALL: I THINK THAT'S AN IMPORTANT POINT.

6 CHAIRMAN KLEIN: -- TO RELIEVE HUMAN  
7 SUFFERING FOR PATIENTS WITH CHRONIC DISEASE AND INJURY  
8 AND ALL PEOPLE.

9 DR. HALL: LET'S TAKE THAT ONE AT A TIME. SO  
10 LET'S TAKE OUT TO IMPROVE HUMAN HEALTH AND PUT TO  
11 RELIEVE HUMAN SUFFERING FROM CHRONIC DISEASE AND  
12 INJURY.

13 CHAIRMAN KLEIN: I WOULD SAY FOR PATIENTS  
14 WITH CHRONIC DISEASE AND INJURY AND ALL PEOPLE OR  
15 SOMETHING.

16 DR. PRIETO: I KIND OF LIKE THE WAY IT READS  
17 LIKE THIS. RELIEF FROM THE SUFFERING FROM CHRONIC  
18 DISEASE AND INJURY.

19 CHAIRMAN KLEIN: THAT'S FINE. THAT WOULD BE  
20 GOOD.

21 DR. PRIETO: AND KEEPS IT SHORTER.

22 DR. HALL: YEAH. ANY OTHER SUGGESTIONS? DO  
23 I HEAR A MOTION? LET'S HEAR FROM THE --

24 MR. REED: THE MOST POWERFUL PHRASE IN THE  
25 CAMPAIGN WAS TO EASE SUFFERING AND SAVE LIVES. I

1 WONDER IF IT FIT AT THE VERY END. AFTER INJURY PUT A  
2 COLON, THEN TO EASE SUFFERING AND TO SAVE LIVES.

3 DR. FONTANA: HOW ABOUT JUST TO EASE  
4 SUFFERING?

5 DR. HALL: YOU WANT TO REPEAT SUFFERING?

6 MR. REED: WHATEVER. I THINK EASE SUFFERING  
7 AND SAVE LIVES IS CONCISE, VIVID, MAKES THE POINT.

8 DR. HALL: OKAY. LET ME MAKE AN ALTERNATE  
9 SUGGESTION, WHICH YOU MAY OR MAY NOT LIKE. ONE OF THE  
10 THINGS THAT WE HAVE TALKED ABOUT IS HAVING A SLOGAN,  
11 AND IT MAY BE THAT THAT WOULD BE A MORE APPROPRIATE  
12 SLOGAN.

13 MR. REED: GOOD.

14 DR. HALL: SO IF YOU ARE AGREEABLE WITH THAT,  
15 WE CAN TRY THAT, OR WE CAN DISCUSS IT HERE, EITHER WAY.

16 MS. WINOKUR: I WANTED TO SPEAK TO THE  
17 RATIONALE BEHIND REMOVING CURES. WHAT I HEARD WAS THAT  
18 THERAPIES IS REALLY CURES. IT MAY BE TO THE SCIENTIFIC  
19 COMMUNITY, BUT IT ISN'T NECESSARILY THE SAME THING TO  
20 THE NONSCIENTIFIC COMMUNITY. THERAPIES TEND TO  
21 TRANSLATE TO SOME KINDS OF TREATMENTS, AND CURES TEND  
22 TO TRANSLATE TO THE RESULT OF THE TREATMENTS, WHICH END  
23 UP WITH THE PERSON NO LONGER SUFFERING FROM WHATEVER IT  
24 WAS THE TREATMENT WAS DESIGNED FOR. SO I THINK IT'S  
25 IMPORTANT TO HAVE THE WORD "CURES" IN THERE.

1 DR. HALL: THANK YOU.

2 CHAIRMAN KLEIN: ZACH, YOUR ORIGINAL PROPOSAL  
3 WAS TO SAY THERAPIES, CURES, DIAGNOSTICS, AND RESEARCH  
4 TECHNOLOGIES. AND I CAN TELL YOU THAT DIANE'S  
5 STATEMENT IS CONSISTENT WITH ALL THE PUBLIC SURVEYS  
6 THAT WE'VE DONE HISTORICALLY IS THAT IT IS A  
7 DISTINGUISHED -- IT IS THE STEM CELL RESEARCH AND CURES  
8 ACT. AND EVEN THOUGH IT MAY TAKE MANY, MANY YEARS TO  
9 GET TO THAT END GOAL, IT IS THE HOPE THAT IN SOME CASES  
10 WE WOULD ACTUALLY BE MATERIALLY SUCCESSFUL.

11 DR. HALL: ED.

12 DR. PENHOET: THERE'S SORT OF A HIERARCHY  
13 HERE THEN. I THINK CURES SHOULD COME FIRST, THERAPIES  
14 SECOND, DIAGNOSTICS THIRD.

15 DR. HALL: OKAY. ANY MORE SUBSTANTIVE  
16 ADDITIONS OR WORDSMITHING?

17 CHAIRMAN KLEIN: MAKE A MOTION TO APPROVE.

18 DR. HALL: I'LL TURN IT OVER TO YOU IN THAT  
19 CASE SINCE IT SHOULD BE AN ICOC CONSENSUS. WE COULD  
20 MAKE A MOTION FOR CONSENSUS THAT YOU TAKE TO THE BOARD  
21 FOR ACTION.

22 CHAIRMAN KLEIN: SO OUR DISTINGUISHED SMALL  
23 BODY, IS IT THE SENSE OF THIS BODY THAT THIS WOULD BE  
24 AN APPROPRIATE AND INSPIRING MISSION STATEMENT TO TAKE  
25 TO THE BOARD TOMORROW?

1 MR. ROTH: I'LL MOVE THE SENSE OF THE BODY.

2 DR. PRIETO: SECOND.

3 CHAIRMAN KLEIN: IT'S BEEN MOVED AND  
4 SECONDED. THERE IS A COMPLETE DOMINANT CONSENSUS.  
5 THANK YOU, ZACH, FOR THE LEADERSHIP.

6 DR. HALL: THIS IS ONE OF THE GREAT THINGS  
7 ABOUT HAVING A SMALL GROUP OF PEOPLE.

8 SO LET ME TALK A LITTLE BIT ABOUT VALUES,  
9 WHICH IS OUR -- OH, NO. SLOGAN. THIS YOU MAY OR MAY  
10 NOT WISH TO DO, BUT WE TALKED A LITTLE BIT LAST TIME  
11 ABOUT HAVING SOME SNAPPY SOMETHING THAT WE COULD PUT AT  
12 THE TOP OF A PAGE OR PUT ON A SHORT QUICK THING THAT  
13 WOULD EXPRESS IN SORT OF A QUICK AND COMPELLING WAY THE  
14 MISSION IDEALS OF THE INSTITUTE.

15 LET'S ADD TO THAT LIST DON REED'S SUGGESTION,  
16 IF WE MIGHT, WHICH WAS -- DON, YOU WANT TO SAY IT  
17 AGAIN?

18 MR. REED: TO EASE SUFFERING AND SAVE LIVES.

19 DR. HALL: SO I LEAVE IT TO YOUR WISHES HERE.  
20 IF YOU DON'T WANT TO DO ANYTHING, THAT WOULD BE FINE;  
21 OR IF YOU WANT TO PICK ONE OF THESE AND MODIFY IT OR  
22 CHANGE IT, DO SOMETHING WITH IT, WE OFFER THE  
23 POSSIBILITY.

24 WE WERE, I THINK, IN THE MIDST OF A PHONE  
25 CALL SOMEWHERE TO SOME REPORTER OR SOMETHING. AND I

1 SAID WE'RE DOING SCIENCE IN THE SERVICE OF THERAPIES.  
2 HEY, THAT SOUNDS PRETTY GOOD. SO WE HAVE USED THAT  
3 SORT OF INFORMALLY ON THE SCIENCE TEAM, BUT PEOPLE  
4 SUGGESTED A NUMBER OF OTHER VARIANTS OF THIS. AND THEN  
5 DON'S IS IN THE SAME SPIRIT, BUT SLIGHTLY DIFFERENT  
6 DIRECTION. ANYTHING YOU WANT TO DO.

7 DR. PENHOET: I THINK IF YOU DON'T PUT STEM  
8 CELL SCIENCE IN FRONT OF DON'S NOTE, IT DOESN'T  
9 DISTINGUISH US FROM EVERYBODY IN MEDICAL SCIENCE.  
10 EVERYBODY WHO DOES MEDICAL SCIENCE OR MEDICAL COMPANIES  
11 ARE TRYING TO EASE SUFFERING AND SAVE LIVES. I THINK  
12 IT NEEDS TO BE A LITTLE MORE CONNECTED TO OUR SPECIFIC  
13 MISSION.

14 MR. ROTH: AND I WOULD PUT THE WORD  
15 "ADVANCING" IN FRONT OF STEM CELLS. ADVANCING STEM  
16 CELL SCIENCE.

17 DR. PENHOET: I THINK THAT WOULD BE TOO LONG  
18 A SLOGAN.

19 DR. HALL: LET ME SUGGEST THAT LEAVING THAT  
20 FOR A SLOGAN, YOU WANT IT QUICK AND SNAPPY. AND I  
21 THINK WE COULD LEAVE THAT WORD OUT WITHOUT MUCH CHANGE  
22 IN THE SENSE OF IT. IT'S UP TO YOU. WHAT DO YOU  
23 THINK, DUANE?

24 MR. ROTH: THAT'S FINE.

25 DR. HALL: STEM CELL SCIENCE TO EASE

1 SUFFERING AND SAVE LIVES.

2 MR. ROTH: IS THIS A SLOGAN ABOUT OUR  
3 MISSION?

4 DR. PRIETO: SOMETHING THAT WOULD GO UNDER  
5 THE NAME OF THE INSTITUTE ON THE LETTERHEAD.

6 DR. HALL: YEAH. OR YOU COULD PUT AT THE  
7 BOTTOM OF THE PAGE OF OUR STATIONERY. IT WOULD JUST BE  
8 A PLACE THAT WOULD BE QUICKLY -- PLACES WHERE YOU  
9 COULDN'T PUT A MISSION STATEMENT, YOU COULD PUT THAT  
10 AND IT WOULD BE A QUICK AND ACCESSIBLE SUMMARY OF WHAT  
11 WE'RE ABOUT. ROMAN.

12 MR. R. REED: HOW ABOUT, CURES ARE SO  
13 IMPORTANT FOR PEOPLE WHO ARE HURT, STEM CELLS ARE SO  
14 SIMPLE AS TURNING STEM CELLS INTO CURES.

15 DR. HALL: ALL RIGHT. THERE'S AN IDEA,  
16 TURNING STEM CELLS INTO CURES. DON, ARE YOU GOING TO  
17 OPPOSE THAT MOTION?

18 MR. REED: SELDOM. SELDOM. ON THE STEM CELL  
19 SCIENCE, COULD WE INSERT A COLON AFTER THE SCIENCE.  
20 STEM CELL SCIENCE: TO EASE SUFFERING AND SAVE LIVES.

21 DR. HALL: I MUST SAY I'M SORT OF TAKEN BY  
22 ROMAN'S SUGGESTION. WHAT'S THE SENSE OF THE COMMITTEE?  
23 LET ME DO IT ANOTHER WAY. IS THERE ANY ONE YOU WANT TO  
24 TAKE OUT? LET'S TAKE OUT -- SINCE THE FIRST ONE  
25 DOESN'T SAY ANYTHING ABOUT STEM CELLS, LET'S TAKE THAT



1 OUT. AND THEN IT'S A QUESTION OF WHETHER THIS PHRASE  
2 ABOUT "IN THE SERVICE OF" IS USEFUL OR NOT. AND I  
3 THINK WE'VE GOT A CHOICE, THEN, AMONG THOSE THREE  
4 STYLES.

5 ANY OTHER SUGGESTIONS?

6 DR. THAL: I LIKE THE BOTTOM ONE. IT'S SHORT  
7 AND SNAPPY.

8 DR. HALL: OKAY. THAT'S GOOD. IT'S GOOD.  
9 ANYBODY ELSE?

10 DR. PRIETO: IT'S THE MOST HOPEFUL.

11 DR. LEVEY: WANT A MOTION?

12 DR. HALL: ANYBODY ELSE? YOU WANT TO DO  
13 SOMETHING WITH IT? IF WE USE THAT, INSTEAD OF A LITTLE  
14 PATENTED SIGN, WE'LL PUT RR.

15 CHAIRMAN KLEIN: DOES ANYONE WANT TO MAKE A  
16 MOTION FOR SHORT AND SNAPPY?

17 DR. LEVEY: I'LL MOVE THAT.

18 DR. THAL: I SECOND SHORT AND SNAPPY.

19 CHAIRMAN KLEIN: DR. LEVEY AND DR. THAL. ALL  
20 IN FAVOR. IT'S A GREAT CONSENSUS HERE TONIGHT. YOU  
21 SHOULD BUILD ON IT WHILE YOU HAVE IT.

22 DR. HALL: MAYBE WE COULD GET STARTED ON THE  
23 AGENDA TOMORROW. WORK UP A LITTLE MOMENTUM HERE.

24 SO THE NEXT ONE IS VALUES, AND I ACTUALLY  
25 THINK THIS IS QUITE IMPORTANT. AND I'LL TELL YOU WHY.

1 THESE ARE SORT OF THE GUIDEPOSTS THAT WE WILL USE GOING  
2 FORWARD. AND MY SENSE IS THAT WHAT WE WOULD LIKE TO  
3 HAVE ABOUT FIVE, NOT MORE. YOU'RE WELCOME TO CHANGE  
4 THAT NUMBER UP OR DOWN, BUT THAT WOULD BE MY  
5 SUGGESTION. AND WHAT THEY ARE USEFUL FOR IS NOT  
6 RELATED NECESSARILY TO SPECIFIC ACTIONS. THAT IS, IF  
7 YOU DO SOMETHING TO ONE OF THESE OR THE OTHER OF THESE  
8 ARE NOT, BUT THAT IT IS AN EXPRESSION OF OUR VALUES.  
9 AND THERE WILL BE TIMES AT ALL SORTS OF LEVELS, AT ICOC  
10 MEETINGS AND THE WORKING GROUPS AND ELSEWHERE, WHEN WE  
11 WILL HAVE A CLASH OF PRIORITIES, AND WE WILL BE TRYING  
12 TO SORT OUT SOME ISSUE IN WHICH WE HAVE COMPETING  
13 IDEAS. AND IT'S VERY HELPFUL IN SUCH CIRCUMSTANCES TO  
14 BE ABLE TO SAY, REMEMBER, ONE OF OUR GUIDING PRINCIPLES  
15 IS THAT WE WANT TO DO WHATEVER.

16 AND THAT, I THINK, IS VERY HELPFUL TO US AS  
17 WE GO FORWARD AND WILL HELP US AS WE DEVELOP THE DRAFT  
18 OF THE STRATEGIC PLAN. AND I ALSO WANT TO POINT OUT  
19 THAT, AS WE ALL KNOW FROM EVERYDAY LIFE, THE VALUES MAY  
20 AT TIMES COME IN CONFLICT AND WE MAY HAVE TO CHOOSE  
21 BETWEEN THEM. BUT I THINK IT'S VERY HELPFUL TO SAY,  
22 REMEMBER, WE ARE COMMITTED TO THIS, AND THESE ARE THE  
23 THINGS THAT I THINK SHOULD INFUSE WHAT WE DO, THAT THEY  
24 SHOULD BE EXPRESSED NOT IN ONE, BUT IN MANY PLACES  
25 THROUGHOUT OUR STRATEGIC PLAN AND SORT OF BE AN

1       EXPRESSION OF WHAT WE THINK IS IMPORTANT AND WHAT WE  
2       THINK ISN'T.

3                       SO WHAT WE'VE DONE IN THE HANDOUT, AND I  
4       GUESS EVERYBODY CAN SEE THIS ON AGENDA ITEM NO. 15  
5       LISTED FOR TOMORROW'S MEETING, BUT IT'S THE SAME. AS  
6       WE'VE GONE THROUGH ALL OUR INFORMATION GATHERING, OUR  
7       FRIENDS FROM PRICEWATERHOUSECOOPERS HAVE NOTED ANY TIME  
8       SOMEBODY MADE A STATEMENT THAT WAS OF POTENTIAL VALUE.  
9       SO WHAT ARE PRINTED HERE AREN'T THINGS WE NECESSARILY  
10      ESPOUSE OR DON'T ESPOUSE. IT'S REALLY A COLLECTION OF  
11      THINGS THAT HAVE BEEN SAID ALONG WITH A SENTENCE OR TWO  
12      THAT EXPRESSES THE IDEAS THAT ARE BEHIND THEM, GETTING  
13      WHATEVER CONTEXT THAT WAS SAID.

14                      SO THERE WERE A RANGE OF THEM, AND I THINK WE  
15      ENDED UP WITH THESE 18 OR SOMETHING LIKE THAT. WE ALSO  
16      HAVE PUT IN, AS SHOWN IN THE NEXT SLIDE, WE LOOKED AT  
17      SOME STRATEGIC PLANS FROM OTHER ORGANIZATIONS. SOME OF  
18      THEM WERE ALREADY IN THE THINGS THAT WE HAD SUGGESTED,  
19      BUT THESE WERE JUST OTHER IDEAS THAT CAME FROM  
20      DIFFERENT ORGANIZATIONS. AND THEY ARE LISTED.

21                      I THINK WE LOOKED AT SOME OTHERS, BUT THE  
22      MORE YOU LOOK AT IT, THE LESS NEW INFORMATION YOU GOT,  
23      AND AT SOME POINT WE JUST STOPPED.

24                      IF WE COULD GO TO THE NEXT SLIDE THEN, WHAT I  
25      WOULD LIKE TO SUGGEST AS A WAY OF PROCEEDING IS THAT WE

1 TAKE A FEW MINUTES, STUDY THIS GROUP HERE, THINK IF YOU  
2 WANT TO MAKE ANY ADDITIONS, AND THEN TRY -- I THINK THE  
3 BEST WAY TO HANDLE IT, IF YOU WANT TO END UP WITH FIVE,  
4 IS TO WORK IT DOWN TO TEN. THAT IS, TO TAKE OUT ONES  
5 THAT WE THINK ARE NOT VERY STRONG OR ARE COVERED  
6 ELSEWHERE, BUT ARE IMPORTANT, BUT NOT REALLY THAT  
7 ESSENTIAL AS OTHERS THAT WE MIGHT PICK. AND THEN GET  
8 IT DOWN TO ABOUT TEN AND THEN DISCUSS THOSE, EACH ONE,  
9 IN A LITTLE BIT OF DETAIL, AND THEN WE CAN VOTE OR  
10 HOWEVER YOU WISH TO PROCEED TO GO FROM TEN TO FIVE OR  
11 FOUR OR SIX, WHATEVER YOU WANT. BUT THAT WOULD BE MY  
12 SUGGESTION ABOUT A WAY TO PROCEED.

13 IS THAT AGREEABLE TO PEOPLE? IS THAT AGREED?  
14 HAPPY WITH DOING IT THAT WAY?

15 CHAIRMAN KLEIN: THIS IS A GENERAL QUESTION.  
16 SEPARATE FROM VALUES, WE'VE ALSO TALKED ABOUT  
17 ADDRESSING STRATEGIC PRINCIPLES LIKE RISK CONCENTRATION  
18 OR RISK DIVERSIFICATION. ARE WE GOING TO ADDRESS THOSE  
19 STRATEGIC PRINCIPLES SEPARATELY FROM VALUES? ON THE  
20 NEXT PAGE ARE EXAMPLES OF VALUES AND PRINCIPLES. ARE  
21 WE GOING TO DISCUSS STRATEGIC PRINCIPLES AS WELL?

22 DR. HALL: WELL, WE HAVE NOT DISTINGUISHED  
23 BETWEEN THOSE FOR THIS PURPOSE. IT'S VALUES,  
24 PRINCIPLES, AIMS. SO THESE ARE ALL -- WE HAVEN'T  
25 DISTINGUISHED THEM HERE. IF YOU WISH TO DO THAT, WE

1 MIGHT. AND CERTAINLY THERE WILL BE IN THE PLAN, YOU  
2 KNOW, SOME OBJECTIVES THAT WILL BE SORT OF CLOSELY TIED  
3 TO WHAT WE'RE TRYING TO DO. AND, AGAIN, I THINK  
4 WHATEVER YOU WOULD LIKE TO DO HERE IS FINE. MY PURPOSE  
5 HERE IS TO SORT OF FACILITATE.

6 CHAIRMAN KLEIN: I WOULD ONLY SUGGEST THAT IN  
7 ADDITION TO THE VALUES DISCUSSION, THAT AFTER THE  
8 VALUES DISCUSSION, WE AT LEAST ADDRESS THIS CORE ISSUE  
9 OF STRATEGIC PRINCIPLES RELATED TO RISK BECAUSE IT HAS  
10 A LOT TO DO WITH THE STRATEGIC OUTCOME OF THE  
11 PORTFOLIO.

12 DR. HALL: THAT WOULD BE FINE. IF YOU WANT,  
13 WE CAN INCLUDE THAT -- BY CALLING THEM VALUES, I DIDN'T  
14 MEAN TO -- IF YOU WANT TO, WE CAN PUT SLASH PRINCIPLES  
15 AND ADD THEM HERE. EITHER WAY.

16 CHAIRMAN KLEIN: WHATEVER WAY.

17 DR. STEWARD: I THINK THEY'RE DIFFERENT.

18 DR. HALL: FINE. OKAY. GOOD. LET'S GO  
19 AHEAD WITH THIS, AND THEN WE'LL GO ON TO STRATEGIC  
20 PRINCIPLES.

21 MR. ROTH: ZACH, I HAVE TWO THAT I'D LIKE TO  
22 ADD TO THE LIST, AND I'LL GIVE SOME BACKGROUND. ONE IS  
23 ENABLING. AND MY THOUGHTS THERE ARE WHEN YOU'RE GIVING  
24 OUT GRANTS, YOU WANT TO MAKE SURE THAT YOU ARE LOOKING  
25 FOR THINGS THAT WILL ENABLE SOMETHING TO MOVE FORWARD.

1 AND THE OTHER ONE IS SEEDING.

2 DR. HALL: LET ME ASK. ENABLING YOU WOULD  
3 SAY IS DIFFERENT FROM LEVERAGE?

4 MR. ROTH: LEVERAGE IS DIFFERENT. LEVERAGE,  
5 YOU GIVE A GRANT BECAUSE IT LEVERAGES MORE MONEY FOR  
6 MORE PARTICIPATION. ENABLING IS DIFFERENT.

7 SECOND ONE IS SEEDING.

8 DR. HALL: S-E-E --

9 MR. ROTH: D, SEEDING. THAT ONE, AGAIN,  
10 SPEAKS TO PUTTING MONEY WHERE YOU NEED TO SEED  
11 RESEARCH.

12 DR. HALL: WE HOPE YOU WILL HAVE AN  
13 OPPORTUNITY TOMORROW ACTUALLY.

14 DR. STEWARD: THE OTHER WORD THAT I DON'T SEE  
15 UP THERE, WHICH I THINK IS SORT OF CORE, IS  
16 TRANSLATION. WE ALL KNOW SORT OF WHAT IT MEANS, BUT  
17 MAYBE THAT'S NOT THE RIGHT WORD. IT IS SCIENCE IN THE  
18 SERVICE OF.

19 DR. HALL: YEAH. TRANSLATION. ANY OTHER  
20 SUGGESTIONS?

21 DR. LEVEY: WELL, I LIKE A NUMBER OF THESE,  
22 BUT I THINK WHATEVER WE PUT TOGETHER, I THINK WE HAVE  
23 TO HAVE IN ACCOUNTABILITY BECAUSE WE ARE ACCOUNTABLE.  
24 AND --

25 DR. HALL: IT'S IN.

1 DR. LEVEY: WE'RE JUST ADDING TO THIS LIST?

2 DR. HALL: WE'RE JUST ADDING.

3 DR. LEVEY: I JUST THOUGHT THOSE TWO WERE SO  
4 IMPORTANT, THAT AND INTEGRITY IS SO IMPORTANT.

5 DR. STEWARD: ZACH, IS THIS SOMETHING THAT  
6 YOU WOULD SEE THE DIFFERENT REVIEW PANELS USING AS A  
7 TOUCHSTONE AT VARIOUS TIMES IN THE REVIEW PROCESS, OR  
8 IS IT SOMETHING THAT WE WOULD USE?

9 DR. HALL: BOTH. IT DEPENDS ON WHAT YOU  
10 HAVE, BUT I MEAN SOME OF THEM, THINGS LIKE INNOVATION,  
11 PARTNERSHIP, YOU KNOW, WE SAY, LOOK, THIS IS A POSITIVE  
12 VALUE. THIS IS SOMETHING THAT WE WANTED TO DO FROM THE  
13 BEGINNING AND WE SHOULD REMEMBER THAT. AND AT A CLOSE  
14 CALL, YOU MAY SAY, GIVEN THE FACT THAT WE REALLY ARE  
15 COMMITTED, I WILL DO THIS. MY SENSE IS THAT THAT  
16 WILL -- THESE WILL SORT OF HELP US IN THOSE DISCUSSIONS  
17 GOING FORWARD.

18 DR. FONTANA: I LIKE VISIONARY.

19 DR. HALL: VISIONARY. ANYBODY ELSE?

20 DR. PENHOET: SERVICE.

21 DR. HALL: SERVICE. GOOD. ANYBODY ELSE WANT  
22 TO ADD? DON.

23 MR. REED: INCLUSION AND FORESIGHT.

24 DR. HALL: TWO SEPARATE ONES. INCLUSION AND  
25 FORESIGHT.

1 MR. STOCKER: EMPOWERING OR EMPOWERMENT.

2 DR. HALL: EMPOWERMENT. ANYTHING ELSE? I  
3 SHOULD SAY THAT SOME OF THESE CAME FROM OUR VERY  
4 HELPFUL PATIENT ADVOCATE'S MEETING. I'M LOST NOW WITH  
5 ALL THESE MEETINGS, BUT I THINK IT WAS LAST WEEK.

6 SO IF THERE ARE NOT MORE SUGGESTIONS, WE CAN  
7 CERTAINLY ADD THEM IN LATER IF WE WANT, BUT I SUGGEST  
8 WE MAYBE GO THROUGH THESE ONE BY ONE QUICKLY. AND MY  
9 STRATEGY ALWAYS IN AN ACADEMIC OR SCIENTIFIC CAREER  
10 HERE ALWAYS HAVE A GROUP OF GRANTS OR CV'S OR SOMETHING  
11 SPREAD OUT IN FRONT OF YOU WHEN YOU TRY TO MAKE  
12 CHOICES. MY SENSE IS THEY'RE ALWAYS ALL GOOD, AND YOU  
13 TRY TO SEPARATE THEM INTO ONES, TWOS, AND THREES. THAT  
14 IS, THE SURE-FIRE ONES, THE MAYBES, AND THE ONES THAT  
15 ARE UNLIKELY, ALTHOUGH DESERVING AND WORTHY, UNLIKELY  
16 TO MAKE IT THROUGH TO THE END.

17 MY SUGGESTION WOULD BE THAT WE GO THROUGH AND  
18 SEE IF WE CAN IDENTIFY SOME THREES, ONE THAT WE WOULD  
19 ALL AGREE IS IMPORTANT; BUT WHEN ALL IS SAID AND DONE  
20 ARE UNLIKELY TO BE AMONG THE TOP FIVE OR SIX.

21 DR. PRIETO: I WOULD THINK OPPORTUNISM,  
22 ALTHOUGH CERTAINLY THERE'S A RATIONALE AND EXPLANATION  
23 FOR IT, BUT I THINK THE CONNOTATIONS OF IT FOR SO MANY  
24 PEOPLE WOULD BE IT WOULD TAKE TOO MUCH EXPLAINING.

25 DR. HALL: THAT'S MY FAULT ACTUALLY BECAUSE



1 DIANE SUGGESTED SOMETHING IN OUR MEETING, WHICH I THINK  
2 WAS FLEXIBILITY. AND I SAID WOULD OPPORTUNISM BE A  
3 GOOD WAY TO SAY THAT, AND SHE SAID YES. I TAKE  
4 RESPONSIBILITY FOR THAT, AND I WOULD BE HAPPY TO TAKE  
5 IT OFF. IT SMACKS OF MAYBE SOME THINGS THAT WE DON'T  
6 WANT.

7 MS. WINOKUR: THE WAY YOU HAVE DESCRIBED IT  
8 ON THE NEXT PAGE COMES CLOSE TO WHAT WE REALLY SAID,  
9 AND WE CAN COME UP WITH ANOTHER WORD THAT COVERS THAT.

10 DR. PRIETO: THIS EXPLANATION WAS CLEAR, BUT  
11 IT WOULD TAKE SOME EXPLANATION IF WE'RE LOOKING FOR A  
12 ONE-WORD VALUE.

13 DR. PENHOET: OPPORTUNISTIC DOESN'T HAVE  
14 QUITE THE SAME PEJORATIVE CONNOTATION AS OPPORTUNISM.

15 DR. HALL: OPPORTUNISM.

16 DR. PRIETO: IT WAS OPPORTUNISM.

17 DR. THAL: I THINK IT'S A BAD INCLUSION.

18 DR. HALL: LET ME SUGGEST. WE'RE LOOKING FOR  
19 THREES HERE NOW. WE CAN ARGUE THIS, BUT DOES ANYBODY  
20 THINK THIS ONE WILL SURVIVE IN THE TOP FIVE OR SIX?

21 DR. THAL: NO, IT'S NOT GOING TO MAKE IT.

22 DR. HALL: LET'S TAKE IT OUT.

23 DR. FONTANA: I THINK IT DOES ADDRESS AN  
24 INTERESTING AND IMPORTANT CONCEPT. SO MAYBE WE CAN  
25 PICK ANOTHER WORD THAT ADDRESSES IT, WHICH IS

1 SCIENTIFIC READINESS, THAT MAYBE IF THERE ARE TWO  
2 GRANTS THAT ARE THERE, ONE WOULD PROMOTE THE  
3 UNDERSTANDING OF A DISEASE OR A THERAPY FASTER THAN  
4 ANOTHER ONE.

5 DR. HALL: THAT'S, I WOULD SAY, A DIFFERENT  
6 THING. I THOUGHT BY OPPORTUNISM AND OPPORTUNISTIC,  
7 WHATEVER WE WERE TALKING ABOUT, THAT THE IDEA WAS THAT  
8 OPPORTUNITIES WOULD ARISE THAT WE HADN'T THOUGHT OF,  
9 THAT WE NEEDED TO BE FLEXIBLE AND ABLE TO SAY LET'S  
10 CHANGE. HERE WE'VE BEEN THINKING ONE WAY. NEVER MIND  
11 WHAT WE SAID WE WERE GOING TO DO.

12 DR. PRIETO: IS FLEXIBILITY A BETTER WORD  
13 THEN? WE HAVE THAT UP THERE.

14 DR. PENHOET: THAT'S GOOD.

15 MS. WINOKUR: DOES RESPONSIVENESS HELP?

16 DR. HALL: NOW, REMEMBER, WE'RE TRYING TO  
17 NARROW THE FIELD HERE.

18 MS. WINOKUR: I DON'T WANT TO LOSE THE IDEA.

19 DR. HALL: FLEXIBILITY, I THINK, WAS WHAT YOU  
20 HAD ORIGINALLY SUGGESTED, DIANE. I WAS TRYING TO SET A  
21 GOOD EXAMPLE BY REMOVING A WORD I PUT IN.

22 MS. WINOKUR: OKAY.

23 DR. LEVEY: ZACH, MAY I MAKE A SUGGESTION?  
24 WHY DON'T WE GO FROM WHAT WE THINK ARE THE BEST? IT  
25 SEEMS TO ME WE'LL PUT A LOT OF TIME AND EFFORT IN,

1 WHICH IS NOT GOING TO MAKE THE CUT.

2 DR. HALL: I THOUGHT THERE WOULD BE SOME  
3 QUICK AGREEMENT ON A FEW THAT WE COULD GET OUT OF THE  
4 WAY, BUT APPARENTLY THAT'S NOT THE CASE.

5 DR. LEVEY: YOU GOT SPOILED FROM AN EARLIER  
6 PART OF THE MEETING.

7 DR. PENHOET: I'LL BE PERSONAL. I HAVE AN  
8 AVERSION TO WORLD CLASS.

9 MR. ROTH: I'M WITH YOU.

10 DR. PENHOET: IT'S SO OVERUSED. I HOPE WE  
11 CAN FIND ANOTHER WAY TO DESCRIBE GREAT SCIENCE.

12 DR. HALL: JUST PUT EXCELLENCE. HOW ABOUT  
13 EXCELLENCE?

14 DR. STEWARD: WELL, THE OTHER THING IS IT'S A  
15 GIVEN. I'M NOT SURE IT HAS TO BE A VALUE.

16 DR. HALL: ALL RIGHT. YOU THINK EVERYBODY  
17 WILL UNDERSTAND IT'S A GIVEN? DOES EVERYBODY AGREE  
18 WITH THAT? TAKE IT OUT. GOT A LITTLE MOMENTUM HERE.  
19 SOMEBODY ELSE?

20 DR. PENHOET: I'M NOT SURE IT'S A GIVEN. I  
21 DON'T AGREE WITH MY COLLEAGUE. I DO THINK WE WANT TO  
22 SET A TONE OF TOP QUALITY. I EXPRESS AN AVERSION TO  
23 THE WORD "WORLD CLASS." THAT'S A PERSONAL AVERSION.

24 MR. ROTH: I WOULD GIVE QUALITY.

25 DR. PRIETO: QUALITY OR EXCELLENCE.

1 DR. HALL: OKAY.

2 DR. PENHOET: EXCELLENCE, JUST BROADEN IT.

3 DR. HALL: OKAY. ARE THERE ANY -- ALL OF  
4 THESE ARE GOOD. NOBODY WANTS TO SAY I'M AGAINST  
5 SO-AND-SO. THAT'S NOT THE POINT. AS WE PUT THIS  
6 TOGETHER -- I THINK ONE OPPORTUNITY IS TO SEE IF WE CAN  
7 SEE THINGS THAT CAN BE COMBINED. ONE ACTUALLY WOULD  
8 FALL UNDER ANOTHER.

9 DR. PRIETO: INNOVATION AND LEADERSHIP  
10 CARRIES SOME SIMILAR MEANINGS.

11 CHAIRMAN KLEIN: INNOVATION IS MORE DIRECTED  
12 TO THE SCIENCE. INNOVATION EXPLAINS MORE THE NATURE OF  
13 LEADERSHIP.

14 DR. HALL: IT'S INTERESTING. INNOVATION ALSO  
15 CUTS ACROSS, BOTH DO ACTUALLY, CUT ACROSS, NOT ONLY NEW  
16 SCIENCE, BUT NEW WAYS OF DOING SCIENCE, NEW WAYS OF  
17 DOING MOST ANYTHING.

18 DR. PRIETO: IT IMPLIES FLEXIBILITY. THAT'S  
19 A GOOD WORD.

20 CHAIRMAN KLEIN: I THOUGHT THAT ACTUALLY,  
21 ZACH, YOU CAPTURED WELL FROM THE PATIENT ADVOCACY  
22 MEETING THE ISSUE OF THE DYNAMIC NATURE OF THE PLAN  
23 BECAUSE, IN FACT, DYNAMISM, DYNAMIC, YOUR FIRST  
24 SENTENCE THERE, ONE OF OUR GOALS IS TO HAVE A GRANTING  
25 PROCESS THAT RECOGNIZES THE DYNAMIC NATURE OF RESEARCH.

1 THAT'S AN IMPORTANT DISTINGUISHING CHARACTERISTIC.  
2 SOME OF OUR NATIONAL GRANTING AGENCIES HAVEN'T QUITE  
3 REACHED OUT WITH OPEN ARMS TO THE DYNAMIC CHANGING  
4 NATURE OF GRANTS AND FOLLOW GRANTS AS THEY CHANGE  
5 DIRECTION QUICKLY WITHOUT ENCUMBERING THEM WITH  
6 TREMENDOUS BURDENS. SO A DYNAMIC PROCESS TO OUR  
7 GRANTS, I THINK, CAPTURES AN IMPORTANT CONCEPT.

8 DR. HALL: THAT'S A GOOD IDEA. WOULD YOU  
9 ACCEPT THAT AS A SUBSTITUTE FOR FLEXIBILITY, OR  
10 INCLUDING FLEXIBILITY? IT IS A MORE ACTIVE TERM.

11 DR. STEWARD: I DON'T THINK EITHER ONE OF  
12 THOSE TERMS QUITE CAPTURES WHAT WE'RE TALKING ABOUT.

13 DR. HALL: LET ME SUGGEST THAT WE TAKE OUT  
14 FLEXIBILITY, IF WE COULD, AND THEN WORK ON FINDING  
15 ANOTHER BETTER ONE. I THINK OF THE TWO, I'M PERSUADED  
16 BY BOB'S ARGUMENT.

17 MR. ROTH: ZACH, I'M STILL HAVING TROUBLE HOW  
18 THIS IS GOING TO BE USED. IF YOU WERE TO SAY TO ME,  
19 TELL ME WHAT YOU VALUE WHEN YOU CONSIDER GRANTS, IF YOU  
20 DID THAT, THEN I WOULD VALUE THINGS LIKE INNOVATION,  
21 LIKE EFFICIENCY.

22 DR. HALL: SO WE HAVE A SET OF CRITERIA IN  
23 OUR GRANTS ADMINISTRATION POLICY --

24 MR. ROTH: A LOT OF THESE THINGS UP HERE I  
25 WOULD REFER TO AS MOTHERHOOD. THERE ARE THINGS THAT WE

1 ALL CAN BE FOR. BUT IF YOU'RE SAYING THE VALUES WITH  
2 REGARDS TO HOW WE APPROACH THE GRANT PROCESS --

3 DR. HALL: EVERYTHING. I WOULD SAY IT'S MUCH  
4 BROADER THAN THAT. WE HAVE CRITERIA FOR GRANTS. THOSE  
5 ARE STATED. INNOVATION IS ONE OF THEM. WE HAVE A  
6 NUMBER OF DIFFERENT CRITERIA. QUALITY OF THE RESEARCH  
7 PLAN, FEASIBILITY. WE SAID THAT WE WILL WEIGHT THOSE  
8 IN DIFFERENT WAYS, AND WE'LL TALK ABOUT THAT A LITTLE  
9 BIT TOMORROW.

10 MR. ROTH: I COULD DROP OUT -- IF THAT WERE  
11 THE CASE, I'D PUT VALUE INNOVATION. I PROBABLY  
12 WOULDN'T VALUE ACCOUNTABILITY ALTHOUGH IT'S A NECESSARY  
13 PART OF IT. I WOULDN'T DO THAT. I WOULDN'T VALUE  
14 SELECTIVITY. I WOULD VALUE HIGHLY EFFICIENCY, MAYBE  
15 DIVERSITY.

16 DR. HALL: HERE'S THE WAY I THINK WE ENVISION  
17 THIS, THAT WE WOULD START OUT THE STRATEGIC PLAN WITH A  
18 MISSION STATEMENT, AND THEN WE WOULD SAY HERE ARE THE  
19 VALUES THAT WE WANT THIS PLAN TO EMBODY. AND I THINK  
20 IT IS OUR -- THOSE ARE THE THINGS. ACTUALLY, IF YOU  
21 LOOK AT THE ONES IN THE BACK, THEY'RE SORT OF  
22 INTERESTING. NATIONAL INSTITUTE OF BIOMEDICAL  
23 ENGINEERING, NATIONAL SCIENCE FOUNDATION, AND WELLCOME  
24 TRUST ALL HAVE THREE OR FOUR CATEGORIES IN WHICH THEY  
25 CAN PUT THESE THINGS. THE ONES YOU -- SELECTIVITY

1 NOW --

2 DR. PENHOET: ZACH, MAYBE ADD A COMMENT TO  
3 THE COMMENT YOU JUST MADE. THESE ARE GENERAL  
4 DESCRIPTORS FOR THE ORGANIZATION AS A WHOLE, BUT I  
5 THINK VALUES, IN MY EXPERIENCE, HAVE WORKED BEST WHEN  
6 THEY'RE LINKED TO MISSION. SO THESE ARE NOT RELIGIOUS  
7 VALUES, THEY'RE NOT SOCIETAL VALUES. THESE ARE THE  
8 VALUES THAT WE EMBED IN OUR ORGANIZATION THAT EMPOWER  
9 US TO ACHIEVE GOALS -- THE MISSION THAT WE'RE TRYING TO  
10 ACHIEVE. SO THEY TEND TO WORK BEST WHEN THEY'RE  
11 LINKED. AND THESE VALUES ARE AN AID IN A SENSE TO  
12 HELPING ACHIEVE THE MISSION.

13 DR. HALL: LET'S SEE IF WE CAN CAPTURE THAT  
14 SENTENCE FOR OUR STRATEGIC PLAN. I THOUGHT THAT WAS  
15 VERY WELL PUT. OKAY. NOW, AGAINST THAT -- DON.

16 MR. REED: TWO THAT REALLY SEEM TO BE BOTH  
17 POWERFUL AND FITTING WITH INNOVATION WOULD BE INTEGRITY  
18 AND SERVICE. WE HAVE TO BE HONEST. PEOPLE WANT THAT.  
19 AND SERVICE IS WHAT WE'RE ALL ABOUT. INNOVATION,  
20 INTEGRITY, AND SERVICE, THEY FIT TOGETHER.

21 MR. HARI: IN TERMS OF SCIENTIFIC THAT WILL  
22 SERVE THE PUBLIC, THERE WERE TWO THAT I THOUGHT SHOULD  
23 GO TOGETHER KIND OF ALONG THE SAME LINES. ONE WAS NOT  
24 ONLY INTEGRITY, BUT ACCOUNTABILITY TO THE PUBLIC. AND  
25 THE OTHER TWO I THOUGHT WOULD BE GOOD TOGETHER WERE

1 INNOVATION AND INTEGRATION. GIVEN THAT WE COULDN'T  
2 BRING ANY PRODUCT TO MARKET, NO ONE GROUP IS GOING TO  
3 DO THAT ON THEIR OWN. I DON'T KNOW. YOU WERE ASKING  
4 TO MERGE.

5 DR. HALME: SO I THINK I LIKE THE IDEA OF  
6 INTEGRATION, BUT I THINK COLLABORATION. IT'S A GOOD  
7 BROAD ONE BECAUSE IT IMPLIES INTEGRATION, BUT IT ALSO  
8 IS SORT OF THE -- THERE WAS ONE ABOUT OPEN SHARING OF  
9 INFORMATION WHICH WOULD BE REQUIRED FOR COLLABORATION,  
10 ETC. I THINK THAT IT'S GOING TO BE ESSENTIAL TO  
11 EVERYTHING.

12 DR. HALL: THAT'S A GOOD POINT. WOULD WE  
13 ACCEPT THAT AS A SUBSTITUTE FOR INTEGRATION.  
14 INTEGRATION IS A LITTLE -- YOU HAVE TO EXPLAIN IT.  
15 IT'S NOT -- IT'S A LITTLE BIT -- I WOULD SAY ANOTHER  
16 ONE THAT MIGHT BE IN THAT CATEGORY, LET ME SEE IF YOU  
17 AGREE, IS SELECTIVITY. I MYSELF HAD TO LOOK AND SAY  
18 I'M NOT QUITE SURE WHAT THAT MEANS. WHAT WAS SAID IN  
19 THE CONTEXT, THAT WE SHOULD DO THINGS THAT ARE SPECIFIC  
20 FOR US, THAT WE CAN DO THAT OTHER PEOPLE CAN'T. I  
21 WOULD SUGGEST THAT THAT COULD BE EMBODIED IN THE  
22 INNOVATION AND OTHER THINGS. SO IF NOBODY OBJECTS, I  
23 WOULD SUGGEST WE MOVE THAT ONE.

24 DR. LEVEY: ZACH, FLEXIBILITY OF RELATED  
25 WORDS, I THOUGHT ADAPTABILITY MIGHT BE MORE WHAT WE



1 WANT TO SAY BECAUSE PART OF SCIENCE AND PART OF RUNNING  
2 ANY KIND OF AN ORGANIZATION IS TO BE ABLE TO ADAPT TO  
3 CHANGE THAT WILL OCCUR. IT WILL ALWAYS OCCUR. WE HAVE  
4 A TEN-YEAR LIFE TO LOOK FORWARD TO AND MAYBE BEYOND  
5 THAT. I THINK ADAPTABILITY WILL HAVE TO BE ONE OF THE  
6 TRAITS THAT WE WOULD HAVE AS A VALUE.

7 DR. HALL: WE STARTED WITH 18, AND AFTER  
8 CONSIDERABLE DISCUSSION AND CUTTING, WE'VE GOTTEN IT  
9 DOWN TO 23.

10 DR. STEWARD: THAT ACTUALLY COMES CLOSER TO  
11 WHAT WE WERE TRYING TO CAPTURE, THE ADAPTABILITY.

12 CHAIRMAN KLEIN: IN THE SENTENCE THAT WAS  
13 DEVELOPED, DR. LEVEY, FROM THE PRIOR MEETING, IT SAYS  
14 THIS IS HOW WE IMPROVE THE SPEED OF DISCOVERY AND THE  
15 ABILITY TO CAPITALIZE ON CHANGES IN DIRECTION SO WE  
16 DON'T HURT THE SCIENCE AS IT DYNAMICALLY AND  
17 SPONTANEOUSLY MOVES FORWARD. THE INTENT OF HAVING A  
18 DYNAMIC PLAN WAS TO BE HIGHLY ADAPTIVE AND RESPONSIVE  
19 TO THE OPPORTUNITY PRESENTED BY SCIENCE AS IT EVOLVES.

20 DR. HALL: YOU WANT TO STILL KEEP ON AND ADD  
21 ADAPTABILITY, OR DO YOU ACCEPT THAT IT COMES UNDER  
22 DYNAMISM?

23 DR. LEVEY: I HADN'T REALLY THOUGHT OF  
24 DYNAMISM AND ADAPTABILITY, SO THERE IS DYNAMICS. I  
25 SORT OF LIKE ADAPTABILITY BETTER.

1 DR. HALL: OKAY. LET ME MAKE ANOTHER  
2 SUGGESTION. IS INCLUSION AND DIVERSITY, WOULD ONE OF  
3 THOSE WORDS SUFFICE? IF SO, WHICH ONE?  
4 MR. ROTH: I DON'T LIKE EITHER.  
5 DR. STEWARD: I DON'T LIKE EITHER ONE EITHER.  
6 DR. LEVEY: I DON'T EITHER. WHOEVER PUT THEM  
7 IN THERE, MAYBE THEY COULD DEFINE WHAT THEY MEANT.  
8 DR. FONTANA: I THINK IT'S IMPORTANT TO  
9 INCLUDE EXCELLENCE AND URGENCY.  
10 MR. ROTH: EXCELLENCE IS A GOOD ONE.  
11 DR. HALL: HOW ABOUT INCLUSION AS A VALUE?  
12 CAN WE TAKE THAT OUT?  
13 DR. PRIETO: YEAH. I THINK WE CAN TAKE THAT  
14 OUT.  
15 DR. HALL: TAKE DIVERSITY OUT AS WELL.  
16 MR. ROTH: GIVE ME BACK MY SEEDING. IN THIS  
17 CONTEXT. ENABLING AND SEEDING, THEY DON'T FIT.  
18 DR. PRIETO: ENABLING IS SORT OF --  
19 DR. HALL: THEY'RE MORE FOR GRANTS.  
20 MR. ROTH: IF YOU'RE ASKING FOR GRANTS, I  
21 WOULD TAKE THEM OUT.  
22 DR. PRIETO: I WONDER IF ADAPTABILITY AND  
23 DYNAMISM AREN'T INCLUDED OR THE NOTION OF THAT ISN'T  
24 INCLUDED WITHIN INNOVATION.  
25 DR. HALL: WHAT ABOUT VISIONARY AND

1       FORESIGHT?

2               MR. ROTH:  THEY'RE MOTHERHOOD.  I WOULD TAKE

3       THEM OUT.

4               DR. HALL:  KEEP EITHER ONE OR PROBABLY BOTH.

5       THIS IS TURNING INTO A HANGING JURY HERE.

6               DR. PENHOET:  THAT'S WHAT YOU'RE AFTER.

7               DR. HALL:  THAT'S GOOD.  ONCE YOU TASTE IT --

8               DR. PRIETO:  I WOULD TAKE OUT LEVERAGE ALSO.

9               MR. ROTH:  IN THIS CONTEXT I WOULD AGREE.

10              DR. HALL:  THAT'S MORE ON BOB'S AS A

11       STRATEGIC PRINCIPLE MAYBE.  AND WHAT ABOUT --

12              DR. PRIETO:  ISN'T EFFICIENCY A GIVEN?  MAYBE

13       IT'S NOT, BUT --

14              DR. LEVEY:  YOU CAN'T ACHIEVE ALL THE OTHERS.

15       I'D AGREE, TAKE IT OUT.

16              DR. HALL:  NOT QUITE THE SAME, BUT I WOULD

17       THINK ACCOUNTABILITY IS A LITTLE BIT.  OKAY.

18              DR. LEVEY:  I DON'T PARTICULARLY CARE FOR

19       TRANSPARENCY.  I DON'T THINK TRANSPARENCY SAYS

20       ANYTHING.

21              DR. HALL:  LET'S TALK ABOUT THAT FOR A

22       MINUTE.  I HAVE TO LOOK IT UP.  TRANSPARENCY OF WHAT?

23              DR. PRIETO:  COMMENT IS TRANSPARENCY IN OUR

24       ACTIVITIES, ENGAGING IN ACTIVE COMMUNICATION WITH AND

25       FOSTERING COMMUNICATION.  I THINK --

1 DR. THAL: WE MAY NEED TO LEAVE THAT ONE IN.

2 DR. PRIETO: TRANSPARENCY, COLLABORATION, AND  
3 KNOWLEDGE SHARING ARE RELATED AND MAYBE CAPTURED UNDER  
4 COLLABORATION.

5 DR. HALL: ACTUALLY COLLABORATION --

6 MR. ROTH: COLLABORATION IS A GOOD ONE.

7 DR. HALL: IT COVERS A LOT OF GROUND.

8 MR. ROTH: TAKE PARTNERSHIP OFF. I WOULDN'T  
9 PUT THE PARENTHETICAL.

10 DR. HALL: BOTH INTERNATIONAL, WITH GROUPS,  
11 WITH PEOPLE, WITH OUR DIVERSE CONSTITUENCIES. I THINK  
12 THAT'S A STRONG WORD. THAT'S A GOOD ONE. HOW ARE WE  
13 DOING? FOURTEEN.

14 MR. ROTH: I LIKE EXCELLENCE. ALL RIGHT.

15 DR. HALL: TRANSPARENCY, WHAT DID WE DECIDE  
16 ABOUT THAT? TAKE IT OUT.

17 CHAIRMAN KLEIN: WE ALL AGREED TRANSPARENCY  
18 IS CRITICAL. WE'VE GOT IT WRITTEN ALL OVER OUR  
19 POLICIES ALREADY, SO DO WE NEED IT HERE IS THE  
20 QUESTION.

21 DR. HALL: I THINK IT IS SOMETHING FOR OUR  
22 OWN ACTIVITIES, BUT NOT FOR THE SCIENCE NECESSARILY.  
23 IT'S COVERED BETTER UNDER SHARING OF SCIENCE.

24 DR. PENHOET: I THINK TRANSLATION IS MORE TO  
25 ME A STRATEGY THAN IT IS A VALUE.

1 DR. HALL: WOULD YOU ACCEPT THAT, OSSIE?  
2 DR. STEWARD: YES. I MAY WANT TO PUT IN --  
3 DR. HALL: HE WANTS TO HORSE-TRADE WITH ME.  
4 DR. STEWARD: SO LET ME JUST THROW A WORD OUT  
5 THERE, WHICH IS STRATEGIC, WHICH SORT OF REPLACES  
6 TRANSPARENCY. IT MEANS WE HAVE A GOAL IN MIND. WE'RE  
7 NOT DOING SCIENCE FOR SCIENCE SAKE. THAT REALLY JUST  
8 NEEDS TO BE, I THINK, ONE WORD IN THERE.  
9 DR. HALL: HOW ABOUT GOAL DIRECTED?  
10 CHAIRMAN KLEIN: IF WE'RE GOING TO HAVE  
11 STRATEGIC PRINCIPLES, WILL THAT PICK UP YOUR WORD  
12 "STRATEGIC"?  
13 DR. PENHOET: ALL THINGS IN THE STRATEGIC  
14 PLAN.  
15 DR. HALL: YEAH, THIS IS A STRATEGIC PLAN. I  
16 THINK THAT ONE IS A LITTLE REDUNDANT. IF YOU WANT TO  
17 SAY GOAL DIRECTED, I WOULD SAY THAT WOULD BE ALL RIGHT.  
18 MR. ROTH: I THINK IT STILL COMES BACK TO SAY  
19 YOUR VALUES ARE THINGS LIKE WE VALUE EXCELLENCE,  
20 COLLABORATIONS, WE VALUE INNOVATION, WE VALUE --  
21 DR. HALL: SO LET ME MAKE A PITCH FOR  
22 SOMETHING LIKE THAT BECAUSE, AS OSSIE SAYS, WE ARE IN  
23 SOME WAYS DIFFERENT FROM THE NATIONAL SCIENCE  
24 FOUNDATION. RIGHT. OUR OBJECT IS NOT GATHERING  
25 KNOWLEDGE FOR THE SAKE OF KNOWLEDGE. IT IS, YOU KNOW,

1 AS WE EXPRESSED IN THE SLOGANS, AND I THINK IF THERE  
2 WERE A VALUE THAT SAID SOMETHING LIKE THAT, THAT WE  
3 SHOULD HAVE THAT IN IT. I'M NOT SURE GOAL DIRECTED IS  
4 QUITE RIGHT, BUT MAYBE IT'S IN THE RIGHT DIRECTION.

5 DR. FONTANA: I'D LIKE TO REVISIT  
6 TRANSLATIONAL BECAUSE IT'S A GOAL OF OURS. AND IT IS A  
7 COMMON PHRASE NOW, AND IT'S ALSO A NEW PARADIGM WHICH  
8 IS REFLECTIVE OF WHAT WE ARE CREATING. WE ARE FOCUSING  
9 ON TRANSLATING SCIENCE FROM THE BENCH TO THE BEDSIDE,  
10 AND WE'RE DIFFERENT IN THAT WAY FROM OTHER --

11 DR. HALL: YOU DON'T THINK GOAL DIRECTED  
12 WOULD ENCOMPASS THAT?

13 DR. FONTANA: IT CAN, BUT I THINK THAT  
14 TRANSLATIONAL IS MORE FOCUSED ON, INDEED, WHAT IS ONE  
15 OF OUR VALUES.

16 DR. PRIETO: IT DOES SPEAK MORE DIRECTLY TO  
17 WHAT OUR GOAL IS, WHICH IS TRANSLATING THIS VERY  
18 EXCITING NEW AREA OF SCIENCE INTO APPLICATION AT THE  
19 BEDSIDE.

20 DR. HALL: RIGHT. I WAS JUST TRYING TO THINK  
21 IF IT WOULD BE MORE APPROPRIATE AS A STRATEGIC  
22 PRINCIPLE, BUT I'M HAPPY TO PUT IT BACK IN. THAT'S  
23 FINE.

24 OKAY. ANY OTHERS WE WANT TO TAKE OUT, AND  
25 THEN WE CAN TALK ABOUT THESE ONE BY ONE.

1                   CHAIRMAN KLEIN: I'D ALSO POINT OUT THAT THE  
2 CONTRACT WITH AMERICA, WHICH WAS VERY SUCCESSFUL, IN  
3 THE HOUSE OF REPRESENTATIVES --

4                   DR. HALL: WHERE ARE YOU GOING WITH THIS?  
5 I'M LITTLE SCARED.

6                   CHAIRMAN KLEIN: IT HAD TEN POINTS. WE DON'T  
7 NECESSARILY HAVE TO HAVE FIVE. WE HAVE ROOM AT YOUR  
8 DISCRETION.

9                   DR. HALL: I THINK MY OWN VIEW IS SOMEWHERE  
10 AROUND FIVE IS YOUR PEAK OF STRENGTH. THEN THEY START  
11 GETTING -- BUT LET'S SEE HOW WE DO. WHY DON'T WE GO  
12 THROUGH --

13                  DR. STEWARD: JUST ONE MORE COMBINATION.  
14 ACTUALLY I LIKE THE SENTENCE THAT BOB READ WHEN WE WERE  
15 TALKING ABOUT DYNAMISM AND ADAPTABILITY. IN FACT, IT  
16 WAS ADAPTIVE AND RESPONSIVE, WHICH ARE TWO GOOD WORDS  
17 TOGETHER.

18                  DR. HALL: YOU WANT TO PUT ADAPTIVE AND  
19 RESPONSIVE? YOU WANT TO ADD IN.

20                  DR. STEWARD: THAT SORT OF CAPTURES, I THINK,  
21 WHAT WE WERE TALKING ABOUT.

22                  DR. HALL: WHAT DOES SUSTAINABILITY MEAN IN  
23 THIS CONTEXT?

24                  CHAIRMAN KLEIN: ACHIEVING MILESTONES CREATES  
25 JUSTIFICATION. ISN'T ACHIEVING MILESTONES A STRATEGIC

1 PRINCIPLE?

2 DR. HALL: I THINK WHAT THAT WAS MEANT TO SAY  
3 WAS THAT, LIKE WHEN TEN YEARS IS OVER, WE WANT TO  
4 CREATE A PLAN THAT WILL BE SUSTAINED.

5 DR. THAL: I DON'T THINK THAT'S A VALUE. WE  
6 MAY BE DONE. WE MAY BE UNFUNDED. WE MAY NOT BE  
7 UNFUNDED. I THINK WE COULD DROP SUSTAINABILITY.

8 DR. HALL: ANYBODY ELSE? TAKE IT OUT? OKAY.  
9 GOOD.

10 DR. PENHOET: I THINK WE CAN DROP EMPOWERMENT  
11 BECAUSE IF WE DO ALL THE REST OF THESE THINGS WELL,  
12 THAT WILL NATURALLY FLOW.

13 DR. HALL: WE WILL HAVE BEEN EMPOWERED IF WE  
14 DO THE REST OF THEM, OR WE WILL HAVE EMPOWERED  
15 SOMEBODY.

16 MR. ROTH: I REALLY DON'T THINK DYNAMISM  
17 IS --

18 DR. WRIGHT: JUST FAVORING ADAPTIVE AND  
19 RESPONSIVE OVER DYNAMISM. I TRIP OVER DYNAMISM.

20 DR. PRIETO: DOES INNOVATION CAPTURE  
21 LEADERSHIP?

22 MR. ROTH: I DON'T THINK WE NEED LEADERSHIP  
23 EITHER.

24 DR. HALL: WHAT HAVE WE GOT? TEN. I THINK  
25 WE'RE THERE.



1 DR. PENHOET: GOAL DIRECTED AND SERVICE HAVE  
2 AN OVERLAP.

3 CHAIRMAN KLEIN: DYNAMIC CAN BE A STRATEGIC  
4 PRINCIPLE. IT REALLY IMPLEMENTS ADAPTIVE AND  
5 RESPONSIVE VALUES.

6 DR. HALL: WANT TO TAKE IT OUT? ED, WHAT DID  
7 YOU SAY ABOUT THE LAST TWO?

8 DR. PENHOET: I JUST THOUGHT THERE'S SOME  
9 OVERLAP BETWEEN GOAL DIRECTED AND SERVICE. SERVICE  
10 SHOULD REMIND US OF PEOPLE WITH DISEASES OR INJURIES.  
11 AND GOAL DIRECTED AND TO SOME DEGREE OUR GOAL IS THE  
12 SAME, SO I JUST THOUGHT THOSE TWO ARE NOT QUITE  
13 SYNONYMOUS, BUT THEY'RE CLOSE TO BEING SYNONYMOUS WITH  
14 DYNAMISM.

15 DR. HALL: LET'S THINK ABOUT AN ALTERNATIVE.

16 DR. PRIETO: IT'S MORE OF A VALUE.

17 DR. HALL: LET'S THINK ABOUT AN ALTERNATIVE  
18 THAT MIGHT BE MORE SPECIFIC. WHAT IF WE SAID DISEASE  
19 ORIENTED? TOO STRONG. DISEASE -- HOW WOULD YOU PUT  
20 IT? I.E., SOMETHING THAT EXPRESSES, I THINK, WHAT  
21 WOULD BE -- THE IDEA WE HAVE A GOAL. BUT THAT WOULD  
22 EXPRESS -- MAYBE THAT'S A MISSION STATEMENT.

23 MR. ROTH: IT'S JUST THAT WE'VE GOT SORT OF  
24 APPLES AND ORANGES HERE. IF YOU SAY, AGAIN, I VALUE  
25 URGENCY, I VALUE EXCELLENCE, HOW DO YOU VALUE GOAL

1 DIRECTED? HOW DO YOU VALUE TRANSLATIONAL?

2 DR. HALL: I ACTUALLY THINK THE GOAL  
3 DIRECTED, URGENCY WOULD TAKE CARE OF THAT. I THINK  
4 THAT'S UNDERSTOOD, URGENCY. I THINK THAT MEANS WE  
5 UNDERSTAND THAT THIS IS ABOUT DISEASE.

6 DR. PRIETO: DOES SERVICE ENCOMPASS, THEN,  
7 TRANSLATION? AS I LOOK AT THESE OTHER VALUES AND THE  
8 EXPLANATION FOR THEM FROM OTHER ORGANIZATIONS, THEY'RE  
9 NOT JUST THE ONE WORD, BUT THERE'S A PHRASE OR SENTENCE  
10 EXPLAINING WHAT'S MEANT BY THAT.

11 DR. HALL: ED, I HAVE TO SAY THIS MAY BE MY  
12 YEARS IN ACADEMIA, BUT WHEN I SEE THE WORD "SERVICE," I  
13 THINK ABOUT SERVING ON COMMITTEES.

14 DR. PENHOET: YES. WELL, I DO TOO. WE CAN  
15 BOTH BE RETRAINED.

16 DR. HALL: BUT I THINK DOESN'T URGENCY REALLY  
17 CAPTURE THAT?

18 MR. ROTH: I THINK THAT TAKES CARE OF  
19 RESPONSIVE, ADAPTIVE AND RESPONSIVE.

20 DR. HALL: UNDER WHICH?

21 MR. ROTH: WELL, URGENCY.

22 DR. HALL: NO. I THINK URGENCY MEANS WE'RE  
23 MOVING TOWARD A GOAL. ADAPTIVE AND RESPONSIVE MEANS  
24 WE'RE WILLING TO SHIFT DIRECTION NECESSARILY IN ORDER  
25 TO GET.

1 MR. ROTH: I THINK IF YOU VALUE SOMETHING,  
2 YOU VALUE RESPONSIVENESS.

3 DR. HALL: WELL, ED, WHAT ABOUT SERVICE? DO  
4 YOU THINK YOU WANT TO KEEP IT IN? IT'S NOT QUITE CLEAR  
5 WHAT IT MEANS, I GUESS, IN THE CONTEXT.

6 DR. PENHOET: TO ME IT'S BEING RESPONSIBLE TO  
7 OUR CONSTITUENTS WHO ARE PAYING FOR THIS, THAT WE HAVE  
8 A SERVICE MENTALITY. WE'RE HERE TO SERVE THE PEOPLE.

9 DR. HALL: MAYBE WE SHOULD PUT THAT IN A --  
10 REPHRASE THAT.

11 DR. PENHOET: I THINK UNDER SERVICE YOU CAN  
12 LUMP DIVERSITY, YOU CAN LUMP A LOT OF OTHER THINGS. I  
13 DON'T KNOW. THAT'S WHY I PUT IT UP THERE. I'M NOT  
14 MARRIED TO IT.

15 DR. HALL: WE COULD SAY RESPONSIBILITY TO OUR  
16 CONSTITUENTS? SERVICE TO ME, SORRY, JUST CREATES A  
17 FUNNY --

18 MR. ROTH: TAKE THOSE LAST THREE OUT.

19 DR. HALL: SOUNDS LIKE SOMETHING YOU HAVE TO  
20 DO.

21 MR. ROTH: TAKE THE LAST THREE OUT. YOU'VE  
22 GOT FIVE. ADD THE WORD "SCIENTIFIC" IN FRONT OF  
23 EXCELLENCE.

24 DR. PENHOET: I DON'T THINK TRANSLATIONAL IS  
25 A VALUE.

1 DR. PRIETO: HOW ABOUT --

2 DR. HALL: LET ME JUST FOLLOW. LET'S LOOK AT  
3 THE TOP FIVE ON THE LIST. JUST ONE MOMENT, FRANCISCO.  
4 URGENCY, EXCELLENCE, COLLABORATION, INNOVATION,  
5 ACCOUNTABILITY, INTEGRITY.

6 MR. ROTH: I THINK SCIENTIFIC HAS TO GO IN  
7 FRONT OF EXCELLENCE.

8 CHAIRMAN KLEIN: WHAT ABOUT MEDICAL  
9 EXCELLENCE?

10 MR. ROTH: IT'S THE SAME TO ME. EXCELLENCE  
11 IS --

12 DR. HALL: EXCELLENCE, I LIKE THE IDEA OF  
13 EXCELLENCE IN EVERYTHING WE DO, INCLUDING OUR  
14 ADMINISTRATIVE PEOPLE, OUR ORGANIZATION, EVERYTHING.

15 URGENCY, EXCELLENCE, COLLABORATION,  
16 INNOVATION, ACCOUNTABILITY, INTEGRITY. THAT'S A PRETTY  
17 GOOD LIST.

18 DR. PRIETO: HOW ABOUT RESPONSIVE -- IN PLACE  
19 OF THE LAST THREE, RESPONSIBILITY?

20 CHAIRMAN KLEIN: I THINK ADAPTIVE AND  
21 RESPONSIVE IS, DR. LEVEY'S POINT, IS IMPORTANT. THAT'S  
22 AN IMPORTANT VALUE TO GIVE TO THE SCIENTIFIC COMMUNITY.  
23 THIS IS NOT A RIGID KIND OF --

24 DR. HALL: TAKE THE TOP SIX AND DROP THE  
25 BOTTOM TWO. THAT MAKE SENSE? SEVEN. IS THAT OKAY?

1 DR. LEVEY: THAT WOULD BE GREAT. SO MOVED.

2 MR. ROTH: I THINK IT'S GOT TO BE  
3 ADAPTIVENESS AND RESPONSIVENESS TO BE A VALUE.

4 DR. HALL: EVERYTHING IS NOUNS. AND I  
5 GUESS -- IS THAT RIGHT? URGENCY, EXCELLENCE,  
6 COLLABORATION, INNOVATION, ACCOUNTABILITY, INTEGRITY,  
7 SO IT SHOULD BE ADAPTIVENESS AND RESPONSIVENESS.

8 ACTUALLY IT WOULD BE NICE TO USE ONLY ONE OF  
9 THOSE IF WE COULD. MAKE SENSE? HOW ABOUT  
10 ADAPTABILITY? NOT QUITE THE SAME. ADAPTABILITY MIGHT  
11 TAKE BOTH OF THEM.

12 MR. ROTH: I WANT TO SHORTEN THEM.

13 DR. HALL: LET'S GO TO ADAPTABILITY. IT'S A  
14 GOOD LIST. OKAY.

15 BOB, I'LL TURN IT OVER TO YOU IF YOU WANT TO  
16 HAVE ANY OTHER PUBLIC COMMENT.

17 MR. REED: I THINK SERVICE IS A WONDERFUL,  
18 HUMBLING WORD. WE'VE GOT EXCELLENCE HERE, WHICH IS  
19 KIND OF A BRAGGY TERM. I THINK SERVICE IS JUST A GOOD  
20 REMINDER THAT WE'RE HERE TO SERVE. I LIKE THE WORDS  
21 INNOVATION, COLLABORATION, ACCOUNTABILITY, INTEGRITY,  
22 AND SERVICE.

23 DR. PRIETO: WHAT ELSE CAPTURES THE NOTION UP  
24 THERE THAT SORT OF REMINDS US OF WHAT WE'RE ABOUT, WHO  
25 WE ARE, WHAT WE'RE HERE FOR?

1 DR. HALL: URGENCY?

2 CHAIRMAN KLEIN: NO.

3 DR. PRIETO: URGENCY DOESN'T HAVE THE SAME --

4 DR. WRIGHT: THAT SAYS GET HERE FAST, BUT IT

5 DOESN'T SAY WHY.

6 DR. HALL: DIANE HAD HER HAND UP.

7 MR. WINOKUR: I JUST WANTED TO MAKE AN

8 OBSERVATION, THAT UNTIL WE CREATE -- YOU CREATE THE TWO

9 OR THREE LINES THAT EXPLAIN EACH OF THESE, THEY REALLY

10 DON'T HAVE ANY MEANING, OR THEY MEAN EVERYTHING, EITHER

11 WAY. AND I JUST WONDER IF WE WOULD HAVE UNANIMITY IN

12 THE EXPLANATION OF EACH ONE OF THEM?

13 DR. HALL: I THINK WHAT -- LET US -- I THINK

14 IF WE CAN GET AGREEMENT ON THESE TONIGHT, WE CAN PUT IN

15 SOME THINGS THAT WE CAN WORK ON LATER AND CRAFT AND

16 SHAPE, BUT I THINK THESE ARE ALL -- IN SOME CASES WE

17 DON'T QUITE KNOW THE SHAPE OF DIFFERENT WAYS. I THINK

18 SERVICE AND INNOVATION ARE TWO VERY DIFFERENT THINGS.

19 THERE'S NO QUESTION ABOUT THAT.

20 DON, LET ME JUST GO BACK TO YOU, AND THEN

21 I'LL PICK UP ROMAN. YOU SAID YOU HAD A TOP FIVE?

22 MR. REED: YEAH.

23 DR. HALL: WHICH WERE THEY?

24 MR. REED: INNOVATION, COLLABORATION,

25 ACCOUNTABILITY, INTEGRITY, SERVICE.

1 DR. HALL: ALL RIGHT. NO URGENCY?

2 MR. REED: I THINK THOSE THINGS COMBINED.

3 DR. HALL: NO ADAPTABILITY AND NO EXCELLENCE.

4 MR. REED: ALSO, WHAT ABOUT COMPASSION?

5 THOSE ARE MY TOP FIVE.

6 MR. R. REED: THAT KIND OF STOLE MY THUNDER,  
7 THE COMPASSION. THE REASON WHY IS -- THE REASON THAT  
8 WE'RE ALL HERE IS WE'RE ALL COMPASSIONATE TO OUR  
9 SUFFERING. WE WANT TO TURN STEM CELLS INTO CURES.  
10 COMPASSION HAS TO BE ONE OF OUR MOTIVATORS.

11 THE OTHER THING I THINK AS A PATIENT, WHEN I  
12 LOOK AT THE LEADERSHIP, TWO NOTIONS THAT COME TO MIND  
13 ARE STEWARDSHIP AND VANGUARD BECAUSE WE ARE SUCH  
14 LEADERS IN THIS GREAT, IMPORTANT, AND POWERFUL  
15 MOVEMENT.

16 DR. HALL: WHAT DOES THE COMMITTEE WANT TO DO  
17 AT THIS POINT? IN FACT, I THINK IT'S A GOOD TIME TO  
18 TURN IT OVER TO YOU, BOB. I THINK IT'S CLOSE. AND THE  
19 OTHER -- LET ME JUST POINT OUT THAT YOU NINE NOW HAVE  
20 THE RESPONSIBILITY TOMORROW OF PERSUADING THE OTHER 20  
21 OF YOUR COLLEAGUES THAT THIS IS, INDEED, THE BEST  
22 CHOICE OUT OF ALL THE CHOICES WE HAD OR WHATEVER YOU  
23 DECIDE.

24 DR. PENHOET: IF WE ADD ONE WORD, WE CAN EACH  
25 BE THE SPOKESMAN.

1 DR. HALL: YOU WANT TO CHANGE EITHER OF  
2 THESE? EVERYBODY IS ASSIGNED A VALUE TO DEFEND  
3 TOMORROW. YOU WANT TO TAKE ANY SUGGESTIONS OUT OF THE  
4 LAST TWO COMMENTS? IF NOT, HOW DO YOU WANT TO PROCEED?  
5 I THINK IT'S DOWN TO A SMALL ENOUGH THING, I'D PREFER  
6 TO TURN IT OVER TO YOU.

7 CHAIRMAN KLEIN: I WOULD CERTAINLY SAY, IN  
8 RESPONSE TO, DIANE, YOUR COMMENTS, THAT DR. HALL, DR.  
9 CHIU, AND THE REST OF THE STAFF CAN CERTAINLY, AS  
10 THEY'VE DONE BEFORE, INTEGRATE THE COMMENTS THAT WILL  
11 BE PART OF THE TRANSCRIPT HERE IN FILLING OUT THE  
12 MEANING BEHIND EACH OF THESE VALUES. SO WE HAVE A  
13 RECORD THAT THEY CAN WORK WITH.

14 IN TERMS OF THE LIST THAT WE HAVE BEFORE US,  
15 THE ONE ADDITION IS THE POSSIBLE ADDITION OF THE WORD  
16 "SERVICE." ANY COMMENTS AS TO THE WORD "SERVICE" THAT  
17 IS NOW UP THERE AS AN ADDITION TO THE LIST WE HAD  
18 BEFORE?

19 DR. PRIETO: SERVICE IS UP THERE.

20 CHAIRMAN KLEIN: SERVICE GOT ADDED BACK BASED  
21 UPON THE COMMENTS. IS THAT ACCEPTABLE IS THE QUESTION?

22 DR. PENHOET: I THINK IN A WAY COMPASSION CAN  
23 BE EMBEDDED IN SERVICE. WHY DO YOU PERFORM A SERVICE  
24 FOR SOMEONE?

25 CHAIRMAN KLEIN: I THINK SERVICE IS A GOOD



1 WORD BECAUSE, AS STATED, IT ALSO RELATES TO OUR BASIC  
2 ROLE FOR THE PUBLIC, AND IT CONVEYS A CERTAIN HUMILITY  
3 IN THAT ROLE TO REMIND US OF WHY WE'RE HERE.

4 DR. HALL: HOW ABOUT RESPONSIBILITY TO THE  
5 PUBLIC?

6 DR. PRIETO: SERVICE ENCOMPASSES STEWARDSHIP  
7 TOO.

8 CHAIRMAN KLEIN: I LIKE THE WORD "SERVICE."  
9 I'M TRYING TO MAKE CERTAIN IT'S CONSISTENT.

10 DR. PRIETO: I LIKE IT VERY MUCH.

11 MR. ROTH: I'D LIKE TO SEE EXCELLENCE STAY IN  
12 THERE.

13 CHAIRMAN KLEIN: FIRST, I'D LIKE TO SEE WITH  
14 EVERYTHING THAT'S UP THERE, INCLUDING EXCELLENCE,  
15 WITHOUT ANY DELETIONS, IS THERE A MOTION TO ADOPT ALL  
16 OF THE WORDS WITHOUT ELIMINATING ANY OF THEM? IS THERE  
17 A MOTION?

18 DR. STEWARD: MOVE.

19 DR. LEVEY: SECOND.

20 CHAIRMAN KLEIN: AND A SECOND. ALL IN FAVOR.  
21 SEEING OUR DOMINANT CONSENSUS AGAIN, I WOULD SUGGEST  
22 THAT WE DON'T NEED TO GO THROUGH AN ADDITIONAL VOTE TO  
23 ELIMINATE ANY.

24 DR. HALL: GREAT. WELL, THIS HAS BEEN A VERY  
25 EFFICIENT GROUP TONIGHT. VERY SELECTIVE GROUP. IF YOU

1 WOULD LIKE, WE AGREED THAT WE WOULD -- BOB WOULD LIKE  
2 TO ADDRESS STRATEGIC PRINCIPLES. SO IF YOU COULD GIVE  
3 US A BLANK SCREEN. ALL RIGHT. FLOOR IS OPEN. YOU  
4 WANT TO SUGGEST -- YOU HAD TWO A MOMENT AGO. YOU WANT  
5 TO SUGGEST THOSE?

6 CHAIRMAN KLEIN: WELL, AMONG THE PRINCIPLES  
7 WE PREVIOUSLY DISCUSSED, AT LEAST TO PUT THEM ON THE  
8 LIST, IS RISK DIVERSIFICATION. IT'S VERY BRILLIANT NEW  
9 IDEAS THAT MAY BE HIGHER RISK, AS WELL AS SOME IDEAS  
10 THAT AREN'T VERY MATURE, THAT WE CAN GET IMMEDIATE  
11 RELATIVELY NEAR-TERM ADAPTATIONS FROM. AS DUANE SAID,  
12 PARTICULAR MAYBE THINGS LIKE CARDIOMYOCYTES USED FOR  
13 TOXICITY TESTING OR TOOL APPLICATIONS.

14 DR. HALL: THIS IS MAYBE ANOTHER WAY OF  
15 SAYING SOMETHING THAT PAUL BERG SAID AT OUR MEETING  
16 LAST YEAR THAT I REMEMBER. HE SAID, YOU KNOW, CIRM IS  
17 IN THE FORTUNATE POSITION OF NOT HAVING TO PUT ALL ITS  
18 MONEY ON ONE HORSE. WE CAN PLACE MANY BETS HERE, AND  
19 IT'S IMPORTANT THAT WE DO SO. HE HAD A SLIGHTLY  
20 CHILLING EXAMPLE. AS I RECALL, HE HAD JUST BEEN  
21 READING ABOUT PRODUCTION OF THE HYDROGEN BOMB, I  
22 BELIEVE, ONE OF THOSE. HE WAS VERY IMPRESSED WITH  
23 THAT, THAT THEY RECEIVED MULTIPLE STRATEGIES AT THE  
24 SAME TIME IN ORDER TO ACHIEVE SUCCESS. OUR AIM HERE IS  
25 A RATHER DIFFERENT ONE. I THINK IT'S IMPORTANT. I

1 THINK THAT'S GOOD.

2 CHAIRMAN KLEIN: ANOTHER IDEA THAT WAS  
3 DISCUSSED HERE WAS IN COMPARATIVE ADVANTAGE, WHERE IS  
4 OUR GREATEST ADVANTAGE OF WHAT WE CAN CONTRIBUTE.  
5 COMPARATIVE ADVANTAGE IS AN ECONOMIC THEORY OR AN  
6 ECONOMIC STRATEGY WHERE YOU LOOK AT YOUR ASSETS AND YOU  
7 DECIDE WHERE YOUR COMPARATIVE ADVANTAGE IS AND WHERE  
8 YOU, THEREFORE, NEED TO FOCUS.

9 DUANE RAISED ANOTHER ISSUE, WHICH IS SEEDING.  
10 DUANE, DO YOU WANT TO SAY SOMETHING ABOUT THAT?

11 MR. ROTH: WELL, SEEDING, ENABLING, AND  
12 LEVERAGE ARE ALL PRINCIPLES THAT I THINK WE SHOULD BE  
13 LOOKING AT WHENEVER WE FUND THINGS. SEEDING SOMETHING  
14 THAT NEEDS TO BE ADVANCED OR ENABLING SOMETHING THAT  
15 WOULDN'T WITHOUT OUR MONEY GO FORWARD. AND ARE WE  
16 LEVERAGING EVERY CHANCE WE GET TO BRING IN PRIVATE  
17 FUNDING TO MAXIMIZE.

18 I THINK THE ADVANTAGE OF LEVERAGING WAS SHOWN  
19 IN THE COMPETITION FOR THE HEADQUARTERS. YOU SAW WHAT  
20 IT CAN DO. NOBODY WOULD HAVE BELIEVED THAT PEOPLE  
21 WOULD RAISE \$10 MILLION JUST TO GET ALL YOU NICE  
22 PEOPLE --

23 CHAIRMAN KLEIN: OR EIGHTEEN.

24 MR. ROTH: THAT SHOULD BE A STRATEGIC  
25 PRINCIPLE OF THIS ORGANIZATION.

1                   CHAIRMAN KLEIN:  THE TRANSLATIONAL MEDICINE  
2  IS A STRATEGIC PRINCIPLE.  PREVIOUSLY DISCUSSED,  
3  DYNAMIC NATURE --

4                   DR. HALL:  HOW ABOUT A TRANSLATIONAL  
5  STRATEGY?  I THINK THAT'S REDUNDANT.

6                   CHAIRMAN KLEIN:  STRATEGY, I THINK, THESE ARE  
7  ALL STRATEGIC PRINCIPLES.

8                   MR. ROTH:  YOU COULD SAY FOCUSED.

9                   CHAIRMAN KLEIN:  DYNAMISM MAY BE DYNAMIC.  
10 IT'S REALLY A DYNAMIC GRANT PROGRAM IS REALLY WHAT IT  
11 IS.  IT DEALS WITH -- IT'S AN IMPLEMENTATION WITH A  
12 PRINCIPLE OF YOUR ADAPTIVE AND RESPONSIVE VALUE.

13                  DR. LEVEY:  YOU KNOW, I NEVER LIKED THAT TERM  
14 "LEVERAGING," BUT I WAS JUST SITTING HERE TALKING.  IF  
15 WE PUT LEVERAGING IN A DIFFERENT WAY, JUST SAY LEVERAGE  
16 EITHER HUMAN OR SCIENTIFIC AND FINANCIAL CAPITAL IN  
17 TERMS OF A STRATEGIC PRINCIPLE.

18                  CHAIRMAN KLEIN:  HOW ABOUT RESOURCE LEVERAGE?

19                  DR. LEVEY:  WHATEVER, SOMETHING LIKE THAT  
20 BECAUSE WE'VE BEEN GIVEN A REALLY FULL DECK TO PLAY  
21 WITH HERE FINANCIALLY AND IN TERMS OF THE QUALITY OF  
22 THE SCIENTISTS THAT WE HAVE IN CALIFORNIA.

23                  CHAIRMAN KLEIN:  INSTEAD OF LEVERAGING, MAYBE  
24 LEVERAGE.

25                  DR. LEVEY:  JUST SAYING LEVERAGE JUST SOUNDS

1       LIKE SOMETHING ON WALL STREET.

2                   CHAIRMAN KLEIN:   RESOURCE LEVERAGE.

3                   DR. LEVEY:   THAT'S GOOD.   WHAT DO YOU THINK,  
4   ZACH?

5                   CHAIRMAN KLEIN:   DR. WRIGHT AND I TALKED  
6   ABOUT A CONCEPT THAT I THINK WAS RAISED IN THE PATIENT  
7   MEETING, WHICH WAS HOW DO WE CAPTURE KNOWLEDGE FROM THE  
8   SCIENTIFIC AND MEDICAL PROCESS WHERE WE HAVE A  
9   METHODOLOGY TO DELIVER IT TO CLINICAL APPLICATIONS.  
10   IT'S NOT PACKABLE KNOWLEDGE, BUT IT'S KNOWLEDGE ABOUT  
11   THE DEVELOPMENT OF DISEASE THAT MIGHT BENEFIT CLINICAL  
12   APPLICATIONS TO OPTIMIZE EXISTING THERAPEUTICS OR TO  
13   ADDRESS HOW TO HELP THE RECOVERY PROCESS OF SOMEONE WHO  
14   HAS CHRONIC DISEASE.   BUT AS A STRATEGIC PRINCIPLE, I  
15   DON'T KNOW HOW TO WORD THAT, BUT THERE'S A TREMENDOUS  
16   AMOUNT OF KNOWLEDGE THAT IS NOT CAPTURED AND IS NOT  
17   TAKEN TO THE TRANSLATIONAL LEVEL.   MAYBE TRANSLATIONAL  
18   MEDICINE AS A FOCUS COULD SOMEHOW CAPTURE THAT.

19                  DR. LEVEY:   YEAH.   YOU KNOW, ANOTHER  
20   STRATEGIC PRINCIPLE, I THINK, WHICH HAS BEEN,  
21   PARTICULARLY THE GATES FOUNDATION AND A LOT OF  
22   DISCUSSION AROUND THAT, SOME OF THE THINGS THAT MIKE  
23   MILKEN HAS DONE, MAYBE WE OUGHT TO PUT DOWN THERE DATA  
24   SHARING.   I THINK THE PEOPLE IN THE STATE ARE GOING TO  
25   WANT US TO HAVE A STRATEGIC PRINCIPLE.

1 DR. PRIETO: ONE OF THE THINGS WE PUT AS ONE  
2 OF OUR BASIC VALUES --

3 DR. LEVEY: IS COLLABORATION, AND THAT WOULD  
4 BE RELATED.

5 CHAIRMAN KLEIN: AND IS ONE OF OUR STRATEGIC  
6 PRINCIPLES ACHIEVING MILESTONES? IS IT PART OF OUR  
7 CONCEPTS? IT IS PREVIOUSLY UNDER SUSTAINABILITY, BUT  
8 ACHIEVING MILESTONES HAS BEEN DISCUSSED TIME AND TIME  
9 AGAIN WITH VARIOUS MEMBERS OF THE SCIENTIFIC COMMUNITY  
10 MAKING PRESENTATIONS IN THE STRATEGIC PLANNING  
11 SESSIONS.

12 DR. HALL: I'D LIKE TO MAKE THE POINT THAT I  
13 THINK THAT IS AN IMPORTANT STRATEGY, BUT I WOULD NOT  
14 LIKE TO GET US LOCKED INTO THAT AS A RIGID WAY. THERE  
15 ARE CERTAIN KINDS OF RESEARCH FOR WHICH IT IS EXTREMELY  
16 IMPORTANT. I THINK WHAT WE'VE HEARD IS THAT THE  
17 TRADITIONAL CONCEPT OF THAT WHAT ARENA IS IN WHICH IT  
18 IS USEFUL AND IMPORTANT IS LARGER THAN IT USED TO BE.  
19 ON THE OTHER HAND, THERE ARE CERTAIN KINDS OF RESEARCH,  
20 I THINK, IF YOU VALUE INNOVATION, THAT MEANS YOU ARE  
21 WILLING TO LET PEOPLE TAKE CHANCES AND FAIL OR TAKE  
22 CHANCES OVER LONG PERIODS OF TIME. AND SO IT BECOMES  
23 IN THAT CONTEXT, THEN, THAT'S NOT NECESSARILY A PLACE  
24 WHERE YOU WANT TO COME UP EVERY YEAR AND SAY HAVE YOU  
25 ACHIEVED YOUR MILESTONES? IF NOT, THEN WE'RE GOING TO

1 TAKE YOUR GRANT AWAY. SO I WOULD SAY THAT SOMEHOW THAT  
2 NEEDS TO BE APPROPRIATE.

3 CHAIRMAN KLEIN: I THINK WHAT HAVE YOU UNDER  
4 YOUR EXPLANATION FOR DYNAMIC, IT SAYS THIS IS HOW WE  
5 IMPROVE THE SPEED OF DISCOVERY AND THE ABILITY TO  
6 CAPITALIZE ON CHANGES IN DIRECTIONS SO WE DON'T CRIPPLE  
7 SCIENCE AS IT DYNAMICALLY AND SPONTANEOUSLY MOVES  
8 FORWARD. SO AS A BALANCE OF CONCEPTS, YOU CAN HAVE  
9 MILESTONES, BUT YOU'RE MAKING CLEAR THAT THEY'RE  
10 DYNAMIC IN NATURE.

11 DR. HALL: I WOULD PUT THE TWO BALANCING  
12 THERE WOULD BE ACCOUNTABILITY AT THE GRANTS LEVEL AND  
13 FLEXIBILITY. YOU WANT PEOPLE TO BE ACCOUNTABLE FOR THE  
14 MONEY YOU GIVE THEM, YET YOU WANT TO GIVE THEM  
15 FLEXIBILITY, AND HOW YOU VARY THOSE WILL DEPEND ON WHAT  
16 IT IS. IF YOU'RE PUTTING OUT A CONTRACT TO GET  
17 MONOCLONAL ANTIBODIES, YOU WANT SOMEBODY WHO'S GOING TO  
18 PRODUCE SO MANY ANTIBODIES. AT THE END OF THE FIRST  
19 YEAR, IF THEY HAVEN'T DONE IT, THEN WE'VE GOT A  
20 PROBLEM. BUT IF YOU HAVE SOMEBODY WHO'S TRYING TO  
21 REPROGRAM NUCLEI, AND THEY SAY AT THE END OF THE FIRST  
22 YEAR, WE HAVEN'T SUCCEEDED, THEN I THINK --

23 CHAIRMAN KLEIN: DON'T YOU HAVE BOTH HERE  
24 BECAUSE YOU ARE GOING TO APPLY, AS HEAD OF THE  
25 SCIENTIFIC GROUP, EACH PRINCIPLE WHEN IT'S APPROPRIATE?

1 DR. HALL: YEAH. MY SENSE IS AS LONG AS --  
2 THAT'S WHAT I'M SAYING. AS LONG AS SOMEHOW THERE'S  
3 ROOM TO DO THAT.

4 CHAIRMAN KLEIN: I THINK IN BUILDING OUT THE  
5 SENTENCES UNDER HERE TO EXPLAIN IT, YOU SHOULD MAKE IT  
6 CLEAR THAT YOU HAVE TO HAVE THAT DISCRETION.

7 DR. HALL: OKAY.

8 DR. HALME: WHAT IF YOU TALK ABOUT  
9 MILESTONES, NOT FOR INDIVIDUAL INVESTIGATORS AND THEIR  
10 GRANTS, BUT MILESTONES FOR THE PORTFOLIO OF CIRM'S  
11 GRANTS? WE WANT TO ACHIEVE X.

12 MR. ROTH: THOSE ARE REALLY GOALS, NOT  
13 MILESTONES.

14 DR. HALL: CERTAINLY ONE OF THE THINGS THAT  
15 WE WILL DO AND TALK ABOUT, I THINK THAT ACTUALLY IS A  
16 VERY GOOD IDEA, IS THAT WE WILL HAVE TO BE, IN SHERRY  
17 LANSING'S IMMORTAL WORDS, THIS WILL BE A LIVING PLAN.  
18 AND WE WILL HAVE TO HAVE WAYS OF SAYING HERE'S WHAT  
19 WE -- HERE'S WHAT WE THINK WE OUGHT TO BE ABLE TO DO AT  
20 THE END OF THREE YEARS, FIVE YEARS, EIGHT YEARS, TEN  
21 YEARS, WHATEVER THE TIME IS. AND THEN WE OUGHT TO SIT  
22 AND EVALUATE THAT AND SAY, WELL, WE MET OUR GOALS, WE  
23 MUST BE ON THE RIGHT TRACK; OR WE DIDN'T, WHAT'S WRONG?  
24 AND LET'S REEVALUATE, RETHINK THIS, AND HAVE THE  
25 ABILITY TO CHANGE. THAT CERTAINLY WILL BE BUILT INTO



1 THE PLAN. HOW DO YOU WANT --

2 CHAIRMAN KLEIN: ISN'T THAT A SEPARATE POINT?  
3 ISN'T THAT A GOAL-DRIVEN PORTFOLIO BECAUSE THERE'S  
4 MILESTONES FOR RESEARCH WHICH NEED TO BE ADAPTIVE TO  
5 THE PROCESS, AS YOU MENTIONED, BUT IT'S A GOAL-DRIVEN  
6 PORTFOLIO.

7 DR. HALL: NOW, DO YOU MEAN THE WHOLE  
8 PORTFOLIO?

9 CHAIRMAN KLEIN: THE WHOLE PORTFOLIO.

10 DR. HALL: BUT THAT GOAL COULD BE TEN YEARS  
11 DOWN THE LINE, BUT THEN THE WHOLE POINT OF MILESTONES  
12 IS TO NOT WAIT TILL TEN YEARS BEFORE YOU EVALUATE.

13 CHAIRMAN KLEIN: NO. NO. THE MILESTONES ARE  
14 REALLY AT THE INVESTIGATOR LEVEL, WHEN APPROPRIATE, AS  
15 YOU'VE SAID. SOMETIMES --

16 DR. HALL: OKAY. DINA WAS SUGGESTING JUST  
17 THE OPPOSITE, ACTUALLY, THAT WE MIGHT APPLY MILESTONES  
18 AS A FIRM PRINCIPLE TO OUR WHOLE ACTIVITY. BUT I'M  
19 JUST CONCERNED. I THINK WE WILL HAVE MILESTONES IN  
20 MANY, MANY SITUATIONS, AND I THINK THEY WILL BE LARGER  
21 THAN -- WE'LL HAVE MORE SITUATIONS THAN A TYPICAL NIH  
22 PORTFOLIO, FOR SURE. I THINK, HOWEVER, IT'S GOING TO  
23 BE VERY IMPORTANT TO PROTECT DISCOVERY RESEARCH IN SOME  
24 CORNER OF OUR PORTFOLIO. SO HOW WE HANDLE IT, I DON'T  
25 KNOW. I JUST WANTED TO PUT THAT PLUG IN.

1 DR. LEVEY: I THINK THIS IS A VERY IMPORTANT  
2 POINT ACTUALLY. I THINK WE'RE JUST NOT QUITE THERE  
3 YET, BUT I THINK THAT, AGAIN, I THINK WHAT WE'RE TRYING  
4 TO GET AT HERE IS THAT IT'S NOT NECESSARILY SCIENCE FOR  
5 SCIENCE SAKE. FREQUENTLY IT ISN'T. IT'S REALLY MORE  
6 OF THE INDUSTRY APPROACH, THAT YOU'RE SETTING A GOAL.  
7 WHEN I WAS AT MERCK, THIS IS WHAT WE USED TO DO. WE'D  
8 SET OUR GOALS. IF YOU DID NOT ACHIEVE YOUR GOALS, YOU  
9 KNOW, THERE WAS A PRICE TO PAY FOR THAT. SO I THINK IN  
10 SOME WAY I THINK WE WANT TO TALK ABOUT GOAL SETTING  
11 AND --

12 DR. HALL: HOW ABOUT REVIVING MY PHRASE  
13 GOAL-DIRECTED SCIENCE?

14 DR. LEVEY: WELL, THAT MIGHT BE.

15 CHAIRMAN KLEIN: THAT'S A VERY GOOD --

16 DR. HALL: SUBSTITUTE THAT FOR MILESTONES.

17 DR. LEVEY: SURE. THAT WOULD BE GOOD.

18 MR. ROTH: TAKE THE WORD "DRIVEN" INSTEAD OF  
19 DIRECTED, GOAL-DRIVEN SCIENCE. DRIVE THE SCIENCE BY  
20 SETTING GOALS.

21 DR. HALL: OKAY.

22 CHAIRMAN KLEIN: AND THEN SEEDING RESEARCH  
23 MILESTONES IS RELATED TO THE INVESTIGATOR.

24 DR. LEVEY: I LIKE DIRECTED --

25 DR. HALL: MY SUGGESTION --

1 DR. LEVEY: I LIKE DRIVEN.

2 DR. HALL: -- WE TAKE OUT THE MILESTONES LINE  
3 AND LEAVE IN THE GOAL-DRIVEN SCIENCE.

4 DR. LEVEY: WHO SAID DIRECTED RATHER THAN  
5 DRIVEN? ZACH, CAN WE SAY DIRECTED RATHER THAN DRIVEN?

6 DR. HALL: YOU AND DUANE WILL HAVE TO DUKE  
7 THAT OUT.

8 MR. ROTH: HE CAN HAVE IT. THAT'S FINE.

9 CHAIRMAN KLEIN: DUANE CEDES TO DR. LEVEY.  
10 THE DISTINGUISHED SENATOR FROM LOS ANGELES.

11 DR. LEVEY: ONE OTHER POINT.

12 DR. HALL: LET'S TAKE OUT FOR THE PORTFOLIO  
13 BECAUSE I THINK BOB HAS SOMETHING MORE SPECIFIC IN  
14 MIND.

15 DR. STEWARD: I'M GOING TO HAVE TO COME BACK  
16 ACTUALLY TO YOUR POINT. I REALLY THINK THAT HAVING  
17 THAT IN THERE AS A STRATEGIC PRINCIPLE WILL MAKE IT  
18 VERY DIFFICULT TO SET ASIDE THINGS IN THE PORTFOLIO  
19 FROM THINGS THAT DON'T HAVE MILESTONES. I'M SAYING  
20 THAT THE WORD "APPROPRIATE" DOESN'T FIT HERE. THERE'S  
21 SOME KINDS OF SCIENCE THAT WE JUST CAN'T HAVE  
22 MILESTONES.

23 CHAIRMAN KLEIN: PUT UP A SEPARATE ITEM AND  
24 SAY ADVANCING BASIC SCIENCE, SO YOU HAVE A SEPARATE  
25 PRIORITY.

1 DR. HALL: THEN I THINK WE HAVE TO PUT IN  
2 ADVANCING CLINICAL SCIENCE, ADVANCING TRANSLATIONAL  
3 SCIENCE. I DON'T THINK THAT'S -- THAT'S TOO SPECIFIC,  
4 I WOULD SAY.

5 DR. PENHOET: I THINK SAYING ACHIEVING  
6 MILESTONES DOESN'T NECESSARILY APPLY TO EVERYTHING YOU  
7 DO. WE'RE DIRECTED AT ACHIEVING MILESTONES. IT'S JUST  
8 THAT IT'S A COMPONENT OF THE PORTFOLIO OF PRINCIPLES.  
9 I DON'T THINK IT FORCES YOU TO TURN DOWN GOOD BASIC  
10 SCIENCE.

11 DR. STEWARD: I'M NOT SAYING BASIC SCIENCE.  
12 I'M ACTUALLY SAYING GOAL-DRIVEN SCIENCE THAT YOU DON'T  
13 KNOW WHEN YOU'RE GOING TO SUCCEED.

14 DR. HALL: YOU MAY BE TAKING A CHANCE.

15 DR. PRIETO: I THINK THERE'S A BALANCE THERE,  
16 FUNDING BOTH KINDS OF GRANTS.

17 DR. LEVEY: I THINK WE ALSO OUGHT TO HAVE A  
18 STRATEGIC PRINCIPLE SAY SOMETHING ABOUT THE PARTNERSHIP  
19 BETWEEN ACADEMIA AND INDUSTRY. THAT'S THE ESSENCE OF  
20 EVERYTHING THAT WE'RE DOING HERE. IF WE DON'T DO THAT,  
21 WE FAIL BECAUSE WE CAN'T COMPLETE A NUMBER OF THESE  
22 THINGS.

23 DR. PRIETO: YOU DON'T CAPTURE THAT WITH  
24 TRANSLATIONAL MEDICINE?

25 DR. LEVEY: NO. I THINK I WOULD BE MORE

1 EXPLICIT. I THINK OF THAT AS TELLING PEOPLE WE ARE  
2 THINKING ABOUT TRANSLATING IT, BUT I'D LOVE TO SEE US  
3 MAKE AN EXPLICIT STRATEGIC PRINCIPLE STATEMENT ABOUT  
4 ACADEMIA AND INDUSTRY PARTNERSHIPS.

5 MR. ROTH: PRODUCT DRIVEN.

6 DR. LEVEY: THAT'S RIGHT.

7 MR. ROTH: THAT'S WHAT I KEEP COMING BACK TO.  
8 TRANSLATIONAL DOESN'T SAY PRODUCTS. PRODUCTS HELP  
9 PATIENTS. TRANSLATING THEM, TO ME, NEVER MEANT -- I  
10 GUESS THAT'S THE INTENT. PRODUCT DRIVEN. THAT'S A LOT  
11 OF WHAT WE'RE TRYING TO GET AT.

12 DR. PRIETO: TO ME TRANSLATIONAL DOES MEAN  
13 THAT. IT MEANS BRINGING IT TO SOMETHING THAT CAN  
14 ACTUALLY BE USED FOR A PATIENT.

15 CHAIRMAN KLEIN: IS THERE A WORD OTHER THAN  
16 ACADEMIA? IS THERE A WORD OTHER THAN ACADEMIA IN TERMS  
17 OF THE PUBLIC? IS THERE A WAY TO SAY PARTNERSHIP --

18 DR. LEVEY: YOU COULD JUST SAY FOSTERING  
19 PARTNERSHIPS WITH INDUSTRY.

20 CHAIRMAN KLEIN: WELL, YOU CAN SAY  
21 PARTNERSHIP BETWEEN PUBLIC SCIENCE AND PRIVATE  
22 INDUSTRY?

23 DR. PENHOET: WELL, THE COMMONLY USED TERMS  
24 ARE THE PRIVATE SECTOR AND THE PUBLIC SECTOR, BUT  
25 THEY'RE KIND OF SO GENERIC.

1 DR. PRIETO: I THINK THIS IS --

2 DR. PENHOET: I THINK THIS IS RATHER DIRECT.

3 WHAT IT DOES IS IGNORES PLACES THAT ARE RESEARCH

4 INSTITUTES THAT ARE NOT ACADEMIC.

5 DR. HALL: I WAS JUST THINKING. I THINK

6 THAT'S OKAY. SALK. ACADEMIC INSTITUTION.

7 DR. PRIETO: THINK OF THOSE AS PART OF

8 ACADEMIA IN THE BROAD SENSE. YOU DON'T HAVE TO BE A

9 UNIVERSITY.

10 CHAIRMAN KLEIN: MAYBE IT WOULD BE BETTER IF

11 IT SAID ACADEMIC RESEARCH AND INDUSTRY.

12 DR. HALL: RESEARCH INSTITUTIONS, WOULD THAT

13 WORK? NO. IT GETS TOO LONG IF YOU HAVE TO SAY

14 NONPROFIT RESEARCH INSTITUTION. IT'S NOT WORTH IT.

15 DR. PENHOET: I THINK IT'S COMMONLY KNOWN.

16 MR. ROTH: I THINK IT'S FINE.

17 MR. REED: I WONDER IF WE COULD PUT SOMETHING

18 IN THERE ABOUT LOFTY GOALS. I WOULD HATE TO THINK THAT

19 WE HAD ACHIEVABLE MILESTONES, WHICH ARE SMALL

20 CHECKERBOARD PIECES, BUT WE SETTLE FOR SMALL

21 CHECKERBOARD PIECES WHEN WE NEED TO BE TRYING FOR THE

22 BIG STUFF, WHICH ENTAILS RISK. SO LOFTY GOALS,

23 SOMETHING LIKE, ALWAYS IN OUR MINDS.

24 DR. HALL: MOONSHOT.

25 MR. REED: WHATEVER YOU WANT TO PUT IT, BUT I

1 THINK WE HAVE SOMETHING LOFTY, NOT JUST SOMETHING  
2 ACHIEVABLE.

3 DR. HALL: THERE WAS A WORD THAT CAME UP  
4 EARLIER THAT WAS A LITTLE BETTER THAN LOFTY. I CAN'T  
5 NOW REMEMBER WHAT IT WAS. ANYBODY HAVE ANOTHER  
6 SUGGESTION? AMBITIOUS?

7 MR. REED: AMBITIOUS IS FINE.

8 DR. HALL: VISIONARY, THAT'S A LITTLE -- I  
9 ALWAYS GET A LITTLE DISTURBED BY THAT. SOMEBODY'S  
10 MAYBE OVERMEDICATED. WHAT OTHER -- AND IT'S USED A  
11 LOT. LET'S JUST PICK ONE. I DON'T THINK IT MATTERS.  
12 WHAT DO YOU WANT TO SAY, DON?

13 MR. REED: AMBITIOUS.

14 DR. HALL: AMBITIOUS GOALS. ALL RIGHT.

15 CHAIRMAN KLEIN: ON THE CAPTURING KNOWLEDGE,  
16 IT DOESN'T COME ACROSS UNLESS WE SAY CAPTURING  
17 KNOWLEDGE FOR CLINICAL USE.

18 DR. STEWARD: JUST TO GO BACK TO ACHIEVING  
19 MILESTONES, MEASURABLE PROGRESS.

20 DR. PENHOET: YOU'RE REALLY WORRIED ABOUT IT.

21 DR. STEWARD: OH, I REALLY AM.

22 DR. WRIGHT: I WAS THINKING THE SAME THING  
23 BECAUSE WHAT WE'RE COMMITTED TO IS MEASURING, RIGHT?  
24 WE'RE NOT -- WE CAN'T BE COMMITTED TO THE OUTCOME IF WE  
25 DON'T KNOW WHAT IT IS.

1 DR. HALL: I WAS SAYING ACCOUNTABILITY  
2 BEFORE, WHICH IS A DIFFERENT WAY TO DO IT. I THINK  
3 IT'S OKAY. LET'S REST. LET'S LIVE WITH IT A WHILE.  
4 MY FIRST REACTION WAS --

5 CHAIRMAN KLEIN: ARE WE INTERESTED IN CALLING  
6 ATTENTION TO THE FACT OF TARGETING CRITICAL GAPS?

7 DR. PRIETO: THAT'S A GOOD POINT.

8 CHAIRMAN KLEIN: IN RESEARCH YOU CAN DO A MAP  
9 AND SEE WHERE THE CRITICAL GAPS ARE.

10 DR. HALL: THIS IS ACTUALLY -- REMEMBER FROM  
11 THE PRESENTATION BY INSEL FROM JDRF. THAT WAS ONE OF  
12 THEIR STRATEGIC PRINCIPLES.

13 CHAIRMAN KLEIN: THAT'S WHERE I GOT IT.

14 MR. ROTH: MINING THE GAPS.

15 DR. HALL: MINING THE GAPS.

16 CHAIRMAN KLEIN: TARGETING CRITICAL GAPS.

17 DR. HALL: TARGETING CRITICAL GAPS. THAT'S  
18 GOOD. ALL RIGHT. I THINK THAT'S A VERY GOOD LIST.

19 DR. THAL: JUST A QUESTION RATHER THAN A  
20 COMMENT. IN THE GRANTS POLICY, IS THERE A DATA SHARING  
21 POLICY? I DON'T RECALL. NIH NOW HAS A VERY RIGOROUS  
22 DATA SHARING POLICY FOR ALL GRANTS OVER \$500,000 PER  
23 YEAR. I'M NOT SURE THAT WE HAVE A DATA SHARING POLICY.

24 DR. HALL: IT'S IN THE IP.

25 DR. PENHOET: IP POLICY HAS, IT'S NOT IN THE



1 REGS, BUT IT'S IN THE POLICY.

2 CHAIRMAN KLEIN: IT'S IN THE IP POLICY.

3 DR. HALL: I THINK IT'S SOMETHING THAT  
4 CERTAINLY CAME OUT OF THE MEETINGS THAT ED AND MARY  
5 HAD, AND THAT IS THIS IDEA OF PUSHING THE ENVELOPE.  
6 AND WE'VE HEARD OF A NUMBER OF EXAMPLES. THE MYELIN  
7 REPAIR FOUNDATION, I THINK IT'S CALLED, HAS A VERY  
8 INTERESTING MODEL OF TAKING PEOPLE AND SAYING, YOU  
9 KNOW, YOU GUYS HAVE TO WORK TOGETHER, YOU HAVE TO SHARE  
10 ALL YOUR DATA. IF YOU DON'T, WE WON'T SUPPORT YOU. SO  
11 VERY SMALL FOCUSED PROGRESS.

12 I THINK WE'LL LOOK FOR OPPORTUNITIES TO DO  
13 THINGS LIKE THAT.

14 DR. THAL: I THINK THE QUESTION IS IN THE  
15 CURRENT GRANTS POLICY, DOES THAT EXIST? AND I'M NOT  
16 AWARE THAT IT DOES.

17 DR. PENHOET: IT'S IN THE IP POLICY.

18 DR. THAL: IT'S IN THE IP POLICY. IT'S NOT  
19 IN THE GRANTS POLICY THAT GOES OUT TO GRANTEES YET.

20 DR. HALL: NO.

21 DR. THAL: JUST SOMETHING TO KEEP IN MIND.

22 DR. HALL: YOU WANT TO PUT IT HERE?

23 DR. THAL: NO. I THINK IT'S FINE TO HAVE,  
24 BUT OBVIOUSLY IF IT'S GOING TO BE A STRATEGIC  
25 PRINCIPLE, IT HAS TO CARRY DOWN INTO THE GRANTS POLICY.

1 DR. HALL: WELL, WE DON'T WANT TO NOT PUT IT  
2 HERE BECAUSE IT'S NOT IN THE GRANT POLICY.

3 DR. THAL: REMEMBER TO PUT IT IN THE GRANTS  
4 POLICY, NOT TO TAKE IT OUT FROM HERE, JUST REMEMBER  
5 THAT WE NEED TO PUT IT IN THE GRANTS POLICY.

6 DR. HALL: OKAY.

7 DR. CHIU: THE GRANTS POLICY ENCOMPASSES THE  
8 IP POLICY SEGMENT. AND ONE OF THE IP PRINCIPLES IS  
9 DATA SHARING AND SHARING OF BIOMATERIALS THAT COME OUT  
10 OF THE RESEARCH. SO EVEN THOUGH IT'S UNDER A SLIGHTLY  
11 DIFFERENT UMBRELLA, THE UMBRELLA OF THE GRANTS  
12 ADMINISTRATION POLICY ENCOMPASSES IT ALL.

13 CHAIRMAN KLEIN: ARE WE AT A POINT WHERE WE  
14 CAN SEE IF WE HAVE A CONSENSUS?

15 DR. HALL: YEAH.

16 CHAIRMAN KLEIN: THE DISTINGUISHED GROUP. SO  
17 THE QUESTION IS WE'VE HAD A GREAT DISCUSSION OF THESE  
18 POLICIES. THERE'S 15 OF THEM. WE HAVE THE OPPORTUNITY  
19 TO BRING THEM TO THE BOARD AS A BASIS FOR DISCUSSION  
20 AND BASIS FOR STAFF HAVING FUTURE WORK ON THEM.  
21 DOESN'T NECESSARILY MEAN THIS IS WHAT WE END UP WITH,  
22 BUT IS THIS A GOOD PLACE TO START IN TERMS OF  
23 FORWARDING SOMETHING TO THE BOARD? I SEE ED NODDING  
24 HIS HEAD. DOES ANYONE WANT TO MAKE A MOTION?

25 DR. STEWARD: SO MOVED.

1                   CHAIRMAN KLEIN: OS, MAKES A MOTION.

2                   DR. WRIGHT: SECOND.

3                   DR. WRIGHT: DR. WRIGHT IS THE SECOND. ALL  
4 IN FAVOR. THANK YOU. IT'S A VERY EFFICIENT GROUP,  
5 DOCTOR.

6                   DR. HALL: OKAY. I THINK WE HAVE ACHIEVED  
7 OUR MILESTONE FOR THE FIRST PART OF THE ICOC MEETING.  
8 AND SO WE -- ACTUALLY WE'VE GONE BEYOND. WE NOT ONLY  
9 HAVE A MISSION STATEMENT AND VALUES, BUT WE HAVE A  
10 MISSION STATEMENT, A SLOGAN, VALUES, AND STRATEGIC  
11 PRINCIPLES. SO I THINK THIS IS A VERY GOOD EVENING.  
12 VERY INSTRUCTIVE AND SETS, I THINK, JUST THE RIGHT  
13 GUIDEPOST FOR OUR STRATEGIC PLAN. AS I SAY, WE ONLY  
14 HAVE 20 MORE PEOPLE TO CONVINCED THAT THESE ARE EXACTLY  
15 THE RIGHT ONES TOMORROW. SO I SUGGEST WE PUT THIS  
16 RATHER LATE IN THE DAY.

17                  DR. WRIGHT: SO WE HAVE TIME TO LOBBY.

18                  DR. HALL: DISCOURAGE STARTING OVER AND  
19 REPEATING OUR DISCUSSION OF THIS EVENING. AT ANY RATE,  
20 LET JUST SAY THANKS TO YOU FOR SUCH A GOOD JOB. TURN  
21 IT BACK OVER TO YOU TO ADJOURN THE MEETING OR WHATEVER.

22                  DR. PENHOET: THANK YOU, ZACH.

23                  CHAIRMAN KLEIN: ARE THERE ANY OTHER PUBLIC  
24 COMMENTS? SEEING NO OTHER PUBLIC COMMENTS, LET US GIVE  
25 DR. HALL A HAND OF APPLAUSE FOR HIS LEADERSHIP.

1 (APPLAUSE.)

2 CHAIRMAN KLEIN: AND I'D LIKE TO TAKE THIS  
3 OPPORTUNITY TO THANK, AND I'D ASK PAT AND ARLENE AND  
4 GIL AND THE REST OF THE STAFF THAT'S HERE, KIRK, LET ME  
5 HAVE ALL THE STAFF RISE BECAUSE THE STAFF, EVERY STAFF  
6 MEMBER HERE HAS PUT IN HEROIC DUTY TO GET THE STRATEGIC  
7 PLAN MOVED FORWARD, TO GET THE FINANCING AND FUNDING  
8 FOR THIS AGENCY MOVED FORWARD. CAN THE STAFF JUST  
9 RISE.

10 DR. HALL: I'D LIKE TO ADD THE PWC GROUP TO  
11 THAT.

12 CHAIRMAN KLEIN: ABSOLUTELY.

13 (APPLAUSE.)

14 CHAIRMAN KLEIN: AMY DUROSS AND AMY LEWIS.  
15 WE DO UNDERSTAND THAT IT TAKES A STAFF TO REALLY MAKE  
16 THIS HAPPEN. AND AS I THINK DR. LEVEY AND I WERE  
17 TALKING EARLIER TONIGHT, IT'S BEEN ABOUT 18 MONTHS  
18 SINCE WE FIRST GOT STAFF FOR THIS AGENCY. AND IN 18  
19 MONTHS WE HAVE A PHENOMENAL MEDICAL AND ETHICAL SET OF  
20 STANDARDS LED BY COOPERATION WITH THE NATIONAL ACADEMY  
21 OF SCIENCE. WE HAVE TREMENDOUS IP POLICY LED BY DR.  
22 PENHOET, AS CHAIR OF THAT COMMITTEE. WE HAVE VERY,  
23 VERY HIGHLY DEVELOPED CONFLICTS OF INTEREST PROVISIONS,  
24 MUCH MORE EXTENSIVE DISCLOSURE PROVISIONS THAN THE  
25 NATIONAL INSTITUTES OF HEALTH. WE HAVE A VERY ACTIVE

1 GRANT PROGRAM THAT HAS GONE OUT WITH HEROIC DUTIES  
2 SPECIFICALLY BY DR. ARLENE CHIU. WE HAVE A FUNCTIONING  
3 AGENCY WITH SUBSTANTIAL FUNDING TO CREATE AND LEAD A  
4 SUBSTITUTE NATIONAL PROGRAM FOR THIS COUNTRY. WE  
5 CERTAINLY UNDERSTAND THAT THIS STAFF HAS DONE  
6 REMARKABLE WORK IN MOVING THIS AGENCY FORWARD AND  
7 MOVING IT FORWARD ON A VERY DISCIPLINED COURSE WHERE  
8 THE SUPERIOR COURT FOUND THAT THE ENTIRE ACTIVITY OF  
9 THE AGENCY WAS COMPLETELY CONSISTENT WITH THE MANDATE  
10 OF PROP 71, AND IT WAS COMPLETELY CONSISTENT WITH THE  
11 STATUTORY AUTHORITY UNDER CALIFORNIA LAW. TO HAVE  
12 THOSE GOALS ACCOMPLISHED IN THIS TIMEFRAME WITH THAT  
13 DISCIPLINE WITH THE STATE COURT VALIDATION OF EVERY  
14 SINGLE ACTION, WITH 35,000 PIECES OF PUBLIC EVIDENCE  
15 PRODUCED BY THIS AGENCY IN THAT PROCESS, IS A  
16 REMARKABLE FEAT.

17 SO WE THANK THE STAFF. WE THANK THE BOARD  
18 FOR THEIR MORE THAN 70 PUBLIC MEETINGS AND DEDICATION,  
19 BUT IT IS A GREAT BENCHMARK FOR US THAT WE HAVE BEEN  
20 LED TONIGHT THROUGH THIS PROCESS OF HAVING A REFINED  
21 MISSION STATEMENT, SLOGAN, VALUES, AND STRATEGIC  
22 PRINCIPLES. THANK YOU, DR. HALL.

23 (APPLAUSE.)

24 (THE MEETING WAS THEN ADJOURNED AT 08:52  
25 P.M.)

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REPORTER'S CERTIFICATE

I, BETH C. DRAIN, A CERTIFIED SHORTHAND REPORTER IN AND FOR THE STATE OF CALIFORNIA, HEREBY CERTIFY THAT THE FOREGOING TRANSCRIPT OF THE PROCEEDINGS BEFORE THE INDEPENDENT CITIZEN'S OVERSIGHT COMMITTEE OF THE CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE IN THE MATTER OF ITS REGULAR MEETING HELD AT THE LOCATION INDICATED BELOW

MISSION BAY CONFERENCE CENTER  
ROBERTSON AUDITORIUM  
1675 OWENS STREET  
SAN FRANCISCO, CALIFORNIA

ON  
AUGUST 1, 2006

WAS HELD AS HEREIN APPEARS AND THAT THIS IS THE ORIGINAL TRANSCRIPT THEREOF AND THAT THE STATEMENTS THAT APPEAR IN THIS TRANSCRIPT WERE REPORTED STENOGRAPHICALLY BY ME AND TRANSCRIBED BY ME. I ALSO CERTIFY THAT THIS TRANSCRIPT IS A TRUE AND ACCURATE RECORD OF THE PROCEEDING.

BETH C. DRAIN, CSR 7152  
BARRISTER'S REPORTING SERVICE  
1072 S.E. BRISTOL STREET  
SUITE 100  
SANTA ANA HEIGHTS, CALIFORNIA  
(714) 444-4100

1 SAN FRANCISCO, CALIFORNIA; WEDNESDAY, AUGUST 2, 2006

2 09:41 A.M.

3

4 CHAIRMAN KLEIN: I'D LIKE TO CALL THE MEETING  
5 TO ORDER. AND I WOULD LIKE TO SPECIFICALLY THANK  
6 EVERYONE FOR JOINING US IN MISSION BAY WITH THE HELP OF  
7 THE LOGISTICS STAFF, LORENA CORDOBA AND LISA GAMIDIAN.  
8 THEY HAVE BEEN INSTRUMENTAL IN MAKING THIS WORK FOR US.  
9 WE ARE DEEPLY, OF COURSE, APPRECIATIVE OF THE CITY OF  
10 SAN FRANCISCO. THIS IS ONE OF THE FACILITIES THAT IS  
11 PROVIDED FREE TO US AS A PART OF THE PACKAGE THAT CAME  
12 TO US DURING THE HEADQUARTERS COMPETITION.

13 WITH THAT, MELISSA, WOULD YOU LEAD THE PLEDGE  
14 OF ALLEGIANCE, PLEASE.

15 (THE PLEDGE OF ALLEGIANCE.)

16 CHAIRMAN KLEIN: PLEASE LEAD US IN THE ROLL  
17 CALL.

18 MS. KING: DAVID BALTIMORE.

19 DR. BALTIMORE: HERE.

20 MS. KING: BOB PRICE FOR ROBERT BIRGENEAU.

21 SUSAN BRYANT. MARCY FEIT.

22 MS. FEIT: HERE.

23 MS. KING: MICHAEL FRIEDMAN.

24 DR. FRIEDMAN: HERE.

25 MS. KING: MICHAEL GOLDBERG.

1 MR. GOLDBERG: HERE.

2 MS. KING: BRIAN HENDERSON. JACK DIXON FOR  
3 ED HOLMES.

4 DR. DIXON: HERE.

5 MS. KING: DAVID KESSLER. BOB KLEIN.

6 CHAIRMAN KLEIN: HERE.

7 MS. KING: SHERRY LANSING.

8 MS. LANSING: HERE.

9 MS. KING: GERALD LEVEY.

10 DR. LEVEY: HERE.

11 MS. KING: TED LOVE.

12 DR. LOVE: HERE.

13 MS. KING: RICHARD MURPHY.

14 DR. MURPHY: HERE.

15 MS. KING: TINA NOVA.

16 DR. NOVA: HERE.

17 MS. KING: ED PENHOET.

18 DR. PENHOET: HERE.

19 MS. KING: PAUL BERG FOR PHIL PIZZO.

20 DR. BERG: HERE.

21 MS. KING: CLAIRE POMEROY.

22 DR. POMEROY: HERE.

23 MS. KING: FRANCISCO PRIETO.

24 DR. PRIETO: HERE.

25 MS. KING: JEANNIE FONTANA FOR JOHN REED.



1 DR. FONTANA: HERE.

2 MS. KING: DUANE ROTH.

3 MR. ROTH: HERE.

4 MS. KING: JOAN SAMUELSON. DAVID  
5 SERRANO-SEWELL. JEFF SHEEHY.

6 MR. SHEEHY: HERE.

7 MS. KING: JONATHAN SHESTACK. OSWALD  
8 STEWARD.

9 DR. STEWARD: HERE.

10 MS. KING: LEON THAL.

11 DR. THAL: HERE.

12 MS. KING: JANET WRIGHT.

13 DR. WRIGHT: HERE.

14 CHAIRMAN KLEIN: THANK YOU VERY MUCH. BEFORE  
15 BEGINNING THE AGENDA TODAY, I WOULD LIKE TO THANK OUR  
16 BOARD MEMBER, DR. JANET WRIGHT, FOR LEADING THE SESSION  
17 ON SICKLE CELL DISEASE. IT'S CRITICAL THAT WE  
18 UNDERSTAND THAT WITH CORD BLOOD RESEARCH WE HAVE AN  
19 IMMEDIATE PROVEN THERAPY THAT NEEDS TO BE PERFECTED  
20 OVER A NUMBER OF YEARS, BUT IT IS CURRENTLY IN  
21 OPERATION IN CALIFORNIA INSTITUTIONS. DR. BURT LUBIN  
22 AND DR. MARK WALTERS MADE TREMENDOUS PRESENTATIONS  
23 ALONG WITH LATESSA, A PATIENT WHO HAS SICKLE CELL, BUT  
24 HAS NOT HAD THE TRANSPLANT.

25 IT IS PART CERTAINLY OF OUR MANDATE THAT WE

1 WILL FUND EMBRYONIC, ADULT, AND CORD BLOOD STEM CELL  
2 RESEARCH, THIS BEING AN IMPORTANT EXAMPLE OF A  
3 CONTRIBUTION, CURRENT CONTRIBUTION, BY CORD BLOOD STEM  
4 CELL RESEARCH AND THERAPIES. THANK YOU, DR. WRIGHT,  
5 FOR LEADING THAT SESSION.

6 AND I WOULD ALSO LIKE TO RECOGNIZE, AND IF I  
7 COULD HAVE HER STAND, SINCE THIS IS HER LAST DAY IN THE  
8 HEROIC SERVICE OF THE AGENCY, NICOLE PAGANO IN THE  
9 BACK.

10 (APPLAUSE.)

11 CHAIRMAN KLEIN: I MUST TELL YOU THAT WHEN I  
12 RECRUITED NICOLE PAGANO TO BE THE DEPUTY COMMUNICATIONS  
13 DIRECTOR AND SHE MOVED HERE FROM WASHINGTON, D.C., FROM  
14 A VERY DISTINGUISHED POSITION, I SAID, "YOU KNOW, AT  
15 LEAST THE WORST OF THE POLITICAL CONTROVERSY IS OVER.  
16 WE HAVE A CLEAR MANDATE. THE HOURS WILL BE LONG. THE  
17 DEDICATION REQUIREMENTS WILL BE EXTRAORDINARILY HIGH,  
18 BUT AT LEAST WE'VE GOTTEN PAST THE MAJOR PORTIONS OF  
19 THE POLITICAL CONTROVERSY." I MUST SAY, NICOLE, I  
20 DEEPLY APPRECIATE YOUR COMMITMENT DESPITE THE FACT THAT  
21 I DIDN'T QUITE HAVE THAT RIGHT.

22 SHE HAS BEEN A GREAT CONTRIBUTION IN THE  
23 SERVICE OF THIS AGENCY, FILLING SHOES THAT ENCOMPASS A  
24 VERY LARGE RESPONSIBILITY AT A TIME WHEN WE DIDN'T HAVE  
25 THE MONEY TO HIRE THE DIRECTOR OF COMMUNICATIONS, AND

1 SHE EFFECTIVELY SERVED AS THE DIRECTOR OF  
2 COMMUNICATIONS DURING THIS PERIOD.

3 STARTING WITH OUR AGENDA ITEM NO. 5, APPROVAL  
4 OF THE LAST ICOC MINUTES, THE JUNE 2D MINUTES, IS THERE  
5 A MOTION TO APPROVE THESE MINUTES?

6 DR. BALTIMORE: MOVE.

7 DR. LOVE: SECOND.

8 CHAIRMAN KLEIN: IT'S BEEN MOVED AND SECONDED  
9 BY DR. BALTIMORE AND DR. LOVE. IS THERE DISCUSSION ON  
10 THE MOTION? IS THERE ANY PUBLIC COMMENT ON THE MOTION?  
11 SEEING NONE, ALL IN FAVOR. OPPOSED? ITEM PASSES.

12 IT IS A JOY TO BEGIN THE CHAIRMAN'S REPORT  
13 WITH GOOD NEWS. AND WE SHOULD ALL NOTE AS A FOUNDATION  
14 FOR THIS NEWS THAT AS OF MONDAY IT'S BEEN 18 MONTHS,  
15 JUST 18 MONTHS, SINCE THE AGENCY OBTAINED THE AUTHORITY  
16 TO JUST HIRE ITS FIRST STAFF. SO IN THOSE 18 MONTHS  
17 WHAT HAVE WE ACCOMPLISHED TOGETHER? ARE WE PREPARED TO  
18 MOVE TO THE NEXT STAGE OF FUNDING AND ADVANCEMENT OF  
19 THIS AGENCY'S MISSION?

20 JUST TO QUICKLY REVIEW WITH YOU, WITH MEDICAL  
21 AND ETHICAL STANDARDS, WHICH ARE THE FIRST ITEM ON OUR  
22 AGENDA THIS MORNING FOR SUBSTANTIVE BUSINESS, WE HAVE  
23 THE NATION'S FIRST COMPREHENSIVE SET OF MEDICAL AND  
24 ETHICAL STANDARDS DEVELOPED IN CONJUNCTION WITH THE  
25 NATIONAL ACADEMY OF SCIENCE, A TREMENDOUS

1 ACCOMPLISHMENT ON ITS OWN. WE HAVE THE NATION'S FIRST  
2 COMPREHENSIVE SCIENTIFIC IP POLICY FOR STATE-FUNDED  
3 RESEARCH PROGRAMS LED BY DR. PENHOET ON OUR BOARD. ED  
4 IS -- LOOKING RIGHT PAST ED. SORRY TO MISS YOU.

5 IN THE 18 MONTHS WE'VE HAD OVER 80 PUBLIC  
6 MEETINGS. THAT'S MORE THAN ONE PER WEEK, SO WE HAVE  
7 THE MOST TRANSPARENT AGENCY START-UP IN THE HISTORY OF  
8 THE STATE. WE HAVE THE MOST COST-EFFECTIVE AGENCY  
9 START-UP IN THE STATE'S HISTORY. MORE THAN TWO-THIRDS  
10 OF THE FUNDS SPENT TO DATE HAVE COME FROM DONORS AND  
11 CONCESSIONS OR CIVIC DONORS THROUGH THE CITY OF SAN  
12 FRANCISCO. IN FACT, THE AGENCY HAS ACCRUED \$24 MILLION  
13 IN ASSISTANCE FROM CIVIC DONORS IN THE FIRST 24 MONTHS  
14 VERSUS THREE MILLION IN STATE FUNDS THAT HAVE BEEN  
15 EXPENDED, AN 800-PERCENT RATIO OR EIGHT-TO-ONE RATIO OF  
16 CIVIC DONOR FUNDS TO STATE FUNDS, A TREMENDOUS RECORD  
17 FOR ANY AGENCY IN ANY STATE.

18 WE HAVE AN EFFECTIVE GRANT-MAKING PROCESS  
19 WITH 196 RESEARCH FELLOWS THAT HAVE BEEN FUNDED AT 16  
20 INSTITUTIONS. AND WE HAVE FORMED A PARTNERSHIP WITH  
21 THE LEADERSHIP OF THE LEGISLATURE, BOTH THE SENATE AND  
22 THE ASSEMBLY, CERTAINLY WITH SENATOR PERATA, SENATOR  
23 BOWEN, SENATOR DUNN, SENATOR ORTIZ, SENATOR SPEIER ON  
24 THE SENATE SIDE, THE SPEAKER FABIAN NUNEZ, THE MAJORITY  
25 LEADER DARIO FROMMER, ASSEMBLYMAN MULLIN AND OTHERS ON

1 ASSEMBLY SIDE THAT HAVE ENHANCED, IN FACT, THE MANDATE  
2 OF PROPOSITION 71 AND THE PROCESS FOR FULFILLING IT.

3 WE HAVE THE FIRST STATE STRATEGIC PLAN IN  
4 PROCESS THROUGH THE LEADERSHIP OF DR. HALL WITH  
5 TREMENDOUS PROGRESS. REMARKABLE PROGRESS HAS BEEN MADE  
6 TO DATE. WE HAVE A COURT VALIDATION, A DECISION THAT  
7 CONFIRMS OUR CONSTITUTIONALITY AND A DECISION THAT  
8 CONFIRMS THAT WE HAVE ACTED WITH DISCIPLINE FOLLOWING  
9 STATE STATUTORY AUTHORITY AND THE AUTHORITY OF  
10 PROPOSITION 71 IN EVERY ASPECT OF OUR ACTIVITIES. A  
11 REMARKABLE ACHIEVEMENT, WHICH DECISION IS, OF COURSE,  
12 ON APPEAL, BUT WE ARE MOVING FORWARD STEADILY ON OUR  
13 MISSION DESPITE THE APPEALS PROCESS THAT WE MUST GO  
14 THROUGH EVEN THOUGH WE HAVE A HUNDRED YEARS OF COURT  
15 PRECEDENT THAT THE JUDGE CITED ON OUR SIDE.

16 CLEARLY WE HAVE BROAD SUPPORT IN THAT  
17 PROCESS. OUR AMICUS PARTIES REPRESENT MANY OF THE  
18 LEADING PATIENT ADVOCACY ORGANIZATIONS IN THE UNITED  
19 STATES AND MANY OF THE LEADING RESEARCH INSTITUTIONS IN  
20 CALIFORNIA. OUR BROAD CIVIC SUPPORT HAS BEEN VALIDATED  
21 BY THE BOND ANTICIPATION NOTE PURCHASE PROGRAM WHERE  
22 CIVIC LEADERS FROM SAN DIEGO TO SAN FRANCISCO HAVE  
23 COMMITTED AND PURCHASED OR WILL BE CLOSING ON BOND  
24 PURCHASES FROM IRWIN JACOBS AND JOHN MOORES IN SAN  
25 DIEGO TO ELI BROAD IN LOS ANGELES TO THE PACKARD

1 FOUNDATION, THE MOORE FOUNDATION, AND THE SANDLERS IN  
2 THE BAY AREA, ALONG WITH ANN AND JOHN DOERR.  
3 TREMENDOUS CIVIC ENDORSEMENTS WITH THEIR INDEPENDENT  
4 COUNSEL HAVING EXAMINED OUR CASE AND CONFIRMED THEY  
5 BELIEVE THAT WE WILL HAVE A POSITIVE OUTCOME. THEY PUT  
6 PRIVATE DOLLARS BEHIND THEIR BELIEF IN OUR MISSION, OUR  
7 EXECUTION, AND OUR COURT DECISION.

8 FINALLY, WE HAVE RETAINED AND BUILT OUR  
9 RELATIONSHIPS WITH THE STATE'S CONSTITUTIONAL OFFICERS,  
10 BEGINNING, OF COURSE, WITH THE FOUR CONSTITUTIONAL  
11 OFFICERS THAT HAVE MADE THE BOARD APPOINTMENTS OF 16  
12 MEMBERS OF OUR BOARD, THE GOVERNOR, LIEUTENANT  
13 GOVERNOR, THE CONTROLLER, AND THE TREASURER. AND OVER  
14 THIS REMARKABLE PERIOD, WE HAVE BUILT OUR SUPPORT WITH  
15 THE GOVERNOR AND THE GOVERNOR'S STAFF, LIEUTENANT  
16 GOVERNOR, THE ATTORNEY GENERAL, WHO HAS SERVED US  
17 MIGHTILY AND WITH ELOQUENCE IN THE TRIAL, ALONG WITH  
18 THE TREASURER AND THE CONTROLLER.

19 AND IN BRINGING THIS TO A POINT WHERE WE HAVE  
20 PROVEN OUR ABILITY AND OUR READINESS TO PROCEED WITH  
21 OUR PROGRAM, WE HAVE THE REMARKABLE VOTE OF CONFIDENCE  
22 OF THE STATE'S GOVERNOR, ARNOLD SCHWARZENEGGER, IN HIS  
23 BOLD AND INCISIVE MOVE TO ADVANCE, THROUGH THE DIRECTOR  
24 OF FINANCE, \$150 MILLION FOR OUR MISSION AS A LOAN FROM  
25 THE GENERAL FUND.

1                   IN THAT REGARD, I NEED TO RECOGNIZE AS A  
2 PARTNER IN THIS PROCESS OUR DISTINGUISHED BOARD MEMBER,  
3 SHERRY LANSING, WHO, ALTHOUGH SHE WENT TO AFRICA,  
4 BEFORE LEAVING, MADE A CRITICAL CALL TO THE GOVERNOR'S  
5 OFFICE TO SEE WHAT COULD BE DONE TO HELP THE AGENCY AT  
6 THIS CRITICAL MOMENT WHEN, IN FACT, THE NATION WAS  
7 FACING THE THREAT OF A PRESIDENTIAL VETO AND PARALYSIS  
8 OF THE NIH AND THE CRITICAL NEED TO EXPAND EMBRYONIC  
9 STEM CELL RESEARCH.

10                   SHERRY, WOULD YOU LIKE TO SAY A FEW WORDS?

11                   MS. LANSING: ACTUALLY I APPRECIATE YOUR KIND  
12 WORDS, BUT I THINK THAT ALL OF US ON THE BOARD AND ALL  
13 OF US WHO ARE BELIEVING IN STEM CELLS, ALL THE PATIENT  
14 ADVOCATES, OWE AN INCREDIBLE DEBT OF GRATITUDE TO  
15 ARNOLD SCHWARZENEGGER BECAUSE I THINK WHAT HE HAS  
16 DEMONSTRATED FOR ALL OF US, AND I AM SO GRATEFUL, I  
17 DON'T ACTUALLY HAVE WORDS TO EXPRESS IT, WHAT HE HAS  
18 DEMONSTRATED IS INCREDIBLY BOLD LEADERSHIP. WE ALL  
19 KNOW THAT HE STOOD UP ON THE DAY OF THE PRESIDENTIAL  
20 VETO, WHICH IS AN INCREDIBLE ACT OF COURAGE, AND I  
21 THINK THIS ACT OF COURAGE SHOWS HOW MUCH HE BELIEVES IN  
22 THIS RESEARCH, HOW MUCH HE BELIEVES IN THE SCIENTISTS  
23 WHO ARE DOING IT, AND HOW MUCH HE SUPPORTS THE PATIENT  
24 ADVOCATES.

25                   AND I, AS REPRESENTATIVE OF ONE SMALL GROUP,

1 YOU KNOW, OF ALL OF THE CITIZENS OF CALIFORNIA, BUT  
2 ALSO AS A PATIENT ADVOCATE, I JUST WANT TO RECOGNIZE  
3 ARNOLD SCHWARZENEGGER BECAUSE I REALLY THINK THAT HE  
4 HAS DEMONSTRATED BOLD AND EXTRAORDINARY LEADERSHIP.  
5 AND I THINK I SPEAK FOR ALL OF US IN SAYING HOW VERY,  
6 VERY GRATEFUL, AND THOUGH HE'S NOT HERE, I PERSONALLY  
7 WOULD LIKE TO GIVE HIM A BIG, BIG ROUND OF APPLAUSE AND  
8 INCREDIBLE THANK YOU.

9 (APPLAUSE.)

10 CHAIRMAN KLEIN: THANK YOU, SHERRY. I WOULD  
11 ALSO SAY THAT DAVID CRANE, CASEY HUTCHISON ON THE  
12 GOVERNOR'S STAFF --

13 DR. BALTIMORE: MAY I SUGGEST THAT WE CRAFT A  
14 BOARD MOTION OF THANKS --

15 CHAIRMAN KLEIN: ABSOLUTELY.

16 DR. BALTIMORE: -- TO THE GOVERNOR?

17 CHAIRMAN KLEIN: WOULD YOU LIKE TO MAKE THAT  
18 A MOTION? IN FACT, AS SOON AS THE CHAIRMAN'S REPORT IS  
19 DONE, WE'LL TAKE THAT UP AS -- JAMES, CAN WE TAKE THAT  
20 UP AS AN EXTRAORDINARY ITEM?

21 MR. HARRISON: I THINK YOU CAN TAKE IT UP IN  
22 CONNECTION WITH YOUR DISCUSSION OF THE GENERAL FUND  
23 LOAN.

24 CHAIRMAN KLEIN: COULD WE DO THAT,  
25 DR. BALTIMORE?



1 DR. BALTIMORE: SURE.

2 CHAIRMAN KLEIN: ABSOLUTELY. I THINK IT'S AN  
3 OUTSTANDING CONCEPT. I WOULD ALSO LIKE TO SAY THAT THE  
4 GOVERNOR'S STAFF, ANNE SHEEHAN, WHO IS GOING TO BE  
5 HERE, DEPUTY DIRECTOR OF FINANCE, ALONG WITH DAVID  
6 CRANE AND CASEY HUTCHISON, FORM AN INCREDIBLE TEAM.  
7 AND IN REAL TIME, TO BE COMPLETELY RESPONSIVE A FEW  
8 HOURS BEFORE THE VETO, PUT TOGETHER, WITH OUR STAFF, A  
9 COMPLETE FINANCING PLAN. WE HAD DISCUSSED IT A YEAR IN  
10 ADVANCE. WE AT THAT TIME DID NOT HAVE THE COURT  
11 DECISION, WE DID NOT HAVE THE BROAD VALIDATION FROM THE  
12 BAN PROGRAM PURCHASERS ACROSS THE STATE; BUT WITH THOSE  
13 PROVISIONS IN PLACE AND WITH THE READINESS OF OUR  
14 PROGRAMS, INCLUDING THE MEDICAL AND ETHICAL STANDARDS  
15 IN PLACE -- THANK YOU, BERNIE LO, FOR YOUR  
16 LEADERSHIP -- WE HAD ALL OF THE ELEMENTS IN PLACE FOR  
17 THE GOVERNOR TO MAKE AN ELECTRIFYING COMMITMENT FOR  
18 THIS AGENCY, WHICH HE DID. AND HIS STAFF WERE  
19 REMARKABLE IN REAL TIME IN WORKING OUT THE ELEMENTS OF  
20 THAT PROGRAM.

21 MS. LANSING: I ACTUALLY THANK YOU BECAUSE I  
22 WOULD BE REMISS IF I DIDN'T EXTEND AN EXTRAORDINARY  
23 THANK YOU TO DAVID CRANE AND TO JAMES HARRISON BECAUSE  
24 I THINK THEY WORKED TOGETHER FOR WEEKS, DO YOU KNOW,  
25 QUIETLY AND SILENTLY AND OPTIMISTICALLY TO LEAD TO THIS

1 CONCLUSION. SO, AGAIN, DAVID CRANE ISN'T HERE. I  
2 WOULD LIKE TO EXTEND AN ESPECIAL ROUND OF THANK YOU TO  
3 HIM AND ALL OF THE OTHER PEOPLE THAT I DON'T KNOW WHO  
4 WORKED ON IT AND TO OUR OWN JAMES HARRISON WHO WORKED  
5 SO HARD ON THIS FOR WEEKS.

6 AND I JUST THINK, AGAIN, AND I DON'T WANT TO  
7 GET EMOTIONAL, BUT I CAN'T HELP BUT GET EMOTIONAL  
8 BECAUSE THIS IS THE DAY THAT WE HAVE BEEN WAITING FOR.  
9 THIS IS THE DAY IF WE CAN JUST TAKE A BEAT AND JUST  
10 THINK, DO YOU KNOW, WE'VE BEEN FIGHTING THESE LAWSUITS,  
11 AND THIS IS THE DAY WHERE, BECAUSE OF THE HARD WORK OF  
12 EVERYBODY THAT'S AROUND THE STATE, EVERYBODY THAT CARES  
13 ABOUT STEM CELL RESEARCH, WE NOW, TO USE AN EXPRESSION,  
14 ARE IN BUSINESS. WE NOW HAVE \$150 MILLION PLUS, ON ITS  
15 WAY TO \$200 MILLION, TO DO OUR WORK. AND I CAN'T HELP  
16 BUT BE EMOTIONAL.

17 I CAN'T HELP BUT BE EXCITED. I WANT A BIG  
18 ROUND OF APPLAUSE FOR JAMES, FOR BOB, OBVIOUSLY, AND  
19 FOR DAVID CRANE AND EVERYBODY ELSE ON THE GOVERNOR'S  
20 STAFF, WHO I DON'T KNOW THEIR NAMES, BUT I KNOW THEY  
21 REALLY WORKED HARD. SO, AGAIN, THANK YOU.

22 (APPLAUSE.)

23 CHAIRMAN KLEIN: THANK YOU VERY MUCH, SHERRY  
24 LANSING. WHEREVER SHE IS, AFRICA, EUROPE, WE CAN COUNT  
25 ON HER TO BE THINKING ABOUT STEM CELLS.

1 MS. LANSING: THAT'S TRUE.

2 CHAIRMAN KLEIN: TO ALSO CONTINUE, WE SHOULD  
3 FOCUS ON THE FACT THAT THERE IS A TREMENDOUS AMOUNT OF  
4 COURAGE THAT OCCURRED NATIONALLY THAT CREATED A  
5 FRAMEWORK IN WHICH THIS ACTION COULD TAKE PLACE BECAUSE  
6 THERE ARE 63 U.S. SENATORS WHO, WHEN FACED WITH THE  
7 PRESIDENTIAL VETO, THE INTIMIDATION OF THAT VETO DID  
8 NOT STOP THEM FROM STANDING UP FOR CONSCIENCE, FOR  
9 MEDICAL PROGRESS, AND WHAT THEY FELT WAS RIGHT. SO  
10 THAT IT WAS A VOTE OF 63 TO 37 THAT HR 810, THE  
11 CASTLE-DEGETTE BILL, PASSED THE U.S. SENATE. AND IT,  
12 AGAIN, PASSED THE HOUSE OF REPRESENTATIVES WITH A  
13 MAJORITY. IT IS A BIPARTISAN ENDORSEMENT OF THIS  
14 RESEARCH. IT IS AN ENDORSEMENT THAT IS MADE AS A  
15 MATTER OF CONSCIENCE. WE SHOULD ALL BE INSPIRED BY THE  
16 COMMITMENT FOR, IN AN ELECTION YEAR, FOR INDIVIDUALS IN  
17 THE HOUSE AND THE SENATE TO STAND UP FOR WHAT THEY FEEL  
18 IS CRITICAL TO FUTURE MEDICAL RESEARCH IN THIS COUNTRY.

19 IT IS, I WOULD POINT OUT, A BIPARTISAN  
20 LEADERSHIP EFFORT IN BOTH OF THOSE HOUSES WITH SENATOR  
21 FRIST AND SENATOR REID, THE REPUBLICAN AND DEMOCRATIC  
22 LEADERSHIP OF THE SENATE. AND CERTAINLY IT IS WITH  
23 NANCY PELOSI AND THE SPEAKER OF THE HOUSE OF  
24 REPRESENTATIVES THAT ARE BOTH SUPPORTING THIS IN THE  
25 HOUSE OF REPRESENTATIVES. SO WE ARE EXTREMELY PLEASED

1 TO SEE THAT LEVEL OF CONGRESSIONAL SUPPORT OF THIS  
2 VITAL MOVEMENT. HOPEFULLY SOMEDAY IN THE NEAR FUTURE  
3 THE NIH WILL BE ABLE TO PROCEED ON ITS MISSION AS A  
4 COMPLEMENT TO THE CALIFORNIA INSTITUTE OF REGENERATIVE  
5 MEDICINE.

6 I WOULD POINT OUT THAT THE VOLATILE HISTORY  
7 OF FUNDING AT THE FEDERAL LEVEL MAKES IT ALL THE MORE  
8 CLEAR THAT IT'S VITAL. IF INSTITUTIONS ARE GOING TO DO  
9 RECRUITMENT FROM AROUND THE COUNTRY AND AROUND THE  
10 WORLD, IF THEY'RE GOING TO BUILD MAJOR NEW INSTITUTES  
11 FOR RESEARCH, IF THEY'RE GOING TO CREATE NEW  
12 DEPARTMENTS, THAT THEY HAVE A LONG-TERM FUNDING  
13 STABILITY THAT THE CALIFORNIA PROPOSITION PROVIDES.

14 U.S. CONGRESS, IN FACT, DOESN'T HAVE THE  
15 STRUCTURE TO PROVIDE LONG-TERM STABILITY AND PROTECTION  
16 FROM THIS POLITICAL VOLATILITY. ONLY CALIFORNIA HAS  
17 THIS WITH THE LONG-TERM FUNDING OF THIS INITIATIVE IN  
18 PLACE TO PROVIDE A SAFE HAVEN AND SANCTUARY WITH THE  
19 CONSTITUTIONAL PROTECTION OF THIS RESEARCH AND THE  
20 LONG-TERM FUNDING TO MAKE LONG-TERM COMMITMENTS OF  
21 INSTITUTIONS AND INDIVIDUAL RESEARCHER'S LIVES.

22 I WOULD LIKE, WITH THAT, TO GO TO OUR NEXT  
23 ITEM, THE CONSIDERATION OF THE STANDARDS WORKING GROUP  
24 REPORT, AND THAT WILL IMMEDIATELY BE PRECEDED, HOWEVER,  
25 WITH THE PRESIDENT'S REPORT, WHICH IS ON THE PAGE IN MY

1 AGENDA THAT I JUST TURNED OVER. DR. HALL.

2 AND I WOULD LIKE TO SAY THAT WE HAD AN  
3 EXTRAORDINARY SESSION LAST NIGHT WITH A NUMBER OF  
4 MEMBERS OF THE BOARD WITH DR. HALL LEADING US THROUGH  
5 VALUES AND STRATEGIC PRINCIPLES. THANK YOU VERY MUCH,  
6 DR. HALL, FOR THAT LEADERSHIP. WE HAD SOME GREAT  
7 PROGRESS, AGAIN, IN OUR STRATEGIC PLAN.

8 DR. HALL: THANK YOU. AS THE CHAIRMAN AND  
9 SHERRY AND OTHERS HAVE SAID, THANKS TO THE GOVERNOR, WE  
10 HAVE MADE A COMPLETE FACE CHANGE HERE. WE ARE IN A  
11 NEW, EXCITING, AND VERY DAUNTING PHASE OF OUR  
12 EXISTENCE. AND I SPEAK ON BEHALF OF ALL THE CIRM STAFF  
13 TO SAY THAT WE ARE ENERGIZED BY THIS. THIS IS  
14 EXTRAORDINARY. NOW THE SCIENCE CAN START IN  
15 CALIFORNIA. SO I THINK WE ARE ALL EXCITED, AND IT'S  
16 GOING TO BE A BIG DAY TODAY, AND I LOOK FORWARD TO  
17 THAT. WE WILL DISCUSS EXACTLY WHAT THAT SCIENCE MIGHT  
18 BE LATER.

19 FIRST, LET ME DEAL WITH A FEW HOUSEKEEPING  
20 MATTERS, BRING YOU UP TO DATE ON THE SOME OF THE THINGS  
21 THAT ARE GOING ON. AND THE FIRST IS SOME PERSONNEL  
22 CHANGES. JENNIFER ROSAIA, WHO HAS SERVED US SO  
23 FAITHFULLY AND SO WELL OVER MANY, MANY MONTHS AS  
24 MEETING COORDINATOR, HAS RECENTLY LEFT CIRM TO TAKE  
25 ANOTHER POSITION. WE WISH HER WELL. WE WILL MISS HER.

1 SHE DID A TREMENDOUS JOB, AND I'M SURE THE BOARD, MORE  
2 THAN ANYBODY ELSE, APPRECIATES ALL THE WORK SHE PUT IN  
3 AND ALL OF THE GOOD SERVICE THAT SHE GAVE US IN THAT  
4 CAPACITY.

5 ALSO, AS THE CHAIRMAN SAID, THIS IS THE LAST  
6 DAY FOR NICOLE PAGANO. AND WE WILL INDEED BE SAD TO  
7 LOSE HER. SHE'S DONE AN EXTRAORDINARY JOB.

8 TO TAKE HER PLACE ON A TEMPORARY BASIS, KIRK  
9 KLEINSCHMIDT, WHO IS HEAD OF OUR POLICY OFFICE, HAS  
10 AGREED TO ADD TO HIS RESPONSIBILITIES THAT OF  
11 COMMUNICATIONS OFFICER. KIRK IS PARTICULARLY  
12 WELL-SUITED TO DO THIS. HE HAD OVER TEN YEARS  
13 EXPERIENCE IN COMMUNICATIONS WITH THE AMERICAN HEART  
14 ASSOCIATION BEFORE JOINING THE PROPOSITION 71 CAMPAIGN  
15 AND THEN CIRM. HE HAS BEEN PART OF THE COMMUNICATIONS  
16 TEAM THAT HAS MET WEEKLY OVER THE LAST 12 MONTHS, AND  
17 HE WILL SERVE US WELL IN THAT CAPACITY. AND WE  
18 APPRECIATE HIS TAKING ON THESE ADDITIONAL  
19 RESPONSIBILITIES. SO, KIRK, I DON'T KNOW WHERE YOU  
20 ARE, BUT YOU MIGHT JUST STAND UP SO WE CAN SAY THANK  
21 YOU.

22 (APPLAUSE.)

23 DR. HALL: SO WE HAVE TWO CURRENT  
24 RECRUITMENTS GOING ON, AND I WILL JUST BRING -- SORRY.  
25 WE HAVE SEVERAL. WE HAVE TWO I WANT TO MENTION

1 SPECIFICALLY AT THE BEGINNING. CHIEF COMMUNICATIONS  
2 OFFICER, WE HAVE MADE GOOD PROGRESS ON THAT. WE'VE HAD  
3 A LARGE NUMBER OF APPLICATIONS AND HAVE INTERVIEWED A  
4 NUMBER OF THEM AND NOW HAVE TWO FINALISTS. AND THE  
5 CHIEF OF FINANCE AND ADMINISTRATION OFFICER IS  
6 ESSENTIALLY IN THE SAME POSITION. WE HAVE TWO  
7 FINALISTS THERE, AND WE LOOK FORWARD TO MAKING THOSE  
8 APPOINTMENTS SHORTLY.

9 WE ARE ALSO MOVING AHEAD WITH RECRUITMENTS ON  
10 THE SCIENCE SIDE AT AN ACCELERATED PACE GIVEN THE FACT  
11 THAT WE HAVE A BIG JOB AHEAD OF US IN CONNECTION WITH  
12 THE \$150 MILLION. SO WE ARE CURRENTLY RECRUITING FOR A  
13 SCIENTIFIC REVIEW AND/OR PROGRAM OFFICER AND FOR A  
14 GRANTS TECHNICAL ASSISTANT THAT WILL HELP US WITH  
15 GRANTS ADMINISTRATION. AND WE UNDOUBTEDLY WILL BE  
16 ADDING OTHER PERSONNEL SHORTLY, BUT THESE JOBS ARE  
17 POSTED AND ARE OUT THERE.

18 LET ME GIVE YOU A QUICK UP-TO-DATE ON THE  
19 SCIENTIFIC STRATEGIC PLAN. WE ARE ALSO APPROACHING A  
20 SORT OF BREAK POINT THERE IN THAT WE ARE VERY CLOSE TO  
21 COMPLETION OF OUR INFORMATION GATHERING PHASE, WHICH  
22 HAS BEEN QUITE INTENSIVE. WE HAVE INTERVIEWED 59  
23 PEOPLE AS OF YESTERDAY. I THINK WE HAVE ANOTHER EIGHT  
24 SCHEDULED, AND WE HAVE FOUR THAT WE ARE STILL TRYING TO  
25 ARRANGE INTERVIEWS WITH.

1 WE HAVE HAD, AS YOU KNOW, THREE MEETINGS FOR  
2 THE ICOC AND THE PUBLIC, ONE ON FUNDING STRUCTURES IN  
3 MAY, ONE ON SCIENTIFIC STRATEGY IN JULY, AND THEN WE  
4 HAD A REALLY WONDERFUL MEETING ON INDUSTRY AND STEM  
5 CELL RESEARCH ORGANIZED BY PATRICIA OLSON AND MARY  
6 MAXON ON JULY 25TH IN THIS VERY ROOM. SO THOSE HAVE  
7 BEEN RICH AND FULL OF GOOD IDEAS. WE'VE HAD REALLY  
8 WONDERFUL PEOPLE COME FROM ALL OVER THE WORLD REALLY.  
9 WE HAD MICHAEL RUDNICKI FROM CANADA COME TO TALK TO US  
10 ABOUT WHAT WE MIGHT DO.

11 WE'VE ALSO DEVOTED PARTS OF TWO ICOC  
12 MEETINGS. ON JUNE 1ST WE CONSIDERED MISSION STATEMENT  
13 AND LONG-TERM OBJECTIVES, AND LAST NIGHT WE TALKED  
14 ABOUT A MISSION STATEMENT, VALUES, STRATEGIC  
15 PRINCIPLES, AND PERHAPS A SLOGAN OR MOTTO FOR THE  
16 AGENCY. AND WE'LL BE ADDRESSING THOSE LATER.

17 WE'VE HAD TWO FOCUS GROUPS. WE HAD A  
18 WONDERFUL FOCUS GROUP ORGANIZED BY DAVID SERRANO-SEWELL  
19 AND SUSAN DELAURENTIS ON JULY 20TH WITH PATIENT  
20 ADVOCATES. WE SAW SOME OF OUR OLD FRIENDS; WE MET A  
21 NUMBER OF NEW ONES. THIS WAS VERY, VERY VALUABLE TO  
22 US, AND WE HAVE A DIVERSITY MEETING PLANNED FOR LATE  
23 AUGUST, IN WHICH WE WILL BE MEETING WITH MEMBERS OF OUR  
24 DIVERSITY ADVISORY GROUP AND OTHERS TO TALK ABOUT  
25 DIVERSITY ISSUES IN RELATION TO THE STRATEGIC PLAN.



1                   FINALLY, WE'VE HAD FIVE STRATEGIC PLAN  
2                   ADVISORY COMMITTEE MEETINGS. THE LATEST ONE WAS  
3                   YESTERDAY AFTERNOON WHEN WE TALKED ABOUT, AMONG OTHER  
4                   THINGS, WHAT WE SHOULD BE DOING ABOUT CLINICAL TRIALS  
5                   UNDER CIRM.

6                   SO OUR NEXT PHASE, THEN, WILL BE TO TRY TO  
7                   MAKE SOME SENSE OF ALL THE INFORMATION THAT WE HAVE  
8                   COLLECTED. AS I SAID TO THE STAFF THE OTHER DAY, NOW  
9                   WE HAVE TO START THINKING, NOT JUST COLLECTING. AND IT  
10                  WILL BE OUR TASK TO TRY TO PULL THE COMMON THEMES AND  
11                  IDEAS, TO ORGANIZE THEM, TO MAKE SOME PRIORITIES, AND  
12                  THEN TO BRING THEM TO YOU AT THE NEXT ICOC MEETING AS A  
13                  DRAFT STRATEGIC PLAN. SO WE HAVE OUR WORK CUT OUT FOR  
14                  US ON THAT FRONT, AND WE LOOK FORWARD TO DOING THAT.

15                 WE HAVE TWO OTHER ACTIVITIES. I'M PLEASED TO  
16                 SAY THAT WE NOW HAVE A TENTATIVE DATE FOR THE MEETING  
17                 ON ASSESSMENT OF MEDICAL RISK FOR EGG DONORS. THIS IS  
18                 BEING ORGANIZED BY THE IOM. THEY HAVE APPOINTED AN  
19                 EIGHT-MEMBER ORGANIZING COMMITTEE. DR. LINDA GUIDICE,  
20                 WHO IS THE CHAIR OF OB-GYN AT UCSF AND AN IOM MEMBER,  
21                 IS THE CHAIR OF THAT COMMITTEE. THAT ORGANIZING  
22                 COMMITTEE HAS MET. THEY HAVE CHOSEN A LIST OF SPEAKERS  
23                 UNKNOWN TO US, SPEAKERS AND ALTERNATES. AND IF THEY  
24                 CAN GET -- ON RATHER SHORT NOTICE, IF THEY CAN GET  
25                 THOSE SPEAKERS FOR THE DATE OF SEPTEMBER 28TH, WE'LL GO

1 AHEAD. IF THAT PROVES IMPOSSIBLE TO DO, THEN WE WILL  
2 SCHEDULE FOR A LATER DATE. BUT WE'RE TRYING TO DO THIS  
3 ON A RATHER FAST SCHEDULE, AND EVERYBODY IS WORKING AS  
4 HARD AS THEY CAN TO MAKE THAT HAPPEN.

5 THE SPEAKERS, THE LOCATION, AND REGISTRATION  
6 INFORMATION WILL BE ANNOUNCED ON OUR WEBSITE, AND THAT  
7 WILL ALL BE MANAGED BY THE INSTITUTE OF MEDICINE. AND  
8 THE MEETING WILL BE WEBCAST SIMULTANEOUSLY. WEBCAST  
9 WILL BE AVAILABLE SO, AS WITH OUR SCIENTIFIC MEETING  
10 LAST OCTOBER, ANYBODY WHO WANTS TO CAN GO ON THE WEB  
11 AND SEE THE MEETING IN PROGRESS. THAT PROVED TO BE  
12 ENORMOUSLY POPULAR. WE HAD THOUSANDS OF HITS ON THAT  
13 MEETING LAST OCTOBER, AND I THINK THIS ONE WILL BE OF  
14 INTENSE NATIONAL AND EVEN INTERNATIONAL INTEREST.

15 THE IOM IS VERY EXCITED ABOUT IT, AND SO WE  
16 ARE PLEASED, AFTER MONTHS OF DISCUSSION, TO SEE THIS  
17 NOW MOVING FORWARD TO A DEFINITE MEETING. SO I THINK  
18 THAT WILL BE VERY EXCITING FOR US.

19 WE ALSO, AS WE HAVE DISCUSSED BEFORE, HAVE A  
20 CALIFORNIA-UK MEETING. AND THIS WAS ACTUALLY GIVEN  
21 SOME PUBLICITY DURING THE RECENT VISIT OF THE PRIME  
22 MINISTER, TONY BLAIR. THE BRITISH PRESS APPARENTLY  
23 PICKED UP STEM CELLS AS A MAJOR THEME OF HIS VISIT  
24 HERE, AND THEY CARRIED A LOT OF PUBLICITY IN UK PAPERS  
25 ABOUT THE UK-CALIFORNIA MEETING WHICH IS TO BE HELD IN

1 NOVEMBER. SO THE CONSULATE HERE HAS AGREED TO SEND  
2 THOSE ARTICLES TO US. WE HAVEN'T SEEN THEM YET, BUT  
3 THEY CAME AND SAID WE DON'T KNOW IF YOU KNOW IT OR NOT,  
4 BUT YOU'RE NOW BIG NEWS IN THE UK, THANKS TO TONY  
5 BLAIR. SO WE WERE VERY PLEASED WITH THAT.

6 THE MEETING WILL BE NOVEMBER 13TH AND 14TH  
7 THIS FALL IN DERBYSHIRE OTHERWISE CALLED DERBYSHIRE IN  
8 AMERICAN ENGLISH, BUT I THINK IT'S DERBYSHIRE IS HOW  
9 THEY CALL IT. AT ANY RATE, THE PARTICIPANTS HAVE BEEN  
10 CHOSEN, AND WE ARE WAITING TO HEAR THE FINAL LIST FROM  
11 THE UK, WHICH WE EXPECT MOMENTARILY. AND WHEN WE HEAR  
12 THAT, WE WILL ANNOUNCE ALL OF THE PARTICIPANTS. THERE  
13 WILL BE 16, AS YOU RECALL, CALIFORNIA SCIENTISTS, 16 UK  
14 SCIENTISTS, THEY WILL BE BOTH JUNIOR AND SENIOR  
15 SCIENTISTS. THE MEETING WILL BE INFORMAL. IT WILL BE  
16 SMALL, AND THERE BE OPPORTUNITY FOR INDIVIDUAL LAB  
17 VISITS IN AND AROUND THE MEETING. SO WE ARE VERY  
18 HOPEFUL THAT OUT OF THIS WILL COME OPPORTUNITIES FOR  
19 COLLABORATION BETWEEN THE VIGOROUS STEM CELL EFFORT IN  
20 THE UK AND OUR OWN STEM CELL EFFORTS HERE IN  
21 CALIFORNIA.

22 FINALLY, I WANT TO TELL YOU ABOUT A MEETING  
23 OF THE CIRM STEM CELL TRAINING PROGRAM DIRECTORS, WHICH  
24 UNDER THE LEADERSHIP OF ARLENE CHIU AND GIL SAMBRANO,  
25 WAS HELD ON JUNE 20TH. WE, AS YOU RECALL, HAVE 16

1 PROGRAMS AROUND THE STATE WITH ROUGHLY 170 TRAINEES,  
2 AND WE HAD A MEETING OF THE DIRECTORS IN JUNE. THESE  
3 AWARDS WERE MADE IN APRIL. AND WHAT WE WERE SURPRISED  
4 TO FIND WAS HOW FAR ALONG EVERYBODY WAS IN THEIR  
5 PLANNING. AT THAT POINT ABOUT HALF OF THE TRAINEES HAD  
6 ALREADY BEEN APPOINTED, AND WE HEARD VERY GOOD THINGS  
7 ABOUT THEM. THEY ARE OF VERY HIGH QUALITY. THEY COME  
8 FROM MANY LOCATIONS TO CALIFORNIA FOR THIS, AND WE  
9 HEARD COMMENTS SUCH AS ONE INSTITUTION HAS SAID THAT  
10 THE APPLICANTS FOR THIS PROGRAM WERE A CUT ABOVE  
11 APPLICANTS TO THEIR OTHER PROGRAMS.

12 SO THIS IS EXACTLY WHAT WE WANT TO  
13 ACCOMPLISH, BRINGING ABSOLUTELY FIRST-CLASS PEOPLE TO  
14 CALIFORNIA TO TRAIN IN STEM CELL RESEARCH.

15 NOW, THE OTHER POINT THAT WAS MADE AT THE  
16 MEETING WHICH WAS INTERESTING WAS EACH OF THE DIRECTORS  
17 WENT AROUND AND DESCRIBED THE PROGRAM THAT WAS BEING  
18 PUT IN AT THEIR INSTITUTION. AND THE RANGE AND  
19 DIVERSITY OF THESE PROGRAMS REFLECTING THE VARIED  
20 CAPABILITIES OF THE INSTITUTIONS WAS TRULY IMPRESSIVE.  
21 WE HAVE PROGRAMS THAT ARE CENTERED AROUND COMPUTATION  
22 IN STEM CELL BIOLOGY, IN CHEMISTRY, IN ENGINEERING.  
23 ONE OF THE CAMPUSES HAS A VERY STRONG PROGRAM IN LAW  
24 AND ETHICS AND ALSO PARTICULAR MEDICAL EMPHASES. ONE  
25 OF THE CAMPUSES HAS A VERY STRONG PROGRAM IN

1 OPTHALMOLOGY, THE USE OF STEM CELLS TO CURE RETINAL  
2 DISEASE.

3 SO THIS WAS REALLY A WONDERFUL OPPORTUNITY TO  
4 HEAR ALL OF THESE, AND I SHOULD SAY THAT THAT RANGE OF  
5 INTERESTS AND TALENT WAS ALSO REFLECTED IN THE TRAINEES  
6 WHO EVEN AT THAT TIME HAD ALREADY BEEN ANNOUNCED. WE  
7 HAVE PHYSICIANS, WE HAVE ENGINEERS, WE HAVE  
8 MATHEMATICIANS, WE HAVE ETHICISTS, AND WE HAVE LEGAL  
9 SCHOLARS. SO WE ARE TRULY PUTTING TOGETHER, I THINK, A  
10 WONDERFUL TRAINING PROGRAM, AND IT WAS THE ENTHUSIASM  
11 OF THE DIRECTORS THAT WAS PARAMOUNT IN THIS.

12 IT WAS ALSO VERY USEFUL FOR US TO HEAR FROM  
13 THEM WHAT THEIR NEEDS WERE, AND THAT ACTUALLY INFORMED  
14 SOME OF THE DECISIONS THAT WE BRING TO YOU LATER IN  
15 TERMS OF WHAT OUR NEXT STEPS SHOULD BE IN TERMS OF  
16 GRANTS.

17 THE ONE OTHER POINT I WANTED TO MAKE OUT OF  
18 THAT WAS THERE WAS A STRONG CONSENSUS AT THE MEETING  
19 AND SOMETHING THAT WE VERY MUCH WANTED TO DO, THAT WE  
20 SHOULD HAVE AN ANNUAL MEETING OF THE TRAINEES. BRING  
21 THESE PEOPLE TOGETHER AS PART OF CREATING AN  
22 INTELLECTUAL SCIENTIFIC COMMUNITY IN CALIFORNIA OF STEM  
23 CELL RESEARCHERS. AND SO WE ARE ALREADY LOOKING INTO  
24 PLANS TO DO THAT AND HOPE WE WILL BE ABLE TO BRING THAT  
25 TO YOU IN THE FUTURE. AND I SHOULD SAY THE OPPORTUNITY

1 TO DO THAT IS MUCH IMPROVED BY OUR RECENT FINANCIAL  
2 FORTUNES.

3 SO RATHER THAN HAVE TO GO OUT AND RAISE MONEY  
4 FOR EVERYTHING WE WANT TO DO, THERE IS A POSSIBILITY  
5 THAT WE WILL ACTUALLY HAVE SOME MONEY.

6 FINALLY, I WANT TO TALK ABOUT A VERY, VERY  
7 IMPORTANT THING, AND THAT IS RESEARCH ADMINISTRATION  
8 FOR NEW GRANT PROGRAMS. IT IS VERY IMPORTANT THAT WE  
9 HAVE IN PLACE A STRONG INFRASTRUCTURE AS WE NOW GO  
10 FORWARD AND MAKE RESEARCH GRANTS ON A SUBSTANTIAL  
11 BASIS. AND I'M PLEASED TO SAY THAT WE ARE POISED VERY  
12 WELL IN THIS REGARD. AS BOB KLEIN SAID, YOU WILL HEAR  
13 TODAY ABOUT MEDICAL AND ETHICAL STANDARDS, WHICH ARE  
14 RIGHT ON THE VERGE OF BEING STATE REGULATIONS. YOU  
15 WILL HEAR OF OUR PROGRESS ON THE INTELLECTUAL PROPERTY  
16 FOR NONPROFIT INSTITUTIONS, AND ALSO OUR GRANTS  
17 ADMINISTRATION POLICY, WHICH HAS BEEN POSTED. IN FACT,  
18 I SIGNED THE PAPERS YESTERDAY TO POST THOSE FOR A  
19 PERIOD OF PUBLIC COMMENT. SO ALL OF THAT WE EXPECT  
20 WILL BE IN PLACE BY EARLY FALL.

21 NOW, THERE'S ANOTHER MAJOR CHALLENGE, AND  
22 THAT IS THAT IF WE'RE GOING TO HANDLE LARGE NUMBERS OF  
23 GRANTS, WE NEED TO HAVE THE SYSTEMS THAT ALLOW US TO DO  
24 THAT. AND THIS IS SOMETHING THAT WE RECOGNIZED EARLY  
25 ON, AND THAT ARLENE CHIU, GIL SAMBRANO, AND PATRICIA

1 OLSON HAVE BEEN WORKING ON FOR SOME MONTHS, ALONG WITH  
2 ED DORRINGTON, OUR I.T. OFFICER. AND AFTER  
3 CONSIDERATION OF VARIOUS ALTERNATIVES, WE HAVE ENGAGED  
4 A COMPANY CALLED EASY GRANTS TO INSTALL AN ONLINE  
5 STATE-OF-THE-ART INTEGRATED SYSTEM FOR GRANTS  
6 ADMINISTRATION. THIS IS A GROUP THAT ORIGINALLY WAS  
7 APPARENTLY COMMISSIONED TO DO THIS BY THE HOWARD HUGHES  
8 MEDICAL INSTITUTE AND INSTALLED A SYSTEM THERE WITH THE  
9 PROVISIO THAT THEY COULD THEN TAKE THIS AND MARKET IT.

10 THERE TURNS OUT TO BE AN ENORMOUS AMOUNT OF  
11 WORK IN ADAPTING IT TO OUR PURPOSES, AND SO WE HAVE A  
12 CREW FROM OUR INSTITUTE AND A CREW FROM EASY GRANTS  
13 THAT HAS BEEN WORKING VERY, VERY HARD ON THIS AND IS  
14 MAKING GOOD PROGRESS. LET ME JUST SAY THAT WHEN THIS  
15 IS IN PLACE, IT WILL BE POSSIBLE TO SUBMIT GRANTS  
16 ONLINE, TO HAVE THEM THEN REVIEWED ONLINE, WITH ACCESS  
17 RESTRICTED SO THAT THOSE WITH CONFLICT OF INTEREST DO  
18 NOT HAVE ACCESS TO GRANTS FOR WHICH THEY HAVE --  
19 APPLICATIONS FOR WHICH THEY HAVE A CONFLICT OF  
20 INTEREST.

21 REVIEWERS WILL BE ABLE TO MAKE THEIR COMMENTS  
22 ONLINE. THERE WILL BE SOME PROVISION FOR HAVING  
23 REVIEWERS, MULTIPLE REVIEWERS, OF A SINGLE GRANT BE  
24 ABLE TO TRADE INFORMATION BEFORE THE MEETING TO CLEAR  
25 UP POINTS OF INFORMATION OR POINTS OF DIFFERENCE. THEN

1 THIS WILL FEED INTO OUR SYSTEM FOR EVALUATION WITH THE  
2 GRANTS WORKING GROUP ON INTO THE AWARD OF THE GRANTS.  
3 AND FOR THOSE GRANTS THAT ARE SUCCESSFUL, ALL THE  
4 INFORMATION WILL GO RIGHT INTO, WITH A STROKE OF A KEY,  
5 WILL GO RIGHT INTO OUR GRANTS ADMINISTRATION SYSTEM SO  
6 THAT WE CAN TRACK THE FUNDS AND TRACK THE PROGRESS AND  
7 TRACK EVERYTHING. SO THIS WILL BE ONE SEAMLESS SYSTEM  
8 FROM START TO FINISH. IT REALLY IS TERRIFIC.

9 OUR GOAL IS TO HAVE THE FIRST PART OF THAT IN  
10 OPERATION BY SEPTEMBER 15TH. I WILL SAY THAT THE NEW  
11 MONEY HAS MEANT THAT WE'RE GOING TO BE GIVING OUT MORE  
12 APPLICATIONS AND APPLICATIONS OF MORE COMPLEXITY THAN  
13 WE THOUGHT, AND SO THIS HAS PUT A TREMENDOUS STRAIN ON  
14 THE GROUP, BUT WE HOPE NOW THE CURRENT VIEW IS BY THE  
15 END OF OCTOBER -- AM I CORRECT -- WE WILL HAVE ALL THE  
16 GRANTS IN PLACE SO THAT REVIEW CAN BE DONE BY THIS  
17 SYSTEM.

18 SO AT ANY RATE, I WANT TO JUST LET YOU KNOW  
19 THAT THE TIMING OF THIS IS TIGHT, BUT IT'S ALSO VERY  
20 FORTUITOUS BECAUSE IT MEANS WE ARE POISED TO MOVE AHEAD  
21 OR WILL SOON BE.

22 WE ARE HIRING NEW PERSONNEL, AS YOU HAVE  
23 HEARD. AND OUR HOPE IS THAT THE ICOC WILL BE ABLE TO  
24 APPROVE NEW GRANTS BY EARLY 2007, AND I'LL SPEAK TO YOU  
25 LATER ABOUT THAT IN MORE DETAIL.



1                   SO THAT COMPLETES MY REPORT. IF THERE ARE  
2 ANY FURTHER QUESTIONS OR ANY QUESTIONS, I SHOULD SAY,  
3 I'LL BE HAPPY TO TAKE THEM.

4                   CHAIRMAN KLEIN: I THINK WE HAVE TWO  
5 QUESTIONS. WE HAVE DR. MURPHY AND THEN DR. THAL.

6                   DR. MURPHY: ZACH, I THINK THE IDEA OF HAVING  
7 A MEETING FOR THE TRAINEES IS TERRIFIC. IT WILL ALLOW  
8 THEM TO GET TO KNOW ONE ANOTHER AND TO NETWORK. I  
9 MIGHT ADD THAT IT WOULD BE A GOOD IDEA PERHAPS TO  
10 INVITE THE ADVISORS AS WELL BECAUSE THE TRAINEES, IF  
11 THEY CAN MEET SENIOR PEOPLE FROM DIFFERENT  
12 ORGANIZATIONS, THAT REALLY AMPLIFIES THE NETWORKING  
13 THAT CAN OCCUR, AND I THINK IT WOULD BE VERY VALUABLE.

14                  DR. HALL: IT ACTUALLY SLOWLY DAWNED ON US.  
15 THE PROGRAM IS OF SUCH SIZE, THAT IF WE WERE TO INVITE  
16 EVERY TRAINEE AND THEIR ADVISOR, PLUS INTERESTED  
17 PEOPLE, WE'D HAVE A MEETING OF 400 PEOPLE, WHICH WE'LL  
18 HAVE TO THINK ABOUT THAT, BUT WE CERTAINLY WILL WANT AT  
19 EACH MEETING LEADING STEM CELL SCIENTISTS FROM ACROSS  
20 THE STATE. AND MY GUESS IS THAT EVERY ADVISOR WON'T  
21 COME TO EVERY MEETING, BUT WE WILL HAVE SOME  
22 ARRANGEMENT BY WHICH SOME SUBSET DOES. I ABSOLUTELY  
23 AGREE WITH YOU. THAT'S IMPORTANT.

24                  DR. THAL: JUST A QUESTION. DO YOU HAVE ANY  
25 INFORMATION ON HOW WELL THE SLOTS HAVE BEEN FILLED,

1 PARTICULARLY THE M.D. SLOTS? MANY OF THE INSTITUTIONS  
2 DID HAVE M.D. SLOTS. I WONDERED HOW WELL -- WHETHER  
3 THERE ARE ENOUGH M.D. TRAINEES IN THE PIPELINE WHO ARE  
4 PARTICIPATING IN THE PROGRAM.

5 DR. HALL: SO I WAS TOLD THAT UCSF HAS FILLED  
6 ALL BUT -- I JUST HEARD THIS THE OTHER DAY. UCSF HAS  
7 FILLED ALL BUT THREE SLOTS. THEY HAVE HELD OUT ONE  
8 PREDOCTORAL, ONE POSTDOCTORAL, AND ONE CLINICAL SLOT IN  
9 ORDER TO WAIT FOR THE FALL. I GUESS CLINICAL STARTS  
10 JULY 1ST, BUT AT ANY RATE FOR THE NEW YEAR.

11 THE PROGRAM THAT I MENTIONED THAT SAID THAT  
12 THE QUALITY OF THEIR APPLICANTS WAS HIGHER THAN ANY  
13 OTHER HAS A VERY STRONG CLINICAL COMPONENT. AND, IN  
14 FACT, THEY MENTIONED GETTING SOMEBODY FROM HOPKINS AS  
15 SORT OF A YOUNG CLINICAL STAR. WE DON'T HAVE  
16 QUANTITATIVE INFORMATION ON IT, BUT MY SENSE IS IS THAT  
17 THIS IS PROVING TO BE -- NOBODY IS HAVING ANY TROUBLE  
18 FILLING THESE. LET ME PUT IT THAT WAY. THEY'RE VERY  
19 ATTRACTIVE AND VERY SOUGHT AFTER. THAT WAS THE OTHER  
20 THING WE HEARD, THAT THE NUMBER OF APPLICATIONS FOR  
21 THESE WAS ENORMOUS.

22 DR. THAL: I JUST WANT TO ALSO CLARIFY THE  
23 ISSUE THAT, UNLIKE NIH GRANTS, I BELIEVE THESE ARE OPEN  
24 TO NON-U.S. CITIZENS.

25 DR. HALL: THAT'S CORRECT.

1 DR. THAL: WHICH IS A VERY, VERY IMPORTANT  
2 ISSUE BECAUSE, FOR THOSE WHO AREN'T AWARE OF IT, NIH  
3 TRAINING GRANTS ARE LIMITED TO INDIVIDUALS WHO ARE U.S.  
4 CITIZENS OR HOLD GREEN CARDS.

5 DR. HALL: WE WELCOME TRAINEES FROM ALL OVER  
6 THE WORLD AND HOPE THEY'LL STAY. ANY OTHER QUESTIONS?  
7 THANK YOU VERY MUCH.

8 CHAIRMAN KLEIN: THANK YOU VERY MUCH, DR.  
9 HALL. AND THANK YOU PARTICULARLY FOR THE TREMENDOUS  
10 EFFORT THAT YOU, ARLENE CHIU, AND IS PAT HERE, HAVE ALL  
11 BEEN MAKING WITH THE OUTSIDE CONSULTANTS ON THE  
12 STRATEGIC PLAN.

13 SCOTT TOCHER, WE ARE UP FOR ITEM NO. 8,  
14 STANDARDS WORKING GROUP REPORT.

15 DR. HALL: WHICH IS THIS, BOB? I'M ACTUALLY  
16 GOING TO START THIS.

17 SO WE'RE PLEASED TODAY TO SUBMIT FOR YOUR  
18 CONSIDERATION THE STANDARDS WORKING GROUP'S FINAL  
19 RECOMMENDED MEDICAL AND ETHICAL STANDARDS REGULATIONS.  
20 AND I WANT TO JUST SAY, FOR THOSE OF YOU WHO HAVE  
21 PARTICIPATED, THIS IS THE CULMINATION REALLY OF MORE  
22 THAN A YEAR'S WORK. AND IT HAS BEEN AN IMPRESSIVE  
23 PROCESS ALL THE WAY THROUGH FROM START TO FINISH, AND  
24 I'LL ACTUALLY OFFER YOU SOME NUMERICAL SUPPORT OF THAT  
25 STATEMENT IN JUST A MOMENT.

1                   BUT OVER THE YEAR, JUST OVER A YEAR, THE  
2                   STANDARDS WORKING GROUP HAS CONVENEED 12 PUBLIC  
3                   MEETINGS. AND THE RESULT IS THE FIRST COMPREHENSIVE  
4                   SET OF REGULATIONS DESIGNED TO IMPLEMENT AND BUILD ON  
5                   THE MAJOR RECOMMENDATIONS OF THE NATIONAL ACADEMY OF  
6                   SCIENCE'S GUIDELINES. AS WE'VE SAID PREVIOUSLY, THE  
7                   PROCESS HAS BEEN CHARACTERIZED BY THOUGHTFUL  
8                   DELIBERATION AND EXTENSIVE PUBLIC COMMENT AT EVERY  
9                   STAGE, INCLUDING INSIGHTFUL FEEDBACK FROM THE ICOC ON  
10                  THE ISSUE OF CORD BLOOD DONATION.

11                  AND I THINK IT HAS BEEN A VERY IMPORTANT  
12                  PROCESS FOR US. AND AS WE WENT FORWARD ON THIS, I  
13                  WOULD SAY WE BECAME LESS AND LESS THE ICOC WORKING  
14                  GROUP AND OTHERS AND MORE AND MORE A GROUP OF PEOPLE  
15                  CONCERNED ABOUT THESE ISSUES WHO WORKED TOGETHER,  
16                  PUBLIC INTEREST PEOPLE. WE HAD GREAT INTEREST FROM THE  
17                  LEGISLATURE AND ELSEWHERE. AND ALTHOUGH, AS I SAID TO  
18                  SOMEBODY IN SACRAMENTO, BY THE TIME WE FINISH, PROBABLY  
19                  WHAT WE ADOPTED WAS NOT EXACTLY AGREED ON BY ANY ONE  
20                  PERSON IN THE PROCESS BECAUSE THERE WERE LOTS OF  
21                  DISAGREEMENTS, LOTS OF DIFFERENT POINTS OF VIEW, BUT,  
22                  IN FACT, I'M CONVINCED THAT WE HAVE CALLED ON IN THIS  
23                  PROCESS THE BEST POSSIBLE OPINION AND THE BEST MINDS  
24                  AROUND. AND I FEEL LIKE WE HAVE THOROUGHLY AIRED A  
25                  NUMBER OF VERY, VERY IMPORTANT ISSUES.

1                   BETWEEN MARCH 17TH AND 21ST, THEN, WE POSTED  
2 THIS. AND WE HAVE HAD FOUR DIFFERENT FORMAL COMMENT  
3 PERIODS, ONE OF 45 DAYS AND THREE EACH OF 15 DAYS, AS  
4 WE HAVE PROGRESSIVELY REVISED THESE. I SHOULD SAY THAT  
5 THE INTERACTIONS WITH THE PUBLIC AND OTHERS CONTINUED  
6 IN A VERY PRODUCTIVE WAY THROUGH THE PUBLIC COMMENT  
7 PERIOD. WITH A DOCUMENT AS COMPLICATED AS THIS, IT'S  
8 HARD TO GET IT EXACTLY RIGHT, AND PEOPLE WERE VERY  
9 HELPFUL IN POINTING OUT INCONSISTENCIES AND OTHER  
10 THINGS.

11                   AND A SUMMARY OF ALL THE COMMENTS RECEIVED  
12 DURING THAT FORMAL APA RULEMAKING PROCESS AND OUR  
13 RESPONSE IS PROVIDED IN YOUR MATERIALS. I WANT YOU TO  
14 NOTE THE THICKNESS OF THAT DOCUMENT AND TO UNDERSTAND  
15 THAT THERE ARE WRITTEN RESPONSES TO 78 DIFFERENT AREAS  
16 OF COMMENTS. WE RECEIVED OVER 150 DIFFERENT COMMENTS,  
17 AND THEY WERE GROUPED INTO 78 DIFFERENT AREAS FOR THAT.

18                   AND I JUST WANT TO SAY THIS REPRESENTS A  
19 TREMENDOUS AMOUNT OF WORK BY GEOFF LOMAX ON THE CIRM  
20 STAFF, BY BERNIE LO, WHO IS THE CO-CHAIR OF THE  
21 COMMITTEE, ALONG WITH SHERRY LANSING, AND ONE OF THE  
22 WORKING GROUP MEMBERS HAS REALLY MADE A HERCULEAN  
23 CONTRIBUTION, AND THAT'S ALTA CHARO, WHO HAS BEEN ON  
24 CALL AND WILLING TO DISCUSS AND OFFERED TRENCHANT,  
25 HELPFUL, CONSTRUCTIVE OPINIONS FROM START TO FINISH.

1                   SO LET ME JUST SAY THAT WHAT WE WANT TO DO  
2                   TODAY, THEN, IS GET THE NECESSARY APPROVALS WHICH WILL  
3                   ALLOW US TO MOVE FORWARD TO THE FINAL STAGE OF THE  
4                   RULEMAKING PROCESS. IF YOU APPROVE THE REGULATORY  
5                   PACKAGE BEFORE YOU TODAY, THEN WE WILL BE ON TRACK FOR  
6                   SUBMITTING OUR FINAL PACKAGE TO THE OFFICE OF  
7                   ADMINISTRATIVE LAW IN MID-AUGUST. AND BERNIE LO WILL  
8                   PRESENT IN JUST A MOMENT A MUCH MORE DETAILED TIMELINE  
9                   AND TELL YOU ABOUT SOME OF THE ISSUES IN THERE.

10                   THE OFFICE OF ADMINISTRATIVE LAW REVIEWS ALL  
11                   REGULATIONS, AND WE APPRECIATE THE HELPFULNESS OF THEIR  
12                   STAFF. IN THAT FINAL REVIEW, THERE MAY BE SOME MINOR  
13                   TECHNICAL CHANGES THAT WOULD BE NECESSARY, BUT WE DO  
14                   NOT ANTICIPATE ANY SUBSTANTIVE CHANGES TO THE CORE  
15                   REGULATIONS. IF WE SUBMIT MID-AUGUST TO OAL AND THERE  
16                   ARE NO UNFORESEEN IMPEDIMENTS, WE WOULD BE ON TRACK FOR  
17                   PUBLISHING FINAL REGULATIONS IN THE CALIFORNIA CODE OF  
18                   REGULATIONS BY LATE SEPTEMBER. THIS WOULD, AGAIN, MARK  
19                   A MAJOR LANDMARK IN THIS PARTICULAR ASPECT OF OUR  
20                   ACTIVITIES.

21                   SO LET ME, THEN, TURN THE FLOOR OVER TO  
22                   BERNIE LO, WHO WILL DESCRIBE THE MATERIALS BEFORE YOU.  
23                   THANK YOU VERY MUCH.

24                   DR. LO: THANKS VERY MUCH, ZACH. IT'S A REAL  
25                   PLEASURE TO BE HERE WITH YOU TODAY. AND WHAT I WOULD

1 LIKE TO DO, AS THE FIRST SLIDE SHOWS, IS TO FIRST  
2 INFORM THE MEMBERS OF THE ICOC OF THE CHANGES MADE IN  
3 THESE RECOMMENDED REGULATIONS IN RESPONSE TO THE  
4 EXTENSIVE PUBLIC COMMENTS WE RECEIVED.

5 IN ADDITION, WE ARE ASKING ICOC APPROVAL FOR  
6 THE FINAL PROPOSED REGULATIONS, AND THERE'S ONE  
7 SPECIFIC ITEM, SECTION 100095, THAT REQUIRES A SEPARATE  
8 VOTE FOR REASONS I'LL EXPLAIN. WE'RE ALSO ASKING YOU  
9 TO APPROVE TWO DOCUMENTS, THE SUMMARY AND RESPONSE TO  
10 PUBLIC COMMENTS, AND THE ORIGINAL BASIS  
11 RECOMMENDATIONS. THESE TWO DOCUMENTS ARE REQUIRED BY  
12 THE OFFICE OF ADMINISTRATIVE LAW TO GO THROUGH THE  
13 REGULATORY PROCESS.

14 THE NEXT SLIDE SHOWS YOU THE TIMELINE IN  
15 GRAPHIC FORM. ON FEBRUARY 10TH, 2006, THE ICOC  
16 APPROVED THE DRAFT REGULATIONS. THEY WERE SENT OUT FOR  
17 PUBLIC NOTICE. WE RECEIVED EXTENSIVE COMMENTS, AND  
18 WE'VE HELD TWO MEETINGS AND MADE A NUMBER OF REVISIONS  
19 TO THE REGULATIONS IN RESPONSE TO THOSE COMMENTS. AND  
20 AFTER EACH REVISION, WE POSTED OUR REVISION AND  
21 RECEIVED MORE COMMENTS. AS ZACH SAID, THIS HAS BEEN AN  
22 ITERATIVE PROCESS. IT'S BEEN A LONG AND THOROUGH AND  
23 THOUGHTFUL PROCESS. AND I THINK AS A RESULT, WE'VE  
24 REALLY IMPROVED THE REGULATIONS QUITE A BIT.

25 IF YOU APPROVE THE PACKAGE TODAY, WE WILL

1 THEN SUBMIT TO THE ICOC FOR THEIR FINAL APPROVAL THE  
2 PACKAGE OF REGULATIONS. THEY WILL TAKE A 30-DAY PERIOD  
3 TO REVIEW THESE REGULATIONS. AND IF WE SUBMIT BY  
4 AUGUST 15TH, WE WOULD ANTICIPATE, WE WOULD HOPE TO HAVE  
5 OAL APPROVAL BY THE END OF SEPTEMBER. SO THAT WOULD  
6 DOVETAIL VERY NICELY WITH THE PLANS ALREADY DISCUSSED  
7 FOR GRANTS AND SUBSEQUENT FUNDING.

8 THESE REGULATIONS THAT YOU HAVE BEFORE YOU,  
9 AS ZACH SAID, INCORPORATE THE NATIONAL ACADEMIES OF  
10 SCIENCES' REPORT FROM MAY 2005. THEY ALSO INCORPORATE  
11 THE FEDERAL REGULATIONS KNOWN AS THE COMMON RULE THAT  
12 GOVERN ALL RISK TO HUMAN SUBJECTS RESEARCH FOR  
13 FEDERALLY FUNDED AND MOST UNIVERSITY PROJECTS, AND THEY  
14 ALSO INCORPORATE EXISTING CALIFORNIA LAW. THEY REALLY  
15 GO BEYOND THAT IN SEVERAL WAYS. THE NEXT SLIDE SHOWS  
16 SOME OF THAT.

17 CONSISTENT WITH THE NAS GUIDELINES, WE  
18 RECOMMEND A NEW REGULATORY BODY, THE INSTITUTIONAL STEM  
19 CELL RESEARCH OVERSIGHT COMMITTEE, TO OVERSEE  
20 CIRM-FUNDED RESEARCH. THIS IS A BODY THAT IS IN  
21 ADDITION TO AND COMPLEMENTARY TO THE REQUIREMENTS FOR  
22 REVIEW BY THE INSTITUTIONAL REVIEW BOARD, IRB AND THE  
23 IACUC, INSTITUTIONAL ANIMAL SAFETY AND WELFARE  
24 COMMITTEES.

25 WE HAVE ENHANCED THE PROVISIONS FOR INFORMED



1 CONSENT FROM THE DONORS OF MATERIALS USED TO DERIVE NEW  
2 STEM CELL LINES. THESE INCLUDE THE DONORS OF ANY  
3 GAMETES, EMBRYOS, SOMATIC CELLS, OR TISSUE. IN  
4 PARTICULAR, AS YOU RECALL FROM THE FEBRUARY DISCUSSION,  
5 IF AN EMBRYO IS DONATED FOR STEM CELL RESEARCH AND THAT  
6 EMBRYO WAS DERIVED FROM DONOR OOCYTE OR DONOR SPERM,  
7 THOSE GAMETE DONORS ALSO NEED TO CONSENT. BECAUSE  
8 OOCYTE DONATION HAS SPARKED VERY WIDESPREAD INTEREST  
9 BOTH IN CALIFORNIA AND AROUND THE WORLD AND CONCERNS  
10 HAVE BEEN RAISED IN OTHER SITUATIONS ABOUT THE ADEQUACY  
11 OF THE CONSENT PROCESS, WE HAVE PUT IN PROVISIONS THAT  
12 THE RESEARCHER MUST ASSURE THAT OOCYTE DONORS  
13 UNDERSTAND ESSENTIAL ASPECTS OF THE RESEARCH.

14 SO IT'S NOT ENOUGH TO GIVE A DONOR AN  
15 INFORMED CONSENT FORM THAT THE IRB HAS APPROVED. THE  
16 RESEARCHER HAS TO HAVE A PROCEDURE FOR ASSESSING  
17 WHETHER THE DONORS UNDERSTAND THE ESSENTIAL POINTS.

18 ON THE NEXT SLIDE THERE'S ALSO BEEN CONCERN  
19 IN THE OOCYTE DONATION SITUATION ABOUT MEDICAL RISKS.  
20 AND WE HAVE TRIED TO ENHANCE PROTECTION IN A NUMBER OF  
21 WAYS. THE MOST INNOVATIVE I THINK HAS BEEN THE  
22 REQUIREMENT THAT IF THERE ARE DIRECT AND PROXIMATE  
23 COMPLICATIONS OF OOCYTE DONATION, SO HYPEROVULATION  
24 SYNDROME, COMPLICATIONS OF ANESTHESIA, OR COMPLICATIONS  
25 LIKE SURGERY, ANY CARE FOR THOSE COMPLICATIONS MUST BE

1 PROVIDED BY THE CIRM-FUNDED RESEARCH INSTITUTION AT NO  
2 COST TO THE PATIENT. WE THINK THAT BOTH PROTECTS THE  
3 WOMEN DONATING OOCYTES, BUT EQUALLY IMPORTANTLY,  
4 PROVIDES A REAL INCENTIVE FOR THE RESEARCH INSTITUTION  
5 TO MAKE SURE THAT DONATION PROCEDURE IS CARRIED OUT IN  
6 THE SAFEST WAY POSSIBLE.

7 ON THE NEXT SLIDE I'M GOING TO SUMMARIZE FOR  
8 YOU OUR RESPONSE TO COMMENTS. AS ZACH SAID, THE  
9 DETAILED RESPONSE IS A THICK PACKET THAT YOU HAVE.  
10 MANY OF THE COMMENTS WERE WHAT WE HAVE CALLED TECHNICAL  
11 REVISIONS. THEY WERE VERY HELPFUL IN POINTING OUT  
12 WHERE WE WERE UNCLEAR, WHERE WE'RE INCONSISTENT,  
13 SUGGESTED BETTER WAYS TO ACHIEVE THE GOAL WE WERE  
14 AIMING FOR. AND WE HAVE REALLY WELCOMED AND BENEFITED  
15 FROM THESE MANY SUGGESTIONS.

16 WE HAVE REALLY STUCK TO THE CALIFORNIA LEGAL  
17 REQUIREMENT THAT REGULATIONS, WHERE POSSIBLE, USE  
18 PERFORMANCE STANDARDS RATHER THAN PRESCRIPTIVE  
19 STANDARDS. IN OTHER WORDS, RATHER THAN TELLING PEOPLE  
20 EXACTLY WHAT TO DO, WE SET A GOAL FOR THEM TO PERFORM  
21 UP TO AND LEAVE IT UP TO THEM, INSOFAR AS POSSIBLE, TO  
22 DETERMINE THE BEST MEANS TO ACHIEVE THAT GOAL. WE  
23 THINK THIS IS PARTICULARLY IMPORTANT IN THE STEM CELL  
24 FIELD WHERE THE FIELD IS RAPIDLY DEVELOPING, WHERE  
25 INSTITUTIONS ARE GAINING EXPERIENCE IN HOW TO OVERSEE,

1 HOW TO REVIEW THIS RESEARCH, AND WE FEEL QUITE  
2 CONFIDENT THAT BEST PRACTICES WILL DEVELOP, THAT IF WE  
3 TRIED TO WRITE WHAT WE THINK IS THE BEST WAY TO OVERSEE  
4 THIS RESEARCH TODAY, IT WOULD BE OUT OF DATE IN A  
5 NUMBER OF MONTHS BECAUSE PEOPLE WILL HAVE DONE BETTER.

6 THE NEXT SLIDE, A NUMBER OF COMMENTS ASKED US  
7 TO SORT OF WIDEN OUR SCOPE. AND, AGAIN, WE WERE  
8 MINDFUL OF OUR CHARGE TO PROVIDE REGULATIONS FOR  
9 CIRM-FUNDED RESEARCH, AND WE DID NOT WANT TO EXCEED  
10 THAT STATUTORY AUTHORITY. SO OUR REGULATIONS APPLY  
11 ONLY TO CIRM-FUNDED RESEARCH. WE DO NOT PUT ADDITIONAL  
12 REQUIREMENTS ON EITHER RESEARCHERS OR INSTITUTIONS FOR  
13 THE RESEARCH THEY FUND WITH OTHER SOURCES.

14 NOW, OF COURSE, MANY RESEARCHERS AND  
15 INSTITUTIONS MAY BE PERSUADED THAT THESE ARE SUCH  
16 THOUGHTFUL AND EFFECTIVE REGULATIONS, THAT THEY MAY  
17 ADOPT THEM FOR OTHER RESEARCH FUNDED FROM OTHER SOURCES  
18 AS WELL, BUT THAT'S NOT A REQUIREMENT IN THE  
19 REGULATIONS.

20 ON THE NEXT SLIDE, NOW, THERE ARE A NUMBER OF  
21 SUGGESTIONS THAT WE ADOPTED OR USED TO MODIFY  
22 REGULATIONS. AND, AGAIN, I'M JUST GOING TO TRY AND  
23 GIVE YOU THE HIGH POINTS HERE. ONE VERY HELPFUL TOPIC  
24 WAS THE DEFINITION OF COVERED STEM CELL LINES, THAT WE  
25 IN CONSULTATION WITH SCIENTISTS AND RESEARCH

1 INSTITUTIONS, OUR REGULATIONS APPLY TO PLURIPOTENT  
2 CULTURE-DERIVED STEM CELL LINES THAT REALLY CAN BE  
3 PROPAGATED IN THE LABORATORY. AND THESE WERE TO BE  
4 DISTINGUISHED FROM STEM CELLS THAT WERE NOT PROPAGATED  
5 IN THE LABORATORY, JUST DERIVED FROM TISSUE AND USED.  
6 AND WE ALSO ARE NOT INCLUDING CORD BLOOD AND ADULT STEM  
7 CELLS WHICH ARE NOT STEM CELL LINES IN THE SENSE  
8 THEY'RE PROPAGATED IN CULTURE, AND THEY ALSO REALLY  
9 HAVE NOT YET BEEN SHOWN TO BE PLURIPOTENT.

10 IF AT SOME POINT THE SCIENCE CHANGES AND  
11 SOMEONE DERIVES A PLURIPOTENT CORD BLOOD OR ADULT STEM  
12 CELL LINE, THAT WOULD BE A DIFFERENT STORY. CURRENTLY  
13 CORD BLOOD AND ADULT STEM CELL RESEARCH IS WIDELY  
14 CARRIED OUT. IT'S OVERSEEN BY INSTITUTIONAL IRB'S, AND  
15 THERE REALLY HAVE NOT BEEN WIDESPREAD CONCERNS THAT  
16 RESEARCH IS NOT THOUGHTFULLY, THOROUGHLY, AND  
17 RIGOROUSLY OVERSEEN. SO WE DID NOT WANT TO ADD  
18 ADDITIONAL OVERSIGHT WHERE IT WASN'T NEEDED, BUT TO  
19 FOCUS ON THE INNOVATIVE KINDS OF STEM CELL RESEARCH  
20 THAT WERE RAISING NEW ETHICAL ISSUES.

21 THERE WERE A NUMBER OF VERY HELPFUL  
22 SUGGESTIONS REGARDING SCRO PROCEDURES AND STRUCTURE,  
23 WHICH WE ADOPTED. WE ENLARGED THE MEMBERSHIP OF THE  
24 SCRO TO INCLUDE A WOMEN'S HEALTH EXPERT, A  
25 NONSCIENTIST, A LAY UNAFFILIATED MEMBER, AND ALSO A

1 PATIENT ADVOCATE. AND WE THINK THE BROADER THE  
2 COMPOSITION OF THESE REVIEW BODIES, THE MORE THOUGHTFUL  
3 THE DISCUSSION WAS LIKELY TO BE.

4 WE HAVE PROVISIONS IN PLACE FOR CONFLICTS OF  
5 INTEREST OF SCRO MEMBERS WITH REGARD TO THE RESEARCH  
6 BEING REVIEWED, AND WE HAVE PROVISIONS NOW FOR AN  
7 APPEALS PROCESS IF A RESEARCHER DISAGREES WITH THE  
8 SCRO'S DECISION ON A PROJECT.

9 WE ALSO THOUGHT A LOT ABOUT CIRM RESEARCHERS  
10 USING HUMAN STEM CELL LINES DERIVED WITH OTHER FUNDING.  
11 AS YOU KNOW, PROGRESS IN THIS FIELD WILL REQUIRE  
12 COLLABORATION BECAUSE IT IS NOT EASY TO DERIVE STEM  
13 CELL LINES. ONCE THERE IS A WELL-CHARACTERIZED STEM  
14 CELL LINE, IT WOULD BE ADVANTAGEOUS FOR OTHER  
15 RESEARCHERS TO USE THAT LINE. AND WE DID NOT WANT TO  
16 IMPOSE ADDITIONAL BURDENSOME OVERSIGHT ON STEM CELL  
17 LINES THAT HAVE ALREADY BEEN REVIEWED IN A THOROUGH  
18 WAY.

19 SO WE DEEMED THAT CERTAIN CATEGORIES OF STEM  
20 CELL LINES COULD BE ACCEPTABLE FOR USE ON CIRM-FUNDED  
21 PROJECTS. THESE WERE THE NIH-APPROVED STEM CELL LINES,  
22 STEM CELL LINES APPROVED BY THE UNITED KINGDOM HFEA  
23 AUTHORITY, AND STEM CELL LINES APPROVED BY THE CANADIAN  
24 NATIONAL BOARD OF RESEARCH.

25 THE NIH LINES ARE GRANDPARENTED IN. THESE

1 WERE IN EXISTENCE AS OF AUGUST 2001. THEY MAY NOT MEET  
2 IN ALL CASES THE SPECIFICATIONS WE SET FORTH FOR LINES  
3 DERIVED UNDER CIRM FUNDING GOING FORWARD. ON THE OTHER  
4 HAND, THESE LINES ARE IN EXISTENCE, THEY'RE WIDELY  
5 USED, THEY'RE EXTREMELY WELL CHARACTERIZED, AND THE  
6 SCIENTISTS FIND THEM EXTREMELY HELPFUL. AND GIVEN THAT  
7 THE PRESIDENT HAS VIEWED IT AS ACCEPTABLE TO USE THESE  
8 LINES, WE DID NOT WANT EACH SCRO HAVING TO GO BACK AND  
9 VERIFY ISSUES SUCH AS CONSENT.

10 THE UK AND CANADIAN NATIONS HAVE BOTH SET UP  
11 COMPREHENSIVE NATIONAL GUIDELINES AND ESTABLISHED A  
12 NATIONAL PROCEDURE FOR REVIEWING STEM CELL RESEARCH.  
13 THESE ARE VERY THOROUGH AND THOUGHTFUL AND INCORPORATE  
14 MANY OF THE CORE ISSUES THAT WE ALSO DEAL WITH, BUT IN  
15 SOMEWHAT DIFFERENT WAYS. AGAIN, WE WOULD DEFER TO  
16 THEIR -- WE WOULD ALLOW SCRO'S IN CALIFORNIA TO DEFER  
17 TO THOSE TWO NATIONAL BODIES WITH REGARD TO STEM CELL  
18 LINES DERIVED WITH THEIR APPROVAL.

19 FOR OTHER STEM CELL LINES DERIVED IN OTHER  
20 STATES OR OTHER COUNTRIES, WE DID WANT TO REQUIRE THAT  
21 CERTAIN CORE ELEMENTS BE MET BEFORE CIRM RESEARCHERS --  
22 BEFORE THEY COULD BE USE IN CIRM-FUNDED RESEARCH.  
23 THESE INCLUDE INFORMED CONSENT, IRB APPROVAL, AND NO  
24 PAYMENT BEYOND ALLOWABLE REIMBURSEMENT. SO WE REALLY  
25 WERE IN KEEPING WITH THE SPIRIT AND THE LETTER OF PROP

1 71.

2 NEXT SLIDE. WE REALLY WANTED TO PROTECT THE  
3 WOMEN WHO ARE DONATING OOCYTES FOR RESEARCH WHO UNDERGO  
4 OOCYTE RETRIEVAL PROCEDURES, WHICH ARE LENGTHY,  
5 UNCOMFORTABLE, AND DO CARRY SOME MEDICAL RISK. WE HAVE  
6 A PROVISION THAT THE CLINIC CARRYING OUT OOCYTE  
7 RETRIEVAL BE A MEMBER OF SART, THE PROFESSIONAL  
8 ORGANIZATION. AND THIS REALLY IS A PROXY FOR ADHERING  
9 TO GOOD PRACTICE STANDARDS. WE LOOKED LONG AND HARD  
10 FOR PRACTICE STANDARDS THAT WE COULD CITE AND  
11 REFERENCE, COULD NOT FIND ANY. WE THINK THERE ACTUALLY  
12 IS A GOOD CHANCE COMING OUT OF THE SEPTEMBER 28TH  
13 MEETING THAT CIRM IS FUNDING AND THE INSTITUTE OF  
14 MEDICINE IS CONVENING, THAT THERE WILL BE GOOD IDEAS ON  
15 SORT OF STANDARDS OF PRACTICE FOR OOCYTE RETRIEVAL.  
16 AND WE CAN ALWAYS UPDATE THESE REGULATIONS.

17 OUR SECOND POINT WAS THAT WE WANTED TO ASSURE  
18 THAT IN THE SITUATION OF A WOMAN WHO WAS CONSIDERING  
19 DONATING OOCYTES TO RESEARCH, AS WELL AS DONATING THEM  
20 FOR USE IN INFERTILITY TREATMENT, EITHER HER OWN OR IN  
21 OTHER WOMEN'S, THAT THE PRINCIPLE BE WELL ESTABLISHED  
22 THAT THE OPTIMAL REPRODUCTIVE SUCCESS OF THE WOMAN IN  
23 INFERTILITY TREATMENT MAY NOT BE COMPROMISED BY  
24 DONATION FOR RESEARCH. IN OTHER WORDS, THE WOMAN IN  
25 INFERTILITY TREATMENT NEEDS TO COME FIRST, AND RESEARCH

1 IS SECOND, ALTHOUGH IT'S EXTREMELY IMPORTANT.

2 HAVING ESTABLISHED THAT GENERAL PRINCIPLE, WE  
3 OPERATIONALIZED IT BY SAYING THAT THE TIMING, METHODS,  
4 AND PROCEDURES FOR OOCYTE RETRIEVAL COULD NOT BE  
5 VARIED. THIS WAS TO PROHIBIT ANY ATTEMPT TO SUBJECT  
6 WOMEN TO INCREASED RISK IN ORDER TO RETRIEVE MORE  
7 OOCYTES. FRANKLY, THIS RECOMMENDATION REALLY DOES NOT  
8 ENVISAGE WOMEN DONATING SIMULTANEOUSLY OOCYTES, SOME OF  
9 WHICH WOULD GO TO RESEARCHERS AND SOME WHICH WOULD GO  
10 FOR SOMEONE'S INFERTILITY TREATMENT. WHAT WE ENVISAGE  
11 IS EITHER WOMEN DONATING SPECIFICALLY FOR RESEARCH OR  
12 WOMEN ALLOWING OOCYTES THAT COULD NOT BE USED FOR  
13 REPRODUCTIVE PURPOSES BECAUSE THEY'RE TOO IMMATURE OR  
14 FAIL TO FERTILIZE. THOSE COULD BE DONATED FOR  
15 RESEARCH, AND I'LL TALK MORE ABOUT THAT LATTER  
16 SITUATION WITH REGARD TO THAT SECTION 100095.

17 FINALLY, WE ADDRESSED CONFLICTS OF INTEREST  
18 IN THE RESEARCHERS AND THE PHYSICIAN CARRYING OUT THE  
19 CLINICAL ASPECTS OF OOCYTE RETRIEVAL, ALL THESE TO  
20 PROTECT THE WOMEN DONATING OOCYTES.

21 NOW, YOU HAVE IN YOUR PACKET A COPY OF THE  
22 RECOMMENDED FINAL REGULATIONS. WHAT WE ARE ASKING YOU  
23 TO DO IS, FIRST, TO ADOPT LANGUAGE FOR A SPECIFIC  
24 PROVISION ON SECTION -- THERE'S ACTUALLY AN EXTRA ZERO  
25 THERE. IT SHOULD BE 100095. AND I'LL EXPLAIN IN A



1 MINUTE WHY WE'RE ASKING FOR YOUR SPECIFIC APPROVAL.

2 WE ALSO ASK YOU TO ADOPT THE FINAL REGULATORY  
3 PACKAGE. AND THAT WOULD INCLUDE THE FINAL COMPILED  
4 REGULATIONS, WHICH YOU HAVE BEFORE YOU, A DOCUMENT  
5 CALLED THE SUMMARY IN RESPONSE TO COMMENTS, WHICH I'LL  
6 EXPLAIN IN A MINUTE, AND A DOCUMENT CALLED THE ORIGINAL  
7 BASIS REGULATIONS. AND, FINALLY, WE ASK YOU TO APPROVE  
8 A MEASURE THAT, ONCE THE OAL HAS APPROVED THESE FINAL  
9 REGULATIONS, THAT THE EMERGENCY EXTENSION OF THE  
10 INTERIM REGULATIONS BE REPEALED.

11 NEXT SLIDE. SO SECTION 100095, THE FINAL --  
12 WE HAD A SERIES OF DIFFICULT ISSUES THAT WE TACKLED.  
13 AND LAST ONE WE TACKLED, WHICH WAS POSTED IN OUR JULY  
14 6TH POSTING, WAS THE ISSUE OF DONATION OF OOCYTES BY A  
15 WOMAN WHO WAS ALSO DONATING OOCYTES FOR A WOMAN IN  
16 INFERTILITY TREATMENT. THESE THREE OPTIONS REALLY HAD  
17 TO DO WITH OOCYTES THAT WOULD OTHERWISE BE THROWN AWAY  
18 BECAUSE THEY COULD NOT BE USED FOR INFERTILITY  
19 TREATMENT BECAUSE THEY WERE TOO IMMATURE OR BECAUSE  
20 THEY FAILED TO FERTILIZE.

21 IN ORDER TO GENERATE THE WIDEST RESPONSE, WE  
22 CIRCULATED THREE DIFFERENT OPTIONS FOR PUBLIC COMMENT  
23 AND CONVENED A PHONE MEETING OF THE SWG TO DISCUSS  
24 THOSE OPTIONS. BECAUSE WE DID NOT MAKE A SPECIFIC  
25 REGULATION, THE OAL IS REQUIRING YOU, THE ICOC, TO

1       FORMALLY ADOPT THE REGULATION THAT THE SWG RECOMMENDS.  
2       NOW, AT THAT MEETING THERE WAS A GOOD DISCUSSION, AND  
3       THERE WAS A UNANIMOUS DECISION THAT IF THE ORIGINAL  
4       OOCYTE DONOR WAS PAID, OOCYTES THAT WOULD OTHERWISE BE  
5       THROWN AWAY BECAUSE THEY WERE IMMATURE OR FAILED TO  
6       FERTILIZE STILL CANNOT BE USED FOR CIRM-FUNDED RESEARCH  
7       BECAUSE OF THE PROP 71 PROHIBITION ON PAYMENT BEYOND  
8       REIMBURSEMENT.

9                 NOW, THOSE OOCYTES MAY BE DONATED FOR  
10       NON-CIRM-FUNDED RESEARCH, BUT WE THOUGHT IT WAS  
11       IMPORTANT TO ADHERE TO THE SPIRIT OF PROP 71. AS I  
12       SAID, THERE WAS A UNANIMOUS FEELING OF THE SWG THAT  
13       THAT WAS IMPORTANT. SO WE'RE ASKING TODAY FOR YOU TO  
14       SPECIFICALLY APPROVE THAT RECOMMENDATION, WHICH IS  
15       OPTION 3 UNDER AGENDA 8(B)(III), WHICH IS IN THE PACKET  
16       THAT'S TITLED MEDICAL AND ETHICAL STANDARDS WORKING  
17       GROUP FINAL RECOMMENDATIONS FROM THE SWG.

18                ON THE NEXT SLIDE, THERE'S ALSO A DOCUMENT IN  
19       YOUR FOLDER ENTITLED "SUMMARY AND RESPONSE TO PUBLIC  
20       COMMENTS." AGAIN, THIS IS A DOCUMENT THAT THE OAL  
21       REQUIRES. WE MUST SUMMARIZE ALL THE PUBLIC COMMENTS  
22       RECEIVED, AND IT'S A VERY THICK AND VERY COMPLETE,  
23       THOROUGH DOCUMENT. AND IT'S REALLY IMPORTANT, I THINK,  
24       BECAUSE WE EXPLAIN HOW WE RESPOND TO EACH OF THE  
25       COMMENTS. AND WHAT WE TRIED TO DO AND WHAT WE REALLY

1 DID THROUGHOUT THE PROCESS, THIS REALLY SUMMARIZES OR  
2 DOCUMENTS THE PROCESS, WE THOUGHT IT WAS IMPORTANT TO  
3 SHOW PEOPLE WHO TOOK THE TIME TO CONTACT US WITH THEIR  
4 THOUGHTS THAT WE HEARD WHAT THEY WERE SAYING, THAT WE  
5 SHOWED THEM WE UNDERSTOOD THE POINT THEY WERE MAKING,  
6 AND THAT WE RESPONDED. WE DIDN'T ADOPT ALL THE  
7 COMMENTS RECEIVED, BUT WHERE WE DIDN'T ADOPT THEM, WE  
8 THOUGHT IT WAS IMPORTANT TO INDICATE BACK TO PEOPLE THE  
9 REASONS FOR OUR DISAGREEMENT SO THAT THEY UNDERSTOOD  
10 OUR POSITION. WE THINK THAT REALLY ENHANCES THE  
11 TRANSPARENCY AND THE ACCOUNTABILITY OF THE PROCESS.

12 THIS DOCUMENT WILL ALSO BE USED IN THE FINAL  
13 STATEMENT OF REASONS, WHICH, AGAIN, IS PART OF THE  
14 PACKET WE MUST SUBMIT TO THE OAL.

15 THERE'S ALSO A DOCUMENT CALLED THE ORIGINAL  
16 BASIS FOR REGULATIONS. THAT IDENTIFIES THE BASIS, THE  
17 ORIGIN FOR EACH PROVISION. AND AS YOU WILL SEE AS YOU  
18 LOOK THROUGH IT, IN MANY CASES THIS IS EXISTING  
19 GUIDELINES, LAWS, REGULATIONS WHICH MAY BE STATE OR  
20 FEDERAL. AND, AGAIN, THIS WILL BE USED IN THE FINAL  
21 STATEMENT OF REASONS TO THE OAL, AND WE THINK, AGAIN,  
22 IT HELPS MAKE TRANSPARENT THE REASONING OF THE SWG.

23 SO IN SUMMARY, FIRST, I REALLY WANT TO THANK  
24 THE MEMBERS OF THE SWG WHO WORKED LONG AND HARD, THE  
25 STAFF, PARTICULARLY GEOFF LOMAX, WHO'S REALLY DONE A

1 TERRIFIC SERVICE. I WANT TO THANK SHERRY LANSING, MY  
2 CO-CHAIR AND COLLEAGUE, WHO'S REALLY BEEN A WONDERFUL  
3 LEADER. AND I ALSO WANT TO THANK THE MEMBERS OF THE  
4 PUBLIC WHO HAVE FOLLOWED THIS, COMMENTED, AND REALLY  
5 PUT A LOT OF TIME AND EFFORT INTO THINKING THROUGH  
6 THESE ISSUES WITH US. AND I THINK REALLY WITHOUT THEIR  
7 INPUT, WITHOUT THEIR ATTENTION, THIS DOCUMENT WOULD NOT  
8 BE NEARLY AS GOOD AS IT IS. IT REALLY DEMONSTRATES THE  
9 VALUE OF ADVOCATES, INTEREST GROUPS, AND MEMBERS OF THE  
10 PUBLIC REALLY BEING PART OF THIS OVERSIGHT PROCESS.

11 I THINK THAT WE CAN REALLY BE PROUD OF THESE.  
12 I THINK THESE REALLY SET THE STANDARD, NOT JUST  
13 NATIONALLY, BUT PERHAPS INTERNATIONALLY AS WELL.  
14 THEY'RE COMPREHENSIVE, THEY'RE RIGOROUS, AND THEY'RE  
15 FEASIBLE. THESE ARE NOT GOING TO SET BACK RESEARCH,  
16 BUT THEY WILL ALLOW THE CITIZENS OF CALIFORNIA TO TRUST  
17 THAT THE RESEARCH BEING CARRIED OUT WITH THEIR FUNDING  
18 ADHERES TO HIGH ETHICAL STANDARDS.

19 I ALSO WANT TO SAY THAT WE ALL KNOW THIS IS A  
20 VERY RAPIDLY DEVELOPING FIELD, AND THESE ARE NOT MEANT  
21 TO BE FINAL FOR ALL TIME. THAT WE EXPECT THAT WE MAY  
22 WELL NEED TO REVISE, REVISIT IN RESPONSE TO NEW  
23 DEVELOPMENTS, AND WE'RE PREPARED TO DO SO TO MAKE SURE  
24 THAT WE STAY CURRENT IN CALIFORNIA AND REALLY CONTINUE  
25 TO LEAD THE NATION IN OVERSEEING THIS IMPORTANT

1 RESEARCH. THANK YOU VERY MUCH.

2 (APPLAUSE.)

3 CHAIRMAN KLEIN: DR. HALL, I'M GOING TO CALL  
4 ON SHERRY LANSING HERE FOR A MOMENT, BUT THEN I'D ASK  
5 YOU TO KEEP US ACUTELY FOCUSED ON PROCESS IN MAKING  
6 CERTAIN WE'RE PRECISELY RIGHT IN THE SEQUENCE AND THE  
7 MOTIONS WE GO THROUGH. IS SCOTT TOCHER STILL GOING TO  
8 PARTICIPATE IN LEADING US THROUGH THESE MOTIONS?

9 DR. HALL: HE'S RIGHT HERE. I THINK THE  
10 POINT IS TO DEAL, FIRST OF ALL, WITH THE LIMITED  
11 QUESTION WHERE THERE ARE THREE ALTERNATIVES AND TO  
12 ACCEPT OR REJECT OR MODIFY THE RECOMMENDATION OF THE  
13 WORKING GROUP. AND THEN ONCE THAT'S DONE, THE NEXT  
14 STEP WOULD BE TO APPROVE THE ENTIRE DOCUMENT. THOSE  
15 ARE THE TWO STEPS.

16 CHAIRMAN KLEIN: WE HAVE ABOUT FOUR DIFFERENT  
17 ACTIONS HERE TO TAKE. AND, SCOTT, YOU'RE NOT IN  
18 EYESIGHT, BUT IF YOU COULD MOVE OVER AND JUST IF WE'RE  
19 NOT DOING IT PRECISELY IN THE RIGHT ORDER, IF YOU WOULD  
20 JUST KEEP US FOCUSED IN THAT ORDER.

21 DR. LO: BOB, I NEGLECTED TO MENTION SCOTT BY  
22 NAME IN TERMS OF THE EXTREMELY HELPFUL AND WISE ADVICE  
23 THAT HE'S GIVEN TO US. HIS AVAILABILITY ON REALLY  
24 EXTREMELY SHORT NOTICE IN MANY CASES TO SORT OF HELP  
25 OUT WITH VERY COMPLEX ISSUES. THANK YOU VERY MUCH.

1                   CHAIRMAN KLEIN:  THANK YOU, DOCTOR.  BEFORE  
2 WE GO TO THESE MOTIONS.  IN RECEIVING SHERRY LANSING'S  
3 COMMENTS, I WOULD LIKE TO SAY AS A MEMBER OF THE  
4 STANDARDS WORKING GROUP, I AND EVERYONE SAW THAT SHERRY  
5 LANSING USED HER MARVELOUS QUALITIES IN BRINGING EARLY  
6 CONSENSUS AND A CULTURE OF COOPERATION, LEARNING, AND  
7 OUTREACH TO THAT COMMITTEE, WHICH WAS A TREMENDOUS  
8 CONTRIBUTION TO CREATE A REAL ORGANIC PROCESS THAT,  
9 WITH BERNIE LO'S LEADERSHIP, IN PARTNERSHIP CREATED A  
10 TREMENDOUS TEAM THAT LED US THROUGH THIS PROCESS.  
11 SHERRY LANSING.

12                   MS. LANSING:  THAT IS UNDULY KIND OF YOU.  I  
13 JUST HAVE TO SAY YESTERDAY WAS MY BIRTHDAY.  I THINK IT  
14 ACTUALLY MUST BE TODAY BECAUSE I'M GETTING ALL THESE  
15 NICE WORDS.  BUT I ACTUALLY WANT TO SAY THAT I WANT TO  
16 EXTEND ON BEHALF OF ALL OF US THE GREATEST THANK YOU TO  
17 BERNIE LO.  I THINK THAT BERNIE IS JUST ONE OF THE MOST  
18 EXTRAORDINARY PEOPLE I'VE EVER WORKED WITH IN MY ENTIRE  
19 LIFE.  AND OUR COMMITTEE FUNCTIONED BECAUSE OF BERNIE.  
20 YOUR INTELLIGENCE, YOUR COMPASSION, YOUR WAY OF DEALING  
21 WITH PEOPLE ARE JUST UNIQUE AND IN A CLASS BY YOURSELF.  
22 AND I HAVE TO SAY THAT, FOR ME PERSONALLY, AND I'VE  
23 BEEN ON A LOT OF COMMITTEES IN MY LIFE, THIS IS ONE OF  
24 THE GREATEST PLEASURES I EVER HAD, AND IT REALLY IS  
25 BECAUSE OF YOU, BERNIE.  YOU ARE JUST A JOY TO WORK

1 WITH. AND OUR COMMITTEE MET SO MUCH, I CAN'T TELL EVEN  
2 TELL YOU THE NUMBER. I KNOW IT'S BEEN RECORDED. AND  
3 WE ENDED UP ALL OF US ACTUALLY BEING FRIENDS AND  
4 ACTUALLY HAVING A GOOD TIME AND POLITELY DISAGREEING  
5 WITH EACH OTHER.

6 AND I TOO, IN ADDITION TO THANKING BERNIE IN  
7 THE MOST PROFOUND WAY, AND I'M GOING TO ASK FOR A ROUND  
8 OF APPLAUSE FOR BERNIE AS WELL, WANT TO REEMPHASIZE AND  
9 DITTO WHAT BERNIE SAID, THAT, NO. 1, WE ARE TAKING THE  
10 MOST CONSERVATIVE APPROACH BECAUSE IT'S THE SAFEST  
11 APPROACH TO TAKE TODAY. WE ARE A WORK IN PROGRESS.  
12 WE'LL SEE HOW IT WORKS, AND WE CAN CHANGE IT.

13 BUT I ALSO WANT TO THANK THE EXTRAORDINARY  
14 MEMBERS OF THE COMMITTEE. EACH AND EVERY ONE WAS  
15 EXTRAORDINARY. I WANT TO THANK ALL OF THE STAFF AT  
16 CIRM. AND I REALLY WANT TO THANK THE PUBLIC BECAUSE  
17 YOUR COMMENTS UP UNTIL THE VERY LAST MINUTE AND WITH  
18 THIS NEW PROPOSAL ACTUALLY FORCED US TO FOCUS AND BE  
19 EVEN BETTER. BUT TO ME THE CREDIT REALLY GOES TO  
20 BERNIE, SO I REALLY WANT TO THANK YOU.

21 (APPLAUSE.)

22 DR. LO: THANK YOU, SHERRY.

23 CHAIRMAN KLEIN: DR. BALTIMORE.

24 DR. BALTIMORE: I WANT TO ADD MY THANKS AND  
25 APPRECIATION FOR THIS EFFORT AND REALLY HONOR THIS

1       REMARKABLE DOCUMENT BECAUSE I THINK IT DOES IN A VERY  
2       COMPREHENSIVE WAY DEAL WITH THE ISSUES OF STANDARDS FOR  
3       THE STATE OF CALIFORNIA TO MOVE FORWARD IN THIS VERY  
4       IMPORTANT RESEARCH.  AND IT WILL BE A MODEL FOR THE  
5       REST OF THE COUNTRY AND THE REST OF THE WORLD, I THINK,  
6       WITHOUT A DOUBT.

7                   I HAVE ONE SUGGESTION AND ONE QUESTION.  
8       SUGGESTION IS THAT YOU INCORPORATE INTO ANY DOCUMENT  
9       LIKE THIS A GLOSSARY OF WHAT ALL THE ABBREVIATIONS  
10      STAND FOR BECAUSE, PARTICULARLY WHEN YOU PLOW INTO THAT  
11      VERY IMPRESSIVE DOCUMENT OF THE SUMMARY AND RESPONSE TO  
12      PUBLIC COMMENTS, YOU IMMEDIATELY FIND YOURSELF FACED  
13      WITH QUITE A COLLECTION OF ACRONYMS.

14                   THE SECOND THING I WANT TO SAY IS TO TRY TO  
15      UNDERSTAND WHAT HAPPENS TO THIS WHEN IT BECOMES  
16      CALIFORNIA REGULATIONS FROM TWO POINTS OF VIEW.  ONE IS  
17      YOU SAY IT'S NOT FINAL, BUT I HAVE THIS DISTINCT  
18      FEELING THAT WHEN SOMETHING GOES INTO REGULATIONS, THAT  
19      IT'S HARD TO GET IT OUT AGAIN TO WORK ON IT.  SO I'M  
20      CURIOUS ABOUT THE PROCESS THERE AND THE FLEXIBILITY  
21      THAT EXISTS.  I'M GOING TO GET AN ANSWER.

22                   AND THE SECOND IS WHAT PENALTIES ARE INVOLVED  
23      IN NOT FOLLOWING THESE REGULATIONS ONCE THEY BECOME  
24      PART OF A CALIFORNIA CODE?  AND WHO IS THE POLICEMAN  
25      HERE?



1 DR. LO: SHERRY, DO YOU WANT TO ADDRESS THE  
2 QUESTION?

3 MS. LANSING: WELL, THE FIRST PART IS THAT AS  
4 A COMMITTEE, AND, BERNIE, YOU CAN EMPHASIZE IT, WE ALL  
5 KNOW THAT OUR WORK ISN'T DONE. SO WE INTEND TO MEET  
6 LIKE EVERY THREE OR FOUR MONTHS FOREVER. WE ACTUALLY  
7 MADE A LIFETIME COMMITMENT TO THIS. WE ACTUALLY JOKE  
8 ABOUT IT. FORTUNATELY, WE ALL LIKE EACH OTHER. AND SO  
9 WE'RE GOING TO DO THAT, AND WE'RE GOING TO KEEP  
10 MODIFYING IT AND KEEP ADDING ADDENDUMS, IF NECESSARY,  
11 DO YOU KNOW; BUT THE FIELD IS MOVING SO FAST, THAT IT'S  
12 IMPOSSIBLE TO KNOW THE RIGHT ANSWER FOR EVERY ISSUE AT  
13 THIS TIME.

14 DR. BALTIMORE: WHAT IS THE STATUS OF IT IN  
15 CALIFORNIA LAW?

16 DR. LO: THEY ARE LEGALLY BINDING ON THE  
17 CIRM-FUNDED --

18 CHAIRMAN KLEIN: BERNIE, YOUR MIC DOES NOT  
19 SEEM TO BE WORKING.

20 MS. LANSING: WE CAN ADD AMENDMENTS TO IT.  
21 YOU WANT TO ANSWER THIS. SCOTT.

22 MR. TOCHER: I WAS JUST GOING TO SAY THAT THE  
23 PROCESS OF AMENDMENT IS THE SAME AS THE PROCESS OF THE  
24 ADOPTION OF THESE RULES. AND SO IT'S UP TO THE  
25 PREROGATIVE OF THE ICOC TO AMEND THEM FROM TIME TO TIME

1 AS IT WISHES UNDER THE SAME PROCEDURES IT USES IN  
2 ADOPTION.

3 MS. LANSING: IT'S NO DIFFERENT THAN ANYTHING  
4 ELSE WE DO. WE MEET, WE WANT TO AMEND, WE AMEND.

5 DR. HALL: THEN A PERIOD OF PUBLIC COMMENT IN  
6 THE SAME WAY.

7 MS. LANSING: SAME WAY. EVERYTHING GOES  
8 THROUGH THE SAME.

9 DR. BALTIMORE: RIGHT. THAT IS, IF SOMEBODY  
10 TURNS UP A CONTRADICTION, AS IS SORT OF INEVITABLE, IT  
11 WOULD TAKE SIX MONTHS TO CHANGE A REGULATION?

12 CHAIRMAN KLEIN: SCOTT, IF YOU COULD COMMENT  
13 ON THAT.

14 MR. TOCHER: SURE. WELL, THERE ARE A COUPLE  
15 DIFFERENT PROCEDURES. IF IT WAS AN URGENT MATTER, THE  
16 ICOC COULD ADDRESS IT IN EMERGENCY FASHION, AND THAT  
17 CORRECTIVE ADOPTION OR AMENDMENT WOULD TAKE EFFECT  
18 ALMOST IMMEDIATELY. THAT WOULD THEN INITIATE THE  
19 NORMAL STANDARD PROCESS. THAT EMERGENCY AMENDMENT  
20 WOULD REMAIN IN EFFECT FOR 120 DAYS UNTIL A PERMANENT  
21 FIX WOULD BE ADOPTED IN THE NORMAL PROCESS.

22 DR. BALTIMORE: OKAY.

23 DR. LO: THERE'S ANOTHER PART OF YOUR  
24 QUESTION, DR. BALTIMORE, REGARDING WHAT HAPPENS IF  
25 SOMEONE DOESN'T COMPLY. THERE IS SECTION 100040 ON

1 COMPLIANCE, THAT, AGAIN, THIS WAS STRENGTHENED IN  
2 RESPONSE TO OUR PUBLIC COMMENTS, WHICH REALLY SPELL OUT  
3 THE PENALTIES, WHICH COULD INCLUDE SUSPENSION OF  
4 FUNDING, RETURN OF FUNDS, DISBARMENT FROM FURTHER  
5 FUNDING. SO WE HAVE PUT IN PLACE THE AUTHORITY TO HAVE  
6 A GRADUATED SET OF RESPONSES TO NONCOMPLIANCE, AND IT  
7 WOULD BE TAILORED, I WOULD IMAGINE, TO THE NATURE OF  
8 THE OFFENSE.

9 FINALLY, I THINK THERE WILL BE AN INTERACTION  
10 BETWEEN THESE STANDARDS AND THE GRANTS POLICIES, WHICH,  
11 AGAIN, WOULD BE ANOTHER WAY OF ASSURING THAT THERE'S  
12 SOME TEETH IN THESE REGULATIONS.

13 CHAIRMAN KLEIN: THANK YOU VERY MUCH, BERNIE.

14 IN TERMS OF PROCEEDING AT THIS POINT, WE WANT  
15 TO MAKE CERTAIN WE HAVE PUBLIC COMMENT ON EACH OF THESE  
16 MOTIONS AS THEY GO FORWARD. ALSO, WE MAY ADJUST AGAIN  
17 OUR SCHEDULE IF, IN FACT, THIS MOVES RELATIVELY QUICKLY  
18 BECAUSE WE'VE HAD SO MANY PUBLIC SESSIONS ON THIS. WE  
19 WILL THEN ADJOURN FOR AN EXECUTIVE SESSION, AND THEN  
20 THE DEPUTY DIRECTOR OF FINANCE, ANNE SHEEHAN, IS HERE  
21 REPRESENTING THE GOVERNOR, WHO HAS A SCHEDULED TIME  
22 HOPEFULLY AT 11:30 APPROXIMATELY TO MAKE A PRESENTATION  
23 TO US RELATED TO THE \$150 MILLION LOAN. WE WILL MODIFY  
24 OUR SCHEDULE RELATED TO THAT EXECUTIVE SESSION IF IT  
25 TAKES MORE TIME TO INCORPORATE PUBLIC COMMENT ON THIS

1 ITEM.

2 WITH THAT UNDERSTOOD, IF WE COULD COMMENCE  
3 WITH THE MOTIONS, THE FIRST MOTION TO PUT ON THE TABLE  
4 FOR DISCUSSION BY THE BOARD AND THE PUBLIC IS WHETHER  
5 THERE IS A MOTION TO ADOPT THE LANGUAGE FOR THE CIRM  
6 MEDICAL AND ETHICAL STANDARDS REGULATIONS 100095 WITH  
7 OPTION 3 ENDORSED BY THE STANDARDS COMMITTEE. IS THAT  
8 CORRECT, SCOTT?

9 MR. TOCHER: CORRECT.

10 DR. PRIETO: SO MOVED.

11 CHAIRMAN KLEIN: THERE'S A MOVE BY DR.  
12 PRIETO. IS THERE A SECOND?

13 MR. SHEEHY: SECOND.

14 CHAIRMAN KLEIN: JEFF SHEEHY SECONDED. WE  
15 ARE IN ORDER FOR DISCUSSION. ANY DISCUSSION BY THE  
16 BOARD? IS THERE DISCUSSION FROM THE PUBLIC? ONE  
17 MEMBER OF THE PUBLIC.

18 MR. REYNOLDS: GOOD MORNING. JESSE REYNOLDS  
19 FROM THE CENTER FOR GENETICS AND SOCIETY. WE ENCOURAGE  
20 YOU TO ADOPT THE RECOMMENDATIONS OF THE STANDARDS  
21 WORKING GROUP OPTION 3 REGARDING EGGS THAT FAIL TO  
22 FERTILIZE OR WERE IMMATURE FROM A PAID REPRODUCTIVE  
23 ASSISTED FERTILITY SETTING. WE BELIEVE THAT THIS WOULD  
24 VIOLATE THE LETTER AND SPIRIT OF PROPOSITION 71'S  
25 PROHIBITION ON COMPENSATION FOR PROVIDING EGGS. AND,

1 AGAIN, ENCOURAGE YOU TO ADOPT THAT RECOMMENDATION.

2 THANK YOU.

3 CHAIRMAN KLEIN: JESSE, JUST TO BE PRECISE,  
4 YOU ARE SUPPORTIVE OF THE MOTION AS MADE WITH OPTION 3?

5 MR. REYNOLDS: YES.

6 CHAIRMAN KLEIN: THANK YOU. WE HAVE ANOTHER  
7 PUBLIC COMMENT, AND THEN I'M GOING TO GO TO DR.  
8 BALTIMORE.

9 MS. FOGEL: I'M SUSAN FOGEL, PROCHOICE  
10 ALLIANCE FOR RESPONSIBLE RESEARCH. WE WORKED VERY  
11 CLOSELY WITH THE COMMITTEE, AND WE VERY STRONGLY  
12 SUPPORT OPTION 3. WE THINK TO DO OTHERWISE IS TO CROSS  
13 OVER SOME VERY IMPORTANT BRIGHT LINES THAT YOU  
14 ESTABLISHED AND THAT THE LAW HAS ESTABLISHED. AND SO  
15 WE ALSO SUPPORT THE WORKING GROUP'S RECOMMENDATION.  
16 THANK YOU.

17 CHAIRMAN KLEIN: DR. BALTIMORE, I THINK WE  
18 ONLY HAVE ONE OTHER PUBLIC COMMENT.

19 MR. SIMPSON: JOHN SIMPSON FROM THE  
20 FOUNDATION FOR TAXPAYER AND CONSUMERS RIGHTS. WE ALSO  
21 SUPPORT IT. I ALSO WANT TO COMMEND THE COMMITTEE IN  
22 THE WAY THEY INCLUSIVELY TOOK COMMENT FROM THE PUBLIC  
23 ON ALL OF THIS AND DEVELOPED WHAT SEEMS TO BE A VERY  
24 GOOD POLICY. THANK YOU.

25 CHAIRMAN KLEIN: THANK YOU. DR. BALTIMORE.

1 DR. BALTIMORE: IN OPTION 3 UNDER 5(C), THE  
2 FIRST SENTENCE SAYS THE CIRM-FUNDED INSTITUTIONS SHALL  
3 DEVELOP PROCEDURES TO ENSURE THAT AN INDIVIDUAL WHO HAS  
4 DONATED OOCYTES FOR CIRM-FUNDED RESEARCH HAS ACCESS TO  
5 MEDICAL CARE AT NO COST TO THE DONOR THAT IS REQUIRED  
6 AS A DIRECT PROXIMATE RESULT OF THAT DONATION. THAT  
7 SENTENCE DOESN'T MAKE ANY SENSE TO ME, AND I DON'T KNOW  
8 WHAT THAT THAT IS REQUIRED REFERS TO.

9 CHAIRMAN KLEIN: DR. LO AND/OR WITH SUPPORT  
10 OF STAFF, WOULD LIKE TO ADDRESS THAT ITEM?

11 DR. LO: FIRST, LET ME JUST SAY THAT THE (C)  
12 IS ACTUALLY NOT PART OF THE SECTION THAT WE'RE ASKING  
13 YOU TO APPROVE. THAT WAS REMAINS FROM A PREVIOUSLY  
14 APPROVED DOCUMENT, BUT I TAKE UNDER ADVISEMENT YOUR  
15 CONCERN, DR. BALTIMORE, THAT THE ANTECEDENT IS UNCLEAR.  
16 WE WILL NEED TO CLARIFY IT.

17 SO ON LINE 14 I THINK WE NEED TO CHANGE -- WE  
18 NEED TO WORK ON THE SYNTAX.

19 DR. BALTIMORE: YOU NEED TO WORK ON THAT,  
20 YES.

21 DR. HALL: MAYBE WE CAN COME BACK TO THAT  
22 BECAUSE IT'S NOT DIRECTLY RELATED TO THE MOTION ON THE  
23 FLOOR.

24 CHAIRMAN KLEIN: IT IS NOT PART OF THE MOTION  
25 ON THE FLOOR.

1 DR. LO: THAT'S, I THINK, A POINT OF  
2 TECHNICAL CORRECTION THAT WE CERTAINLY WELCOME, BUT I  
3 DON'T THINK REQUIRES THE ICOC'S ATTENTION. BUT HAVING  
4 POINTED IT OUT, WE WILL TAKE CARE OF IT.

5 DR. PRIETO: IT IS A GRAMMATICAL ERROR, AND I  
6 THINK IT COULD BE CORRECTED FAIRLY SIMPLY IF WE JUST  
7 MOVE THE PHRASE "AT NO COST TO THE DONOR" TO THE END OF  
8 THE SENTENCE. SO IT WOULD READ THAT AN INDIVIDUAL WHO  
9 DONATES OOCYTES FOR CIRM-FUNDED RESEARCH HAS ACCESS TO  
10 MEDICAL CARE THAT IS REQUIRED AS A DIRECT AND PROXIMAL  
11 RESULT OF THAT DONATION, AT NO COST TO THE DONOR.

12 DR. BALTIMORE: I THINK YOU BETTER LOOK AT IT  
13 A LITTLE MORE CAREFULLY.

14 DR. LO: LET US TAKE THAT BACK TO OUR STAFF.

15 CHAIRMAN KLEIN: THIS IS AN ITEM THAT WAS  
16 DISCUSSED IN DEPTH WITH EVIDENCE FROM THE PUBLIC, THE  
17 STAFF, AND SCIENTIFIC AND MEDICAL COMMUNITIES. I THINK  
18 IT IS NOT PART OF THE MOTION WE'RE VOTING ON AT THE  
19 MOMENT.

20 DR. BALTIMORE: I DIDN'T REALIZE THAT, BUT I  
21 DO WANT TO ASK ONE MORE QUESTION ABOUT THAT SECTION  
22 EVEN THOUGH WE'RE NOT VOTING ON IT. THIS SEEMS TO  
23 PROVIDE OPEN-ENDED MEDICAL CARE IN A PARTICULAR  
24 SITUATION. AND I UNDERSTAND THE REASONS FOR IT. WHAT  
25 I DON'T KNOW IS WHERE THE FUNDING COMES FROM FOR IT.

1 THAT IS, IS IT EXPECTED A GRANTEE WILL HAVE SUFFICIENT  
2 FUNDS TO GUARANTEE ALL DONORS' MEDICAL CARE EVEN THOUGH  
3 YOU DON'T KNOW HOW MUCH THAT'S GOING TO BE? OR IS  
4 THERE A SEPARATE FUND THAT CIRM IS PUTTING TOGETHER FOR  
5 THIS?

6 DR. LO: LET ME RESPOND TO THAT. FIRST OF  
7 ALL, IT'S NOT MEANT TO BE OPEN-ENDED. THE TERM "DIRECT  
8 AND PROXIMATE" WAS CHOSEN WITH ADVICE FROM LEGAL  
9 SCHOLARS TO REALLY LIMIT IT TO THE SHORT-TERM  
10 CONSEQUENCES OF OOCYTE DONATION. SO THEY REALLY  
11 INCLUDE HYPEROVULATION SYNDROME, ANESTHESIA  
12 COMPLICATIONS, BLEEDING, INFECTION. THEY'RE NOT MEANT  
13 TO INCLUDE THINGS THAT HAPPEN YEARS LATER.

14 IN FACT, THERE ARE COMMERCIALY AVAILABLE  
15 POLICIES TO COVER THAT SORT OF SHORT-TAIL RISK THAT  
16 MANY CLINICAL INFERTILITY CENTERS PURCHASE SO THAT IT  
17 ACTUARIALLY HAS BEEN WORKED OUT. WE WOULD ACTUALLY  
18 EXPECT THAT THAT BE INCLUDED IN A CIRM GRANT AS PART OF  
19 THE COST OF CARRYING OUT THE RESEARCH.

20 DR. BALTIMORE: AN INSURANCE POLICY.

21 DR. LO: RIGHT.

22 DR. BALTIMORE: THAT WOULD BE A WAY TO HANDLE  
23 IT.

24 DR. LO: SO IT'S NOT AN OPEN-ENDED COMMITMENT  
25 BY ANY MEANS.



1                   CHAIRMAN KLEIN:  YES, DR. BERG.

2                   DR. BERG:  MAY I ASK JUST A QUESTION OF  
3 WORDING HERE?  ON PAGE 29 UNDER THE SECTION OF  
4 MATERIALS SHARING, IT SAYS STEM CELLS AND BIOMEDICAL  
5 MATERIALS DEVELOPED WITH CIRM FUNDING -- THAT SECTION  
6 READS NOW STEM CELLS AND BIOMEDICAL MATERIALS DEVELOPED  
7 WITH CIRM FUNDING AT ACADEMIC, COMMERCIAL RESEARCH, AND  
8 DEVELOPMENT ORGANIZATIONS SHALL BE BROADLY  
9 DISSEMINATED.  I DON'T HAVE IT FIRSTHAND HOW TO DEAL  
10 WITH THE NEXT SENTENCE, WHICH IS THAT IT SHOULD COMPLY  
11 WITH ANY CIRM INTELLECTUAL PROPERTY REGULATIONS.

12                   I RECALL THAT THIS ISSUE OF DISSEMINATION OF  
13 PRODUCTS OF RESEARCH FUNDED BY CIRM WAS IMPORTANT, AND  
14 I HAD STRESSED IT ON AN EARLIER OCCASION.  SO I DON'T  
15 KNOW WHETHER THIS, IN FACT, INSULATES COMMERCIAL  
16 ORGANIZATIONS FROM MAKING AVAILABLE THE FRUITS OF THEIR  
17 RESEARCH JUST AS WE EXPECT ACADEMIC SCIENTISTS TO DO  
18 THAT.  SO, ED, DO YOU HAVE A RECOLLECTION OF WHAT THE  
19 CURRENT INTELLECTUAL PROPERTY REGULATIONS ARE?  DO THEY  
20 CONFLICT WITH THIS?  ARE THEY CONSISTENT WITH IT?  OR  
21 WHAT?

22                   DR. PENHOET:  THEY'RE CONSISTENT WITH IT FOR  
23 THE INTELLECTUAL PROPERTY POLICY FOR NONPROFITS.  WE  
24 DON'T HAVE A POLICY YET FOR COMMERCIAL ORGANIZATIONS.

25                   DR. BERG:  SO THIS IS SETTING A POLICY.  THIS

1 IS SETTING A POLICY. IT SAYS THAT COMMERCIAL  
2 ORGANIZATIONS WILL HAVE TO DISSEMINATE THE MATERIALS  
3 THAT THEY DEVELOP. AND I DON'T KNOW WHETHER THAT WILL  
4 END UP BEING PART OF THE INTELLECTUAL PROPERTY  
5 REGULATION.

6 DR. LO: THIS WAS NOT MEANT TO SET POLICY,  
7 BUT REALLY TO LINK UP TO THE INTELLECTUAL PROPERTY  
8 WORKING GROUP. SO IT WAS PUT IN BECAUSE SOME OF THE  
9 PUBLIC COMMENT WAS THAT THEY THOUGHT THAT THE  
10 SCIENTIFIC AND ETHICAL STANDARDS SHOULD HAVE SOME  
11 MENTION OF MATERIALS SHARING. WE WOULD CERTAINLY DEFER  
12 TO DR. PENHOET'S COMMITTEE AND BASICALLY SAY THAT THE  
13 GRANTEES HAVE TO COMPLY WITH THE RECOMMENDATIONS ICOC  
14 ADOPTS PURSUANT TO THE INTELLECTUAL PROPERTY WORKING  
15 GROUP.

16 DR. PENHOET: THERE IS AN AFFIRMATIVE  
17 OBLIGATION IN THE INTELLECTUAL PROPERTY POLICY FOR  
18 NONPROFITS THAT THEY SHARE, BUT THERE IS NO POLICY YET  
19 FOR THE FOR-PROFIT ORGANIZATIONS. SO YET TO COME.

20 CHAIRMAN KLEIN: I UNDERSTAND YOUR COMMENT TO  
21 SAY THAT WHEN THE COMMERCIAL POLICIES FOR IP ARE  
22 DEVELOPED, THOSE MORE SPECIFIC POLICIES WILL GOVERN AT  
23 THIS INTERFACE BETWEEN MEDICAL AND ETHICAL STANDARDS  
24 THAT ARE EFFECTIVELY INTENDED TO REFER TO THOSE  
25 POLICIES?

1 DR. PENHOET: YES. YOU MIGHT RECALL THAT,  
2 BECAUSE THERE IS SOME INTERPLAY BETWEEN THESE TWO  
3 POLICIES, WE DID DISCUSS THE IP POLICY WITH THE  
4 STANDARDS WORKING GROUP BEFORE IT WAS ADOPTED AT OUR  
5 MEETING TWO MEETINGS AGO.

6 DR. LO: DR. PENHOET, AGAIN, THIS ISN'T  
7 EXACTLY ON 100095, BUT IT IS AN IMPORTANT PART OF THE  
8 ENTIRE PACKET. WHAT WE EASILY COULD DO IS JUST TO  
9 MODIFY THIS JUST TO SAY THAT STEM CELL LINES,  
10 BIOMEDICAL RESEARCH DEVELOPED WITH CIRM FUNDING SHALL  
11 COMPLY WITH CIRM INTELLECTUAL PROPERTY REGULATIONS.  
12 IT'S ONLY MEANT TO CALL ATTENTION TO THE INTELLECTUAL  
13 PROPERTY.

14 CHAIRMAN KLEIN: SO THERE'S BEEN A SUGGESTION  
15 BY ONE OF THE CO-CHAIRS OF THE COMMITTEE OF THE  
16 STANDARDS WORKING GROUP. DO THE MAKER OF THE MOTION  
17 AND THE SECOND ACCEPT THAT AS A FRIENDLY AMENDMENT?

18 DR. LO: THIS ACTUALLY WOULD PERTAIN, I  
19 THINK, BOB, TO THE NEXT MOTION. IT'S OUTSIDE 100095.

20 CHAIRMAN KLEIN: ALL RIGHT. WE'RE GOING TO  
21 GO TO THAT SECTION LATER. STAYING WITH OUR MOTION THAT  
22 WE HAVE ON BOARD, IT'S BEEN A VERY PRODUCTIVE SET OF  
23 COMMENTS THAT HAVE MORE BROADLY ADDRESSED THE  
24 QUESTIONS. ARE THERE ANY OTHER QUESTIONS FROM THE  
25 BOARD? BEING NO OTHER QUESTIONS FROM THE BOARD, OTHER

1 COMMENTS FROM THE PUBLIC? CALL FOR THE MOTION. ALL IN  
2 FAVOR. OPPOSED? LET IT BE SHOWN IT UNANIMOUSLY PASSED  
3 THE BOARD.

4 WE'LL GO ON TO THE NEXT MOTION. THE NEXT  
5 MOTION DEALS WITH THE OPTION LANGUAGE FOR CIRM MEDICAL  
6 AND ETHICAL STANDARDS REGULATION 100095 WITH  
7 AMENDMENTS. DO YOU WANT TO ADDRESS THE NEXT MOTION  
8 SPECIFICALLY, DR. LO, AS TO THE WORDING THAT'S  
9 SPECIFICALLY NECESSARY?

10 DR. LO: PERHAPS WHAT I COULD, IF I BE  
11 PERMITTED, TO ASK THE ICOC TO MAKE A MOTION TO APPROVE  
12 THE ENTIRE SET OF SCIENTIFIC AND MEDICAL ACCOUNTABILITY  
13 WORKING STANDARDS AS PRESENTED TO YOU WITH TWO CHANGES.  
14 THE FIRST CHANGE BEING THE -- THREE CHANGES. FIRST,  
15 DR. BALTIMORE'S POINT THAT WE APPEND A GLOSSARY OF  
16 ABBREVIATIONS AND ACRONYMS. SECOND, A CHANGE BE MADE  
17 TO THAT SECTION HAVING TO DO WITH PAYMENT COVERING CARE  
18 FOR DIRECT AND PROXIMATE COMPLICATIONS AT NO COST, WORK  
19 ON THE SYNTAX TO MAKE THAT ANTECEDENT CLEAR. AND,  
20 THIRDLY, PURSUANT TO DR. BERG'S SUGGESTION, THAT WE  
21 MODIFY 100130 TO READ STEM CELL LINES AND BIOMEDICAL  
22 MATERIALS DEVELOPED WITH CIRM FUNDING SHALL COMPLY WITH  
23 ANY CIRM INTELLECTUAL PROPERTY REGULATIONS INTENDED TO  
24 ENSURE DATA AND MATERIAL SHARING. SO THAT JUST DEFERS  
25 TO WHAT THE ICOC WOULD RECOMMEND.

1                   CHAIRMAN KLEIN: DR. LO HAS STATED THE  
2 MOTION. IS THERE A MEMBER OF THE BOARD WHO WOULD MAKE  
3 THAT MOTION?

4                   DR. LOVE: SO MOVED.

5                   CHAIRMAN KLEIN: DR. LOVE. SECOND?

6                   MR. SHEEHY: SECOND.

7                   CHAIRMAN KLEIN: JEFF SHEEHY. ANY ADDITIONAL  
8 PUBLIC COMMENT?

9                   MR. HARRISON: COULD I JUST MAKE ONE  
10 SUGGESTION WITH RESPECT TO LANGUAGE ON SECTION 100130?  
11 RATHER THAN SAYING THE STEM CELL LINES AND BIOMEDICAL  
12 MATERIALS DEVELOPED WITH CIRM FUNDING SHALL COMPLY,  
13 WHAT WE'RE REALLY TRYING TO SAY IS THAT THEY SHALL BE  
14 DISSEMINATED IN ACCORDANCE WITH THE INTELLECTUAL  
15 PROPERTY REGULATIONS.

16                   CHAIRMAN KLEIN: ALL RIGHT. APPRECIATE THAT  
17 CLARIFICATION. DOES THE MAKER OF THE MOTION AND THE  
18 SECOND ACCEPT THE CLARIFICATION?

19                   MR. SHEEHY: YES.

20                   DR. LOVE: YEAH.

21                   CHAIRMAN KLEIN: THEY DO. SEEING NO OTHER  
22 PUBLIC COMMENT, NO OTHER BOARD COMMENT, ALL IN FAVOR.  
23 OPPOSED? THANK YOU VERY MUCH.

24                   NOW, DR. LO, YOU'D LIKE TO GO ON TO THE NEXT  
25 MOTION.

1 DR. LO: SO THE NEXT MOTION WOULD BE TO ADOPT  
2 THE -- NOW I'M LOST. HOLD ON A MINUTE -- THE SUMMARY  
3 AND RESPONSE TO PUBLIC COMMENTS FOR THE PROPOSED CIRM  
4 MES REGULATIONS, THIS THICK PACKET WITH THE BINDER UP  
5 TOP, WHICH IS ALL THE PUBLIC COMMENTS WITH OUR  
6 RESPONSE.

7 CHAIRMAN KLEIN: IS THERE A MOTION TO ADOPT  
8 THE SUMMARY RESPONSE TO PUBLIC COMMENT?

9 DR. MURPHY: SO MOVED.

10 CHAIRMAN KLEIN: DR. MURPHY. IS THERE A  
11 SECOND?

12 DR. WRIGHT: SECOND.

13 CHAIRMAN KLEIN: SECOND DR. WRIGHT. IS THERE  
14 PUBLIC COMMENT? SEEING NO PUBLIC COMMENT, IS THERE  
15 BOARD COMMENT? SEEING NO BOARD COMMENT, ALL IN FAVOR.  
16 OPPOSED? MOTION PASSES UNANIMOUSLY.

17 WE HAVE TO GET TO THE REPEAL MOTION. IS  
18 THERE A MOTION BEFORE THE REPEAL MOTION?

19 DR. LO: THERE'S ONE MORE DOCUMENT WE NEED TO  
20 ASK YOU TO --

21 MR. LOMAX: SINCE WE ORIGINALLY REFERRED TO A  
22 PACKET, BUT SINCE WE'VE BROKEN THE INDIVIDUAL DOCUMENTS  
23 OUT, I THINK IT BEHOOVES US TO REFER TO THE FINAL  
24 DOCUMENT, WHICH IS THE SUMMARY BASIS FOR THE  
25 REGULATIONS, WHICH IS THE FINAL DOCUMENT IN YOUR

1 BINDER. I SUGGEST A MOTION BE PUT FORWARD TO APPROVE  
2 THAT DOCUMENT AS WELL SINCE WE'LL BE SUBMITTING IT TO  
3 OFFICE OF ADMINISTRATIVE LAW.

4 CHAIRMAN KLEIN: THAT DOCUMENT -- THIS IS  
5 GEOFF LOMAX OF THE STAFF, FOR THE PURPOSES OF THE  
6 RECORD. AND GEOFF IS REFERRING TO THAT DOCUMENT AS THE  
7 TITLE AS BEING --

8 MR. LOMAX: SUMMARY BASIS FOR THE  
9 REGULATIONS.

10 CHAIRMAN KLEIN: SUMMARY BASIS FOR THE  
11 REGULATIONS.

12 DR. BALTIMORE: MOVED.

13 CHAIRMAN KLEIN: MOVED BY DR. BALTIMORE. IS  
14 THERE A SECOND?

15 DR. LEVEY: SECOND.

16 CHAIRMAN KLEIN: SECOND BY DR. LEVEY. IS  
17 THERE COMMENT FROM THE AUDIENCE? SEEING NO COMMENT,  
18 ALL IN FAVOR. OPPOSED? OKAY. THANK YOU. NOW --

19 DR. LO: THE FINAL REQUEST WE MAKE IS THAT AT  
20 SUCH TIME AS THE OFFICE OF ADMINISTRATION LAW APPROVES  
21 THESE AS FINAL RECOMMENDATIONS, THAT AT THAT TIME THE  
22 INTERIM GUIDELINES AND THE EMERGENCY EXTENSION OF THOSE  
23 BE REPEALED WHEN THESE THEN TAKE EFFECT.

24 CHAIRMAN KLEIN: OKAY. SO TO MAKE IT CLEAR,  
25 THIS IS A MOTION THAT IS SUBJECT TO A CONDITION

1 PRECEDENT. A CONDITION PRECEDENT BE THAT THE OFFICE OF  
2 ADMINISTRATIVE LAW ACCEPTS THE NEW REGULATIONS AS FINAL  
3 REGULATIONS BEFORE THEY REPEAL THE INTERIM REGULATIONS  
4 NOW IN EFFECT. IS THAT A CORRECT STATEMENT? IT IS.

5 IS THERE ANYONE WHO WOULD MAKE THAT MOTION TO  
6 APPROVE THE REPEAL OF THE INTERIM REGULATIONS SUBJECT  
7 TO THAT CONDITION PRECEDENT?

8 DR. NOVA: SO MOVED.

9 CHAIRMAN KLEIN: MOVED BY DR. NOVA. IS THERE  
10 A SECOND?

11 DR. THAL: SECOND.

12 CHAIRMAN KLEIN: SECOND BY DR. THAL. IS  
13 THERE BOARD COMMENT? IS THERE PUBLIC COMMENT? SEEING  
14 NONE, ALL IN FAVOR. OPPOSED? THAT PASSES. THANK YOU  
15 VERY MUCH.

16 I'D LIKE TO GIVE A SPECIAL HAND OF APPLAUSE  
17 TO GEOFF LOMAX, THE STAFF MEMBER WHO DEDICATED A GREAT  
18 DEAL OF HIS LIFE TO THIS.

19 (APPLAUSE.)

20 CHAIRMAN KLEIN: A FANTASTIC JOB OF ALL THE  
21 STAFF; AND, GEOFF, YOUR DEDICATION WAS REMARKABLE.  
22 THANK YOU SO MUCH. YES, DR. MURPHY.

23 DR. MURPHY: BOB, CAN I ASK HOW WILL THESE BE  
24 IMPLEMENTED NOW THAT THEY'VE BEEN APPROVED? AND WILL  
25 THEY BE RETROACTIVE TO THE GRANTS THAT ARE ALREADY IN



1 EFFECT IN THE INSTITUTIONS, THE TRAINING GRANTS?

2 CHAIRMAN KLEIN: SCOTT.

3 DR. HALL: YES IS THE ANSWER. IT WILL BE  
4 RETROACTIVE. STATED IN THE GRANTS ADMINISTRATION  
5 POLICY FOR TRAINING GRANTS, IT WAS SIGNED THAT IT WOULD  
6 BE SUBJECT TO WHATEVER STANDARDS WERE IN PLACE AND WERE  
7 PASSED.

8 DR. MURPHY: THANK YOU.

9 CHAIRMAN KLEIN: ALL RIGHT. THANK YOU FOR  
10 THE CLARIFICATION.

11 WE HAVE AN URGENT NEED. WE ARE GOING TO  
12 ADJOURN, UNLESS THERE IS OBJECTION, FOR AN EXECUTIVE  
13 SESSION ON LITIGATION. WE WILL THEN RECONVENE TO HEAR  
14 FROM ANNE SHEEHAN, THE DEPUTY DIRECTOR OF STATE  
15 FINANCE, REPRESENTING THE GOVERNOR. WE'RE GOING TO  
16 MAKE THIS A SHORT RECESS. AND IF LITIGATION DISCUSSION  
17 IS LONGER, AFTER THE NEXT ITEM RELATED TO THE 150  
18 MILLION, WE MAY ADJOURN AGAIN TO FINISH OUR EXECUTIVE  
19 SESSION.

20 BUT WE ARE ADJOURNING TO WHICH ROOM FOR THE  
21 EXECUTIVE SESSION?

22 MS. KING: FISHER EAST.

23 DR. BALTIMORE: BOB, WHY DON'T WE JUST  
24 CONTINUE WITH SOMETHING THAT WE CAN DO HERE? ARE WE  
25 WAITING FOR THE GOVERNOR'S REPRESENTATIVE TO SHOW UP?

1                   CHAIRMAN KLEIN: NO. THE GOVERNOR'S  
2 REPRESENTATIVE IS HERE. WE HAVE AN EXECUTIVE SESSION  
3 RELATED TO SOME LITIGATION THAT WE NEED TO COVER FIRST  
4 JUST FOR A SHORT PERIOD OF TIME. AND AT 11:30 WE HAVE  
5 SET IT UP, SO WE'RE GOING TO JUST RECONVENE VERY  
6 QUICKLY.

7                   DR. THAL: HERE BACK WITH THE GOVERNOR?

8                   CHAIRMAN KLEIN: YES. WE ARE GOING TO BE --  
9 WE'RE GOING TO STAY IN THIS ROOM.

10                  MS. KING: NO. FOR THE CLOSED SESSION,  
11 YOU'RE GOING TO COME DOWNSTAIRS TO FISHER WEST RIGHT  
12 NEXT TO WHERE THE SPOTLIGHT WAS THIS MORNING UNLESS YOU  
13 WANT ME TO HAVE THE PUBLIC LEAVE THIS ROOM AND YOU CAN  
14 STAY IN HERE.

15                  CHAIRMAN KLEIN: WE CAN GO DOWNSTAIRS FOR A  
16 FEW MINUTES AND COME RIGHT BACK UPSTAIRS.

17                  DR. THAL: MEET BACK HERE AT 11:30.

18                  CHAIRMAN KLEIN: BACK HERE AT ABOUT 11:35.

19                  DR. THAL: 11:35, 15 MINUTES.

20                  CHAIRMAN KLEIN: FIFTEEN MINUTES.

21                                 (THE BOARD THEN RECESSED TO AN EXECUTIVE  
22 SESSION AFTER WHICH THE PUBLIC MEETING WAS RECONVENED.  
23 THE PROCEEDINGS WERE THEN HEARD AS FOLLOWS:)

24                  CHAIRMAN KLEIN: IF WE COULD ALL RECONVENE  
25 HERE. WE HAVE MORE GOOD NEWS TO RECONVENE TO. ON THE

1 SCREEN YOU CAN SEE A PICTURE OF OUR BOARD MEMBER DAVID  
2 SERRANO-SEWELL AND HIS DAUGHTER CLARA, BORN ON THE  
3 25TH.

4 (APPLAUSE.)

5 CHAIRMAN KLEIN: ALL RIGHT. IT IS MY GREAT  
6 PLEASURE TO SAY THERE WAS NO ACTION TAKEN IN THE CLOSED  
7 SESSION, NO ACTION BEING NECESSARY.

8 I WOULD LIKE TO TURN TO AGENDA ITEM 12, AND  
9 WE HAVE WITH US IN THE AUDIENCE ANNE SHEEHAN, THE CHIEF  
10 DEPUTY DIRECTOR OF THE DEPARTMENT OF FINANCE, TO ANSWER  
11 ANY QUESTIONS FROM THE ICOC OR THE PUBLIC.

12 THE SEQUENCE HERE ON ITEM 12 IS FOR US TO  
13 PROCEED THROUGH GENERAL DESCRIPTION OF THE ITEM, THEN  
14 TO ASK ANNE IF SHE WOULD LIKE TO MAKE SOME COMMENTS.  
15 WE OBVIOUSLY ARE EXTRAORDINARILY APPRECIATIVE OF THE  
16 BOLD ACTION OF THE GOVERNOR THAT ELECTRIFIED THE  
17 SCIENTIFIC ESTABLISHMENT IN CALIFORNIA FOR STEM CELL  
18 RESEARCH. AND THERE ARE A NUMBER OF BOARD MEMBERS  
19 THAT, I BELIEVE, WILL WANT TO MAKE INDIVIDUAL COMMENTS.

20 AND WITH ITEM 12 IN YOUR PACKET, YOU HAVE A  
21 RESOLUTION OF THE INDEPENDENT CITIZENS' OVERSIGHT  
22 COMMITTEE THAT WOULD AUTHORIZE ME, AS CHAIRMAN, AND, TO  
23 THE EXTENT NECESSARY, THE TWO BOARD MEMBERS WHO ARE  
24 MEMBERS OF THE STATE FINANCE COMMITTEE, IF THE FINANCE  
25 COMMITTEE WERE TO MEET, TO PROCEED WITH ALL ACTIONS

1 NECESSARY TO IMPLEMENT THIS TREMENDOUS INITIATIVE OF  
2 THE GOVERNOR UNDER SECTION 124291.6 OF PROPOSITION 71  
3 WHERE THE DIRECTOR OF FINANCE HAS BEEN AUTHORIZED,  
4 THROUGH THE GOVERNOR'S OFFICE, TO MAKE A LOAN OF \$150  
5 MILLION TO THE AGENCY THAT REPRESENTS THE DIFFERENCE  
6 BETWEEN THE \$200 MILLION IN BONDS PREVIOUSLY APPROVED  
7 IN TWO PUBLIC SESSIONS OF THE CALIFORNIA STATE FINANCE  
8 COMMITTEE FOR THIS AGENCY, AND TWO PUBLIC SESSIONS OF  
9 THIS BOARD HAVE ALSO APPROVED THAT BOND AUTHORIZATION.

10 SO THIS 150 MILLION REPRESENTS THE DIFFERENCE  
11 BETWEEN THE 200 MILLION AUTHORIZED AND UNISSUED AND THE  
12 EXPECTED 45 TO 50 MILLION IN BAN'S THAT WE WILL HAVE  
13 CLOSED HERE WITHIN THE NEXT 30 DAYS.

14 WE LOOK FORWARD TO THE BAN PURCHASERS'  
15 PARTICIPATION IN THIS TREMENDOUS INITIATIVE, AND  
16 CERTAINLY WE WANT TO MAKE SURE WE RECOGNIZE THAT EACH  
17 AREA OF THE STATE HAS BROUGHT FORWARD TREMENDOUS  
18 CHAMPIONS OF RESEARCH FROM SAN DIEGO, FROM ORANGE  
19 COUNTY, FROM LOS ANGELES, AND FROM THE BAY AREA IN A  
20 LIST THAT WILL BE MADE COMPLETELY PUBLIC. AND THOSE  
21 BAN PURCHASERS HAVE GONE THROUGH CLEARANCE WITH THE  
22 TREASURER'S OFFICE, THE BOND COUNSEL'S OFFICE, THE  
23 AGENCY COUNSEL.

24 BUT TODAY WE'RE HERE TO CELEBRATE THE ABILITY  
25 OF THIS AGENCY TO MOVE FORWARD IN A MEANINGFUL,

1 SUBSTANTIVE LEADERSHIP OF THE NATION AND THE WORLD IN  
2 STEM CELL RESEARCH BECAUSE OF THIS BOLD ACTION OF THE  
3 GOVERNOR. ANNE, WOULD YOU LIKE TO SAY A FEW WORDS TO  
4 LEAD US IN THIS DISCUSSION?

5 MS. SHEEHAN: SURE. THANK YOU, BOB. AND  
6 THANK YOU FOR HAVING ME HERE TODAY AND FOR TAKING ME A  
7 LITTLE BIT OUT OF ORDER BECAUSE OF MY TRAVEL SCHEDULE.  
8 I UNDERSTAND I MISSED SOME OF THE COMMENTS THAT WERE  
9 MADE, I GUESS, ABOUT THE GOVERNOR AT THE OPENING OF THE  
10 MEETING, BUT ALL I CAN TELL YOU IS THAT HE WAS VERY  
11 HAPPY AND VERY PROUD TO TAKE THIS STEP IN TERMS OF  
12 PROVIDING THE LOAN TO THE COMMITTEE. AS ALL OF YOU  
13 KNOW, HE FEELS VERY STRONGLY AND IS VERY COMMITTED TO  
14 THE WORK OF THIS GROUP AND COMPLIMENTS YOU ON ALL THE  
15 HARD WORK YOU HAVE DONE ALREADY AND LOOKS FORWARD TO  
16 PARTNERING WITH YOU AS WE MOVE FORWARD ON FUNDING THIS  
17 IMPORTANT RESEARCH.

18 I ALSO WANT TO THANK BOB AND HIS STAFF FOR  
19 ALL OF THE HARD WORK THAT THEY HAVE PUT IN IN WORKING  
20 WITH US OVER THE PAST COUPLE OF WEEKS AND IN THE WORK  
21 THAT WE WILL HAVE GOING FORWARD AS THE FINANCE  
22 COMMITTEE MEETS.

23 I THINK AS THE STAFF AND AS BOB KNOWS, WE  
24 WERE A LITTLE BIT IN UNCHARTERED WATERS IN MAKING THIS  
25 LOAN. SO WE AT FINANCE WERE WORKING DILIGENTLY OVER

1 THE PAST WEEK TO FIGURE OUT WHAT ARE THOSE NEXT STEPS  
2 THAT THE FINANCE COMMITTEE NEEDS TO TAKE. I THINK  
3 WE'VE COME TO A RESOLUTION OF THOSE ISSUES, AND WE ARE  
4 WORKING VERY CLOSELY WITH THE TREASURER'S OFFICE TO  
5 SCHEDULE THAT MEETING, HOPEFULLY, IN THE VERY NEAR  
6 FUTURE. WE DO HAVE TO HAVE A TEN-DAY NOTICE, AS YOU  
7 ALL KNOW THAT YOU HAVE TO FOR YOUR OWN, BUT IT WILL BE  
8 VERY SOON AFTER THAT THAT WE FEEL WE CAN EXECUTE THE  
9 LOAN DOCUMENTS AND RELEASE THE FUNDS TO THIS  
10 ORGANIZATION SO YOU CAN BEGIN YOUR RFA AND BEGIN TO GET  
11 SOME OF THOSE APPLICATIONS IN SO WE CAN GET THE WORK  
12 GOING.

13 WE DO HOPE, AS I SAY, THE MEETING WILL BE IN  
14 THE NEXT COUPLE WEEKS. WE'VE GOT A FEW OF THE  
15 RESOLUTIONS THAT WE DO NEED TO AMEND SO THAT THE LOAN  
16 DOCUMENTS ARE CONSISTENT WITH THE ACTIONS TAKEN BY THE  
17 FINANCE COMMITTEE. THE RESOLUTION THAT YOU ALL HAVE  
18 BEFORE YOU WILL HELP US WORK WITH YOUR REPRESENTATIVES  
19 TO EXPEDITE THAT PROCESS. AND I KNOW BOB WILL COME  
20 BACK TO THE FULL COMMITTEE WHEN THOSE ACTIONS ARE  
21 TAKEN.

22 I HAVE ALSO RECEIVED THE DOCUMENT LAST  
23 EVENING, AS HAVE THE OTHER REPRESENTATIVES FROM THE  
24 GOVERNOR, ABOUT HOW YOU WANT TO PROCEED ON THE ACTUAL  
25 RESEARCH. IT LOOKS VERY GOOD TO US. WE'RE GOING TO

1 SPEND A LITTLE BIT MORE TIME GOING THROUGH IT AND  
2 UNDERSTANDING EACH OF THE VARIOUS CATEGORIES ON THE  
3 RESEARCH GRANTS, BUT WE ARE VERY HEARTENED THAT THE  
4 MONEY WILL REALLY GO DIRECTLY INTO THE RESEARCH AND  
5 BEGIN TO START THIS VERY IMPORTANT WORK THAT, NOT JUST  
6 CALIFORNIANS, BUT I THINK EVERYONE IN THE COUNTRY AND  
7 THE WORLD WILL BENEFIT. SO THANK YOU FOR YOUR WORK.  
8 AND I WILL SHARE YOUR THANKS AND GRATITUDE WITH THE  
9 GOVERNOR WHEN I GET BACK TO SACRAMENTO. I'M HAPPY TO  
10 ANSWER ANY QUESTIONS THAT YOU MAY HAVE ON OUR PROCESS  
11 AS WE GO FORWARD IF THERE ARE ANY MEMBERS WHO HAVE ANY  
12 QUESTIONS FOR US.

13 CHAIRMAN KLEIN: ANNE, AS PART OF THAT, I  
14 WOULD LIKE TO EMPHASIZE THAT THE GOVERNOR WAS  
15 SPECIFICALLY DIRECTING THIS TO RESEARCH. SO THIS IS  
16 NOT TO FUND OUR FACILITIES PROGRAM, ALTHOUGH NOW WE'LL  
17 BE ABLE TO FOCUS ON MOVING OUR FACILITIES PROGRAM  
18 FORWARD UNDER A SEPARATE TRACK, BUT THIS IS TO FUND  
19 RESEARCH ITSELF, WHICH IS SO CRITICALLY NEEDED BY THE  
20 SCIENTISTS THROUGHOUT THE STATE. AND IT IS IMPORTANT  
21 THAT DR. ZACH HALL IN THE NEXT ITEM ON THE AGENDA WILL  
22 TALK SPECIFICALLY ABOUT AN IMMEDIATE PROGRAM PROPOSED  
23 TO THE BOARD IN INNOVATION GRANTS IN THREE CATEGORIES  
24 OF THOSE TO IMPLEMENT THIS AND MOVE FUNDS FORWARD.

25 IN TERMS OF THE EFFECT OF THIS MONEY, WE MUST

1 REALIZE THAT THE MONEY BEING AVAILABLE, CREDIBLY AND  
2 IMMEDIATELY AVAILABLE, MEANS THAT SCIENTISTS WILL BEGIN  
3 THEIR WORK IMMEDIATELY AT THIS TIME BECAUSE THEY WILL  
4 BE PUTTING TOGETHER THEIR TEAMS OF RESEARCHERS, THEY  
5 WILL BE GATHERING PRELIMINARY DATA, THEY WILL BE  
6 WRITING UP THEIR IDEAS IN PREPARATION FOR THE RFA  
7 THAT'S GOING OUT. SO THE GOVERNOR ACHIEVES HIS GOAL OF  
8 IMMEDIATELY MOVING FORWARD AND, AS DR. HALL HAS SAID,  
9 ENERGIZING THE RESEARCH COMMUNITY TODAY IN CALIFORNIA  
10 BECAUSE WE HAVE THE MONEY AVAILABLE. SO IT'S A  
11 TREMENDOUS CONTRIBUTION.

12 ARE THERE BOARD MEMBERS WHO WOULD LIKE TO  
13 COMMENT IN ADDITION TO THE COMMENTS THAT HAVE BEEN MADE  
14 THIS MORNING? AND, AGAIN, ANNE SHEEHAN IS ONE OF THOSE  
15 TREMENDOUS LEADERS WHO WAS ON THE PHONE WITH ME AT 9:30  
16 AT NIGHT ON THE DAY OF THE VETO, MAKING SURE WE HAD  
17 CLEARED ALL OF THE HURDLES FROM EARLIER IN THAT DAY.  
18 TREMENDOUS DEDICATION OF THE GOVERNOR'S STAFF IN  
19 CARRYING THIS OUT. ANY ADDITIONAL BOARD COMMENTS?

20 DR. BALTIMORE, I BELIEVE THAT YOU HAD A  
21 RESOLUTION. WOULD YOU LIKE TO TALK TO THAT ISSUE OF  
22 THAT RESOLUTION?

23 DR. BALTIMORE: SURE. I QUICKLY WROTE UP A  
24 RESOLUTION TRYING TO SOUND LIKE I KNOW WHAT I'M DOING  
25 WHEN I WRITE A RESOLUTION.



1           WHEREAS, GOVERNOR ARNOLD SCHWARZENEGGER, WITH  
2 GREAT POLITICAL COURAGE, HAS COMMITTED THE STATE OF  
3 CALIFORNIA TO LOANING THE CIRM \$150 MILLION WHICH WILL  
4 ALLOW RESEARCH ON EMBRYONIC STEM CELLS TO MOVE FORWARD  
5 IN CALIFORNIA.

6           NOW, THEREFORE, BE IT RESOLVED THAT THE ICOC  
7 WISHES TO EXPRESS ITS DEEPEST GRATITUDE TO HIM AND HIS  
8 STAFF FOR ALLOWING US TO BEGIN REALIZING OUR MISSION OF  
9 SUPPORTING STEM CELL RESEARCH IN THIS STATE SO THAT  
10 PATIENTS CAN MOST RAPIDLY SEE THE BENEFITS OF THIS  
11 IMPORTANT NEW RESEARCH MODALITY.

12           CHAIRMAN KLEIN: THANK YOU VERY MUCH. THAT  
13 IS YOUR MOTION TO --

14           DR. BALTIMORE: MY MOTION IS THAT WE --

15           CHAIRMAN KLEIN: ADOPT THAT RESOLUTION TO  
16 COMMEND THE GOVERNOR. IS THERE A SECOND? SHERRY  
17 LANSING.

18           MS. LANSING: I HAVE A SECOND WITH A COMMENT.  
19 I JUST WANT TO SAY I THINK IT'S A GREAT RESOLUTION.  
20 AND I JUST WANT TO ADD THAT WE'RE GOING TO GET YOU A  
21 TRANSCRIPT BECAUSE THIS DOES CARRY OUR SENTIMENTS, BUT  
22 IT'S IN MORE FORMAL TALK, AS IT SHOULD BE BECAUSE IT'S  
23 A RESOLUTION. AND WE WANT THE GOVERNOR AND ALL OF HIS  
24 STAFF TO KNOW THE EMOTION OF WHICH WE EXPRESSED OUR  
25 GRATITUDE IN THE FIRST, I WOULD SAY, 45 MINUTES OF THIS

1 MEETING. AND WE'LL TRY AND GET YOU THE TRANSCRIPT OF  
2 THAT WITHIN THE NEXT 24 HOURS BECAUSE WE WANT THOSE  
3 WORDS TO BE CONVEYED TO THIS EXTRAORDINARY MOVE BY OUR  
4 GOVERNOR AND OUR GRATITUDE, AND WE APPLAUDED HIM, AND  
5 IT WAS VERY EMOTIONAL.

6 MS. SHEEHAN: THANK YOU.

7 CHAIRMAN KLEIN: ANY ADDITIONAL BOARD  
8 COMMENTS?

9 DR. BERG: I JUST WANT TO MAKE ONE COMMENT.  
10 I THINK EARLIER YOU SAID THIS HAS A DRAMATIC EFFECT FOR  
11 CALIFORNIA SCIENTISTS. I THINK THIS ACTION BY THE  
12 GOVERNOR WILL REVERBERATE THROUGHOUT THE COUNTRY. I  
13 THINK IT'S CERTAINLY GOING TO HAVE AN IMPACT ON OTHER  
14 STATE INITIATIVES AND ATTEMPTS, AND I THINK WILL ALSO  
15 CALL ATTENTION FROM OUTSIDE SCIENTISTS THAT CALIFORNIA  
16 IS SERIOUS. WE'RE REALLY MOVING AHEAD INSTEAD OF JUST  
17 TALKING ABOUT IT. THE GOVERNOR HAS PUT THE WHEREWITHAL  
18 FOR US TO BE ABLE TO DO THAT, SO I THINK IT WILL HAVE A  
19 MUCH BROADER IMPACT THAN JUST AFFECTING CALIFORNIA  
20 SCIENTISTS.

21 CHAIRMAN KLEIN: EXCELLENT POINT. JOAN  
22 SAMUELSON.

23 MS. SAMUELSON: BOB, I WOULD LIKE -- I'D JUST  
24 LIKE TO ADD A BRIEF COMMENT SINCE I WASN'T HERE THIS  
25 MORNING. THIS ELECTRIFIED ME, I HAVE TO SAY, AND

1 EVERYBODY I TALKED TO, PATIENTS AND THEIR LOVED ONES  
2 AND CALIFORNIA RESIDENTS AND BEYOND ALIKE. AND I JUST  
3 WANT TO SAY THAT, AS SO MANY PEOPLE KNOW, WHEN YOU LIVE  
4 WITH A CHRONIC OR INCURABLE OR LIFE-THREATENING  
5 DISORDER, EVERY DAY OF DELAY IS AN ADDITIONAL DAY -- I  
6 WAS AFRAID THAT WOULD HAPPEN -- AN ADDITIONAL DAY OF  
7 STRUGGLE AND SUFFERING. AND THAT SHOULDN'T BE  
8 HAPPENING. IT'S NOT RIGHT. AND FOR THE GOVERNOR TO  
9 TAKE THIS ACTION HAS GIVEN GREAT HOPE IN THE FACE OF  
10 THAT. THANK YOU.

11 (APPLAUSE.)

12 CHAIRMAN KLEIN: ARE THERE ANY ADDITIONAL  
13 BOARD COMMENTS? SEEING NO ADDITIONAL BOARD COMMENTS,  
14 ARE THERE PUBLIC COMMENTS? ANNE, THE PUBLIC MIGHT HAVE  
15 SOME QUESTIONS AS WELL, BUT LET'S FIRST SEE WHAT THE  
16 PUBLIC COMMENTS ARE.

17 MR. REED: ON BEHALF OF MY PARALYZED SON, MY  
18 SISTER WHO HAS CANCER, AND THE HUNDRED MILLION  
19 AMERICANS WHO HAVE INCURABLE DISEASES, THANK YOU VERY  
20 MUCH TO YOUR LEADER AND OUR GOVERNOR. THIS WAS A  
21 MAGNIFICENT GESTURE WHICH WILL BE REMEMBERED FOREVER.  
22 THANK YOU SO MUCH.

23 (APPLAUSE.)

24 CHAIRMAN KLEIN: SEEING NO ADDITIONAL PUBLIC  
25 COMMENT, I'D LIKE TO CALL THE MOTION THAT'S BEFORE US.

1 ALL IN FAVOR. OPPOSED? LET IT BE SHOWN IT WAS  
2 UNANIMOUS. THANK YOU, DR. BALTIMORE.

3 AND THANK YOU, ANNE SHEEHAN.

4 (APPLAUSE.)

5 CHAIRMAN KLEIN: WITH THAT, DO WE HAVE A  
6 MOTION TO APPROVE THE RESOLUTION BEFORE US, RESOLUTION  
7 2006 -- 2006, RESOLUTION 01?

8 DR. MURPHY: SO MOVED.

9 CHAIRMAN KLEIN: MOVED BY DR. MURPHY.

10 DR. THAL: SECOND.

11 CHAIRMAN KLEIN: SECONDED BY DR. THAL. ANY  
12 BOARD COMMENTS ON THE MOTION? SEEING NO BOARD  
13 COMMENTS, IS THERE PUBLIC COMMENT ON THE MOTION?  
14 SEEING NO PUBLIC COMMENTS ON THE MOTION, I MOVE THE  
15 MOTION. ALL THE IN FAVOR. OPPOSED? MOTION PASSES.

16 PLEASE, ANNE, CONVEY TO THE GOVERNOR OUR  
17 DEEPEST THANKS AS SHERRY LANSING SO ELOQUENTLY EARLIER  
18 STATED, AS DR. BALTIMORE CLEARLY LAID OUT OUR  
19 TREMENDOUS GRATITUDE, AND THANK CASEY HUTCHISON AND  
20 THANK DAVID CRANE AS WELL. IT'S A MAGNIFICENT TEAM.  
21 AS I'VE SAID PUBLICLY WHEN ED PENHOET AND I APPEARED IN  
22 A PRESS CONFERENCE WITH THE GOVERNOR, IT'S INSPIRING TO  
23 SEE THE GOVERNMENT IN ACTION WHEN IT REALLY HAS THE  
24 CAPACITY TO MOVE DRAMATICALLY FOR THE BENEFIT OF  
25 PATIENTS WITH CHRONIC DISEASE AND INJURY HERE IN

1 CALIFORNIA AND THROUGHOUT THE WORLD. THANK YOU.

2 (APPLAUSE.)

3 CHAIRMAN KLEIN: ALL RIGHT. WELL, I THINK WE  
4 WILL NOW GO BACK TO DR. HALL. WHERE WOULD YOU LIKE TO  
5 PICK IT UP?

6 MS. DUROSS: AGENDA ITEM 13.

7 CHAIRMAN KLEIN: AGENDA ITEM 13.

8 DR. HALL: I'D SAY LET'S KEEP MOVING NOW THAT  
9 THE GOVERNOR HAS BROKEN THE LOGJAM. LET'S GET TO WORK.  
10 SO IF IT'S ALL RIGHT WITH YOU, I'D LIKE TO GO AHEAD  
11 WITH DISCUSSION OF THE RESEARCH, AND PARTICULARLY WHILE  
12 MS. SHEEHAN IS HERE.

13 CHAIRMAN KLEIN: ABSOLUTELY. WE'RE GOING TO  
14 DISCUSS -- IT IS -- WE'RE GOING OUT OF ORDER, BUT IT IS  
15 ITEM 13. DR. HALL.

16 DR. HALL: GOOD. SO WE HAVE THIS WONDERFUL  
17 OPPORTUNITY IN FRONT OF US, AND SO WE HAVE GIVEN SOME  
18 THOUGHT OVER THE LAST TEN DAYS AS TO HOW BEST WE CAN  
19 TAKE ADVANTAGE OF IT. I WANT TO BEGIN BY JUST POINTING  
20 OUT THAT WE ANTICIPATE THAT CIRM WILL BE FUNDING A  
21 BROAD RANGE OF RESEARCH RELATED TO STEM CELLS. THERE  
22 WILL BE BASIC RESEARCH, THERE WILL BE MODEL SYSTEMS  
23 RESEARCH, THERE WILL BE TOOLS AND TECHNIQUES RESEARCH,  
24 THERE WILL BE PRECLINICAL AND DEVELOPMENTAL RESEARCH,  
25 THERE WILL BE CLINICAL TRIALS, THERE WILL BE, AS WE

1 HEARD THIS MORNING, WE HOPE, ENGINEERING, CHEMISTRY,  
2 COMPUTATIONAL APPROACHES.

3 BUT WE ASK OURSELVES THE QUESTION: WHAT DO  
4 WE NEED TO DO MOST QUICKLY, AND WHAT DO WE NEED TO DO  
5 THAT IS MOST CENTRAL TO OUR MISSION? AND IT IS AROUND  
6 THOSE CONSIDERATIONS THAT WE HAVE COME UP WITH A  
7 PROGRAM THAT WE WANT TO SUGGEST, WHICH WE HAVE CALLED  
8 INNOVATION IN HUMAN EMBRYONIC STEM CELL RESEARCH.

9 AND LET ME ALSO POINT OUT THAT, AS YOU KNOW,  
10 WE'RE ENGAGED IN A STRATEGIC PLAN. AND WITHOUT  
11 ANTICIPATING THE STRATEGIC PLAN, THE PLAN WE PROPOSE,  
12 WE BELIEVE, IS, AGAIN, SO MUCH AT THE CORE OF OUR  
13 MISSION AND SO MUCH WHAT IS BADLY NEEDED, THAT WE FELT  
14 THAT IT WAS ENTIRELY APPROPRIATE AND VERY MUCH IN  
15 KEEPING WITH THE INTENTION OF THE GOVERNOR, I THINK,  
16 GIVEN THE CONTEXT, TO BEGIN BY TRYING TO FOCUS  
17 SPECIFICALLY ON HUMAN EMBRYONIC STEM CELL RESEARCH IN  
18 CALIFORNIA, INCLUDING WORK ON FEDERALLY RESTRICTED  
19 LINES.

20 AND SO THE QUESTION WAS, IF WE COULD HAVE THE  
21 NEXT SLIDE, HOW TO JUMP-START HUMAN EMBRYONIC STEM CELL  
22 RESEARCH IN CALIFORNIA. WE KNOW THAT THIS RESEARCH IS  
23 CURRENTLY GOING ON AT A NUMBER OF INSTITUTIONS FUNDED  
24 LARGELY BY PRIVATE DONORS OR PHILANTHROPIC FOUNDATIONS,  
25 BUT WE ALSO KNOW THAT THIS RESEARCH NEEDS MORE ROBUST

1 FUNDING TO BE FULLY COMPETITIVE. IT IS, YOU MIGHT SAY,  
2 SOMEWHAT MALNOURISHED. PEOPLE SPEND A LOT OF TIME  
3 LOOKING FOR MONEY. THEY ARE GETTING BY ON WHAT THEY  
4 HAVE, BUT WE NEED MUCH MORE.

5 AND ONE OF THE REALIZATIONS HAS BEEN, IF WE  
6 WANT TO EXPAND THIS, AND THE EXPERIENCE IN OTHER PLACES  
7 HAS BEEN THAT BECAUSE OF THE FEDERAL RESTRICTIONS, THE  
8 NUMBER OF PEOPLE ACTUALLY DOING THIS WORK IS NOT THAT  
9 LARGE, AND WE NEED TO ATTRACT MORE PEOPLE TO THE FIELD.  
10 WE BASICALLY NEED TO LAY THE FOUNDATION. WE NEED TO  
11 GROW THE FIELD IN A WAY. SO THIS IS INTENDED TO DO  
12 THAT.

13 AND WE SAW THE NEEDS AS EXPANSION OF  
14 MERITORIOUS ONGOING RESEARCH THAT COULD USE MORE FUNDS,  
15 BRINGING NEW PEOPLE AND NEW IDEAS INTO THE FIELD,  
16 PROVIDING LABORATORIES FOR HUMAN EMBRYONIC STEM CELL  
17 RESEARCH. THE DIFFICULTIES AS WE HAVE DISCUSSED MANY  
18 TIMES OF WORKING IN FEDERALLY FUNDED SPACE ON CELL  
19 LINES OUTSIDE THE FEDERAL RESTRICTION IS SEVERE FOR  
20 MANY INSTITUTIONS. AND FINALLY, ONE OF THE THINGS THAT  
21 WE LEARNED, AND I'LL SAY MORE ABOUT THIS LATER, WHEN WE  
22 MET WITH THE DIRECTORS, WAS THE NEED FOR SIMPLE  
23 INSTRUCTION IN HOW TO CARRY OUT HUMAN EMBRYONIC STEM  
24 CELL CULTURE.

25 SO OUR PROGRAM IS AIMED AT MEETING THOSE

1 NEEDS IN AN INTEGRATED WAY, AND WE ANTICIPATE THREE  
2 PROPOSED RFA'S. AND WHAT I FIRST WANT TO DO IS TO TELL  
3 YOU ABOUT THEM AND TO GIVE YOU THE CONCEPT BEHIND EACH  
4 OF THOSE, AND THEN TO DISCUSS THE BUDGETS WITH YOU AND  
5 THEN, FINALLY, THE TIMELINE AND THE AGGREGATE BUDGET.

6 SO WE ENVISAGE THREE KINDS OF GRANTS WHICH WE  
7 CALL COMPREHENSIVE RESEARCH GRANTS, SEED GRANTS,  
8 CIRM-SHARED RESEARCH LABORATORY GRANTS. AND I'LL SAY  
9 IN. A MOMENT WHAT THOSE ARE. AND THEN AN HSC  
10 TECHNIQUE COURSE AT SEVERAL INSTITUTIONS ACROSS THE  
11 STATE. ALL OF THE APPLICATIONS THAT WE RECEIVE WOULD  
12 BE AWARDED ON A COMPETITIVE BASIS WITH REVIEW BY THE  
13 GRANTS REVIEW WORKING GROUP AND, AS NECESSARY, BY THE  
14 FACILITIES WORKING GROUP FOR SOME OF THE SPACE NEEDS.  
15 AGAIN, I'LL SAY MORE ABOUT THAT IN A MOMENT.

16 SO THE FIRST IS THE COMPREHENSIVE RESEARCH  
17 GRANTS. AND WE ENVISAGE OFFERING UP TO 25 OF THESE,  
18 AND THESE WOULD BE OUTSTANDING PEOPLE WHO HAVE A RECORD  
19 OF ACCOMPLISHMENT IN HUMAN EMBRYONIC STEM CELL RESEARCH  
20 OR A CLOSELY RELATED FIELD. WHAT DO I MEAN BY CLOSELY  
21 RELATED FIELD? THERE MAY BE A VERY DISTINGUISHED  
22 WORKER IN MOUSE HUMAN EMBRYONIC STEM CELLS WHO NOW  
23 WANTS TO INITIATE A PROJECT WITH HUMAN CELLS. THERE  
24 MAY BE SOMEBODY WORKING ON ADULT STEM CELLS WHO NOW  
25 WANTS TO WORK ON HUMAN EMBRYONIC STEM CELLS. SO PEOPLE



1 WHO HAVE A STRONG RECORD OF ACCOMPLISHMENT EITHER WITH  
2 HUMAN EMBRYONIC STEM CELLS OR WITH SOMETHING CLOSELY  
3 RELATED COULD APPLY FOR THESE GRANTS.

4 IT WOULD BE AN OPPORTUNITY TO EXPAND CURRENT  
5 RESEARCH OR TO TAKE PROMISING NEW DIRECTIONS BASED ON  
6 CURRENT RESEARCH. IT MUST BE RELATED TO A LONG-TERM  
7 THERAPEUTIC GOAL. AND WE ENVISAGE A NUMBER OF  
8 DIFFERENT KINDS OF TOPICS THAT WOULD BE COVERED. SOME  
9 OF IT WOULD BE BASIC SCIENCE. WE'VE HEARD AGAIN AND  
10 AGAIN HOW WE NEED TO UNDERSTAND WHAT CONTROLS STEM CELL  
11 SELF-RENEWAL, WHAT CONTROLS PATHWAYS, HOW THEY'RE  
12 DIRECTED DOWN DIFFERENT PATHWAYS OF DIFFERENTIATION.  
13 WE NEED NEW HUMAN EMBRYONIC STEM CELL LINES, INCLUDING  
14 DISEASE-SPECIFIC LINES. WE ENVISAGE GETTING  
15 APPLICATIONS THAT WOULD INCLUDE THAT. THE STUDY OF  
16 HUMAN EMBRYONIC STEM CELL LINES OR DERIVED CELLS IN  
17 ANIMAL MODELS OF DISEASE AND OTHER PRECLINICAL WORK IN  
18 WHICH YOU TRY TO ESTABLISH EFFICACY IN ANIMALS, MODEL  
19 SYSTEMS, OR PROOF OF PRINCIPLE USING HUMAN EMBRYONIC  
20 STEM CELLS. ASSESSING TUMORIGENICITY OF HUMAN  
21 EMBRYONIC STEM CELLS IS VERY, VERY IMPORTANT.  
22 REPROGRAMMING, STUDIES RELATED TO IDENTIFICATION,  
23 STORAGE, MAINTENANCE, STABILITY OF HUMAN EMBRYONIC STEM  
24 CELLS AND OTHERS. THIS IS NOT MEANT TO BE AN ALL  
25 INCLUSIVE LIST, BUT TO GIVE YOU SIMPLY THE IDEA THAT WE

1 KNOW THAT WORK LIKE THIS IS GOING ON IN THE STATE. WE  
2 WOULD LIKE TO SUPPORT AND ENCOURAGE IT AS MUCH AS  
3 POSSIBLE.

4 THE SECOND, THEN, WOULD BE SEED GRANTS. AND  
5 THESE, WE IMAGINE OFFERING UP TO 30 OF THESE. THERE  
6 WOULD BE AN EMPHASIS ON NEW IDEAS AND NEW INVESTIGATORS  
7 IN THE FIELD. THERE WOULD BE NO PRIOR RECORD REQUIRED  
8 OF HUMAN EMBRYONIC STEM CELL RESEARCH. AND WE ENVISAGE  
9 THAT THERE MIGHT BE BEGINNING INVESTIGATORS WHO ARE  
10 JUST STARTING OUT ON THEIR OWN, OR THERE MIGHT BE  
11 ESTABLISHED INVESTIGATORS IN OTHER FIELDS WHO WANT TO  
12 TAKE A FLIER, AS IT WERE, WHO WANT TO SEE, THEY HAVE AN  
13 IDEA THAT MIGHT APPLY TO HUMAN EMBRYONIC STEM CELLS,  
14 AND SO THEY WANT TO DO A PILOT STUDY. IT WOULD ALLOW  
15 PEOPLE TO GET PRELIMINARY DATA THAT THEY COULD THEN  
16 DEVELOP INTO MORE SUBSTANTIAL GRANT APPLICATIONS  
17 FURTHER AROUND ALONG THE LINE.

18 SO NO PRIOR RECORD, NO PRELIMINARY DATA  
19 REQUIRED. WHAT IS REQUIRED IS A REALLY GOOD IDEA, A  
20 CAREFULLY THOUGHT-OUT RESEARCH PLAN, AND A QUALITY  
21 PERSON.

22 NOW, ONE OF THE THINGS THAT WE'VE FOUND OUT,  
23 AND ACTUALLY ED PENHOET AND MARY MAXON VERY EARLY ON  
24 WENT AROUND AND TALKED TO PEOPLE AT DIFFERENT  
25 INSTITUTIONS, AND I THINK WE ALL ARE AWARE OF THE NEED

1 FOR SPACE TO DO THIS WORK. AND SO WHAT WE ENVISAGE,  
2 THEN, IS HAVING UP TO 15 LABORATORIES AROUND THE STATE.  
3 WE IMAGINE ONE OF 2,000 SQUARE FEET, SOMETHING ON THAT  
4 ORDER, IN WHICH PEOPLE COULD CULTURE HUMAN EMBRYONIC  
5 STEM CELLS OUTSIDE THE FEDERAL GUIDELINES. THESE  
6 SPACES WOULD HAVE INCUBATORS, THEY WOULD HAVE HOODS,  
7 THEY WOULD HAVE MICROSCOPES, THEY WOULD HAVE FREEZERS.  
8 THEY WOULD NEED SUPPLIES WHICH ARE VERY EXPENSIVE FOR  
9 THIS WORK, AND THEY WOULD NEED SOMEBODY TO RUN THE  
10 FACILITY.

11 AND SO OUR IDEA IS THAT WE WOULD SET UP THE  
12 FACILITIES, THAT THEY WOULD BE SUPERVISED BY SCIENTISTS  
13 AT THE INSTITUTION, THERE WOULD BE SOMEBODY IN CHARGE  
14 OF IT ON A DAY-TO-DAY BASIS THAT WOULD OVERSEE THE USE  
15 AND EQUIPMENT, AND WOULD OFFER HELP TO PEOPLE.

16 SINCE THERE WILL BE MORE INSTITUTIONS THAN  
17 THERE ARE FACILITIES, WE WOULD REQUIRE INSTITUTIONS TO  
18 HAVE A PLAN FOR HELPING OR MAKING THEIR RESOURCE  
19 AVAILABLE TO OTHERS IN THE AREA. FOR EXAMPLE, PICK AN  
20 AREA, IT DOESN'T MATTER WHERE, BUT IF WE HAD SUCH A  
21 FACILITY AT STANFORD, LET'S SAY, AND THERE WERE  
22 SOMEBODY AT SAN JOSE STATE THAT HAD A PROJECT, AND THEY  
23 DIDN'T HAVE A FACILITY THERE, WE WOULD EXPECT THERE  
24 WOULD BE SOME PROVISION THAT THEY COULD USE THIS  
25 FACILITY. SO IT WOULD BE AVAILABLE TO PEOPLE ACROSS

1 THE STATE AS NEEDED.

2 AND THE OTHER ISSUE IS THAT AT FIVE OF THOSE  
3 INSTITUTIONS WE WOULD LIKE TO GIVE THEM EXTRA MONEY FOR  
4 THEM TO OFFER SEVERAL TIMES A YEAR A COURSE IN HOW TO  
5 CULTURE HUMAN EMBRYONIC STEM CELLS. THIS WAS VERY  
6 INTERESTING FOR US. WHEN WE CONVENED THE DIRECTORS, WE  
7 SAID WHAT DO YOU NEED? WHAT'S GOING ON AT YOUR  
8 INSTITUTIONS? HOW CAN WE BE OF HELP? AND THE FIRST  
9 THING THEY SAID WAS SPACE. AND THEN TO OUR SURPRISE,  
10 THEY SAID WE NEED SUPPORT FOR A COURSE THAT JUST  
11 TEACHES PEOPLE HOW TO CULTURE THESE CELLS. IT'S NOT  
12 STANDARD PROCEDURE.

13 NOW, WE HAD THOUGHT ABOUT A MORE COMPLICATED  
14 COURSE, MAYBE A COURSE ON HOW TO DERIVE HUMAN EMBRYONIC  
15 STEM CELL LINES. BUT THEY SAID, NO, NO. FIRST OF ALL,  
16 WE WANT SOMETHING JUST VERY SIMPLE. HOW DO YOU CULTURE  
17 THEM, A FOUR- OR FIVE-DAY COURSE THAT A TECHNICIAN, A  
18 POST-DOC, A GRADUATE STUDENT, A CLINICAL FELLOW WHO WAS  
19 WORKING ON THIS FOR THE FIRST TIME COULD COME IN, LEARN  
20 HOW TO CULTURE THE CELLS WITH SOME EXPERIENCED PERSON  
21 THERE, LEARN WHAT THE TRICKS OF THE TRADE ARE. ALL OF  
22 THESE THINGS HAVE A CERTAIN LORE ASSOCIATED WITH THEM,  
23 AND THE IDEA WOULD BE TO HAVE THOSE FACILITIES. THEY,  
24 WE WOULD HOPE, WOULD OFFER A COURSE MAYBE THREE, FOUR  
25 TIMES A YEAR AS LONG AS THE DEMAND WAS THERE.

1                   AND, AGAIN, THE COURSES WOULD BE AVAILABLE TO  
2 OTHER PEOPLE IN THE AREA WHO WERE NOT AT THAT  
3 INSTITUTION. AND IT WOULD REQUIRE, OF COURSE, THAT  
4 THERE BE EXPERTISE AT THE INSTITUTION IN THIS REGARD  
5 AND THAT THEY PROVIDE SUITABLE OVERSIGHT AND A PLAN FOR  
6 HOW THEY WOULD OFFER THESE COURSES AND WHAT THEY WOULD  
7 DO WITH THEM.

8                   SO THAT'S THE GENERAL CONCEPT FOR THE THREE  
9 OR THREE AND A HALF KINDS OF GRANTS, IF YOU WOULD.  
10 THAT IS, COMPREHENSIVE GRANTS, SEED GRANTS, RESEARCH  
11 LABORATORY SPACE, AND RESEARCH LABORATORY SPACE PLUS A  
12 COURSE.

13                   SO LET'S TALK ABOUT HOW WE WOULD ARRANGE THIS  
14 FINANCIALLY. FOR THE COMPREHENSIVE GRANTS, WE IMAGINE  
15 THAT WE WOULD LIKE TO FUND THEM FOR UP TO FOUR YEARS.  
16 WE COULD MAKE A DIFFERENT ARRANGEMENT IF IT WERE  
17 NECESSARY. WE COULD HAVE A TWO AND TWO WITH TWO YEARS  
18 WITH AN OPTION FOR SELF-RENEWAL IF WORK WAS GOING  
19 SATISFACTORILY, BUT WE THINK WE WOULD LIKE TO HOLD OUT  
20 FOR THESE ESTABLISHED INVESTIGATORS WHOM WE IMAGINE  
21 WILL BE OF VERY, VERY HIGH QUALITY, HAVE A STRONG  
22 RECORD IN THE FIELD OR IN A RELATED FIELD, TO OFFER  
23 THEM ENOUGH TIME TO ACTUALLY CARRY OUT A SUBSTANTIAL  
24 PROJECT. WE PROPOSE OFFERING THEM FOR THE PROJECT  
25 \$400,000 A YEAR PROJECT SUPPORT.

1                   AND NOW LET ME REMIND YOU THAT WITH OUR  
2                   FACILITIES AND INDIRECT COST ARRANGEMENT, THAT WOULD BE  
3                   AN ADD-ON TO THE PROJECT COST. THAT IS VARIABLE FROM  
4                   INSTITUTION TO INSTITUTION, AND SO WE HAVE MADE A  
5                   RATHER CONSERVATIVE ESTIMATE THAT IS ALMOST CERTAINLY  
6                   TOO HIGH, BUT IS CONVENIENT FOR THIS PURPOSE, THAT THE  
7                   TOTAL SUPPORT PER GRANT PER YEAR THEN WOULD BE ABOUT  
8                   \$800,000. THAT THEN TAKES CARE OF FACILITIES AND  
9                   INDIRECT COST. AND THIS, OF COURSE, WOULD HAVE TO BE  
10                  NEGOTIATED WITH EACH GRANT AND EACH INSTITUTION, AND IT  
11                  WILL BE VARIABLE BECAUSE OF THAT.

12                  THE TOTAL COST FOR ALL GRANTS DURING THE  
13                  FIRST YEAR IS \$20 MILLION, AND THE TOTAL COST FOR ALL  
14                  GRANTS OVER FOUR YEARS WOULD BE ABOUT 80 MILLION.

15                  IF WE MOVE ON TO THE SEED GRANTS THEN, WE  
16                  ENVISAGE THESE AS TWO YEARS, \$200,000 PER YEAR PROJECT  
17                  SUPPORT. AGAIN, USING THE SAME FORMULA FOR THE  
18                  INDIRECT COST, WHICH IS, AGAIN, PROBABLY AN  
19                  OVERESTIMATE, THAT WOULD BE APPROXIMATELY \$400,000 PER  
20                  YEAR TOTAL COST PER GRANT. AND THEN THE TOTAL COST FOR  
21                  ALL GRANTS DURING THE FIRST YEAR WOULD BE 12 MILLION,  
22                  AND THE TOTAL COST FOR ALL GRANTS OVER TWO YEARS WOULD  
23                  BE 24 MILLION.

24                  LET ME SAY A WORD BEFORE I GO ON TO THE NEXT  
25                  ABOUT THE NUMBERS. WE'VE MADE ESTIMATES OF WHAT WE

1 THINK WOULD GIVE HIGH QUALITY INVESTIGATORS IN BOTH OF  
2 THOSE CATEGORIES. WE DON'T KNOW OUR MARKET OR OUR  
3 CUSTOMER BASE, IF YOU WILL, WELL ENOUGH YET TO MAKE  
4 FIRM ESTIMATES. BUT WE WILL BE ASKING FOR LETTERS OF  
5 INTENT. SO WE WILL GET SOME ESTIMATE OF HOW MANY  
6 APPLICATIONS THERE WILL BE. AND WHAT I WOULD LIKE TO  
7 DO, I'LL COME TO THIS IN A MOMENT, WOULD BE TO ASK  
8 AUTHORIZATION FOR AN OVERALL BUDGET FIGURE WITHIN WHICH  
9 WE COULD MAKE ADJUSTMENTS. YOU YOURSELF WILL HAVE THE  
10 ABILITY TO MAKE THOSE ADJUSTMENTS AT THE END AS YOU  
11 APPROVE THE GRANTS. IF IT TURNS OUT WE HAVE MANY MORE  
12 ESTABLISHED INVESTIGATORS OF VERY, VERY HIGH QUALITY  
13 AND THE WORKING GROUP SAYS, LOOK, THIS IS THE BUDGET  
14 YOU GAVE US, BUT WE THINK IF YOU'VE GOT ANOTHER X  
15 MILLION DOLLARS, THIS WOULD BE MONEY VERY WELL SPENT.  
16 OR IF THAT SAME THING WERE TRUE WITHIN THE SEED GRANTS,  
17 IT WOULD BE UP TO THE ICOC, THEN, TO MODIFY THOSE  
18 FIGURES, BUT WE WOULD LIKE TO GO AHEAD BASED ON THAT  
19 PROJECTION.

20 LET ME NOW TAKE YOU QUICKLY THROUGH THE  
21 SHARED LABORATORY GRANTS, AND I'M GOING TO SPLIT THOSE  
22 UP. THE FIRST ONE ARE THE SHARED LABORATORIES WITHOUT  
23 A COURSE. AND SO WE PROPOSE, AND HERE WE MAY ADJUST  
24 THESE FIGURES BEFORE WE PUT OUT THE RFA, BUT WE PROPOSE  
25 UP TO ROUGHLY A MILLION DOLLARS FOR RENOVATION, IF

1 NECESSARY. THAT IS, IF YOU NEED TO REWIRE TO BRING IN  
2 A 220 LINE, IF YOU NEED TO PUT IN A DOOR, IF YOU NEED  
3 TO REARRANGE IN ORDER TO ACCOMMODATE CULTURE  
4 FACILITIES. THIS IS NOT BRICKS AND MORTAR IN THE  
5 CONVENTIONAL SENSE. IT IS SIMPLY REARRANGING  
6 PREEXISTING SPACE. IT MIGHT BE NECESSARY TO CONVERT AN  
7 OFFICE TO A LAB. I DON'T KNOW WHAT. AND THEN TO BUY  
8 THE EQUIPMENT WOULD BE ANOTHER MILLION. AND THE  
9 COMBINED TOTAL FOR THAT WOULD BE TWO. THAT WOULD BE A  
10 ONE-TIME, UP-FRONT CAPITAL COST, NO INDIRECT COST  
11 ASSOCIATED WITH THAT. AND THEN THE ONGOING COST OF  
12 PERSONNEL AND SUPPLIES FOR THREE YEARS WOULD BE UP TO  
13 \$200,000 PER YEAR. AND, AGAIN, THERE WILL NOT BE A  
14 FACILITIES COST ASSOCIATED WITH THIS, ONLY THE  
15 ADMINISTRATIVE COSTS. SO THE TOTAL COST PER GRANT IN  
16 THAT CASE WOULD BE \$250,000 A YEAR.

17 SO THE TOTAL COST FOR ALL GRANTS, THEN, IN  
18 THE FIRST YEAR WOULD BE 22.5 MILLION AND IN SUBSEQUENT  
19 YEARS 2.5 MILLION PER YEAR. OVER THREE YEARS, THE  
20 TOTAL COST OF THAT PROGRAM WOULD BE 27.5. IF YOU ADD A  
21 COURSE TO THAT, WE WOULD GIVE AN EXTRA HALF MILLION FOR  
22 MORE EQUIPMENT, PERHAPS A LARGER SPACE, AND WE WOULD  
23 GIVE \$400,000 PER YEAR TO COVER COSTS OF GIVING THESE  
24 COURSES AS MUCH AS POSSIBLE. SO WE'LL HAVE TO WORK  
25 THAT OUT, BUT OUR HOPE IS THAT THE COURSES WOULD



1 REQUIRE NOMINAL PAYMENT BY THOSE WHO TAKE THE COURSE.  
2 SO THIS WOULD BASICALLY SUBSIDIZE THOSE COURSES.

3 THEN, AGAIN, IF WE GIVE OUT FIVE OF THESE,  
4 THE COST FOR ALL GRANTS IN THE FIRST YEAR WOULD BE 15  
5 MILLION, AND THEN SUBSEQUENT YEARS WOULD BE 2.5 MILLION  
6 PER YEAR, AND FOR ALL GRANTS OVER THREE YEARS WOULD BE  
7 20 MILLION.

8 NOW, THE NEXT SLIDE, THEN, GIVES THE ANNUAL  
9 COST OF THE PROGRAM. IF YOU ADD UP, WE HAVE, DON'T  
10 FORGET, TWO-YEAR, THREE-YEAR, AND FOUR-YEAR PROGRAMS.  
11 AND SO WITH THE FIGURES THAT I JUST GAVE YOU, YEAR ONE  
12 WOULD BE 80 MILLION, YEAR TWO, 24 -- I THINK THAT MUST  
13 BE BACKWARDS. I DON'T KNOW WHY YEAR THREE WOULD BE  
14 BIGGER THAN YEAR TWO. IT SHOULD NOT BE, SO THERE'S A  
15 MISTAKE IN THERE, BUT I CAN ASSURE YOU THE TOTAL FIGURE  
16 IS 151.5. IT SHOULD BE -- IT'S 80, 24 -- I KNOW WHY,  
17 YES. THESE ARE GRANT TYPES. I'M SORRY. I CONFUSED  
18 THE FIGURES.

19 LET ME GIVE YOU THEM AGAIN. PLEASE, YEAR ONE  
20 IS 69.5, YEAR TWO IS 37, YEAR THREE IS 25, AND YEAR  
21 FOUR IS 20. IT COMES TO THE SAME TOTAL, BUT I  
22 TRANSPOSED. WHAT THESE ARE IS THE SUM OF ALL FOUR  
23 GRANT TYPES ON THE ORIGINAL SLIDE. SO WE'RE GOING TO  
24 CHANGE THAT TO 69, 37, 25, AND 20. IF I DID IT RIGHT,  
25 IT ALL ADDS UP TO THE SAME FIGURE. I THINK IT DOES.

1 WE TRIED TO CHECK THIS LATE YESTERDAY.

2 SO WE WOULD ASK AUTHORIZATION, THEN, TO ISSUE  
3 THESE THREE RFA'S WITHIN THAT TOTAL ENVELOPE OF 151.5  
4 MILLION OVER FOUR YEARS.

5 AND THE PROVISIONAL TIMETABLE IS IN THE NEXT  
6 SLIDE, AND THIS IS, AGAIN, WE'RE HAVING TO DO THIS ON  
7 THE RUN. WE THINK WE CAN GET OUT THE RFA'S, ACTUALLY  
8 WE THINK THE FIRST ONES WE COULD GET OUT PROBABLY THIS  
9 MONTH, AUGUST, AND THE OTHERS IN SEPTEMBER. WE WOULD  
10 AIM FOR A DECEMBER REVIEW OF ALL THE APPLICATIONS, AND  
11 THAT MAY HAVE TO BE MID-DECEMBER. WE'VE BEEN CALLING  
12 FRANTICALLY AROUND THE COUNTRY TO OUR WORKING GROUP  
13 MEMBERS SAYING I HOPE YOU DON'T HAVE ANY PLANS FOR  
14 DECEMBER. SO WE'LL HAVE TO ADJUST THAT AS WE DO, BUT  
15 WE THINK WE CAN MOVE IT THROUGH THE PIPELINE SO THAT WE  
16 CAN HAVE FIRST ICOC APPROVAL AT THE FEBRUARY 2007  
17 MEETING.

18 AND WE WILL, BY THE WAY, RUN THE FACILITIES  
19 AND GRANTS REVIEW; THAT IS, WE WILL PROBABLY HAVE THE  
20 FACILITIES WORKING GROUP LOOK AT AND OKAY THE  
21 APPLICATIONS FOR THE LABORATORIES, AND WE'LL JUST RUN  
22 THOSE REVIEWS IN PARALLEL IN THE INTEREST OF SPEED.

23 FINALLY, LET ME JUST REMIND YOU IN THE NEXT  
24 SLIDE THAT WE WILL BE ISSUING OTHER KINDS OF GRANTS IN  
25 THE FUTURE. WE WILL BE CONSIDERING OUR SCIENTIFIC

1 STRATEGIC PLAN IN OCTOBER. AND WHILE WE EXPECT THAT  
2 THERE WILL BE REVISIONS BETWEEN THE OCTOBER MEETING AND  
3 THE DECEMBER MEETING, IT IS POSSIBLE THAT IN OCTOBER WE  
4 WILL IDENTIFY AS A GROUP ANOTHER IMPERATIVE NEED THAT  
5 WE COULD ALL AGREE ON THAT POINT COULD BE THE BASIS FOR  
6 AN RFA THAT WOULD GO OUT AFTER THAT MEETING; THAT IS,  
7 BEFORE THE STRATEGIC PLAN IS FINISHED, BUT IF WE SAID,  
8 LOOK, THIS PART IS NONCONTROVERSIAL. LET'S GET GOING  
9 ON THIS. WE LEAVE OPEN THE OPTION TO DO THAT, AND WE  
10 THINK WE MIGHT BE ABLE TO DO THAT.

11 SO LET ME, THEN, CONCLUDE THE PRESENTATION  
12 AND ASK IF THERE ARE QUESTIONS ABOUT IT. I APOLOGIZE  
13 FOR THE ERROR IN PUTTING UP THE FIGURES, BUT  
14 FORTUNATELY MELISSA, WITH HER QUICK FINGERS, WAS ABLE  
15 TO CHANGE IT.

16 CHAIRMAN KLEIN: DR. HALL, JUST TO PUT THIS  
17 IN CONTEXT FOR EVERYONE IN THE AUDIENCE AND AT THE  
18 BOARD, THE GOVERNOR IS FOCUSING ON GETTING FUNDS OUT IN  
19 THE FIRST TWO YEARS. AND CERTAINLY IN THE FOUR-YEAR  
20 PROGRAM, TO PROVIDE CONTINUITY OF A COMMITMENT TO THESE  
21 INSTITUTIONS, YOU COULD HAVE A TWO-YEAR -- FIRST TWO  
22 YEARS COULD BE FUNDED BY THE GOVERNOR'S FUNDS AND HAVE  
23 A RENEWAL AT TWO YEARS AND THE SECOND TWO YEARS FUNDED  
24 OUT OF OUR GENERAL OBLIGATION FUNDS SO THAT YOU WOULD  
25 HAVE MONEY AVAILABLE FOR THE SECOND RFA THAT YOU'D PUT

1 OUT AT THE END OF THE YEAR, WHICH WOULD BE ANOTHER  
2 RESEARCH RFA, WHICH, IN FACT, COULD EXTEND TO ADULT  
3 STEM CELLS AND OTHER CRITICAL GAPS IN FUNDING FEDERALLY  
4 THAT EXIST BECAUSE, AS WE ALSO KNOW, THE NIH BUDGET IN  
5 REAL DOLLARS IS BEING REDUCED NATIONALLY.

6 SO LET US NOT MAKE THE MISTAKE OF COMPARING  
7 THE 151 WITH THE GOVERNOR'S 150 MILLION. WE REALLY  
8 HAVE A TOTAL OF 150 MILLION FROM THE GOVERNOR'S LOAN  
9 AND 30 MILLION MORE IN BAN'S, OR \$180 MILLION TO WORK  
10 WITH. THIS RFA IS A DRAMATIC, IMMEDIATE RESPONSE, BUT  
11 THE GOVERNOR'S FUNDS GOING PRINCIPALLY INTO THE FIRST  
12 TWO YEARS OF THIS PROGRAM BECAUSE THAT'S THE GAP THE  
13 GOVERNOR IS TRYING TO SPECIFICALLY ADDRESS.

14 DR. HALL: EXACTLY RIGHT. WE WOULD EXPECT BY  
15 YEAR THREE THERE WOULD BE G.O. BOND MONEY TO FUND THE  
16 LATTER PART OF IT.

17 CHAIRMAN KLEIN: WE HAVE, AS YOU REMEMBER,  
18 THE \$13 MILLION OBLIGATION UNDER THE SECOND YEAR OF OUR  
19 RESEARCH FELLOWSHIP PROGRAM THAT WILL ALSO BE PAID OUT  
20 OF THOSE FUNDS, BUT WE HAVE CERTAINLY THE FUNDS TO  
21 INITIATE THIS PROGRAM WITH THE GOVERNOR'S FUNDS AND  
22 LOOKING FORWARD TO G.O. BOND FUNDS TO CONTINUE IT, AS  
23 WELL AS FUNDING THE RESEARCH FELLOWS PROGRAM, WHICH HAS  
24 SO DRAMATICALLY BEEN BEGUN HERE IN INSTITUTIONS ACROSS  
25 THE STATE, AS WELL AS LOOKING FORWARD TO ANOTHER RFA TO

1 BROADEN THE SPECTRUM OF STEM CELL RESEARCH IN  
2 CALIFORNIA.

3 DR. HALL: THE WONDERFUL THING ABOUT THIS  
4 MONEY IS IT ALLOWS US TO MOVE MONEY OUT THAT WILL GO  
5 SEAMLESSLY INTO THE AVAILABILITY OF PUBLIC FUNDS. SO  
6 THAT WILL JUST FLOW RIGHT OUT.

7 CHAIRMAN KLEIN: THE G.O. BOND FUND.

8 DR. HALL: FOR THE INVESTIGATOR IT WILL BE  
9 SEAMLESS. IT WILL REQUIRE A LITTLE WORK BEHIND THE  
10 SCENES.

11 DR. WRIGHT: ZACH, I'M SO GLAD YOU SAID THAT  
12 BECAUSE, WITH BOB'S COMMENT EARLY, THAT THE  
13 GOVERNOR'S -- THAT THIS 150 MILLION IS SEED MONEY, IS  
14 JUMP-START MONEY, AND DR. BERG'S COMMENT THAT THEY'LL  
15 HAVE A BROAD IMPACT, THE OTHER ELEMENT THAT IT PROVIDES  
16 IN THE STATE IS THE STABILITY THAT THE SCIENTISTS HAVE  
17 NEEDED, THE CONTINUITY, THE PROMISE, THE SECURITY THAT  
18 THEY NEED TO COME AND DO THE WORK OVER A LONG -- IT  
19 GIVES LONGITUDINAL FOCUS TO THE SCIENCE AS WELL.

20 DR. HALL: YES. AND I THINK WE WILL SEE HOW  
21 THE NUMBERS WORK, BUT I THINK IF WE HAVE 25, AND RECALL  
22 THAT PEOPLE ARE BEING RECRUITED INTO THE STATE ON A  
23 STEADY BASIS, BUT I THINK THE QUALITY OF THAT 25 WILL  
24 BE VERY HIGH INDEED. I THINK WE'LL HAVE VERY, VERY  
25 GOOD PEOPLE FOR THAT, AND I THINK THESE WILL BE PEOPLE

1 THAT WE WILL WITH GREAT CONFIDENCE BE ABLE TO GIVE FOUR  
2 YEARS OF SUPPORT TO WITHOUT WORRYING TOO MUCH ABOUT IT.  
3 WE WILL, OF COURSE, WANT TO SEE PROGRESS REPORTS. AND  
4 WE WILL HAVE THE OPTION AT ANY TIME TO TERMINATE OR  
5 REDUCE IF SATISFACTORY PROGRESS IS NOT BEING MADE, BUT  
6 I THINK THIS WILL BE A VERY SAFE BET IN THOSE TERMS AND  
7 WILL ALLOW PEOPLE TO GET GOING.

8 CHAIRMAN KLEIN: DR. LEVEY.

9 DR. LEVEY: ZACH, I WONDER IF I UNDERSTAND  
10 THIS CORRECTLY. YOU WILL MAKE IT CLEAR IN THE RFA THAT  
11 THIS IS FOR HUMAN EMBRYONIC STEM CELLS. THERE'S NO  
12 EXCEPTIONS HERE BECAUSE WE DO MAKE EXCEPTIONS -- I  
13 FORGET WHAT WE DID WITH THE GRANTS WORKING GROUP. IT  
14 WASN'T STRICTLY FOR HUMAN, BUT THIS WILL BE STRICTLY  
15 FOR HUMAN EMBRYONIC STEM CELLS.

16 DR. HALL: WE SEE THAT AS THE CRYING NEED,  
17 AND I THINK THAT IS -- THE GOVERNOR'S GESTURE, I THINK,  
18 WAS DIRECTED SPECIFICALLY AT THAT. AND WE FELT THAT  
19 THAT WAS DEAD CENTER TO OUR MISSION. THAT WAS THE MOST  
20 ISSUE.

21 DR. LEVEY: SECOND THING I WANTED TO ASK, NOT  
22 TO JUMP THE GUN, BUT I ASSUME BY THAT TIME THE APPEAL  
23 WOULD HAVE BEEN RESOLVED, SO WE ACTUALLY WILL HAVE  
24 CONSIDERABLY MORE MONEY THAT WILL HAVE TO BE SPENT,  
25 RIGHT?

1 DR. HALL: AS WE HEARD, THAT COULD BE  
2 ANYWHERE FROM NEXT SPRING TO A YEAR FROM THEN; IS THAT  
3 CORRECT, JAMES?

4 MR. HARRISON: RIGHT.

5 DR. LEVEY: WILL WE HAVE TO EXPEND THAT  
6 RETROACTIVELY?

7 CHAIRMAN KLEIN: NO. THE INITIATIVE PROVIDES  
8 A CARRY-FORWARD PROVISION. SO WE ROLL FORWARD ANYTHING  
9 WE HAVEN'T SPENT IN THIS PERIOD TO A FUTURE PERIOD.

10 DR. LEVEY: SO WE'D BE GOING 12 YEARS.

11 CHAIRMAN KLEIN: THERE IS NO STATUTORY TIME  
12 LIMIT. IT JUST SETS A MAXIMUM YOU CAN SPEND IN EACH  
13 YEAR, BUT ANYTHING YOU DON'T SPEND IN THOSE YEARS YOU  
14 CARRY FORWARD. IN FACT, THE ACTUAL FEASIBILITY PLAN  
15 SUBMITTED TO THE STATE LEGISLATIVE ANALYST AS PART OF  
16 THE ELECTION MATERIALS ACTUALLY SHOWED ABOUT A 13-YEAR  
17 LIFE WITH A RAMP-UP AND A RAMP-DOWN.

18 LET ME GO TO THIS SIDE AND COME BACK TO DR.  
19 BERG, DUANE ROTH.

20 MR. ROTH: YES. ZACH, I THINK THAT'S A  
21 REALLY COMPREHENSIVE APPROACH, THE THREE DIFFERENT  
22 AREAS YOU'RE WORKING IN, SO I COMMEND YOU ON PUTTING  
23 THAT TOGETHER.

24 I WANT TO PICK UP ON A COMMENT THAT I THINK  
25 WAS BEING MADE. YOU HAVE AN OPPORTUNITY HERE IN A VERY

1 SHORT WINDOW TO USE THESE GRANTS TO REALLY KEEP  
2 CALIFORNIA AT THE CUTTING EDGE OF COMPETITIVENESS.  
3 RECRUITING THE BRIGHTEST AND BEST PEOPLE TO THE STATE  
4 OF CALIFORNIA RIGHT NOW IS SOMETHING I THINK WE SHOULD  
5 GIVE AS MUCH PREFERENCE AS WE CAN WHEN WE HAND OUT  
6 THESE GRANTS. TAKE CARE OF THE PEOPLE THAT ARE HERE,  
7 THE YOUNG FACULTY, BUT I HOPE A PORTION WILL GO TO HELP  
8 THESE INSTITUTES RECRUIT SOME OF THE PEOPLE THAT ARE  
9 SITTING ON THE BUBBLE WAITING TO SEE WHAT'S GOING TO  
10 HAPPEN HERE.

11 DR. HALL: WELL, WE ASSUME THEY'RE RECRUITING  
12 THE VERY BEST PEOPLE AND THAT THEY'RE RECRUITING THEM  
13 TO BE ABLE TO COMPETE WELL FOR THESE FUNDS. SO IT'S  
14 PRECISELY MEANT TO DO THAT. WE KNOW OF A NUMBER OF  
15 JUNIOR FACULTY WHO ARE COMING INTO THE STATE, AND WE'D  
16 LIKE TO SEE THEM GET OFF TO A GOOD START. AND WE ALSO  
17 KNOW SOME VERY DISTINGUISHED, ESTABLISHED  
18 INVESTIGATORS. SO WE DEFINITELY HAVE THAT PURPOSE IN  
19 MIND, BUT IT WILL BE ON A COMPETITIVE BASIS. AND SO MY  
20 OWN SENSE IS THAT THE QUALITY OF PEOPLE COMING IN IS  
21 SUFFICIENTLY HIGH THAT THEY WILL BE ABLE TO COMPETE. I  
22 DON'T SEE THAT AS A PROBLEM. IF WE HAVE MORE GOOD ONES  
23 THAN THEY ANTICIPATE, THEN WE CAN MAKE ADJUSTMENTS. IF  
24 THE BALANCE OF THE TWO TYPES OF GRANTS IS NOT RIGHT, WE  
25 CAN MAKE THAT ADJUSTMENT GOING FORWARD. BUT THIS AT



1 LEAST HELPS US TO SIZE IT ON A PROVISIONAL BASIS, SO WE  
2 CAN, INDEED, ASK FOR AUTHORIZATION FROM YOU TO GO AHEAD  
3 AND PUT THESE RFA'S OUT.

4 MR. ROTH: JUST IF I CAN FOLLOW UP. I THINK  
5 IT'S PUBLICITY THAT PEOPLE OUTSIDE THE STATE, IF  
6 THEY'LL MOVE, CAN COMPETE FOR THESE GRANTS.

7 CHAIRMAN KLEIN: DR. MURPHY AND THEN DR.  
8 BERG.

9 DR. BERG: YEAH. I WANTED TO MAKE THAT SAME  
10 POINT, BUT I ALSO WANTED TO ADD THAT SOMEHOW, ALTHOUGH  
11 THE LOGIC BEHIND SEED GRANTS IS ALMOST UNASSAILABLE --  
12 I SAY THE LOGIC OF SEED GRANTS IS CERTAINLY DESIRABLE.  
13 REMEMBER THAT PEOPLE WHO ARE OUTSIDE THE FIELD  
14 COMPLETELY AND HAVE A NEW IDEA NEED FACILITIES. THEY  
15 NEED A PLACE TO WORK. AND SO IN SOME WAY THESE SEED  
16 GRANTS ALMOST HAVE TO BE TO SOMEBODY WITH A GREAT IDEA  
17 WHO HAS ACCESS TO THE KIND OF BOTH COMPLEMENTARY  
18 TECHNOLOGY, ASSISTANCE FROM ONGOING LABS, AND THAT  
19 WON'T ALWAYS BE SO EASY. SO THERE WILL BE PEOPLE  
20 COMING IN WITH SOME OFF-THE-WALL IDEA, AND QUESTION IS  
21 WHERE ARE THEY GOING TO DO IT? HOW ARE THEY GOING TO  
22 LEARN HOW TO EVEN GET INTO THE PROJECT? AND I THINK  
23 THAT WILL BE A REAL PROBLEM FOR THE PEOPLE WHO WILL BE  
24 REVIEWING THESE SEED GRANT APPLICATIONS.

25 DR. HALL: SO THAT'S THE POINT OF PROVIDING

1 THE SHARED LABORATORY SPACE. THEY'LL AT LEAST HAVE A  
2 PLACE THEY CAN CULTURE THEIR CELLS, AND THEY'LL HAVE  
3 SOMEBODY THAT CAN TELL THEM HOW TO DO IT.

4 DR. BERG: WELL, SHARED FACILITIES ARE IN  
5 LIMITED NUMBERS. THEY'RE IN CERTAIN LOCATIONS. AND  
6 YOU ARE GOING TO BE GETTING APPLICANTS FOR SEED GRANTS  
7 FROM VIRTUALLY EVERYWHERE, I SUSPECT. SO I THINK JUST  
8 THE MATCH OF ABILITY TO PERFORM OR CARRY OUT AN  
9 INNOVATIVE IDEA FROM PEOPLE WHO ARE NOT YET EXPERIENCED  
10 AND HAVE HAD VERY LITTLE EXPERIENCE IN THE FIELD IS  
11 SOMETHING THAT'S NOT GOING TO BE AS EASY AS IT SOUNDS.

12 DR. HALL: WELL, AGAIN, I THINK WE CAN  
13 ADDRESS THAT WHEN THE APPLICATIONS COME IN. ONE NICE  
14 THING IS WE'VE GOT THEM ALL THERE IN FRONT OF US, AND  
15 WE CAN SAY, OKAY, WE THINK WE NEED MORE SHARED  
16 LABORATORY SPACE. THAT WOULD BE FINE. MORE  
17 INSTITUTIONS. THAT'S A PERFECT OPTION. THE NUMBER 15  
18 COMES AS OUR ESTIMATE. YOU KNOW, WE WOULD GUESS THAT  
19 THERE WERE AT LEAST THAT NUMBER OF PLACES.

20 ONE ISSUE IS THAT YOU HAVE TO HAVE SOMEBODY  
21 WHO'S DOING IT AND CAN OVERSEE IT. IF YOU DON'T HAVE  
22 ANY GOING ON IN YOUR INSTITUTION AND SOMEBODY WANTS TO  
23 START IT, THEN YOU CAN'T.

24 DR. BERG: I AGREE.

25 DR. HALL: THEY HAVE TO GO SOMEWHERE ELSE TO

1 LEARN THAT. THOSE THINGS WILL BALANCE OUT, AND I THINK  
2 WE'LL HAVE A MUCH BETTER SENSE OF IT AS A RESULT. YOU  
3 KNOW, AS I SAID BEFORE, WE DON'T YET KNOW OUR COMMUNITY  
4 AS WELL AS WE NEED TO. AND WHEN THE GRANTS START  
5 COMING IN, WE WILL LEARN VERY QUICKLY WHO THEY ARE,  
6 WHERE THEY ARE, HOW MANY THERE ARE, AND SORT OF WHAT  
7 THE QUALITY LEVEL IS.

8 CHAIRMAN KLEIN: ALONG WITH DR. BERG'S  
9 COMMENT, MY UNDERSTANDING IS ACTUALLY, EVEN THOUGH IT  
10 SAID UP TO 20 OR 25 IN DIFFERENT CATEGORIES, YOU REALLY  
11 IN THIS MOTION NEED THE FLEXIBILITY TO SEE WHERE THE  
12 DEMAND IS AND ADJUST THE NUMBER AS WELL AS THE BUDGET  
13 BASED UPON WHERE YOU SEE THE ACTUAL EFFECTIVE SCIENCE  
14 IS.

15 DR. HALL: THESE NUMBERS ARE MEANT TO PROJECT  
16 A BUDGET. THEY'RE NOT LIMITING. AND IT WILL BE YOUR  
17 PREROGATIVE AT THE END TO REBALANCE THE NUMBERS OR EVEN  
18 TO CHANGE THE BUDGET, IF YOU WANT TO. THAT IS YOUR  
19 PREROGATIVE, BUT THIS IS JUST HELPFUL TO US IN GOING  
20 FORWARD.

21 CHAIRMAN KLEIN: DR. MURPHY, AND THEN I'M  
22 GOING TO GO BACK OVER TO THIS OTHER SIDE.

23 DR. MURPHY: ZACH, ONE OF THE THINGS THAT YOU  
24 FOLKS HAVE DONE BEAUTIFULLY IS TO DO ALL THE THINGS  
25 YOU'VE ACCOMPLISHED OVER THE LAST TWO YEARS WITH A

1 SKELETON CREW. I KNOW THAT THERE'S BEEN A LOT OF  
2 INSECURITY AMONG THE STAFF ABOUT WHAT THE FUTURE IS.  
3 AND I UNDERSTAND THAT THIS 150 SHOULDN'T GO TO  
4 INFRASTRUCTURE, BUT I ASSUME THAT SOMEWHERE ALONG THE  
5 LINE YOU HAVE MADE ASSURANCES TO THE STAFF THAT THIS  
6 DOES FREE UP EXTRA MONEY, THAT THIS DOES ALLOW YOU TO  
7 HAVE MORE PERMANENCE IN THE JOBS IN THE CIRM THAN WE'VE  
8 HAD BEFORE.

9 DR. HALL: YOU'RE NOT TALKING ABOUT CIRM  
10 BUDGET?

11 DR. MURPHY: NO. WELL, I AM TALKING ABOUT  
12 THE WHOLE FISCAL PICTURE BECAUSE, YOU KNOW, FIVE MONTHS  
13 AGO WE WERE WORRIED ABOUT YOU KEEPING PEOPLE EMPLOYED.

14 DR. HALL: YES. YOU WILL HEAR MORE ABOUT  
15 THAT FROM WALTER BARNES LATER IN THE DAY. AND OUR  
16 DECISION -- THIS CAME UP SO QUICKLY, OUR DECISION WAS  
17 TO GO AHEAD, YOU WILL HEAR LATER, PRESENT YOU WITH THE  
18 BUDGET BASED ON THE FUNDS WE THOUGHT WE WERE GOING TO  
19 HAVE. AND WE WILL DEVELOP A MORE DETAILED PICTURE  
20 BETWEEN NOW AND OCTOBER AND BRING YOU THEN A FULL  
21 BUDGET FOR THE ENTIRE FISCAL YEAR BASED ON OUR NEW  
22 FINANCIAL SITUATION.

23 DR. MURPHY: THANKS. THE OTHER QUESTION IS  
24 I'M A LITTLE UNCOMFORTABLE, ALTHOUGH I UNDERSTAND THE  
25 REASON WHY WE'RE FOCUSING ON HUMAN, I'M A LITTLE

1 UNCOMFORTABLE WITH IT. I THINK ONE OF THE STRENGTHS OF  
2 THE CIRM HAS BEEN THE NOTION THAT THE SCIENTISTS OUT  
3 THERE ARE REALLY GOING TO LEAD US THROUGH THEIR  
4 CREATIVITY INTO THE BEST PROJECTS TO DO. AND IF WE'RE  
5 LOOKING TO ESTABLISH A SEED PROGRAM FOR NEW  
6 INVESTIGATORS OR A PROGRAM THAT'S GOING TO ALLOW OUR  
7 CURRENT INVESTIGATORS TO GO OFF IN NEW DIRECTIONS, I'M  
8 WONDERING IF IT REALLY IS WISE TO SAY THAT THIS MONEY  
9 NEEDS TO BE FOCUSED ON HUMAN BECAUSE IT MAY WELL BE  
10 THAT THE NEXT GREAT IDEA DOES NOT NEED HUMAN OR CAN GO  
11 MORE QUICKLY IN A NONHUMAN SYSTEM.

12 I GET A LITTLE BIT CONCERNED IF WE START  
13 MICROMANIPULATING WHAT OUR SCIENTISTS SHOULD SAY TO US  
14 TO PUT TOGETHER AN ATTRACTIVE GRANT.

15 DR. HALL: LET ME TELL YOU OUR THINKING ON  
16 THAT. FIRST OF ALL, FOR THOSE PEOPLE, THEY HAVE  
17 FEDERAL FUNDS AVAILABLE IN GENERAL.

18 DR. MURPHY: THEY REALLY DON'T. COME ON.  
19 IT'S \$34 MILLION FOR THE WHOLE COUNTRY THAT'S GOING  
20 INTO --

21 DR. HALL: WELL, IF YOU'RE WORKING ON STEM  
22 CELLS IN DROSOPHILA, YOU CAN APPLY TO NIH. IF YOU'RE  
23 WORKING ON -- IF YOU WANT TO DERIVE A NEW EMBRYONIC  
24 STEM CELL LINE, YOU CANNOT. SO I THINK THERE IS A REAL  
25 DIFFERENCE.

1           THE SECOND IS WE WILL CERTAINLY GET TO THOSE  
2 PEOPLE. THERE IS NO QUESTION THAT WE WILL END UP  
3 FUNDING ON A BROAD LEVEL, BUT IT SEEMED TO US THAT THE  
4 FIRST AND MOST IMMEDIATE NEED WAS TO FOCUS ON THIS  
5 AREA. IF WE OPEN IT UP AND SAY SIMPLY ANY KIND OF STEM  
6 CELLS, FIRST OF ALL, I THINK WE WILL HAVE AN EXTREMELY  
7 LARGE NUMBER OF APPLICATIONS. IT WILL BE VERY  
8 DIFFICULT FOR US TO PROCESS THEM IN A TIMELY WAY. WE  
9 JUST DON'T KNOW THAT YET. I THINK IT WILL BE VERY  
10 HARD, THEN, TO MAKE THESE KIND OF CHOICES, AND IT JUST  
11 SEEMED TO US THAT, PARTICULARLY GIVEN THE CONTEXT  
12 WITHIN WHICH WE WERE GIVEN THE MONEY, THAT WE NEED TO  
13 MAKE A STATEMENT AND SAY LET'S GET HUMAN EMBRYONIC STEM  
14 CELL RESEARCH GOING RIGHT NOW. WE'LL BRING THE OTHER  
15 IN LATER. IT HAS OTHER FUNDING FOR THE MOMENT, BUT  
16 THIS IS THE MOST URGENT NEED.

17           DR. MURPHY: I UNDERSTAND THAT. I GUESS I  
18 WOULD LIKE TO HEAR FROM OTHER MEMBERS OF THE COMMITTEE  
19 WHETHER THEY AGREE WITH THAT. I GUESS MY OWN VIEW IS  
20 WHAT WE'RE TRYING TO DO IS CREATE, AS PAUL SAID, A  
21 CRITICAL MASS OF EXCITING SCIENCE HERE IN CALIFORNIA.  
22 I WOULD WANT THE BEST PEOPLE TO COME UP WITH THE BEST  
23 IDEAS, AND THAT'S WHAT THE CIRM SHOULD FUND.

24           CHAIRMAN KLEIN: DR. OS STEWARD AND THEN DR.  
25 JEANNIE FONTANA.

1 DR. STEWARD: ZACH, THIS IS A REALLY VERY  
2 NICE SET OF PROPOSALS HERE, AND I THINK THAT THE BOXES  
3 ARE ONES THAT ARE VERY COMFORTABLE, I GUESS, OR NORMAL  
4 LOOKING FOR WORKING SCIENTISTS. I WONDER, THOUGH,  
5 ABOUT ONE ASPECT. AND THAT IS, AS YOU SAY, WE DON'T  
6 REALLY KNOW WHAT'S OUT THERE. SO THE ASPECT IS  
7 OUT-OF-THE-BOX KINDS OF PROPOSALS. DO WE REALLY KNOW,  
8 FOR EXAMPLE, THAT THERE ISN'T A SPECTACULAR IDEA OUT  
9 THERE THAT WON'T FIT INTO ONE OF THESE CATEGORIES THAT  
10 MIGHT REQUIRE MORE MONEY, THAT MIGHT INVOLVE STEPS  
11 FORWARD AND EARLY CLINICAL TRIAL OR EVEN A CLINICAL  
12 TRIAL ITSELF? I JUST WANTED TO ASK YOU SORT OF THOSE  
13 GENERAL FLEXIBILITY QUESTIONS.

14 DR. HALL: WELL, WE'RE TRYING TO BALANCE A  
15 LOT OF THINGS HERE. ONE OF THE ISSUES IS THAT IF WE  
16 WANT TO GET THIS MONEY OUT QUICKLY, AND I THINK IT IS  
17 IMPORTANT FOR THIS AREA OF RESEARCH. AND IN THE ISSUE  
18 OF MAKING CELL LINES, FOR EXAMPLE, IF WE DON'T GET SOME  
19 SUPPORT INTO THAT QUICKLY, THEN I THINK WE WILL HAVE  
20 LOST A MAJOR LEAD. I THINK THAT'S GOING TO BE VERY  
21 IMPORTANT. CELL LINES ARE BEING MADE -- WE GET NEWS  
22 REPORTS, E-MAILS, HEAR RUMORS THEY'RE BEING MADE AT A  
23 TREMENDOUS RATE ALL AROUND THE COUNTRY. WE KNOW THERE  
24 ARE LABS IN CALIFORNIA THAT ARE DOING IT. WE WANT TO  
25 SUPPORT THAT. THAT SEEMS VERY, VERY IMPORTANT.

1                   AND IT IS -- SO WE WANT TO DO THIS IN A  
2                   TIMELY AND QUICK WAY.  AND ALTHOUGH WE HOPE UNDER THE  
3                   STRATEGIC PLAN TO FUND MORE COMPLICATED, MORE  
4                   INTERESTING, MORE OUT-OF-THE-BOX THINGS, IF WE WANT TO  
5                   GET IT STARTED, WE NEED TO DO SOMETHING THAT, AS YOU  
6                   SAID, IS FAMILIAR TO US AND FAMILIAR TO THE  
7                   INVESTIGATORS, GET IT OUT THERE, GET IT MOVING.  WE CAN  
8                   COME ALONG AND ADD BELLS AND WHISTLES LATER.

9                   I MIGHT ALSO ADD THAT WE ARE IN A VERY TIGHT  
10                  RACE ON THE ADMINISTRATIVE SIDE HERE.  WE ARE HAVING TO  
11                  PUT IN THESE MODULES FOR EACH KIND OF GRANT INTO OUR  
12                  ELECTRONIC SYSTEM, AND WE ARE BARELY GOING TO MAKE IT,  
13                  IF AT ALL.  I MEAN WE ARE TOUCH AND GO AS TO WHETHER WE  
14                  CAN GET THAT THING UP.  IF WE MAKE IT TOO COMPLICATED,  
15                  IF WE MAKE IT TOO COMPLICATED FOR THE REVIEWERS, ALL OF  
16                  THAT CAN BE DONE, BUT IT MEANS DELAY AT THE OTHER END.  
17                  AND SO OUR SENSE WAS START WITH PLAIN VANILLA AT THE  
18                  CENTER OF OUR MISSION, GET IT OUT THERE, AND SAVE SOME  
19                  FOR LATER RFA'S.  AS BOB SAID, WE CAN COME IN LATER  
20                  WITH SECOND STEPS.  AND THEN UNDER THE STRATEGIC PLAN,  
21                  I THINK WE WILL HAVE A MUCH BETTER SENSE OF DOING THESE  
22                  THINGS, AND WE WILL LOOK FOR THOSE IDEAS THAT ARE OUT  
23                  THERE THAT MIGHT COST MORE AND MIGHT BE MORE OUT OF THE  
24                  BOX.  BUT TO TRY TO START BY SAYING WE'LL TAKE ANYTHING  
25                  OF ANY SIZE AND ANY CONFIGURATION, WE, FOR EXAMPLE,



1 DISCUSSED AT SOME LENGTH, WAS IT YESTERDAY? WE'VE HAD  
2 SO MANY MEETINGS, I CAN'T QUITE REMEMBER. BUT THE  
3 ISSUE THAT WE WILL HAVE TO RECONFIGURE OUR REVIEW FOR  
4 REAL CLINICAL WORK, PATIENT-BASED RESEARCH, WE SIMPLY  
5 DON'T HAVE THE EXPERTISE IN OUR WORKING GROUP THAT  
6 WOULD ALLOW US, FOR EXAMPLE, TO MAKE A REALLY HARD  
7 JUDGMENT ABOUT A PHASE I CLINICAL TRIAL.

8 AND SO WE WANT TO DO THAT. WE WILL WORK  
9 TOWARD THAT, BUT IT WILL TAKE SOME TIME. WE CANNOT DO  
10 THAT BETWEEN -- WE CAN'T GET THAT READY IN TIME TO  
11 REVIEW IN DECEMBER. WE JUST CAN'T DO IT. AS I SAY,  
12 IT'S SOMETHING THAT WE THINK WE CAN DO. WE'RE WITHIN  
13 OUR CAPABILITY. IT IS DEAD CENTER, AND IT WILL, WE  
14 THINK, GIVE PEOPLE THE WHEREWITHAL THAT THEY NEED TO  
15 GET THESE IMPORTANT PROJECTS GOING AND KEEP US  
16 COMPETITIVE IN THIS AREA THAT HAS BEEN RELATIVELY  
17 NEGLECTED.

18 CHAIRMAN KLEIN: DR. HALL, IS IT PROPER TO  
19 SUMMARIZE THAT IN THE ELECTRONIC PROCESSING, BY  
20 DEFINING WITHIN THE SCOPE OF THESE THREE PROGRAMS A  
21 VERY SPECIFIC FOCUS, WE BELIEVE WE CAN MEET OUR  
22 TIMETABLE; BUT IF WE HAD A MUCH BROADER SCOPE, IT WOULD  
23 BE VERY DIFFICULT TO MEET OUR TIMETABLE FOR HAVING OUR  
24 ELECTRONIC PROCESSING UP AND FUNCTIONING?

25 DR. HALL: THAT'S RIGHT. IF WE DON'T DO IT

1 ELECTRONICALLY, THE WORKLOAD GOES UP INCREDIBLY. WE  
2 WERE PLANNING FOR A SMALL INNOVATION GRANT. TILL TEN  
3 DAYS AGO, THAT'S WHAT WE WERE WORKING ON. AND NOW  
4 WE'VE ALL OF A SUDDEN CALLED THE PEOPLE AND SAID OKAY.  
5 WE GOT TO HAVE TWO, TWO AND A HALF MORE MODULES, AND WE  
6 NEED YOU TO GET TO WORK. IT'S A CHALLENGE.

7 CHAIRMAN KLEIN: I'M GOING TO ASK FOR DR.  
8 FONTANA, THEN I'M GOING TO GO TO DR. THAL, AND THEN  
9 WE'RE GOING TO COME BACK TO THIS SIDE AGAIN.

10 DR. FONTANA: HI, ZACH. ALTHOUGH IT'S  
11 STRONGLY IMPLIED IN THIS DOCUMENT, IT'S NOT CLEARLY  
12 STATED. ARE YOU RESTRICTING THESE GRANTS COMING FROM  
13 THE ACADEMIC WORLD AND OTHER NONPROFIT AGENCIES?

14 DR. HALL: YES. WE WILL HAVE TO STATE THAT  
15 BECAUSE WE DO NOT HAVE IP POLICY FOR FOR-PROFIT  
16 INSTITUTIONS, AND WE MAY ALSO HAVE TO WORK ON OUR  
17 GRANTS ADMINISTRATION POLICY TO EXPAND IT IN THAT  
18 DIRECTION. SO THAT, AGAIN, IS ONE OF THE BELLS AND  
19 WHISTLES. WE NEED THAT. WE WANT TO WORK WITH THE  
20 PRIVATE SECTOR. IT'S GOING TO TAKE A LITTLE TIME TO  
21 GET ALL THE PIECES IN PLACE TO DO THAT.

22 DR. PENHOET: DR. THAL.

23 DR. THAL: FIRST, I THINK THIS IS GREAT. I  
24 THINK GETTING THE MONEY OUT IS EXTREMELY IMPORTANT,  
25 GETTING THE RESEARCH GOING IS EXTREMELY IMPORTANT, AND

1 IT WILL ALSO HELP TO PREVENT THE FLIGHT OF SCIENTISTS  
2 OUT OF THE STATE OF CALIFORNIA. SO I THINK A ROUND OF  
3 CHEERS. I THINK IT'S FABULOUS.

4 THREE COMMENTS OR QUESTIONS. NO. 1, WE DON'T  
5 WANT TO FORGET THE TRAINING GRANTS. SO I PRESUME THAT  
6 WHEN THEY RUN OUT AFTER THREE YEARS, THAT WE WILL --  
7 THIS IS A THREE-YEAR GRANT CYCLE, THAT WE WILL BE ABLE  
8 TO RENEW THE TRAINING GRANTS. OBVIOUSLY ALL THE MONEY  
9 ISN'T COMMITTED, AND I THINK THAT'S A GOOD IDEA. WE  
10 WANT TO KEEP SOMETHING IN RESERVE FOR THE TRAINING  
11 GRANTS.

12 DR. HALL: YES. LET ME REMIND YOU THAT WE  
13 HAVE AGREED THAT WE WANT TO COME IN WITH A SECOND ROUND  
14 THAT WILL ALLOW SOME OF THE INSTITUTIONS THAT DIDN'T  
15 MAKE IT THE FIRST TIME TO HAVE THE SECOND. WE'RE AWARE  
16 OF THAT. WE CAN EASILY -- BY THE TIME WE GET TO THE  
17 THIRD YEAR, WE CAN ACCOMMODATE THAT WITHIN OUR BUDGET  
18 HERE. THAT'S NOT A PROBLEM.

19 DR. THAL: I JUST WANT TO MAKE SURE WE DON'T  
20 DROP THE TRAINING GRANTS BECAUSE I THINK THAT'S  
21 CRITICAL.

22 DR. HALL: NO INTENT.

23 DR. THAL: SECONDLY, JUST FROM PLAYING WITH  
24 YOUR NUMBERS, I'M GATHERING THAT YOU ARE ASSUMING THAT  
25 THE INDIRECTS ARE ROUGHLY 50 PERCENT OR EQUAL TO THE

1 DIRECTS AT THE MOMENT, JUST IN ROUND NUMBERS?

2 DR. HALL: SO WE GOT THIS PROBLEM OF  
3 NOMENCLATURE. WE HAVE TWO LANGUAGES. WE HAVE NIH  
4 LANGUAGE AND WE HAVE CIRM LANGUAGE.

5 DR. THAL: RIGHT.

6 DR. HALL: SO IF YOU TAKE THE PROJECT COST,  
7 LET'S LEAVE DIRECTS AND INDIRECTS OUT OF IT FOR THE  
8 MOMENT, WE HAVE THREE COMPONENTS. WE HAVE A PROJECT  
9 COST, WE HAVE A FACILITIES COST, AND WE HAVE AN  
10 ADMINISTRATIVE OVERHEAD THAT IS 25 PERCENT OF THE FIRST  
11 TWO, LIMITED TO. OKAY. SO THERE'S QUITE A VARIATION  
12 IN THE FACILITIES COST AT INSTITUTIONS AROUND THE STATE  
13 BASED ON THE NIH RATE. SO WE HAVE MADE JUST A ROUGH  
14 APPROXIMATION THAT THAT WILL RESULT IN A DOUBLING OF  
15 THE PROJECT COST. AND THAT'S PROBABLY TOO HIGH. WE  
16 DON'T KNOW HOW TO AVERAGE BECAUSE WE DON'T KNOW HOW  
17 MANY OF THE DIFFERENT KINDS OF INSTITUTIONS, BUT  
18 EVERYTHING WILL FIT COMFORTABLY WITHIN THAT FIGURE.

19 DR. THAL: GOT IT. OKAY.

20 THE THIRD TIMELINE I DID NOT SEE. YOU LAID  
21 OUT A TIMELINE WHEN THE RFA'S WOULD GO OUT. THERE WAS  
22 NO TIMELINE WHEN THE RESPONSE FROM THE APPLICANTS MIGHT  
23 BE DUE. WHAT ARE YOU CONSIDERING?

24 DR. HALL: WELL, WE HELD OFF ON THAT BECAUSE  
25 WE HAVE TWO THINGS. WE'VE GOT TO GET OUR COMPUTERS SET

1 UP FOR THAT, AND THAT'S GOING TO BE A RACE. AND WE  
2 JUST ARE ON THE PHONE WITH THEM SORT OF DAILY TRYING TO  
3 FIGURE OUT WHAT WE CAN DO. AND THEN THE OTHER ISSUE IS  
4 WHEN OUR WORKING GROUP CAN MEET. WE HAD, AS YOU  
5 RECALL, MANY OF THEM WERE HERE IN JULY, JULY 12TH.  
6 SEVERAL OF THEM SAID TO US LET US KNOW NOW WHEN YOU'RE  
7 GOING TO WANT US NEXT YEAR. I'M ALL BOOKED UP FOR THIS  
8 YEAR, BUT LET US KNOW. WE SAID, OKAY. WE'LL LET YOU  
9 KNOW. AND NOW, WHAT IS IT, TWO WEEKS LATER, WE CALL UP  
10 AND SAY, OKAY, ARE YOU FREE IN DECEMBER, EARLY  
11 DECEMBER? WE'RE GOING TO HAVE TO WORK THAT OUT WITH  
12 THEM AND DO THE BEST WE CAN WITH IT. BECAUSE OF THOSE  
13 UNCERTAINTIES, WE HELD BACK ON THAT.

14 DR. THAL: AND THE LAST QUESTION IS DO YOU  
15 THINK THAT THE NUMBER OF REVIEWERS WE HAVE LINED UP IS  
16 SUFFICIENT, OR DO WE NEED TO START TO EXPAND OUT EVEN  
17 AT THIS POINT?

18 DR. HALL: WELL, THAT'S ONE OF THE REASONS --  
19 I MEAN IF YOU LIMIT IT TO HUMAN EMBRYONIC STEM CELL  
20 RESEARCH, THAT REDUCES THE NUMBER OF APPLICATIONS YOU  
21 ARE GOING TO GET. IF WE OPENED IT TO ALL KINDS OF STEM  
22 CELL RESEARCH, I THINK WE WOULD HAVE 500, 600  
23 APPLICATIONS.

24 DR. THAL: YEAH. I WOULD KEEP IT RESTRICTED  
25 TO HUMAN EMBRYONIC STEM CELL RESEARCH.

1 DR. LEVEY: ZACH, I WANT TO ASK ONE QUESTION.  
2 IT HAS NOTHING TO DO WITH THIS FIRST OFFERING. BUT  
3 WE'VE TALKED ON AND OFF OVER THE LAST TWO YEARS ABOUT  
4 TRYING TO ATTRACT SCIENTISTS FROM OUTSIDE THE STATE OF  
5 CALIFORNIA. AND I CAN'T SPEAK FOR ANYBODY EXCEPT UCLA  
6 AND THE AREA IN WHICH WE LIVE. BUT WE HAVE TWO ISSUES  
7 THAT ARE CHALLENGING TO US AS WE TRY TO RECRUIT FROM  
8 OUTSIDE THE STATE. ONE IS THE EDUCATIONAL SYSTEM.  
9 IT'S TOO BAD ANNE SHEEHAN LEFT BECAUSE THE GOVERNOR HAS  
10 BEEN HELPFUL THERE IN LOS ANGELES, WHICH LEAVES  
11 SOMETHING TO DESIRED AND ADDS EDUCATIONAL COSTS THAT  
12 ARE QUITE EXORBITANT. BUT WE HAVE A PROBLEM IN TERMS  
13 OF --

14 DR. HALL: YOU'RE REFERRING THEM, I PRESUME,  
15 TO OTHER, MAYBE TO SAN DIEGO OR IRVINE OR OTHER PLACES,  
16 IF THAT'S A PROBLEM.

17 DR. LEVEY: I CAN'T SPEAK FOR THEM BECAUSE I  
18 DON'T KNOW WHAT IT'S LIKE IN THEIR AREAS. BUT IN LOS  
19 ANGELES AREA, MY COLLEAGUES CAN JOIN IN IF THEY WANT,  
20 THE BIGGEST CHALLENGE HAS BEEN ACQUIRING HOUSING LOANS.  
21 AND I WONDERED IF SOME OF THE MONEY THAT WE'VE BEEN  
22 ALLOCATED, SOME OF THE \$3 BILLION, SHOULD, IF POSSIBLE,  
23 BE ALLOCATED FOR HOUSING LOANS. THIS IS SOMETHING JUST  
24 TO THINK ABOUT BECAUSE WE'RE NOT AT THAT STAGE YET.  
25 BUT IT'S GETTING HARDER AND HARDER TO RECRUIT BECAUSE

1 THE COST OF HOUSING HAS JUST TOTALLY EXCEEDED  
2 RATIONALITY.

3 DR. HALL: JERRY, I UNDERSTAND THE PROBLEM  
4 VERY, VERY WELL. I SPENT SEVERAL YEARS IN L.A. TRYING  
5 TO RECRUIT PEOPLE AND ALSO SAN FRANCISCO MARKET AS  
6 WELL. I DON'T KNOW THE ANSWER TO THAT. I WOULD BE  
7 VERY SURPRISED IF, AS A STATE AGENCY, WE COULD DO THAT.  
8 AND WE ARE NOT ALLOWED TO DO THAT FOR CIRM EMPLOYEES  
9 THAT WE RECRUIT. AND I ALSO, JUST RECALLING SOME OF  
10 THE RECENT ARTICLES IN THE PAPER, I WOULD JUST BE VERY  
11 SURPRISED IF THAT WERE SOMETHING WE WOULD WANT TO ENTER  
12 INTO. I UNDERSTAND THE PROBLEM, I DO, BUT I THINK IT'S  
13 AN INSTITUTIONAL PROBLEM, AND I DON'T THINK IT'S ONE  
14 THAT WE CAN ADEQUATELY ADDRESS.

15 DR. LEVEY: JUST ONE FOLLOW-UP JUST TO ANSWER  
16 RICHARD'S QUESTION. IT MIGHT BE BETTER TO SAY HUMAN  
17 EMBRYONIC STEM CELLS ARE PREFERRED RATHER THAN SAY TO  
18 EXCLUDE THEM BECAUSE YOU NEVER KNOW. THERE MAY BE  
19 SOMETHING.

20 DR. HALL: WE WILL SUBSEQUENT -- MY ANSWER TO  
21 THAT WOULD BE WE WILL HAVE SUBSEQUENT RFA'S THAT WILL  
22 ADDRESS THAT. I'M AFRAID IF WE OPEN THE GATES, THAT  
23 WE'LL HAVE A FLOOD THAT WE CANNOT HANDLE, AND IT WILL  
24 DELAY US GETTING THE WHOLE THING OUT. YOU KNOW, WE ARE  
25 ON TRAINING WHEELS HERE. WE FACE THE CHALLENGE OF

1 GETTING THIS STUFF OUT AT THE SAME TIME WE'RE TRYING TO  
2 BUILD OUR INFRASTRUCTURE AND BUILD OUR THING. SO THE  
3 NICE THING ABOUT THE TRAINING GRANTS IN MANY WAYS WAS  
4 IT GAVE US -- IT WAS THE TRICYCLE BEFORE WE MOVED TO A  
5 BICYCLE WITH TRAINING WHEELS BEFORE WE MOVED TO A  
6 BICYCLE. WE DID THAT BY HAND. IT WAS A SMALL NUMBER.  
7 WE WERE ABLE TO TRY OUT ALL OUR PROCEDURES, INCLUDING  
8 HOW WE HANDLE REVIEW, HOW WE HANDLE THE ICOC, ALL OF  
9 THESE ISSUES, AND IT WAS, I THINK, A GREAT WAY TO DO  
10 IT. I WAS VERY PROUD OF THE WHOLE PROCESS, AND I VERY  
11 MUCH WANT TO BUILD GRADUALLY ON THAT AND NOT BITE OFF  
12 MORE THAN WE CAN CHEW BECAUSE I THINK THE WORST THING  
13 WOULD BE FOR US TO -- WE NEED TO GIVE THESE GRANTS OUT  
14 IN A THOUGHTFUL, CONSIDERED WAY THAT ASSURES THAT THEY  
15 WILL BE HIGH QUALITY AND THE MONEY IS WELL SPENT.

16 CHAIRMAN KLEIN: BEFORE WE GO TO THE NEXT  
17 SPEAKER, I JUST, DR. LEVEY, POINT OUT THAT WE CAN GO TO  
18 OUR SISTER AGENCY, THE CALIFORNIA HOUSING AND FINANCE  
19 AGENCY, AND ACTUALLY CREATE A PROGRAM FOR HOUSING LOANS  
20 IN CALIFORNIA. SO WE DO HAVE AN EXISTING AGENCY THAT  
21 HAS THAT WITHIN THEIR AUTHORITY, AND BE HAPPY TO TALK  
22 TO YOU ABOUT IT. THEY'VE LOOKED AT JOINT VENTURES WITH  
23 THE UC SYSTEM BEFORE. IT'S A RESOURCE WE HAVEN'T GONE  
24 TO, BUT CERTAINLY WE HAVE THE KNOWLEDGE TO DO SO.

25 DR. HALL: YES, I WOULD REFER YOU TO OUR



1 CHAIR ON THAT MATTER, JERRY.

2 CHAIRMAN KLEIN: DAVID SERRANO-SEWELL, THEN  
3 DR. BERG, AND WE'RE GOING TO COME AROUND TO JEFF  
4 SHEEHY, AND GO BACK OVER TO THE OTHER SIDE.

5 MR. SERRANO-SEWELL: I CAN REALLY APPRECIATE  
6 THE UTILITY OF ADOPTING THESE SET OF PROPOSED GRANTS.  
7 IT IS A THOUGHTFUL RESPONSE TO THE GOVERNOR'S ACTIONS,  
8 I THINK. IT'S WHAT WE OUGHT TO BE DOING, AND I ENDORSE  
9 IT FULLY.

10 RECOGNIZING THE ISSUES THAT DR. MURPHY AND  
11 OTHERS HAVE RAISED, BUT FOR NOW, GETTING THE BALL  
12 FORWARD, MOVING AHEAD, THIS STILL, AS YOU SAY, IT MAY  
13 BE BASIC. IT'S GOING TO TAKE A LOT OF WORK AND LOT OF  
14 EFFORTS ON YOUR PART AND STAFF'S PART AND OUR PART TO  
15 STILL MEET THIS AGGRESSIVE TIMELINE. SO, BOB, I DON'T  
16 KNOW WHEN IT'S APPROPRIATE, BUT I THINK WE OUGHT TO  
17 CONSIDER ENTERTAINING A MOTION TO APPROVE THESE  
18 PROPOSED -- I KNOW THERE'S OTHER COMMENTS, BUT GET TO  
19 APPROVING THESE GRANTS.

20 CHAIRMAN KLEIN: IF WE CAN THEN, OUT OF  
21 ORDER, YOUR COLLEAGUE, JOAN SAMUELSON, ASKED IF SHE  
22 COULD INTRODUCE A MOTION. THIS IS SUCH AN  
23 EXTRAORDINARY EFFORT, MAYBE WE COULD HAVE SEVERAL  
24 PEOPLE WHO MAKE JOINT MOTIONS. I THINK JEFF SHEEHY  
25 JUST INDICATED HE'S ALSO INTERESTED IN MAKING A MOTION.

1 SO, JOAN, WOULD YOU LIKE TO MAKE A MOTION? WE'LL  
2 CONTINUE WITH THE DISCUSSION AFTER THE MOTION.

3 MS. SAMUELSON: IT WOULD GIVE ME GREAT  
4 PLEASURE TO SPEAK ON BEHALF OF MY COLLEAGUES, PATIENT  
5 ADVOCATES, JEFF SHEEHY AND DAVID SERRANO-SEWELL, AS  
6 WELL AS MYSELF AND EXPRESS DEEP APPRECIATION AND  
7 PLEASURE THAT SO QUICKLY STAFF AND DR. HALL HAVE ACTED  
8 TO BRING THIS PROPOSAL TO US. AND I WOULD MOVE ITS  
9 ACCEPTANCE.

10 CHAIRMAN KLEIN: AND, JEFF, WOULD YOU LIKE TO  
11 MAKE A STATEMENT?

12 MR. SHEEHY: SECOND.

13 CHAIRMAN KLEIN: SECOND TO THE MOTION.

14 MR. SHEEHY: CHAMPING AT THE BIT. LET'S GO.  
15 LET'S GO.

16 CHAIRMAN KLEIN: DAVID, WOULD YOU LIKE TO  
17 FINISH YOUR COMMENTS ON THIS?

18 MR. SERRANO-SEWELL: HONORARY SECOND.

19 CHAIRMAN KLEIN: HONORARY SECOND. DR. PAUL  
20 BERG, AND THEN WE'RE GOING TO GO TO DR. PRIETO.

21 DR. BERG: OKAY. I JUST WANT TO SAY IT  
22 DOESN'T SEEM TO ME NECESSARY TO USE THE SAME RUBRIC FOR  
23 ALL OF THESE GRANTS. SO, FOR EXAMPLE, IN THE SEED  
24 GRANTS, I WOULD LEAVE OPEN THE POSSIBILITY THAT PEOPLE  
25 WHO HAVE A VERY GOOD IDEA ARE MOST LIKELY TO TEST IT

1 WITH, LET'S SAY, A MOUSE EMBRYONIC STEM CELL CULTURE  
2 BEFORE THEY MOVE ON TO TRYING TO TEST THE IDEA AT THE  
3 HUMAN LEVEL. AND TO IGNORE THAT POSSIBILITY, WHICH I  
4 THINK IS THE MOST LIKELY WAY A NEW PERSON WOULD  
5 PROCEED, IF THEY HAVE A NEW IDEA, THEY'RE NOT GOING TO  
6 GO RIGHT TO THE HUMAN EMBRYONIC STEM CELL SYSTEM,  
7 ESPECIALLY IF THEY'RE NEW IN THE FIELD. THEY'RE GOING  
8 TO GO WORK WITH THE MOUSE EMBRYONIC STEM CELL.

9 SO I THINK THIS IDEA THAT DR. LEVEY  
10 MENTIONED, ONE COULD INDICATE THAT THE PREFERENCE IS  
11 FOR HUMAN STEM CELLS, BUT WHERE NECESSARY SOME  
12 EXPERIMENTS WOULD BE CONSIDERED WITH COMPARABLE  
13 SYSTEMS.

14 DR. HALL: I'M VERY RELUCTANT TO OPEN THAT  
15 DOOR. AND I THINK THE PRICE IS, IF YOU WISH US TO DO  
16 IT, WE CERTAINLY WILL, BUT I THINK THE PRICE IS THAT WE  
17 MAY BE DELAYED IN GETTING THE MONEY OUT. I THINK ALL  
18 YOU HAVE TO DO IS LEAVE THAT POSSIBILITY, AND OUR  
19 PHONES WILL BE RINGING. AND WE WILL SAY, WELL, SEND IT  
20 IN AND WE'LL LET THE COMMITTEE DECIDE. AND I THINK WE  
21 WILL BE INUNDATED, FRANKLY. I REALLY DO. WE WILL GET  
22 TO THAT, AND WE WILL GET TO IT, I HOPE, FAIRLY QUICKLY.

23 DR. PRIETO: JUST ON BEHALF OF THE OTHER  
24 PATIENT ADVOCATES, I'D LIKE TO SAY THAT THIS FEELS LIKE  
25 THE FIRST STEP IN THE DIRECTION OF REALIZING ALL THE

1 HOPES THAT WE'VE HAD FOR THIS RESEARCH. SO I REALLY  
2 WANT TO APPLAUD ZACH FOR BRINGING THIS FORWARD TO US  
3 AND ENTHUSIASTICALLY SECOND THE MOTION.

4 CHAIRMAN KLEIN: OKAY. DR. PENHOET.

5 DR. PENHOET: I JUST WANTED TO SUPPORT ZACH'S  
6 VIEW ABOUT LIMITING THIS TO HUMAN EMBRYONIC STEM CELLS.  
7 I UNDERSTAND ALL THE ARGUMENTS THAT HAVE BEEN MADE IN  
8 FAVOR OF OPENING IT UP, BUT I THINK THE WORST THING  
9 THAT COULD HAPPEN TO US IS TO BE OVERWHELMED WITH  
10 GRANTS AND THEN BE UNABLE TO DELIVER A THOUGHTFUL  
11 REVIEW, ALL OF THE THINGS THAT WE HAVE IN PLACE.

12 IN ANSWER TO YOUR QUESTION, DR. MURPHY, ABOUT  
13 FUNDING FOR CIRM, WE ARE STILL LIMITED. THIS FUNDING  
14 IS SUBJECT TO THE SAME LIMITATIONS, THE 3 PERCENT AND  
15 THE 2.9 PERCENT, AS THE GENERAL OBLIGATION BONDS WILL  
16 BE. SO THIS DOES NOT OPEN THE FLOODGATES OF HIRING  
17 WITHIN CIRM. IT GIVES US BREATHING ROOM, IT ALLOWS US  
18 TO HIRE A FEW MORE PEOPLE, BUT WE'LL STILL BE  
19 CONSTRAINED, AS YOU WILL SEE LATER ON IN THE BUDGET,  
20 FROM A FINANCIAL POINT OF VIEW. AND MY BIGGEST CONCERN  
21 ABOUT THE INNOVATION GRANTS IS THAT WE GET A THOUSAND  
22 OF THEM BECAUSE IT WOULD BE EASY TO WRITE UP. IF YOU  
23 BROADEN IT TOO MUCH, WHO WOULDN'T WRITE ONE? AND WE  
24 HAVE NO CAPACITY.

25 SO WE'D HAVE TO COME UP WITH ANOTHER WAY TO

1     LIMIT THEM, WHICH MIGHT BE SO MANY PER INSTITUTION, FOR  
2     EXAMPLE, OR SOMETHING ELSE, ANOTHER FORM OF LIMITATION.  
3     BUT I THINK TO SIMPLY OPEN IT UP BROADLY WOULD LIKELY  
4     OVERWHELM US. I THINK IT WOULD BE A DISASTER FOR US IF  
5     THAT HAPPENED. WE DON'T HAVE THE CAPABILITY TO PROCESS  
6     THAT NUMBER OF GRANTS.

7             CHAIRMAN KLEIN: I THINK THE POSITIVE MESSAGE  
8     HERE, THOUGH, IS THAT WITH THE ELECTRONIC PROCESSING  
9     SYSTEM UP WITH THIS PROGRAM AND THE TIME TO GET IT IN  
10    PLACE BEFORE AN RFA THIS WINTER AND THE AUTHORIZATION  
11    TODAY WHEN WE GO TO THE BUDGET OF AUTHORIZING MORE  
12    STAFF, THEY'LL BE IN PLACE THEN TO PROCESS IT AND THE  
13    ABILITY TO WIDEN THE SPECTRUM AND MOVE IT  
14    EXPEDITIOUSLY, THAT INFRASTRUCTURE IS INTERNALLY IN  
15    PLACE, AND THIS DOES REPRESENT A SUBSTANTIAL INCREASE  
16    IN OUR OPERATING BUDGET BECAUSE THE SCALE OF THE  
17    PROGRAM HAS INCREASED SIGNIFICANTLY.

18            DR. DIXON, AND THEN DR. STEWARD.

19            DR. DIXON: YES. I WANT TO SUPPORT WHAT ED  
20    SAID. I FULLY CONCUR THAT I THINK YOU MIGHT MISS  
21    SOMETHING IN TERMS OF EXTRAORDINARY METHODS THAT MIGHT  
22    ARISE USING NONHUMAN CELLS. AS PAUL POINTED OUT, NEW  
23    PEOPLE ARE LIKELY TO TEST THINGS ON MOUSE CELLS, ETC.,  
24    ETC. BUT WHEN THE NIH BASICALLY HAD ITS PIONEER AWARD  
25    WHERE YOU COULD, WHETHER IT WAS SELF-NOMINATION OR

1 SOMEONE COULD NOMINATE YOU, THE INITIAL ROUND OF THAT  
2 GENERATED 1400 APPLICANTS. AND SO I THINK -- AND THE  
3 SECOND ROUND, I THINK THERE WERE 800 APPLICANTS. SO MY  
4 SENSE IS THAT THE NUMBER OF REVIEWERS WE HAVE ACROSS  
5 THE COUNTRY, THE POSSIBILITY THAT YOU WILL HAVE THIS  
6 ELECTRONIC THING IN PLACE, I THINK YOU'RE PUSHING IT  
7 ALL RIGHT TO THE EDGE, FRANKLY. AND THE AMOUNT OF  
8 MONEY BASICALLY WILL GIVE US ROUGHLY 50 GRANTS PLUS A  
9 FEW FACILITIES, SO IT SEEMS TO ME THAT PROBABLY THIS  
10 FIRST ROUND, ALTHOUGH INHERENTLY I THINK RICH IS ON THE  
11 RIGHT TRACK, I THINK WE HAVE TO THINK OF THIS AS PROOF  
12 OF CONCEPT SITUATION. SO I THINK IN LIGHT OF THAT, WE  
13 JUST HAVE TO REDUCE WHAT WE'RE LIKELY TO HAVE TO WORK  
14 ON TO MAKE IT WORK AT ALL.

15 DR. HALL: FOR THE MOMENT. FOR THE MOMENT.

16 CHAIRMAN KLEIN: DR. STEWARD.

17 DR. STEWARD: ACTUALLY, I THINK THERE'S EVEN  
18 A MORE IMPORTANT REASON TO LIMIT IT TO HUMAN EMBRYONIC  
19 STEM CELLS, AND IT IS REALLY IN THE LANGUAGE OF THE  
20 PROPOSITION, WHICH SAYS THAT THE PROPOSITION FUNDS ARE  
21 SUPPOSED TO GO FOR HUMAN EMBRYONIC STEM CELLS OR OTHER  
22 RESEARCH THAT IS NOT LIKELY TO BE SUPPORTED BY NIH.  
23 AND WE CAN'T JUDGE WHETHER A MOUSE STEM CELL GRANT IS  
24 LIKELY OR NOT TO BE SUPPORTED BY NIH, BUT WE CAN LIMIT  
25 IT IN THE WAY OF LIMITING IT TO HUMAN EMBRYONICS. SO I

1 THINK IT IS EXACTLY THE RIGHT THING TO DO, BE  
2 CONSERVATIVE THIS FIRST ROUND, STAY TOTALLY AND  
3 COMPLETELY WITHIN THE GUIDELINES AND REALM OF THE  
4 PROPOSITION, AND GO FORWARD AS QUICKLY AS POSSIBLE.

5 CHAIRMAN KLEIN: DR. STEWARD, IF I COULD JUST  
6 ENHANCE THAT A LITTLE POTENTIALLY, IT STATES A PRIORITY  
7 FOR EMBRYONIC STEM CELL RESEARCH, WHICH THIS IS  
8 ABSOLUTELY CONSISTENT WITH, BUT IT DOES GIVE US THE  
9 ABILITY IF IT'S NOT ADEQUATELY FUNDED BY THE NIH, AND  
10 WE KNOW ABSOLUTELY THEY'RE NOT ADEQUATELY FUNDING IT,  
11 AS DR. MURPHY SO WELL STATED. SO WE CLEARLY HAVE A  
12 PATH TO GO FORWARD TO FUND ADULT STEM CELLS AND CORD  
13 BLOOD AND OTHER STEM CELL RESEARCH THAT THERE'S JUST  
14 NOT SUFFICIENT FUNDS FOR.

15 DR. MURPHY: YEAH. IT'S CLEAR -- I DON'T  
16 WANT TO BEAT THIS VERY DEAD HORSE TO DEATH. BUT I  
17 GUESS AND IT'S CLEAR THAT THE ICOC IS VERY MUCH IN  
18 SUPPORT OF THIS, ZACH, WHICH I WILL BE TOO, BUT JUST TO  
19 TALK ABOUT PRINCIPLE FOR A SECOND BECAUSE I THINK IT IS  
20 A LARGER PRINCIPLE. WHEN WE MADE THE DECISION  
21 INITIALLY THAT WE WOULD DO, AS BOB SAID, FUND THE BEST  
22 RESEARCH, WHETHER IT BE HUMAN OR NONHUMAN, WAS THAT A  
23 POLICY RECOMMENDED TO US BY OUR SCIENTIFIC ADVISORY  
24 BOARD? I JUST DON'T REMEMBER THAT. BECAUSE IF IT WAS,  
25 THEN FOR STAFF TO SAY, LOOK, I DON'T WANT TO LISTEN TO

1 THAT BECAUSE WE REALLY SHOULDN'T DO THAT NOW BECAUSE OF  
2 WHATEVER REASON, I THINK WE HAVE TO BE CAREFUL ABOUT  
3 THE PRINCIPLE OF THAT. IF THE SCIENTIFIC ADVISORY  
4 BOARD DID ADVISE US ON THAT, AND WE WANT TO CHANGE IT,  
5 THAT, TO ME, IN PRINCIPLE IS A PRETTY IMPORTANT ISSUE.

6 DR. HALL: I THINK IT'S OUT OF PROP 71. I  
7 THINK IT'S OUT OF PROP 71.

8 DR. MURPHY: I'M NOT ARGUING THAT WE  
9 SHOULDN'T, ZACH.

10 CHAIRMAN KLEIN: IT SAYS FUND THE BEST  
11 RESEARCH.

12 DR. HALL: NO. NO. THEY CAME IN AND ASKED  
13 US. I DON'T THINK -- I WOULD HAVE TO LOOK BACK OVER  
14 THE RECORD, BUT THEY DID NOT MAKE A RECOMMENDATION TO  
15 US THAT WE PASSED AS AN ICOC.

16 DR. MURPHY: BUT THE TRAINING PROGRAM DIDN'T  
17 REQUIRE HUMAN STUDIES.

18 DR. HALL: YES. AND WE MADE THE CASE THEN OF  
19 WHY THAT WAS, AND IT WAS MUCH THE ARGUMENT THAT YOU ALL  
20 HAVE MADE HERE. I THINK IT WAS APPROPRIATE, AND I  
21 THINK IT WAS THE RIGHT THING TO DO. THIS IS A  
22 DIFFERENT CIRCUMSTANCE. MY HOPE IS THAT WE -- THAT  
23 WHAT THE MANDATE IS IS FOR OUR OVERALL PROGRAM, AND  
24 THAT DOESN'T MEAN WE HAVE TO -- EVERY SINGLE BIT OF IT  
25 HAS TO BE -- THAT IS, I DON'T -- I THINK WE'RE WITHIN



1 OUR MANDATE FROM THE PROPOSITION TO RESTRICT THIS TO  
2 HUMAN EMBRYONIC STEM CELL LINES WITH THE UNDERSTANDING  
3 OR HUMAN EMBRYONIC STEM CELLS WITH THE UNDERSTANDING  
4 THAT WE WILL BROADEN IT LATER WHEN WE HAVE MORE  
5 CAPACITY, WHEN WE HAVE MORE FUNDS, AND WHEN THE TIME  
6 PRESSURE ISN'T AS URGENT.

7 I THINK WHAT OSSIE SAID IS CORRECT, THAT THE  
8 GAP, THE HOLE, IF YOU WILL, IS IN HUMAN EMBRYONIC STEM  
9 CELL RESEARCH. THAT'S WHERE -- THAT'S WHERE WE'RE MOST  
10 AT NEED, AND THE IDEA IS TO MEET THAT FIRST. WE'LL  
11 COME TO THE OTHERS IN TIME, AND WE CERTAINLY WILL, AND  
12 I'M VERY AWARE OF THE POINTS THAT YOU MADE AND PAUL  
13 MADE. I'M VERY MUCH IN SYMPATHY WITH THAT.

14 DR. MURPHY: SURE. AGAIN, I'M NOT GOING TO  
15 ARGUE IT, BUT I THINK WE NEED TO BE CAREFUL ABOUT  
16 CHANGING THE RULES IN AN ARBITRARY WAY. I THINK THAT  
17 WHILE I'M NOT GOING TO OPPOSE THIS, I THINK WE WANT TO  
18 BE CONSISTENT WITH OURSELVES SO THAT WE KNOW THE  
19 DIRECTIONS WE'RE GOING.

20 DR. PENHOET: YOU KNOW, I DON'T THINK WE'RE  
21 CHANGING THE RULES EVEN IF THAT IS A RULE. I DON'T  
22 REMEMBER IT BEING A RULE, FRANKLY, BUT WE'RE NOT MAKING  
23 A POLICY FOR THE 12 YEARS OF EXISTENCE OF CIRM TODAY.  
24 WE'RE MAKING A DECISION ABOUT WHAT THESE FIRST ROUND OF  
25 GRANTS SHOULD INCLUDE. THAT'S ALL. AND IT'S NOT -- I

1 DON'T THINK ANYBODY HERE WOULD ARGUE THAT FOR THE  
2 ENTIRE 12 YEARS WE OUGHT TO RESTRICT TO JUST HUMAN  
3 EMBRYONIC STEM CELLS. WE'VE ALL HAD THAT DISCUSSION  
4 AND APPRECIATE THAT. WHAT WE ARE MAKING A DECISION TO  
5 DO TODAY SPECIFICALLY IS THAT THESE FIRST RFA'S WILL BE  
6 THESE THREE PROGRAMS. IT DOESN'T SAY ANYTHING ABOUT A  
7 POLICY WE'RE ESTABLISHING BY THIS PRINCIPLE. I WOULD  
8 BE AGAINST SUCH AS POLICY PERSONALLY, BUT I'M STRONGLY  
9 IN FAVOR OF A FOCUSED PROGRAM TO START US OUT.

10 CHAIRMAN KLEIN: I WOULD ALSO POINT OUT THAT,  
11 IF WE LOOK TO THE FIRST TWO YEARS OF WHAT WAS PROPOSED,  
12 WE STILL WILL HAVE ABOUT 75 MILLION AVAILABLE FOR THE  
13 NEXT RFA THIS WINTER, WHICH SHOW A MATERIAL ABILITY,  
14 BASED UPON THE ADVICE OF THE SCIENTIFIC STAFF, TO  
15 BROADEN OUR SCOPE OF WHAT WE'RE ADDRESSING AND PICK UP  
16 THE PRIORITIES YOU'RE DIRECTLY AND FOCUSING ON QUITE  
17 PROPERLY. OKAY. I THINK THAT WE HAVE HAD --

18 MR. SHEEHY: JUST ONE MORE POINT. I THINK  
19 THE REAL GUIDANCE IS GOING TO COME WITH THE SCIENTIFIC  
20 STRATEGIC PLAN. I THINK THAT THIS IS, I DON'T WANT TO  
21 SAY THE LOWEST COMMON DENOMINATOR, BUT EVERYONE CAN  
22 AGREE THAT THIS TYPE OF FRAMEWORK NEEDS TO GO FORWARD  
23 NO MATTER WHAT. ALL OF THESE QUESTIONS IN TERMS OF  
24 WHAT PRINCIPLES AND HOW WE'RE GOING TO ORGANIZE  
25 OURSELVES, I THINK, WILL COME UP IN THE OCTOBER MEETING

1 WHEN WE ACTUALLY HAVE A WELL-PREPARED STRATEGIC PLAN TO  
2 LOOK AT AND WE CAN DEBATE ALL OF THESE ISSUES WE'VE  
3 BEEN TALKING ABOUT TODAY THEN.

4 CHAIRMAN KLEIN: THANK YOU. DO WE HAVE  
5 PUBLIC COMMENT? WE HAVE -- I THINK JOHN SIMPSON HAD  
6 HIS HAND UP FIRST THERE. DON REED, DO YOU WANT TO  
7 LEAD?

8 MR. REED: WITH GIANT INTELLECTS LIKE DR.  
9 MURPHY AND DR. BERG, IT'S DIFFICULT TO DISAGREE, BUT  
10 HENRY KISSINGER ONCE SAID THE BIG DECISIONS ARE 51-49  
11 PERCENT DECISIONS ALWAYS. I'D LIKE TO QUOTE THE  
12 PROPOSITION 71, "TO MAXIMIZE THE USE OF RESEARCH FUNDS  
13 BY GIVING PRIORITY TO STEM CELL RESEARCH THAT HAS THE  
14 GREATEST POTENTIAL FOR THERAPIES AND CURES SPECIFICALLY  
15 FOCUSED ON PLURIPOTENT STEM CELL AND PROGENITOR STEM  
16 CELL RESEARCH AMONG OTHER VITAL RESEARCH OR  
17 OPPORTUNITIES THAT CANNOT OR ARE UNLIKELY TO RECEIVE  
18 TIMELY OR SUFFICIENT FEDERAL FUNDING."

19 I THINK DR. HALL IS ABSOLUTELY RIGHT. THIS  
20 IS EXACTLY HOW WE SHOULD DO IT. I SUPPORT IT A HUNDRED  
21 PERCENT.

22 MR. SIMPSON: JOHN SIMPSON FROM THE  
23 FOUNDATION FOR TAXPAYER AND CONSUMER RIGHTS. I WANTED  
24 TO SPEAK IN FAVOR OF DR. HALL'S PLAN AND ALSO COMMEND  
25 HIM FOR WHAT I UNDERSTAND IMPLICIT IS IN THIS, THAT

1     THERE WOULD BE THE GREATEST LEVEL OF SCIENTIFIC REVIEW.  
2     AND IT SEEMS TO ME TO BE ABSOLUTELY ESSENTIAL.  WE'VE  
3     GOT TO MOVE WITH ALL DELIBERATE SPEED, BUT HASTE MAKES  
4     WASTE, AND WE DON'T WANT IT TO HAPPEN.

5                 WHAT I WOULD ASK IS, JUST TO GET A SENSE, I  
6     KNOW IT'S PERHAPS PREMATURE, DR. HALL, BUT WHAT SORT OF  
7     RATE OF APPROVAL WOULD YOU EXPECT ON SOMETHING LIKE  
8     THIS?  I MEAN DO YOU THINK YOU WOULD BE GETTING 50  
9     PERCENT OF GRANTS WOULD GET FUNDED, 25 PERCENT, OR ANY  
10    IDEA AT ALL?

11                DR. HALL:  IT VERY MUCH DEPENDS ON THE  
12    QUALITY OF THE APPLICATIONS.

13                MR. SIMPSON:  WHAT'S THE NORMAL NIH RATE, FOR  
14    INSTANCE?

15                DR. HALL:  DEPENDS ON THE BUDGET.  IT'S BEEN  
16    AS HIGH IN RECENT YEARS AS 30 PERCENT IN SOME  
17    INSTITUTES, AND NOW IN SOME INSTITUTES IT'S DOWN TO  
18    SINGLE DIGITS.

19                MR. SIMPSON:  SO WOULD WE LIKELY MATCH NIH,  
20    OR IS THAT --

21                DR. HALL:  WE MIGHT HAVE BETTER SCIENTIFIC  
22    APPLICATIONS THAN NIH GETS, OR WE MIGHT NOT.  I WOULD  
23    NOT PRECOMMIT TO ANY FIGURE ON THAT.  I THINK WE SEE  
24    WHAT WE GET, WE LISTEN TO OUR REVIEWERS, AND THEN WE  
25    MAKE OUR DECISIONS.

1 MR. SIMPSON: THANK YOU.

2 CHAIRMAN KLEIN: ANY ADDITIONAL PUBLIC  
3 COMMENT? YES, THERE IS AN ADDITIONAL PUBLIC COMMENT.

4 MR. R. REED: AS A PATIENT, I KNOW THAT THE  
5 CRITICAL GAP IS THE FUNDING FOR HUMAN EMBRYONIC STEM  
6 CELLS. DR. ZACH HALL IS COMPLETELY CORRECT IN GOING  
7 FORWARD IN FUNDING HUMAN EMBRYONIC STEM CELLS THAT WE  
8 SO DESPERATELY NEED AND THAT WE ARE SO LACKING IN  
9 FEDERAL FUNDING. THIS IS A GAP THAT NEEDS TO BE  
10 FILLED, AND I THINK THESE FIRST TWO YEARS WE NEED TO  
11 FOCUS AND KEEP FOCUS ON TURNING STEM CELLS INTO CURES.  
12 THANK YOU.

13 CHAIRMAN KLEIN: ARE THERE ANY ADDITIONAL  
14 PUBLIC COMMENTS? ARE THERE ADDITIONAL BOARD COMMENTS?  
15 I'D LIKE TO CALL THE QUESTION. ALL IN FAVOR. OPPOSED?  
16 LET IT BE SHOWN IT'S UNANIMOUS APPROVAL. I THINK WE  
17 HAVE A ROUND OF APPLAUSE.

18 (APPLAUSE.)

19 CHAIRMAN KLEIN: I WOULD ALSO SAY THAT --

20 DR. HALL: I'M JUST ONE OF THE WORKERS HERE,  
21 BOB. MUCH OF THE REAL WORK WAS DONE BY ARLENE CHIU, BY  
22 GIL SAMBRANO, BY PATRICIA OLSON, OUR WHOLE TEAM. THIS  
23 IS REALLY A TEAM EFFORT TO GET THIS OUT.

24 CHAIRMAN KLEIN: LET'S HAVE A HAND FOR THE  
25 WHOLE GROUP.

1 (APPLAUSE.)

2 CHAIRMAN KLEIN: AND I'D LIKE TO SAY WE GOT  
3 HERE TODAY BECAUSE THERE ARE 80 PUBLIC MEETINGS THAT  
4 THIS BOARD ATTENDED, MORE THAN ONE A WEEK IN THE 18  
5 MONTHS SINCE WE'VE HAD STAFF, AS I REFERENCED EARLIER.  
6 IT IS INCREDIBLE. I'M GLAD I DIDN'T KNOW THAT AT THE  
7 BEGINNING. BUT IT IS A TESTIMONY TO THE COMMITMENT OF  
8 THIS VOLUNTEER BOARD, THEIR PASSION, THEIR SCIENTIFIC  
9 COMMITMENT TO EXCELLENCE, AND TO THE FUTURE OF THIS  
10 STATE AND THE NATION IN STEM CELL RESEARCH.

11 SO IF EVERYONE COULD JOIN ME IN A HAND OF  
12 APPLAUSE FOR THE BOARD.

13 (APPLAUSE.)

14 CHAIRMAN KLEIN: ALL RIGHT. WE AT THIS  
15 POINT, I THINK, HAVE AN ORDINARY AND APPROPRIATE BREAK  
16 FOR LUNCH. IF THE BOARD WILL ADJOURN DOWNSTAIRS TO THE  
17 SAME ROOM WE WERE IN PREVIOUSLY, WE WILL BE GOING INTO  
18 CLOSED SESSION AT LUNCH, YES. AND THIS WILL BE A  
19 CLOSED SESSION DEALING WITH PERSONNEL.

20 (A LUNCH RECESS WAS TAKEN.)

21 CHAIRMAN KLEIN: IF WE CAN CALL THIS TO  
22 ORDER. WE THANK THE AUDIENCE FOR THEIR PATIENCE. AS  
23 WE MOVE FORWARD HERE WITH THE STAFF-UP IN OUR  
24 ORGANIZATION, WE WILL HAVE HOPEFULLY SHORTER PERSONNEL  
25 SESSIONS. AND THANK YOU VERY MUCH. WE WILL TRY AND BE

1 BETTER ESTIMATES OF THE TIME REQUIREMENT.

2 WE HAVE NO ACTIONS TO REPORT. AND MY  
3 UNDERSTANDING IS THAT DR. PENHOET INDICATES THERE ARE  
4 PEOPLE THAT WANT TO SPEAK TO THE IP ISSUE, SO WE'RE  
5 GOING TO GO WITH ITEM 9 FOLLOWED BY ITEM 16, 15, AND  
6 THEN 14 IN THAT ORDER.

7 DR. PENHOET: OKAY. THANK YOU. I DON'T HAVE  
8 SLIDES, SO I'LL JUST SPEAK FROM HERE AND GIVE YOU AN  
9 UPDATE ON THE PUBLIC COMMENT PERIOD FOR THE IP TASK  
10 FORCE. OUR NEAR-TERM GOAL IS TO GAIN APPROVAL AT THE  
11 OCTOBER BOARD MEETING OF THE INTELLECTUAL PROPERTY  
12 POLICY FOR NONPROFIT ORGANIZATIONS.

13 I THINK, AS YOU ALL KNOW, TWO BOARDS MEETINGS  
14 AGO WE APPROVED THE CONTENT. AFTER HAVING DONE THAT,  
15 WE ENTERED INTO THE 45-DAY COMMENT PERIOD, WHICH ENDED  
16 ON JUNE 19TH WITH A PUBLIC MEETING, AND THEN WE  
17 SUBSEQUENTLY CONVENED OUR TASK FORCE ON JULY 14TH TO  
18 REVIEW PUBLIC COMMENTS FOR THE APA REGULATIONS ARISING  
19 FROM THE CIRM POLICY FOR NONPROFIT ORGANIZATIONS, AS I  
20 SAID, APPROVED NOW TWO BOARD MEETINGS AGO.

21 THE MEETING WAS, I THINK, LARGELY SUCCESSFUL  
22 IN THE SENSE THAT WE VALIDATED THROUGH BOTH EXTENSIVE  
23 COMMENTS ON A NUMBER OF THE ISSUES AND DISCUSSION WITH  
24 OUR TASK FORCE THE BULK OF THE RECOMMENDATIONS THAT WE  
25 HAD MADE, WHICH ARE NOW GOING FORWARD IN THE APA

1 REGULATION PROCESS. HOWEVER, OUR TASK FORCE DOES  
2 RECOMMEND TWO CHANGES TO THE IP POLICY.

3 THE FIRST ONE IS THE REMOVAL OF THE RESEARCH  
4 EXEMPTION FOR CIRM-FUNDED PATENT INVENTIONS. AS YOU  
5 RECALL, I BELIEVE, WE HAD AN INTENDED CONSEQUENCE OF  
6 THIS RESEARCH EXEMPTION IS TO ENSURE THAT PATENTED  
7 TECHNOLOGY ESSENTIALLY INVENTED WITH CIRM FUNDS WOULD  
8 BE FREELY AVAILABLE TO ALL OTHER CIRM GRANTEEES WITHIN  
9 THE STATE. THE INTENDED CONSEQUENCES, I THINK, WERE A  
10 DESIRABLE GOAL; HOWEVER, WE DIDN'T ADEQUATELY THINK  
11 ABOUT THE UNINTENDED CONSEQUENCE OF THE RESEARCH USE  
12 EXEMPTION, WHICH WAS, AND WE WERE GUIDED IN THIS  
13 DIRECTION BY MANY, MANY, MANY RESPONSES FROM THE  
14 BIOTECHNOLOGY INDUSTRY, FROM THE DIAGNOSTIC SECTOR,  
15 ETC., THE UNINTENDED CONSEQUENCE WAS VIEWED BY THOSE  
16 PEOPLE AS A VERY LIKELY IMPEDANCE TO THE DEVELOPMENT OF  
17 NEW TOOLS FOR RESEARCH BECAUSE THEIR CLAIM WAS THAT  
18 FREQUENTLY THEY DO LICENSE INVENTIONS FROM  
19 UNIVERSITIES. THEY INVEST IN THOSE INVENTIONS BECAUSE  
20 THEY HAVE SOME PROTECTION FROM AN INTELLECTUAL PROPERTY  
21 POINT OF VIEW.

22 AND WE'VE HEARD IN MANY OF OUR DISCUSSIONS  
23 THAT TOOLS ARE AN EXTREMELY IMPORTANT PART OF OUR  
24 OVERALL EFFORT HERE IS TO DEVELOP MONOCLONAL  
25 ANTIBODIES, OTHER REAGENTS THAT ARE NECESSARY TO DO



1 THIS WORK.

2 SO WE DECIDED THAT, ALTHOUGH THE INTENDED  
3 CONSEQUENCE WAS A GOOD ONE, IT WAS ALSO TRUE WE DIDN'T  
4 SEE ANY CONVINCING EVIDENCE THAT IT WAS A PROBLEM  
5 TODAY. THAT IS, UNIVERSITIES IN THE STATE ARE NOT  
6 SUING EACH OTHER OVER DOING RESEARCH. THE RESEARCH  
7 ENTERPRISE IS LARGELY CONDUCTED WITHOUT INTERFERENCE BY  
8 INTELLECTUAL PROPERTY. WE ALSO LOOKED BACK AT SOME OF  
9 THE STUDIES DONE NATIONALLY WHERE THERE WERE  
10 CONFLICTING VIEWS ON THIS. ON ONE HAND PEOPLE SAID  
11 MAYBE WE SHOULD HAVE A RESEARCH EXEMPTION, BUT ON THE  
12 OTHER HAND, CONCLUDED THAT THIS WAS NOT A BIG PROBLEM  
13 TODAY.

14 SO THE CONSENSUS OF OUR TASK FORCE WAS,  
15 ALTHOUGH THIS MIGHT HAVE BEEN A NOBLE GOAL, IT WASN'T A  
16 NEAR-TERM AND PRESENT PROBLEM, AND THE UNINTENDED  
17 CONSEQUENCES OF PERHAPS DECREASING INVESTMENT IN THE  
18 TOOLS INDUSTRY CONVINCED US THAT THIS WAS NOT A PROBLEM  
19 WE HAD TO SOLVE RIGHT NOW. SO WE DROPPED THE RESEARCH  
20 USE EXEMPTION FROM THE REGULATIONS AS A RESULT OF THE  
21 INPUT WE GOT AND OF THE DISCUSSIONS, BUT WITH A PROVISIO  
22 THAT IF THIS BECOMES A PROBLEM IN THE FUTURE, WE WILL  
23 REVISIT THE ISSUE AND PERHAPS REINSTATE RESEARCH USE  
24 EXEMPTION.

25 THE SECOND CHANGE WE MADE WAS TO AMEND THE

1 LICENSING REGULATIONS REGARDING PLANS FOR ACCESS. AS  
2 WRITTEN, IT SAID THAT WHEN A COMPANY LICENSED  
3 CIRM-FUNDED TECHNOLOGY FROM ONE OF OUR NONPROFIT  
4 GRANTEES, THEY HAD TO HAVE IN PLACE AT THE TIME OF  
5 LICENSE A PLAN FOR ACCESS FOR UNINSURED PATIENTS, ETC.  
6 WE HEARD LOTS OF TESTIMONY SAYING THAT'S UNREALISTIC  
7 BECAUSE USUALLY AT THAT STAGE YOU, AS A COMPANY, YOU  
8 CAN'T PREDICT EXACTLY WHERE IT WILL GO, HOW IT WILL BE  
9 USED, ETC. SO WE HEARD LOTS OF TESTIMONY AROUND THIS  
10 AND CONCLUDED THAT A MORE REASONABLE APPROACH WOULD BE  
11 TO REQUIRE A PLAN FOR ACCESS AT THE TIME OF  
12 COMMERCIALIZATION, BUT NOT NECESSARILY BEFORE.

13 SO THAT WAS A REFINEMENT. WE STILL HAVE A  
14 PLAN FOR ACCESS REQUIREMENT, BUT NOW THAT PLAN HAS TO  
15 BE IN PLACE AT THE TIME THE INVENTIONS ARE  
16 COMMERCIALIZED, NOT AT THE TIME THEY'RE LICENSED.

17 SO THOSE ARE THE TWO SIGNIFICANT CHANGES.  
18 AND THEN THERE WERE -- SO WITH THOSE CHANGES AND YOUR  
19 CONCURRENCE HERE TODAY, WE WILL REPOST THE APA  
20 REGULATIONS NEXT MONDAY, AUGUST 7TH, AND THEY WILL RUN  
21 FOR 15 DAYS THROUGH AUGUST 22D, WHEN WE WILL HAVE  
22 ANOTHER ROUND OF COMMENTS AND INPUTS MADE TO THE  
23 SYSTEM. AND AT THAT TIME, IF WE DON'T HAVE ANY  
24 SUBSTANTIAL CHANGES AFTER AUGUST 22D, THEY WILL BE  
25 PRESENTED -- THE IP POLICY WILL BE PRESENTED TO THE

1 BOARD IN THE OCTOBER BOARD MEETING FOR FINAL APPROVAL,  
2 AS WE DID TODAY FOR THE STANDARDS WORKING GROUP.

3 WE HAD TWO OTHER ISSUES WHICH CAME UP WHICH  
4 WE FELT WE COULDN'T ADDRESS AT THE PRESENT TIME, BUT  
5 SOMETHING WE WOULD LIKE TO PUT OUT FOR YOUR  
6 CONSIDERATION. ONE IS THE WHOLE ISSUE OF CREATION OF  
7 PATENT POOLS. WE THOUGHT AT THE MOMENT, AT LEAST, IT  
8 WAS SOMETHING WHICH WAS PERHAPS BEYOND THE SCOPE OF OUR  
9 CURRENT WORK TO THINK ABOUT CREATING PATENT POOLS.  
10 IT'S VERY EARLY ON THE TECHNOLOGY, ETC.; HOWEVER, WE DO  
11 KNOW THAT THERE ARE SOME STATE LEGISLATORS AND OTHERS  
12 WHO ARE INTERESTED IN THE WHOLE ISSUE OF STATE-FUNDED  
13 RESEARCH AND PATENT POOLING.

14 SO WE JUST PUT FORWARD FOR YOUR CONSIDERATION  
15 AS A BOARD WHETHER THIS BOARD WOULD WANT TO CHARGE THE  
16 LEGISLATIVE SUBCOMMITTEE WITH THE RESPONSIBILITY FOR  
17 FOLLOWING THE LEGISLATION AT THE STATE LEVEL OUTSIDE  
18 CIRM FOR STATE-FUNDED RESEARCH. SOMETHING, I THINK, WE  
19 CAN DECIDE EITHER TO DO THAT NOW OR NOT TO DO IT NOW.

20 THE SECOND ISSUE IS THE ISSUE OF OPEN ACCESS  
21 FOR SCHOLARLY PUBLICATIONS. THIS WAS NOT AN APA  
22 REGULATION, BUT A STRONG POLICY GUIDELINE WE DEVELOPED.  
23 AS YOU MAY REMEMBER, WE HAVE A REQUIREMENT THAT PEOPLE  
24 WRITE A 500-WORD ABSTRACT OF ANY PUBLICATION COMING  
25 FROM CIRM-FUNDED WORK, AND THAT ABSTRACT BE IN PLAIN

1 ENGLISH THAT LAY PEOPLE CAN EASILY UNDERSTAND.

2 SECOND OF ALL, WE HAVE AN ADMONITION THAT  
3 PEOPLE SHOULD AVAIL THEMSELVES OF ESSENTIALLY  
4 OPEN-ACCESS JOURNALS. AND WE HAVE AGREED IN THE PAST  
5 THAT WE WILL ALLOW THE INCLUSION IN GRANTS OF MONEY TO  
6 PAY FOR PUBLICATION IN OPEN-ACCESS JOURNALS. WE'VE GOT  
7 MIXED FEEDBACK ABOUT WHETHER WE SHOULD HAVE AN ABSOLUTE  
8 REQUIREMENT THAT ANYTHING FUNDED BY CIRM BE AVAILABLE  
9 IN THE PUBLIC DOMAIN WITHIN SOME PERIOD OF TIME AFTER  
10 PUBLICATION.

11 WHAT WE HAVE LEARNED IS THAT, FIRST OF ALL,  
12 THERE'S HUGE VARIATION IN THE PUBLISHED LITERATURE  
13 TODAY. MANY ORGANIZATIONS STILL HAVE AN ABSOLUTE BAR  
14 ON PUTTING THEIR PUBLICATION IN THE PUBLIC DOMAIN  
15 FOREVER. THE AMERICAN CHEMICAL SOCIETY, THE AMERICAN  
16 MEDICAL ASSOCIATION, AND A NUMBER OF OTHERS HAVE A  
17 POLICY WHICH SAYS THEIR JOURNALS WILL NEVER BE IN THE  
18 PUBLIC DOMAIN. AT THE OTHER END OF THE SPECTRUM, WE  
19 HAVE *PLOS* AND OTHERS NOW WHICH ARE IN THE PUBLIC DOMAIN  
20 FROM THE FIRST DAY OF PUBLICATION.

21 WE SURVEYED PEOPLE IN THE COMMUNITY, AND WE  
22 HAVE A REPRESENTATIVE OF ONE OF THOSE GROUPS HERE TODAY  
23 WHO I KNOW WISHES TO SPEAK ON THIS ISSUE. I MUST SAY  
24 THERE'S VERY WIDESPREAD DISAGREEMENT IN THE ACADEMIC  
25 COMMUNITY ABOUT REQUIREMENTS FOR PUBLISHING IN JOURNALS

1 WHICH WILL SOONER OR LATER BE IN PUBLIC ACCESS. AND ON  
2 THE SIDE OF OPEN ACCESS, I THINK MANY PEOPLE ARGUE IT'S  
3 STATE-FUNDED RESEARCH, IT SHOULD BE AVAILABLE TO THE  
4 PUBLIC, AND IT'S SOMETHING THAT NEEDS TO BE ADDRESSED  
5 GOING FORWARD. AT THE OTHER END OF THE SPECTRUM,  
6 PEOPLE WHO ARE FACULTY MEMBERS IN ACADEMIA BELIEVE IT'S  
7 A MATTER OF ACADEMIC FREEDOM, THAT THEY CHOOSE WHERE TO  
8 PUBLISH, AND THAT WE SHOULDN'T DICTATE TO THEM THAT  
9 THEY CAN'T PUBLISH IN THE *JOURNAL OF THE AMERICAN*  
10 *MEDICAL ASSOCIATION* OR IN *BIOCHEMISTRY* OR *JACS*. IF  
11 THEY DON'T WANT TO PUBLISH THERE -- I MEAN IF THEY WANT  
12 TO PUBLISH THERE, THEY SHOULD BE ABLE TO PUBLISH THERE.

13 SO WE HEARD A WIDE SPECTRUM OF VIEWS ON THIS  
14 ISSUE, SO OUR RECOMMENDATION TO YOU IS THAT WE CONTINUE  
15 TO INVESTIGATE THIS SUBJECT OVER TIME, BUT WE DON'T  
16 HAVE A CONCLUSION TODAY. SO WE'RE NOT ASKING YOU TO  
17 CHANGE WHAT'S ALREADY IN OUR LANGUAGE, WHICH IS AN  
18 ADMONITION TO PLEASE TRY TO MAKE THIS AS PUBLICLY  
19 AVAILABLE AS POSSIBLE WITHOUT A HARD CONCLUSION.

20 SO BACK UP, THEN, WE WOULD SEEK YOUR APPROVAL  
21 TODAY IN CONCEPT FOR THE REMOVAL OF THE RESEARCH  
22 EXEMPTION, NOT THAT THIS IS A FORMAL MOTION, BUT WE  
23 DON'T WANT TO GO FORWARD WITH THE NEXT 15-DAY PROCESS  
24 AND THEN BRING IT BACK TO YOU IN OCTOBER AND HAVE YOU  
25 SAY AS A GROUP, GEE, WE WANT THE RESEARCH USE EXEMPTION

1 BACK IN BECAUSE THAT WOULD DELAY THE WHOLE PROCESS. SO  
2 I'D LIKE TO GET A SENSE FROM THIS GROUP TODAY ABOUT THE  
3 DECISION.

4 OUR TASK FORCE WAS UNANIMOUS IN REMOVING IT,  
5 BELIEVING WE HAD ENOUGH PROBLEMS THAT HAD TO BE SOLVED,  
6 AND THIS WAS NOT A PROBLEM TODAY AND THAT WE WOULD  
7 REVISIT IT ANOTHER DAY IF IT CAME ABOUT. THAT WAS OUR  
8 LOGIC; BUT IF SOME OF YOU HAVE A DIFFERENT POINT OF  
9 VIEW, LOVE TO HEAR ABOUT IT NOW.

10 DR. BERG: I JUST WANT TO ASK -- I CAN'T  
11 REMEMBER THE DATE, NOR CAN I CITE THE ACTUAL LEGAL  
12 CASE, BUT NOT SO LONG AGO THERE WAS A RULING THAT A  
13 RESEARCH EXEMPTION IS NOT IN A TRADITIONAL SENSE OF  
14 ALLOWING FOR YOUR WORK TO BE DONE IN ACADEMIA BECAUSE  
15 ACADEMIC CENTERS ARE NOW VIEWED AS BUSINESSES AND,  
16 THEREFORE, RESEARCH CARRIED OUT UNDER A RESEARCH  
17 EXEMPTION IN A UNIVERSITY IS SUBSEQUENTLY APPLICABLE TO  
18 SOME COMMERCIAL APPLICATION. WHAT'S THE CASE? IT WAS  
19 NORTH CAROLINA?

20 DR. PENHOET: DR. BERG IS CORRECT. THE CASE  
21 HE REFERS TO IS MADY VS. DUKE. IT HAS BEEN -- THE  
22 TRIAL PROCEEDED, IT HAS BEEN APPEALED. THE SUPREME  
23 COURT REFUSED TO REVIEW IT; THEREFORE, IT'S THE LAW OF  
24 THE LAND TODAY THAT I CAN SUE STANFORD UNIVERSITY FOR  
25 VIOLATING A PATENT OF MINE EVEN IF YOU'RE DOING, QUOTE,

1 UNQUOTE, BASIC RESEARCH.

2 AS A PRACTICAL MATTER, THOUGH, PEOPLE ARE NOT  
3 SUING EACH OTHER OVER THESE KINDS OF PATENTS. SO THERE IS A,  
4 QUOTE, UNQUOTE, COMMON LAW INTERPRETATION OF RESEARCH  
5 EXEMPTION WHICH HAS EXISTED FOR TIME IMMEMORIAL.  
6 THAT'S WHY WE SAID, PAUL, WE WOULD LIKE TO REVISIT THIS  
7 ISSUE IF IT BECOMES A PROBLEM GOING FORWARD.

8 DR. BERG: IF I HEARD YOU CORRECTLY, YOU SAID  
9 IT WAS UNIVERSITIES ARE NOT SUING UNIVERSITIES, BUT IT  
10 WAS ACTUALLY A COMMERCIAL ENTITY --

11 DR. PENHOET: NO. ACTUALLY IN THAT CASE IT  
12 WAS AN INDIVIDUAL FACULTY MEMBER WHO HAD BEEN FIRED IN  
13 MADY VS. DUKE. BUT WE CAN ONLY -- WE COULD ONLY  
14 THEORETICALLY AFFECT -- THIS IS A POLICY FOR  
15 NONPROFITS, SO WE COULD ONLY AFFECT WHAT NONPROFITS DO  
16 WITH EACH OTHER. SO TODAY THEY'RE NOT SUING EACH  
17 OTHER, AND WE THOUGHT WE HAVE ENOUGH PROBLEMS WE HAVE  
18 TO SOLVE WITHOUT SOLVING THEM THAT DON'T HAVE TO BE  
19 SOLVED. THAT'S SORT OF THE PRACTICAL CONCLUSION WE  
20 CAME TO.

21 ANY OTHER COMMENTS? SO I DON'T KNOW IF WE  
22 NEED A FORMAL VOTE ON THIS OR JUST IF THE SENSE OF THIS  
23 BOARD IS THAT IT'S OKAY TO GO AHEAD THIS WAY.

24 CHAIRMAN KLEIN: I THINK THAT WE MAY NEED A  
25 FORMAL VOTE. WE CURRENTLY HAVE THREE VOTES THAT WE

1       NEED.    JAMES, DO YOU WANT TO ADDRESS THE THREE VOTES?

2               MR. HARRISON:   ACTUALLY I JUST WANTED TO SAY  
3       AT THE OUTSET THAT AT THE MOMENT WE DON'T HAVE A  
4       QUORUM.   AS SOON AS JOAN SAMUELSON RETURNS TO THE ROOM,  
5       I THINK WE'LL BE BACK AT 19, BUT ONE POSSIBILITY IS TO  
6       MAKE A MOTION, HAVE BOARD DISCUSSION, AND ACCEPT PUBLIC  
7       COMMENT BEFORE VOTING ON IT.

8               DR. PENHOET:   THAT'S FINE.   I WAS INFORMED BY  
9       SCOTT TOCHER WE DON'T NEED A VOTE TODAY, BUT WE WANTED  
10      TO HAVE THIS DISCUSSION SO WE DON'T LOSE TWO MONTHS OF  
11      TIME AND COME BACK IN OCTOBER AND HAVE THE THING TURNED  
12      DOWN.   SO AT THIS POINT IF SOMEBODY WANTS TO MAKE A  
13      MOTION AND A SECOND, THEN WE COULD OPEN IT FOR  
14      DISCUSSION FROM HERE OR THE FLOOR.

15              CHAIRMAN KLEIN:   WE DON'T NEED ANY OF THE  
16      THREE VOTES TODAY?

17              MR. TOCHER:   I'M NOT SURE OF THE THREE VOTES  
18      THAT YOU ARE TALKING ABOUT.   WITH RESPECT TO THIS ITEM,  
19      THERE WAS NOTHING --

20              CHAIRMAN KLEIN:   THERE'S CONSIDERATION OF  
21      REGULATIONS, THE OPEN ACCESS, AND THE TECHNOLOGY  
22      TRANSFER ARE THE THREE SEPARATE ITEMS.

23              MR. TOCHER:   RIGHT.   I THINK THAT THE  
24      OPEN-ACCESS TRANSFER IS JUST WHETHER YOU WISH TO PASS  
25      THAT ON TO A DIFFERENT COMMITTEE OR A DIFFERENT BODY.



1 BUT AS FOR THE CHANGES THAT HAVE BEEN MADE TO THE  
2 EXISTING SET OF REGULATIONS, THAT ISN'T SOMETHING THAT  
3 YOU NEED TO VOTE ON.

4 CHAIRMAN KLEIN: OKAY. THANK YOU.

5 DR. PENHOET: ANY MORE COMMENTS FROM THE  
6 BOARD? IF NOT, FROM THE PUBLIC. JOHN SIMPSON.

7 MR. SIMPSON: JOHN SIMPSON FROM THE  
8 FOUNDATION FOR TAXPAYER AND CONSUMER RIGHTS. I THINK  
9 THAT THE RESEARCH EXEMPTION WAS A GROUNDBREAKING AND  
10 ESSENTIAL THING THAT WAS DONE AND WAS DONE WITH GREAT  
11 FANFARE IN THE BEGINNING. AND I'VE JUST BEEN HAVING  
12 FURTHER DISCUSSIONS WITH CURT MACFERRIN AND JANET  
13 LAMBERT. AND I'M SOMEWHAT SYMPATHETIC TO THE POINT OF  
14 THE VIEW OF THE TOOLS INDUSTRY, BUT I DON'T SHARE THE  
15 NOTION THAT THERE IS NO PROBLEM RIGHT NOW.

16 IF YOU LOOK AT THE WARF PATENTS, THAT'S  
17 PRECISELY THE SORT OF BEHAVIOR THAT COULD BE GOING ON  
18 IF WE DON'T EXPLICITLY HAVE A RESEARCH EXEMPTION IN THE  
19 STATE OF CALIFORNIA. AND I WOULD URGE THAT THERE IS A  
20 REASONABLE MIDDLE GROUND THAT CAN BE WORKED OUT HERE  
21 THAT MAINTAINS THE RESEARCH EXEMPTION FOR UNIVERSITIES  
22 AND ALSO SATISFIES THE NEEDS OF THE TOOL INDUSTRY. AND  
23 I WOULD REALLY URGE THAT YOU NOT POST YOUR 15-DAY  
24 COMMENT YET, BUT THAT THERE BE ANOTHER EFFORT TO TRY TO  
25 WORK SOMETHING OUT THAT IS AMENABLE TO THE TOOLS

1 INDUSTRY AND TO THE UNIVERSITIES. ONE POSSIBILITY  
2 WOULD BE THAT THE WAY THE RULE IS CURRENTLY WRITTEN, IT  
3 APPLIES TO RESEARCH THAT IS DONE BY ALL ENTITIES,  
4 COMMERCIAL ENTITIES AS WELL, AS LONG AS IT'S RESEARCH.  
5 IF WHAT WE'RE TRYING TO GET AT IN THE NONACADEMIC  
6 SETTING, THE NONPROFITS, IT COULD BE THAT THAT IS THE  
7 ONLY PLACE WHERE AN EXEMPTION WOULD GO. I'M NOT SURE.

8 BUT I FOUND IN THE CONVERSATION THAT I WAS  
9 HAVING WITH MY, I'LL CALL THEM, COLLEAGUES IN BIOTECH A  
10 POSSIBILITY OF A NUMBER OF AREAS WHERE WE MIGHT HAVE  
11 AGREEMENT. AND I THINK THAT WITH A LITTLE BIT MORE  
12 TIME, YOU WOULD BE ABLE TO, STILL IN THE FRAMEWORK OF  
13 MEETING A PROPOSAL BY OCTOBER, BE ABLE TO COME UP WITH  
14 SOMETHING THAT KEPT WHAT WAS PERCEIVED GENUINELY TO BE  
15 A GROUNDBREAKING AND IMPORTANT BIT OF ENSHRINING THE  
16 RESEARCH EXEMPTION.

17 SO I WOULD SUGGEST THAT SOMEHOW THAT THAT  
18 WOULD BE THE MESSAGE THAT COMES FROM THIS GROUP, AND  
19 THAT, INDEED, SOME OF US GO BACK AND ROLL OUR SLEEVES  
20 UP AND SEE WHAT WE CAN DO TO SATISFY EVERYONE.

21 IN A SIMILAR VEIN, WE'VE BEEN PUSHING VERY  
22 LONG FOR SOMETHING HAVING TO DO WITH UNREASONABLE  
23 PRICING AND THE POSSIBILITY OF MARCH-IN RIGHTS THERE.  
24 AND THERE IS PARALLEL LANGUAGE ON THE NOTION OF MAKING  
25 INTELLECTUAL PROPERTY AVAILABLE ON REASONABLE TERMS,

1 WHICH STRIKES ME AS THE BASIS FOR PERHAPS SOME  
2 COOPERATIVE EFFORTS WHERE THE BIOTECH INDUSTRY COULD  
3 FIND LANGUAGE THAT WAS COMPATIBLE WITH WHAT THE  
4 CONSUMER ADVOCATES ARE LOOKING FOR AND FORGE A  
5 CONSENSUS THAT WOULD BE TO EVERYONE'S BENEFIT.

6 IN THE FUTURE WHAT WE'RE CONCERNED ABOUT IS  
7 WHAT I ALWAYS ALL THE GENENTECH MODEL, WHICH I THINK  
8 GIVES A LOT OF VERY GOOD COMPANIES A BAD NAME. AND  
9 I'LL CITE THAT RIGHT NOW, AND I DON'T HAVE THE SOLUTION  
10 FOR IT, BUT IT IS IMPORTANT. GENENTECH HAS A DRUG  
11 CALLED AVASTIN. IT'S SOMETHING THAT HAS COME FORTH.  
12 THEY ARE CHARGING \$100,000 A YEAR FOR IT ESSENTIALLY  
13 BECAUSE, AS THEY'VE SAID, THEY CAN. THE PROBLEM IS  
14 THAT THEY'VE GOTTEN \$44.6 MILLION OF NCI FUNDING TO  
15 ADVANCE THIS DRUG. THAT SEEMS TO ME TO BE AN EXAMPLE  
16 OF UNREASONABLE PRICING.

17 AND AS WE GO FORWARD WITH STATE FUNDING  
18 CALIFORNIANS' RESEARCH, IT WOULD BE OUR HOPE THAT THERE  
19 WOULD BE SOME MECHANISM IN PLACE SOMEWHERE, MAYBE NOT  
20 IN THE REGULATIONS, POSSIBLY IN THE ASPIRATIONAL  
21 CHAPTER WHERE YOU'VE NOW ADDRESSED THE PUBLIC ACCESS  
22 NOTION, THAT THERE BE SOMETHING AROUND THE IDEA OF THE  
23 NEED FOR AN UNDERSTANDING OF A LINK OF THE NOTION OF  
24 RECEIVING PUBLIC MONEY AND REASONABLE PRICING.

25 SO THOSE ARE ISSUES THAT I STILL THINK ARE

1     OUT THERE.  I AM HEARTENED BY THE WAY THERE HAS BEEN  
2     GENUINE WILLINGNESS TO LISTEN AND TO DIALOGUE AROUND  
3     THESE THINGS.  I ALSO -- I FIND SOME OF THE FOLKS THAT  
4     I'VE BEEN CHATTING WITH, I UNDERSTAND SOME OF THEIR  
5     CONCERNS AND THINK I CAN SEE WAYS TO MAKE IT WORK FOR  
6     EVERYBODY.  SO I WOULD ENCOURAGE US TO TRY AND DO THAT  
7     AS YOU GO FORWARD.  THANK YOU.

8                 MS. LAMBERT:  HI.  I'M JANET LAMBERT FROM  
9     INVITROGEN.  I JUST WANTED TO MAKE A COUPLE OF COMMENTS  
10    IN RESPONSE TO JOHN'S COMMENTS.  FIRST, I ALSO WANTED  
11    TO THANK THE SUBCOMMITTEE FOR WHAT I THINK HAS BEEN A  
12    VERY OPEN AND CONSTRUCTIVE DIALOGUE.

13                I THINK THAT THE COMMITTEE DID REACH A MIDDLE  
14    GROUND ACTUALLY EVEN WITHOUT THE RESEARCH USE PROVISION  
15    BECAUSE THERE ARE PROVISIONS EXISTING IN THE IP POLICY  
16    AS IT NOW STANDS THAT WOULD REQUIRE A LICENSEE OF ANY  
17    CIRM IP TO MAKE THAT -- TO BRING THAT INVENTION TO  
18    PRACTICAL APPLICATION, WHICH IS DEFINED TO MEAN TO MAKE  
19    IT BROADLY AVAILABLE TO THE PUBLIC ON REASONABLE TERMS.

20                THERE'S ALSO A PROVISION IN ANOTHER SECTION  
21    OF THE POLICY WHICH ENCOURAGES MARCH-IN RIGHTS IN THE  
22    EVENT THAT THE IP IS NOT MADE BROADLY AVAILABLE FOR  
23    RESEARCH PURPOSES.  SO I THINK THAT THE COMMITTEE HAS  
24    ACTUALLY DONE A PRETTY GOOD JOB EVEN AS IT'S DECIDED TO  
25    LOOK A LITTLE BIT MORE CAREFULLY AT THE RESEARCH USE

1 EXCEPTION SPECIFICALLY AND ITS PROS AND CONS AND  
2 IMPLICATIONS IN THAT IT'S ALREADY ADOPTED THESE  
3 PROVISIONS WHICH WOULD ENSURE BROAD AVAILABILITY OF ANY  
4 CIRM IP IN CALIFORNIA. SO WE THINK IT'S A JOB WELL  
5 DONE.

6 DR. PENHOET: ANY OTHER COMMENTS ON THE FIRST  
7 ISSUE, WHICH IS THE RESEARCH USE EXEMPTION?

8 DR. POMEROY: JUST ONE QUESTION, ED. I KNOW  
9 THIS IS FOR NONPROFIT ORGANIZATIONS AND IT'S PART OF  
10 THIS. BUT WHAT IS THE TIMING FOR WHEN THIS WILL BE  
11 DEALT WITH FOR FOR-PROFIT ORGANIZATIONS?

12 DR. PENHOET: WELL, WE HAD A MEETING  
13 SCHEDULED FOR TOMORROW. THE SUBJECT HAS TURNED OUT TO  
14 BE SOMEWHAT MORE COMPLICATED THAN WE HAD EXPECTED IT TO  
15 BE. CIRM ITSELF WILL HAVE TO DO THE LICENSING WITH  
16 EACH AND EVERY COMMERCIAL PARTNER RATHER THAN  
17 OUTSOURCING IT TO UNIVERSITIES, WHICH WE'VE DONE IN THE  
18 CASE OF THE NONPROFITS.

19 AND SECOND OF ALL, UNFORTUNATELY, I PROBABLY  
20 DON'T GET MUCH OF ANYTHING DONE THESE DAYS WITHOUT MARY  
21 MAXON. AND HER MOTHER-IN-LAW DIED EARLY THIS WEEK, AND  
22 SO MARY IS AT A FUNERAL TOMORROW IN THE EAST COAST, SO  
23 WE CANCELED OUR NEXT MEETING.

24 WE'VE HAD TWO MEETINGS OF THE FOR-PROFIT TASK  
25 FORCE, AND THE NEXT ON -- THIS WILL BE RESCHEDULED

1 WITHIN THE NEXT SEVERAL WEEKS. OKAY.

2 SO WE'VE HAD COMMENTS ABOUT THE RESEARCH USE  
3 EXEMPTION. THIS MAKE SENSE WHERE WE ARE TO THIS BOARD  
4 GENERALLY? OKAY.

5 THEN ON THE ISSUE OF WHETHER OUR LEGISLATIVE  
6 SUBCOMMITTEE SHOULD LOOK INTO MORE BROADLY STATE  
7 EFFORTS TO DEFINE INTELLECTUAL PROPERTY AGREEMENTS FOR  
8 STATE-FUNDED RESEARCH OUTSIDE OF CIRM AND MAYBE  
9 INCLUDING CIRM, OR WHETHER WE SHOULD LET THAT GO FOR  
10 NOW AND DO IT LATER. I'M NOT SURE HOW BURDENED THE  
11 LEGISLATIVE SUBCOMMITTEE IS THESE DAYS, BUT, AS YOU  
12 KNOW, THERE WAS A BILL BY ASSEMBLYMAN MULLIN, AND THERE  
13 WILL BE OTHER BILLS THAT TAKE UP THE CCST REPORT, ETC.  
14 IT SEEMED LIKE A PROPER PLACE, MAYBE A JOINT EFFORT  
15 BETWEEN THE IP TASK FORCE AND THE LEGISLATIVE  
16 SUBCOMMITTEE. I'M NOT SURE QUITE HOW WE WOULD HANDLE  
17 THIS, BUT IS IT AN ITEM THAT SHOULD BE ON THE  
18 LEGISLATIVE SUBCOMMITTEE'S AGENDA AT SOME POINT?

19 DR. POMEROY: IF I COULD JUST ADDRESS THAT.  
20 THE LEGISLATIVE SUBCOMMITTEE'S MISSION CHARGE WAS  
21 EXACTLY TO DISCUSS THIS TYPE OF ISSUE WITH STATE  
22 LEGISLATIVE BODIES, SO IT SEEMS TOTALLY APPROPRIATE.  
23 THE IP COMMITTEE, OF COURSE, HAS THE TECHNICAL  
24 EXPERTISE, SO IT WOULD HAVE TO BE A JOINT EFFORT, BUT  
25 IT SEEMS TOTALLY APPROPRIATE TO ME TO REFER IT TO THE

1 LEGISLATIVE COMMITTEE.

2 DR. PENHOET: MAKE SENSE TO EVERYONE? I  
3 DON'T KNOW IF WE NEED A VOTE ON THAT. WE DON'T NEED A  
4 VOTE ON THAT.

5 OKAY. OPEN ACCESS. I THINK WE HAVE AGREED  
6 TO STUDY IT FURTHER. I HOPE YOU AGREE WITH THAT  
7 CONCLUSION. WE DO HAVE A COMMENT FROM THE AUDIENCE,  
8 BUT DO WE HAVE ANY COMMENTS FROM FELLOW BOARD MEMBERS  
9 ON THE ISSUE OF OPEN ACCESS? OUR CURRENT POSITION IS  
10 STRONG ADMONITION TO PUBLISH IN OPEN ACCESS, BUT NO  
11 ABSOLUTE REQUIREMENT THAT AN INVESTIGATOR RECEIVING  
12 CIRM FUNDS PUBLISHES IN AN OPEN-ACCESS JOURNAL.

13 DR. BALTIMORE: I THINK THAT'S SOLOMONIC.  
14 THERE IS NOT AN AGREEMENT IN THE COMMUNITY TODAY ABOUT  
15 THAT. I THINK THERE'S A LOT OF SYMPATHY FOR THE  
16 OPEN-ACCESS POSITION FOR ALL OF THE REASONS THAT YOU'VE  
17 SAID AND MORE PROBABLY. BUT AS A PRACTICAL MATTER,  
18 SINCE THE CAREERS OF PEOPLE ARE OFTEN DETERMINED BY  
19 WHERE THEY PUBLISH, PUTTING OFF LIMITS JOURNALS THAT  
20 HAVE NOT COME TO AN UNDERSTANDING OF OPEN ACCESS REALLY  
21 PUTS IN JEOPARDY THE CAREERS OF YOUNG PEOPLE IN WAYS  
22 THAT I DON'T THINK -- MANY OF US IN THE COMMUNITY ARE  
23 VERY UNCOMFORTABLE WITH.

24 SO I THINK YOU'VE DONE A GOOD JOB.

25 DR. PENHOET: WE HAVE --

1                   MR. SHEEHY: I JUST HOPE WE CAN AGENDA THIS  
2                   FOR THE IP TASK FORCE SO THAT THIS ISSUE DOESN'T GO  
3                   AWAY. I THINK WE NEED TO HAVE THE DISCUSSION SO THAT  
4                   AT THE NEXT APPROPRIATE TIME AT THE IP TASK FORCE, WE  
5                   CAN LOOK AT THIS, WE CAN HAVE A DISCUSSION, FIGURE OUT  
6                   THERE'S A WAY TO MAKE THIS WORK BECAUSE, YOU KNOW, FROM  
7                   A PATIENT ADVOCATE POINT OF VIEW, ONE OF THE MOST  
8                   FRUSTRATING THINGS THAT ONE ENDURES IS THE INABILITY TO  
9                   SEE A SCIENTIFIC STUDY. STUFF GETS PUBLISHED THAT HAS  
10                  A MATERIAL IMPACT ON THE CLINICAL REALITY OF A PATIENT,  
11                  AND YOU NEVER SEE IT. YOU CAN'T GET IT. YOU HAVE TO  
12                  BEG, BORROW, OR STEAL. AND GIVEN THAT THE TAXPAYERS OF  
13                  CALIFORNIA ARE PAYING FOR THIS, ANY PATIENT SHOULD BE  
14                  ABLE TO ACCESS THIS INFORMATION. NOW --

15                 DR. BALTIMORE: I DON'T DISAGREE WITH THAT.  
16                 AND NIH HAS ACTUALLY TAKEN STEPS TO SEE THAT PAPERS ARE  
17                 AVAILABLE IN A PROCESS WHICH I UNDERSTAND IS NOT  
18                 WORKING.

19                 MR. SERRANO-SEWELL: ZACH, YOU MAY HAVE  
20                 MENTIONED THIS IN YOUR PRESIDENT'S REPORT, BUT COUPLE  
21                 OF MONDAYS AGO ZACH CONVENED A GROUP OF PATIENT  
22                 ADVOCATE PEOPLE. WE TALKED ABOUT A HOST OF ISSUES,  
23                 MAINLY RELATING TO THE IMPLEMENTATION OF THE STRATEGIC  
24                 PLAN. AND I CAN SAY UNIVERSALLY EVERYONE AGREED ON ONE  
25                 THING. IT WAS DIVERGENT OPINIONS, BUT THEY ALL AGREED



1 THAT CIRM-FUNDED RESEARCH MUST BE MADE AVAILABLE FOR  
2 PUBLIC VIEWING AND SHOULD BE MADE AVAILABLE TO THE  
3 PUBLIC IN SOME WAY. I KNOW THERE'S A HOST OF COMPETING  
4 ISSUES.

5 ED, WHAT I THINK YOU'VE OUTLINED, GIVING IT  
6 SOME MORE STUDY, IS THE WISE COURSE OF ACTION.

7 DR. PITTS: THANK YOU, DR. PENHOET. I'M  
8 LARRY PITTS, PROFESSOR OF NEUROSURGERY AT UCSF, FORMER  
9 CHAIR OF THE STATEWIDE ACADEMIC CENTER FOR THE  
10 UNIVERSITY OF CALIFORNIA, AND CURRENTLY CHAIR OF A  
11 SPECIAL COMMITTEE ON SCHOLARLY COMMUNICATION THAT THE  
12 ACADEMIC COUNCIL PUT TOGETHER SEVERAL YEARS AGO.

13 THE DESIRED OUTCOME THAT I HOPE TO SEE TODAY,  
14 SINCE THE TWO OUTCOMES ARE THAT CIRM DOES NOT BELIEVE  
15 THEY OUGHT TO GO IN THIS DIRECTION AND DON'T WANT TO  
16 CONSIDER IT FURTHER, I'M HOPEFUL THAT'S NOT WHAT YOU  
17 WILL DECIDE. THE OUTCOME I HOPE YOU WILL CHOOSE IS TO  
18 LOOK AT THE ISSUE SOME MORE, WHICH IS THERE'S NO  
19 DECISIONS TO BE MADE TODAY, BUT TO HAVE SOME FURTHER  
20 DISCUSSIONS ABOUT THE TOPIC.

21 TO ADDRESS SOME ISSUES, THE UNIVERSITY OF  
22 CALIFORNIA SUBMITTED A CHUNK OF PAPER IN THE 200 ODD  
23 PAGES THAT MANY OF YOU HAVE NOT BEEN FORTUNATE ENOUGH  
24 TO READ THAT THE IP TASK FORCE WORKED ITS WAY THROUGH.  
25 I WANT TO HIT ON SOME OF THE HIGHLIGHTS AND ADDRESS A

1 COUPLE POINTS THAT DR. BALTIMORE RAISED.  
2 UNIVERSITY OF CALIFORNIA IS CERTAINLY  
3 SENSITIVE TO THE WELL-BEING OF ITS SENIOR AND JUNIOR  
4 FACULTY, AND PUBLISHING IS ESSENTIAL TO THE ACADEMIC  
5 LIFE, AS YOU ALL KNOW. OVER THE PAST FEW YEARS, THERE  
6 HAS BEEN A GROWING SUPPORT AND PUBLIC SUPPORT FOR  
7 OPEN-ACCESS PUBLICATION. THERE'S THE CORNYN-LIEBERMAN  
8 BILL THAT'S BEFORE THE SENATE NOW CALLED THE FEDERAL  
9 RESEARCH PUBLIC ACCESS ACT, WHICH WILL HAVE FEDERAL  
10 AGENCIES WITH \$100 MILLION OR MORE BUDGETS REQUIRE THAT  
11 OPEN-ACCESS PUBLICATION BE DONE FOR ANY OF THEIR  
12 SPONSORED RESEARCH.

13 THE NIH ADDRESS THIS ISSUE. THEY INITIALLY  
14 PROPOSED A SIX-MONTH POSTPUBLICATION PLACEMENT INTO  
15 OPEN ACCESS OF A NEW ARTICLE ON A MANDATORY BASIS FOR  
16 THEIR FUNDED RESEARCH. THAT WAS BACKED OFF ON. THEY  
17 THEN ADOPTED A ONE-YEAR VOLUNTARY STANCE, AND THAT HAS  
18 NOT WORKED WELL, AS DR. BALTIMORE MENTIONED. THE TAKE  
19 RATE HAS BEEN POOR. ONLY 4 PERCENT OF NIH-FUNDED  
20 RESEARCH HAS GONE INTO OPEN ACCESS WITH THAT REQUEST  
21 FOR VOLUNTARY PLACEMENT, WHICH IS SORT OF THE CURRENT  
22 DISCUSSION THAT CENTERS AROUND CIRM.

23 THREE OF THE EIGHT UNITED KINGDOM RESEARCH  
24 COUNCILS HAVE ADOPTED LANGUAGE TO REQUIRE OPEN-ACCESS  
25 PUBLICATION ON THEIR FUNDED RESEARCH. A HARRIS POLL

1 ASKING THE PUBLIC FOUND THAT 80 PERCENT OF THE PUBLIC  
2 FELT THAT TAX-SUPPORTED RESEARCH OUGHT TO GET INTO THE  
3 OPEN PUBLIC FORUM. AND INTERESTINGLY, 80 PERCENT OF  
4 FACULTY SAID THAT THEY WOULD BE HAPPY TO PUT THEIR  
5 MATERIAL IN OPEN ACCESS IF IT WERE REQUIRED BY A  
6 FUNDING AGENCY OR BY THEIR EMPLOYER.

7 SORT OF FOLLOWING ON THAT, THE UNIVERSITY OF  
8 CALIFORNIA HAS CONSIDERED THIS -- THE ACADEMIC SENATE  
9 HAS CONSIDERED THIS AND HAS FORWARDED TO THE PRESIDENT  
10 OF THE UNIVERSITY A REQUEST THAT UC COPYRIGHT LAW OR  
11 COPYRIGHT POLICY REQUIRE THAT FACULTY RETAIN A LICENSE  
12 TO BE ABLE TO PUT THEIR WORK INTO OPEN ACCESS WITHIN  
13 SIX MONTHS OF PUBLICATION.

14 TO ADDRESS THE ISSUE ABOUT JUNIOR FACULTY,  
15 AND IF I CAN'T GET MY ARTICLE IN JOURNAL X, THAT'S  
16 GOING TO HARM MY CAREER, THE UC POLICY AND,  
17 INTERESTINGLY, THE UNITED KINGDOM RESEARCH COUNCIL  
18 POLICIES HAVE AN OPT-OUT SO THAT IF AN ARTICLE RUNS  
19 INTO THIS BARRIER, THEN THE RESEARCHER CAN REQUEST FROM  
20 THE RESEARCH COUNCIL OR CIRM OR UC, DEPENDING ON WHERE  
21 THE POLICY ARISES FROM, THE ABILITY TO HAVE A WAIVER  
22 FOR THAT REQUIREMENT AND GO AHEAD AND PUBLISH WITHOUT  
23 NECESSARILY PUTTING INTO OPEN ACCESS. THAT WAS  
24 REVIEWED PROBABLY BY 500 UC FACULTY. DR. BALTIMORE AND  
25 DR. PENHOET BOTH POINT OUT THAT THERE IS A VARIETY OF

1 OPINION COMING FROM ACADEMIA. YOU WILL NOT BE SHOCKED  
2 AT THAT, BUT THE UC ACADEMIC SENATE HAS TAKEN THIS VERY  
3 ACTIVE STANCE, AND SO THERE WILL BE A WORKING GROUP TO  
4 TRY TO MAKE THAT UC POLICY.

5 THE OTHER POINT ABOUT PUBLICATION AND WHERE  
6 IT'S ALLOWED, I WAS ASKED TO LOOK AT A HANDFUL OF  
7 JOURNALS THAT WOULD REPRESENT THE PREDOMINANT PLACE  
8 WHERE STEM CELL RESEARCH WOULD LIKELY BE PUBLISHED.  
9 AND ONE OF OUR STEM CELL LABS GAVE ME A LIST OF 15  
10 JOURNALS, INCLUDING *NATURE*, *SCIENCE*, SO FORTH. OF THAT  
11 GROUP, 12 ALLOW OPEN-ACCESS PUBLISHING WITHIN SIX  
12 MONTHS OF THE PUBLISHING OF AN ARTICLE IN ONE FORM OR  
13 ANOTHER. *NATURE* GROUP ALLOWS IT WITHIN SIX MONTHS.  
14 SOME OF THEM WILL ALLOW THE AUTHOR'S VERSION, NOT THE  
15 FINAL PUBLISHED VERSION, SO THERE'S SOME DIFFERENCES,  
16 BUT THERE ARE ALREADY RULES IN PLACE THAT WOULD ALLOW  
17 MEETING THE REQUEST THAT THE UNIVERSITY OF CALIFORNIA  
18 IS MAKING TO CIRM ALREADY FOR 12 OF THE 15. ONE SAID  
19 ABSOLUTELY NO, AND TWO ARE UNCLEAR ON THEIR WEBSITE.

20 SO IT'S ALREADY POSSIBLE IN GENERAL FOR OUR  
21 RESEARCHERS, INCLUDING JUNIOR RESEARCHERS, TO MEET WHAT  
22 WE'RE REQUESTING WITHIN JOURNALS AS THEY EXIST NOW. SO  
23 THE UNIVERSITY OF CALIFORNIA FACULTY BELIEVES THAT  
24 FACULTY BENEFIT FROM WIDER DISSEMINATION, GREATER  
25 CITATION, EARLIER ENACTMENT ON THEIR RESEARCH FINDINGS

1 WILL OCCUR WITH OPEN-ACCESS PUBLISHING. WE THINK THAT  
2 CIRM WOULD SERVE ITS DESIRED ENDS BEST BY HAVING THIS  
3 WORK IN OPEN ACCESS FOR APPLICATION BY RESEARCHERS  
4 AROUND THE WORLD, NOT JUST THOSE LIMITED TO CALIFORNIA.  
5 AND SO WE'RE HOPEFUL THAT ICOC WILL AGREE TO REVIEW THE  
6 ISSUE AT SOME GREATER LENGTH RATHER THAN JUST NOT  
7 PURSUE IT OUT OF HAND. THANK YOU VERY MUCH.

8 DR. PENHOET: THANK YOU. ANY OTHER COMMENTS  
9 ON THIS ISSUE? I THINK IF I UNDERSTAND, THE SENSE OF  
10 THE GROUP IS THE IP TASK FORCE WILL CONTINUE TO LOOK AT  
11 THIS PROBLEM, GAIN FURTHER INPUT FROM A VARIETY OF  
12 DIFFERENT SOURCES, AND TO TRY TO REACH SOME CONCLUSION  
13 IN THE NOT TOO DISTANT FUTURE. WITH THAT, THAT  
14 CONCLUDES THIS SECTION.

15 CHAIRMAN KLEIN: WE HAVE TWO ITEMS THAT NEED  
16 A QUORUM. WE ARE ABOUT TO LOSE OUR QUORUM.  
17 NEVERTHELESS, WE NEED ADEQUATE DISCUSSION TO MAKE  
18 CERTAIN THAT WE HEAR THE PUBLIC COMMENTS APPROPRIATELY  
19 AND THE BOARD COMMENTS. THESE ARE ITEMS THAT HAVE BEEN  
20 BEFORE US BEFORE.

21 THE FIRST IS CONSIDERATION OF THE CONFLICT OF  
22 INTEREST REGULATIONS FROM THE CIRM WORKING GROUP. DR.  
23 HALL, IF YOU COULD PLEASE ADDRESS THIS. AND I WOULD  
24 REMIND EVERYONE THAT WE WILL HAVE TO USE A THREE-MINUTE  
25 LIMITATION ON COMMENTS GIVEN THE TIME AVAILABLE. AND

1 IT IS AN ITEM WE HAVE HEARD BEFORE. RESPECTING  
2 DIFFERENCES OF OPINION, WE DO NEED TO GET A VOTE ON  
3 THIS TODAY.

4 DR. HALL: THANK YOU, MR. CHAIR. WE ARE  
5 ASKING THE ICOC TO COMPLETE THE PROCESS BEGUN LAST YEAR  
6 WHEN IT ADOPTED STRINGENT CONFLICT OF INTEREST POLICIES  
7 FOR THE WORKING GROUPS. THESE POLICIES WERE TRANSLATED  
8 INTO REGULATIONS IN THE PROCESS WE'RE NOW ALL BECOMING  
9 FAMILIAR WITH AS WE DO THIS FOR EACH OF OUR POLICIES.

10 THIS BEGAN THE APA ADOPTION PROCESS WHEN THEY  
11 WERE PUBLISHED IN APRIL. WE HAD TWO OFFICIAL PUBLIC  
12 COMMENT PERIODS. AND FOLLOWING THOSE, THE REGULATIONS  
13 ARE IN FINAL FORM BEFORE YOU TODAY. WITH YOUR APPROVAL  
14 OF THEM, THEY WILL BE SENT BACK TO THE OFFICE OF  
15 ADMINISTRATIVE LAW FOR A FINAL 30-DAY REVIEW. WITH  
16 OAL'S APPROVAL AT THE END OF THAT PROCESS, THE  
17 REGULATIONS WILL BE IN FORCE.

18 THESE ARE, SCOTT, CORRECT ME IF I'M WRONG,  
19 BUT THESE ARE AT EXACTLY THE SAME STAGE AS THE MEDICAL  
20 AND ETHICAL STANDARDS THAT YOU PASSED THIS MORNING; IS  
21 THAT RIGHT, IN TERMS OF THE PROCESS?

22 MR. TOCHER: THAT'S CORRECT.

23 DR. HALL: THE CIRM STAFF BELIEVES THAT THESE  
24 REGULATIONS AND THE POLICIES CURRENTLY IN EFFECT  
25 CONSTITUTE THE STRONGEST CONFLICT OF INTEREST RULES

1 APPLICABLE TO ANY ADVISORY BODY IN THE STATE. IF THERE  
2 ARE STRONGER ONES, WE DON'T KNOW THEM. THE REGULATIONS  
3 SURPASS RULES COMMONLY APPLICABLE TO PUBLIC OFFICIALS  
4 BY GUARDING AGAINST, NOT ONLY FINANCIAL SOURCES OF  
5 CONFLICT, BUT ALSO PERSONAL AND PROFESSIONAL SOURCES OF  
6 CONFLICT OF INTEREST.

7 MOREOVER, THE MEMBERS OF THE TWO GRANTS  
8 WORKING GROUP, RESEARCH AND FACILITIES, WILL UNDERGO A  
9 PRE AND POSTAWARD REVIEW OF THEIR -- A PRE AND  
10 POSTMEETING REVIEW OF THEIR REQUIRED DISCLOSURES AND  
11 THE POTENTIAL SOURCES OF CONFLICT AND WILL ATTEST UNDER  
12 PENALTY OF PERJURY THAT THEY HAVE NOT PARTICIPATED IN  
13 REVIEW OF ANY APPLICATION FOR WHICH THEY MIGHT HAVE A  
14 CONFLICT OF INTEREST.

15 AGAIN, LIKE NO OTHER AGENCY TO OUR KNOWLEDGE,  
16 CIRM WILL MAINTAIN APPROPRIATE RECORDS OF THE  
17 DISCLOSURES AND PARTICIPATION OF WORKING GROUP MEMBERS  
18 AND WILL MAKE THEM AVAILABLE FOR AUDIT AND WILL REPORT  
19 TO THE LEGISLATURE ANY DISCOVERIES OF VIOLATION OF THE  
20 RULES AND DESCRIBE CORRECTIVE ACTIONS TAKEN TO PREVENT  
21 FUTURE OCCURRENCES. WE BELIEVE THAT THESE REGULATIONS  
22 STRIKE THE PROPER BALANCE BETWEEN THE PRIVACY OF  
23 VOLUNTEER ADVISORY BODY MEMBERS AND THE PUBLIC'S RIGHT  
24 TO INFORMATION ABOUT THE INDIVIDUALS. THE REVIEW BY  
25 STAFF AND INDEPENDENT AUDITORS AND THE RECORDS TO

1 SUBSTANTIATE THESE REVIEWS ENSURES THAT THE UTMOST  
2 VIGILANCE WILL BE MAINTAINED TO ENSURE THE INTEGRITY OF  
3 THE WORKING GROUP'S EFFORTS.

4 WITH THAT, I ASK THE ICOC'S APPROVAL OF THE  
5 PROPOSED REGULATIONS FOR THE REASONS DESCRIBED IN THE  
6 MEMORANDUM THAT YOU HAVE.

7 CHAIRMAN KLEIN: ARE THERE ADDITIONAL BOARD  
8 COMMENTS ON THIS ITEM? ARE THERE PUBLIC COMMENTS ON  
9 THIS ITEM?

10 MR. SIMPSON: JOHN SIMPSON FROM THE  
11 FOUNDATION FOR TAXPAYER AND CONSUMER RIGHTS. I'LL DO  
12 MY UTMOST TO KEEP THIS BRIEF. WE STRONGLY BELIEVE THAT  
13 WHILE THESE ARE GOOD, THEY HAVE TAKEN STEPS IN THE  
14 RIGHT DIRECTION DOING WHAT IS BECOMING INCREASINGLY  
15 NECESSARY IN SCIENCE, THERE MUST BE PUBLIC DISCLOSURE  
16 OF THE INTERESTS.

17 THIS IS NOT A POSITION THAT IS UNIQUE TO OUR  
18 FOUNDATION. YOU WILL FIND THAT VIRTUALLY EVERY MAJOR  
19 NEWSPAPER IN THE STATE HAS EDITORIALIZED IN THAT  
20 REGARD, MOST RECENTLY THE *MERCURY NEWS* ON MONDAY. I  
21 APPRECIATE THE FACT THAT A NUMBER OF RECOMMENDATIONS  
22 THAT WE MADE WERE, IN FACT, ADOPTED. WE POINTED OUT  
23 THE NEED TO BRING SOME LANGUAGE INTO CONFORMITY. THAT  
24 WAS RECOMMENDED. THANK YOU VERY MUCH FOR THAT.

25 I THINK WE HAVE A FUNDAMENTAL DIFFERENCE OF



1     AGREEMENT HERE.  I WOULD GO ON TO SAY THAT WHILE THIS  
2     MAY NOT BE REQUIRED OF PROPOSITION 71, IT WOULD GO A  
3     TREMENDOUS DISTANCE TO COMPLETELY PUTTING YOU --  
4     RESTORING ANY DOUBTS THAT EXIST IN THE PUBLIC ABOUT THE  
5     TRANSPARENCY OF THE AGENCY.

6             I ALSO NOTE THAT DR. HALL HAS, I BELIEVE AS  
7     THE RESULT OF DISCUSSIONS WE'VE HAD, SUGGESTED THAT AT  
8     THE VERY LEAST IN THE FUTURE THERE WILL BE A MECHANISM  
9     TO DISCLOSE PEOPLE WHO RECUSE BY NAME FOR A POTENTIAL  
10    CONFLICT.  I GUESS IT WOULD BE SOMETHING LIKE SIMPSON,  
11    PERSONAL CONFLICT OR WHATEVER.  HOWEVER THAT MECHANISM  
12    WORKS OUT, THAT'S A STEP IN THE RIGHT DIRECTION.  AND I  
13    THANK YOU FOR THAT.

14            I JUST REALLY THINK THAT THERE IS A  
15    FUNDAMENTAL DIFFERENCE BETWEEN THE POLITICAL CULTURE  
16    AND THE SCIENTIFIC CULTURE IN CALIFORNIA, AND THAT THE  
17    SCIENTIFIC CULTURE HAS GOT TO MOVE TOWARDS THE PUBLIC  
18    CULTURE IF ITS PUBLIC SCIENCE, AND THAT'S WHAT WE'RE  
19    TALKING ABOUT HERE.  THANK YOU.

20            CHAIRMAN KLEIN:  THANK YOU VERY MUCH.  ANY  
21    ADDITIONAL PUBLIC COMMENTS?

22            MR. GOLDBERG:  I'M SENSITIVE TO AND  
23    APPRECIATE THOSE COMMENTS, MR. SIMPSON.  WHAT I'M  
24    STRUGGLING WITH IN MY POSITION HERE IS WHILE, WITH  
25    RESPECT TO THE ETHICAL WORKING GROUP MEDICAL AND

1 SCIENTIFIC GUIDELINES, I THINK WE WERE DARING AND  
2 WILLING TO TAKE A POSITION OF LEADERSHIP OUT IN FRONT  
3 OF THE COUNTRY AND THE WORLD, IN FACT. IN THIS AREA  
4 WHAT I WANT TO FIRST ASSURE IS THAT WE GET THE BEST  
5 SCIENTIFIC REVIEWERS POSSIBLE FOR THE GRANTS THAT THEY  
6 HAVE TO REVIEW.

7 AND AS A CONSEQUENCE, WHERE I CAME OUT IS  
8 IT'S VERY HARD TO IMAGINE THAT WE SHOULD IN CALIFORNIA  
9 PERMIT OURSELVES TO TAKE LEADERSHIP IN A MORE  
10 TRANSPARENT SYSTEM THAN THE STANDARDS WHICH THOSE  
11 REVIEWERS ARE USED TO SINCE OUR WHOLE ENTERPRISE IS  
12 REALLY DEPENDENT ON THEIR INDEPENDENCE AND  
13 PARTICIPATION.

14 DR. HALL: MR. CHAIR, COULD I MAKE A COMMENT,  
15 PLEASE?

16 CHAIRMAN KLEIN: DR. HALL.

17 DR. HALL: IN FACT, WE ARE OUT IN FRONT IN  
18 THE NATIONAL STANDARDS. NIH DOES NOT REQUIRE ITS STUDY  
19 SECTION MEMBERS TO MAKE FINANCIAL DISCLOSURES. EVEN ON  
20 A CONFIDENTIAL BASIS, THEY DO NOT REQUIRE IT. AND SO  
21 WE ARE IN THAT SENSE, I WOULD SAY, IN A POSITION OF  
22 LEADERSHIP WITH RESPECT TO CERTAINLY THE NIH AND MOST  
23 FOUNDATIONS THAT I KNOW ANYTHING ABOUT.

24 CHAIRMAN KLEIN: AND, DR. HALL, MR. SIMPSON  
25 MADE A REFERENCE TO A CONVERSATION. I TAKE IT IT'S

1 SOMETHING UNDER CONSIDERATION. IT'S NOT PART OF WHAT  
2 WE'RE VOTING ON TODAY; IS THAT RIGHT?

3 DR. HALL: IT IS NOT. I WILL JUST MENTION IT  
4 BRIEFLY TO YOU. WE DISCUSSED WITH MR. SIMPSON THE  
5 POSSIBILITY THAT WHEN GRANTS ARE BROUGHT BEFORE THE  
6 ICOC, THAT IN ADDITION TO THE INFORMATION WHICH YOU  
7 RECEIVE ABOUT THE GRANT, THAT IS, THE TITLE, THE  
8 BUDGET, SHORT DESCRIPTION, SHORT CRITIQUE, THERE WOULD  
9 BE A LIST OF THOSE MEMBERS WHO HAD RECUSED THEMSELVES  
10 FROM DISCUSSION OF THAT GRANT. AND THAT IS UNDER  
11 CONSIDERATION. WE DID DISCUSS IT WITH WORKING GROUP  
12 MEMBERS WHEN THEY WERE HERE, AND SO THEY ARE AWARE OF  
13 THAT POSSIBILITY. AND WE HAVE YET TO BRING IT TO ICOC.  
14 AND I THINK SINCE WE'RE ABOUT TO EMBARK ON ANOTHER  
15 ROUND OF GRANTS, WE WILL HAVE TO ATTEND TO THAT. AT  
16 THIS POINT IT'S AN INTERESTING IDEA. WE THINK IT HAS  
17 SOME MERIT, AND WE WILL LOOK FORWARD TO DISCUSSING IT  
18 IN THE FUTURE.

19 CHAIRMAN KLEIN: WITH THAT CLARIFICATION,  
20 UNLESS THERE'S SOME MORE BOARD COMMENT --

21 MR. SIMPSON: I BELIEVE YOU REFERENCED IT ON  
22 PAGE 4 OF YOUR MEMO.

23 CHAIRMAN KLEIN: HE'S SAYING IT'S UNDER  
24 CONSIDERATION. WITH THAT CLARIFICATION, UNLESS THERE'S  
25 MORE BOARD COMMENT, I'D LIKE TO CALL THE QUESTION. ALL

1 IN FAVOR. OPPOSED? AYES HAVE IT.

2 MS. KING: I DON'T THINK THERE WAS A MOTION.

3 I'M SORRY. THERE WAS NEVER A MOTION ON THAT.

4 DR. BALTIMORE: MOVED.

5 CHAIRMAN KLEIN: MOVED BY DR. BALTIMORE.

6 MR. ROTH: SECOND.

7 CHAIRMAN KLEIN: SECONDED BY DUANE ROTH.

8 UNLESS THERE'S OBJECTION, ALL IN FAVOR. OPPOSED?

9 THANK YOU VERY MUCH.

10 WE HAVE TO ACTUALLY GO TO ITEM 14 NEXT

11 BECAUSE THAT IS THE BUDGET, AND PLEASE REALIZE VERY

12 QUICKLY THIS IS THE LAST VOTE WE NEED TODAY IS MY

13 UNDERSTANDING. I WILL REMIND EVERYONE WHAT WAS SAID

14 EARLIER, WHICH IS WE'RE GOING TO COME BACK, DR. HALL,

15 IN OCTOBER WITH A REVISED BUDGET; IS THAT RIGHT?

16 DR. HALL: YES.

17 CHAIRMAN KLEIN: SO THIS IS JUST THE BUDGET

18 THAT'S ALREADY BEEN THROUGH THE GOVERNANCE COMMITTEE.

19 WE NEED YOU FOR A QUORUM FOR JUST A MINUTE, DR. PRIETO.

20 HOPEFULLY THIS WILL BE QUICK. IS THERE ANY COMMENT

21 FROM THE BOARD ON -- THIS IS THE BUDGET THAT'S

22 PREVIOUSLY BEEN SEEN, PREVIOUSLY GONE THROUGH

23 GOVERNANCE COMMITTEE. IT'S GOING TO BE IN A POSITION

24 FOR A MONTH.

25 IS THERE ANY BOARD COMMENT ON THIS ITEM? IS

1       THERE ANY PUBLIC COMMENT ON THIS ITEM?   EXPECT A NEW  
2       BUDGET IN A MONTH BECAUSE WE'RE GOING TO RESTAFF THIS  
3       AGENCY AND RESTRUCTURE IT WITH THE MONEY THAT'S COMING  
4       IN.   WITHOUT OBJECTION, I'D CALL THE QUESTION.   ALL IN  
5       FAVOR.

6                 DR. PENHOET:   YOU NEED A MOTION.

7                 CHAIRMAN KLEIN:   I'M TOO TIRED.   WHO WOULD  
8       LIKE TO MAKE A MOTION?

9                 DR. PENHOET:   SO MOVED.

10                DR. DIXON:   SECOND.

11                CHAIRMAN KLEIN:   DR. JACK DIXON IS THE  
12       SECOND.   ALL IN FAVOR.   OPPOSED?   OKAY.   THANK YOU, DR.  
13       BALTIMORE FOR STAYING AND SHERRY LANSING FOR STAYING.  
14       I TRIED TO MOVE A LITTLE TOO QUICKLY THERE.   OKAY.   SO  
15       WE ARE --

16                DR. HALL:   WE NEED APPROVAL OF THE CONTRACTS.

17                CHAIRMAN KLEIN:   THE CONTRACTS, THE ANSWER --  
18       WALTER, WE NEED APPROVAL OF THE CONTRACTS.

19                MR. BARNES:   YES.   THERE ARE TWO CONTRACTS  
20       THAT WE'RE ASKING FOR APPROVAL ON.

21                CHAIRMAN KLEIN:   YOU BETTER BE VERY SPECIFIC  
22       ON THESE.   JUST A MINUTE.   GO AHEAD.

23                MR. BARNES:   ONE OF THEM IS AN EXTENSION OF  
24       THE CURRENT CONTRACT WITH REMCHO TO COVER THEIR COSTS  
25       FOR THE CURRENT YEAR.   THAT REQUIRES THE FULL ICOC

1 APPROVAL.

2 THE OTHER IS A CONTRACT EXTENSION AND  
3 INCREASE TO ONE OF THE THIRD-PARTY CONTRACTS THAT WE  
4 HAVE FOR SUPPORT OF THE DEPARTMENT OF THE JUSTICE. IT  
5 REQUIRES THE GOVERNANCE COMMITTEE APPROVAL BECAUSE IT  
6 GOT TO A CERTAIN LEVEL, BUT WE HAD NO GOVERNANCE  
7 COMMITTEE, SO WE'RE ASKING FOR BOTH OF THEM TO BE  
8 APPROVED.

9 CHAIRMAN KLEIN: WE DIDN'T HAVE A GOVERNANCE  
10 COMMITTEE MEETING IN TIME IS WHAT YOU'RE SAYING.

11 MR. BARNES: THAT'S RIGHT.

12 CHAIRMAN KLEIN: AND THE DOLLAR AMOUNTS OF  
13 THESE CONTRACTS?

14 MR. BARNES: YOU WOULD ASK THAT.

15 MS. CAMPE: THE TOTAL AMOUNT FOR THE SPEIGEL  
16 LIAO KAGAY IS \$125,000. THAT WAS INCREASED FROM  
17 \$75,000 TO \$125,000.

18 CHAIRMAN KLEIN: ALL RIGHT.

19 MS. CAMPE: AND FOR REMCHO, JOHANSON &  
20 PURCELL, IT WAS INCREASED BY 325,400, AND THE TOTAL  
21 CONTRACT IS NOW AT 1,097,600.

22 CHAIRMAN KLEIN: ALL RIGHT. ARE THERE  
23 QUESTIONS FROM THE BOARD ON THESE CONTRACTS?

24 MR. ROTH: NO. I LOOKED THAT UP, AND I WOULD  
25 MOVE APPROVAL.

1                   CHAIRMAN KLEIN:  THERE'S A MOTION FOR  
2  APPROVAL FROM DUANE ROTH.  IS THERE A SECOND?

3                   DR. MURPHY:  SECOND.

4                   CHAIRMAN KLEIN:  SECOND FROM DR. MURPHY.  IS  
5  THERE PUBLIC COMMENT ON THESE CONTRACTS?  SEEING NO  
6  PUBLIC COMMENT, I WOULD CALL THE QUESTION.  ALL IN  
7  FAVOR.  OPPOSED?  WALTER, ARE WE CLEAR?

8                   MR. BARNES:  YOU HAVE ONE MORE ITEM WHICH HAS  
9  TO DO WITH THE GIFT POLICY.  IF YOU RECALL, WE HAD THE  
10  GIFT POLICY.  WE MADE SEVERAL CHANGES, PRESENTED IT AT  
11  THE LAST ICOC MEETING, BUT WE DIDN'T HAVE A QUORUM, BUT  
12  WE DID GET RECOMMENDATION FOR ONE OTHER CHANGE, WHICH  
13  WE HAVE INCORPORATED IN HERE.  PREVIOUSLY WE HAD  
14  RECOMMENDED EXEMPTION FROM THE GIFT POLICY FOR DIRECT  
15  PAYMENTS OR REIMBURSEMENTS.  AND WE HAD PUBLIC COMMENT  
16  THAT SUGGESTED THAT THAT WAS NOT A GOOD IDEA.  SO WE  
17  WENT BACK, LOOKED AT IT, AND WE AGREE WITH THEM, SO  
18  THAT CHANGE HAS BEEN INCORPORATED IN HERE.

19                  AT THE LAST TWO MEETINGS, WE'VE GONE OVER A  
20  NUMBER OF THE CHANGES THAT WE'VE MADE TO INCORPORATE  
21  ICOC INPUT, AS WELL AS PUBLIC INPUT, AND WE'D  
22  APPRECIATE A VOTE TODAY TO IMPLEMENT THIS POLICY AS  
23  PERMANENT POLICY.

24                  CHAIRMAN KLEIN:  THIS INCLUDES THE  
25  INCORPORATION OF THE PUBLIC COMMENT?

1 MR. BARNES: YES.

2 CHAIRMAN KLEIN: IS THERE BOARD DISCUSSION?

3 MR. ROTH: I MAKE A MOTION TO APPROVE.

4 CHAIRMAN KLEIN: DUANE ROTH MOVES APPROVAL.

5 IS THERE A SECOND?

6 DR. PRIETO: SECOND.

7 CHAIRMAN KLEIN: SECOND FROM DR. PRIETO.

8 DR. POMEROY: BOB, ONE QUICK QUESTION. ON

9 TERM 5, WALTER, DOES ADVISORS IMPLY WORKING GROUP

10 MEMBERS? ON TERM NO. 5, DOES ADVISORS IMPLY WORKING

11 GROUP MEMBERS? I WOULD LIKE IT EXPLICITLY STATED THAT

12 THAT INCLUDES THE WORKING GROUP MEMBERS UNLESS YOU

13 THINK IT IMPLIES THAT.

14 MR. BARNES: I'M SORRY. YOU SAID FIVE.

15 DR. POMEROY: DONOR AGREES THAT IT WILL NOT

16 HAVE AN OPPORTUNITY TO AND WILL NOT INFLUENCE.

17 MR. BARNES: YES. YES.

18 CHAIRMAN KLEIN: THE ANSWER IS YES. SHE'S, I

19 THINK, ASKING THAT YOU MAKE IT EXPLICIT THAT IT

20 INCLUDES WORKING GROUP MEMBERS.

21 MR. BARNES: THAT'S FINE. WE WILL DO THAT.

22 CHAIRMAN KLEIN: ARE THERE ANY OTHER BOARD

23 COMMENTS? ANY OTHER PUBLIC COMMENT? WE HAVE A MOTION

24 AND A SECOND. ALL IN FAVOR. OPPOSED?

25 NOW, ARE WE FREE TO RELEASE OUR DISTINGUISHED



1 CANDIDATES?

2 THANK YOU. THANK YOU VERY MUCH.

3 DR. HALL: MR. CHAIR, I'D JUST LIKE TO TAKE  
4 THIS OPPORTUNITY TO REMIND EVERYBODY THIS IS WALTER  
5 BARNES' LAST ICOC MEETING, SO YOU MAY WISH TO GIVE HIM  
6 A HAND.

7 (APPLAUSE.)

8 DR. HALL: HE HAS BEEN A STALWART ON OUR  
9 BEHALF.

10 MS. LANSING: I THINK I WANT TO SAY FOR ALL  
11 THE BOARD YOU HAVE BEEN EXTRAORDINARY, AND YOU REALLY  
12 HAVE MADE ALL OF US UNDERSTAND THE MOST ARCANE THINGS.

13 (APPLAUSE.)

14 MR. BARNES: THANK YOU. IT'S BEEN MY  
15 PLEASURE TO BORE YOU TO DEATH MOST OCCASIONS.

16 THE ONLY OTHER THING WITH REGARD TO MY REPORT  
17 IS WE DID GIVE YOU INFORMATION AND A LIST OF THE GIFTS  
18 THAT WE HAVE ACTUALLY RECEIVED TO DATE AND THE USES TO  
19 WHICH THEY'RE BEING PUT TO. JUST FOR YOUR INFORMATION.  
20 THESE ARE ALL GIFTS THAT HAVE COME BEFORE THE ICOC  
21 BEFORE FOR APPROVAL.

22 CHAIRMAN KLEIN: THAT'S ALL AVAILABLE TO THE  
23 PUBLIC.

24 MR. BARNES: THAT IS, YES.

25 CHAIRMAN KLEIN: IN THE PROCESS, TOO, OF

1     THANKING STAFF, IN THE STANDARDS GROUP WORKING WITH  
2     GEOFF LOMAX, KATE SHREVE MADE A TREMENDOUS CONTRIBUTION  
3     TO THAT PROCESS. I'D JUST LIKE TO RECOGNIZE THAT  
4     CONTRIBUTION.

5                             (APPLAUSE.)

6             CHAIRMAN KLEIN: DR. HALL, I BELIEVE THAT WE  
7     CAN NOW TAKE UP ITEM 15 UNLESS COUNSEL WOULD INDICATE  
8     THAT THERE'S ANY OTHER URGENT ITEM. SEEING NO COMMENT  
9     FROM COUNSEL, DR. HALL, ITEM 15.

10            DR. HALL: THIS IS JUST TO PRESENT TO YOU THE  
11    RESULTS OF THE MEETING LAST NIGHT IN WHICH -- HOW MANY  
12    DID WE HAVE PRESENT? WE HAD NINE MEMBERS OF THE ICOC.  
13    WE HAD A TERRIFIC MEETING ACTUALLY RIGHT HERE, AND WE  
14    TALKED ABOUT A MISSION STATEMENT AND VALUES AND  
15    STRATEGIC PRINCIPLES AND EVEN A SLOGAN THAT SHOULD  
16    GUIDE THE STRATEGIC PLAN.

17            THESE WERE RECOMMENDED UNANIMOUSLY BY THOSE  
18    WHO WERE PRESENT. AND SO I THINK WE NOW HAVE THESE,  
19    AND WE HAD VERY HELPFUL AND, AS YOU WILL HEAR,  
20    IMPORTANT PARTICIPATION FROM MEMBERS OF THE PUBLIC WHO  
21    WERE PRESENT. SO THIS REPRESENTS WORK ON ALL OF OUR  
22    BEHALF.

23            THIS WAS THE MISSION STATEMENT THAT THE GROUP  
24    LAST NIGHT AGREED TO PUT FORWARD TO THE ICOC FOR ITS  
25    CONSIDERATION. IN ACCORDANCE WITH THE MANDATE OF THE

1 CITIZENS OF CALIFORNIA AS SPECIFIED IN THE CALIFORNIA  
2 STEM CELL RESEARCH AND CURES ACT, THE MISSION OF THE  
3 CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE IS TO  
4 SUPPORT AND ADVANCE STEM CELL RESEARCH AND REGENERATIVE  
5 MEDICINE UNDER THE HIGHEST ETHICAL AND MEDICAL  
6 STANDARDS FOR THE DISCOVERY AND DEVELOPMENT OF CURES,  
7 THERAPIES, DIAGNOSTICS, AND RESEARCH TECHNOLOGIES TO  
8 RELIEVE HUMAN SUFFERING FROM CHRONIC DISEASE AND  
9 INJURY.

10 I DON'T KNOW, MR. CHAIR, WE JUST LOST OUR  
11 QUORUM, SO WE CAN RECOMMEND AGAIN BY A CONSENSUS THIS  
12 TO THE NEXT ICOC MEETING, I SUPPOSE, BUT I DON'T HOW  
13 YOU WISH TO PROCEED.

14 CHAIRMAN KLEIN: WELL, SINCE IT'S GOING TO BE  
15 BEFORE US THE NEXT MEETING, IF THERE'S ANY INCIPIENT  
16 COMMENTS FROM THE BOARD, CERTAINLY IT'S APPROPRIATE TO  
17 TAKE THEM AT THIS TIME, BUT WE WILL BE SEEING THIS BACK  
18 BEFORE US. ARE THERE ANY BOARD COMMENTS?

19 DR. HALL: EACH OF THE THINGS I'M GOING TO  
20 SHOW YOU WAS EXTENSIVELY WORD CRAFTED LAST NIGHT. SO  
21 WE HAD SPENT QUITE A LOT OF TIME. ACTUALLY IT WAS A  
22 GOOD MEETING. WE SPENT VERY ENJOYABLE TIME, I SHOULD  
23 SAY, DISCUSSING THIS. ALL RIGHT. THEN LET'S GO ON  
24 THEN TO THE VALUES.

25 DR. PENHOET: ZACH, IF I MIGHT INTERJECT. IF

1 PEOPLE DO SEE SOMETHING THERE, I THINK IT'S IMPORTANT  
2 TO GET IT TO ZACH AND HIS TEAM BEFORE THE NEXT BOARD  
3 MEETING BECAUSE THESE PRINCIPLES AND THESE VALUES ARE  
4 AN IMPORTANT CORNERSTONE FOR THE STRATEGIC PLANNING  
5 PROCESS. SO TO SOME DEGREE, THE STRATEGIC PLANNING  
6 PROCESS IS THERE TO ACTUALIZE THE MISSION.

7 CHAIRMAN KLEIN: AND I WOULD STATE THAT THESE  
8 WILL BE POSTED. SO IF THE PUBLIC HAS COMMENTS AND  
9 IDEAS, PLEASE SUBMIT THE COMMENTS TO ZACH. WE WANT TO  
10 MAKE CERTAIN -- WE ALWAYS GAINED, I THINK, IN THE  
11 PUBLIC PROCESS. WE WANT TO EMPHASIZE THAT THOSE  
12 COMMENTS ARE WELCOME.

13 DR. HALL: WE DECIDED THAT IT MIGHT BE USEFUL  
14 TO HAVE A SLOGAN; I.E., SOMETHING SHORT THAT WE CAN PUT  
15 ON STATIONERY OR USE IN OTHER INSTANCES WHERE WE DIDN'T  
16 WANT TO PUT A WHOLE MISSION STATEMENT, BUT COULD MAKE A  
17 QUICK, CONCISE, VIVID STATEMENT. AFTER CONSIDERABLE  
18 DISCUSSION OF SEVERAL ALTERNATIVES, A MEMBER OF THE  
19 PUBLIC, ROMAN REED, WHO WAS HERE EARLIER TODAY AND MAY  
20 STILL BE HERE. TOO BAD. HE'S WELL KNOWN TO ALL OF US  
21 AND TO SOME OF US HERE BETTER THAN OTHERS. BUT AT ANY  
22 RATE, HE SUGGESTED A SLOGAN THAT CAUGHT EVERYONE'S  
23 IMAGINATION AND THAT'S THIS, "TURNING STEM CELLS INTO  
24 CURES." SO THAT IS WHAT WAS PROPOSED.

25 AND THEN WE TALKED ABOUT VALUES. AND THESE

1 ARE -- THE MAIN VALUES ARE THOSE THINGS WHICH SHOULD  
2 IMBUE THE PLAN. OUR PLAN SHOULD EXPRESS IN AN  
3 IMPORTANT WAY THESE PARTICULAR VALUES. AND IF WE CAN  
4 SEE THE NEXT SLIDE, THESE WERE THE ONES WE AGREED ON.  
5 AND OUR SENSE WAS THAT THIS WAS NOT SOMETHING THAT YOU  
6 PUT OUT AN RFA ABOUT OR THAT YOU DO SOMETHING SPECIFIC  
7 ABOUT, BUT THAT THESE ARE GUIDEPOSTS. AS WE MADE  
8 DECISIONS ABOUT PRIORITIES DOWN THE ROAD, THAT WE'RE  
9 ABLE TO REFER TO THESE AND SAY WE HAVE ENUNCIATED AS AN  
10 IMPORTANT VALUE THAT WE SHOULD DO THIS. AND SO THIS  
11 WILL OFTEN BE A REMINDER TO US OF WHAT WE THINK IS  
12 IMPORTANT.

13 THE ONES THAT WERE SUGGESTED LAST NIGHT WERE  
14 ACCOUNTABILITY, ADAPTABILITY. BY THAT IS MEANT KIND OF  
15 FLEXIBLE RESPONSE TO OPPORTUNITIES. COLLABORATION,  
16 EXCELLENCE, INNOVATION, INTEGRITY, SERVICE, AND  
17 URGENCY.

18 SO IF YOU HAVE ANY COMMENT ON THOSE. I THINK  
19 MOST OF US WOULD FIND IT HARD TO DISAGREE WITH ANY ONE  
20 OF THOSE.

21 DR. POMEROY: I'M NOT GOING TO DISAGREE WITH  
22 ANY OF THOSE, BUT I WOULD LIKE TO URGE YOU TO CONSIDER  
23 ADDING ONE THAT CAME OUT THAT'S INCLUDED ON THE DRAFT.  
24 AND THAT'S DIVERSITY BECAUSE I THINK DIVERSITY IS  
25 CRITICAL TO CALIFORNIA, CRITICAL TO WHAT WE'RE DOING.

1 SO I WOULD JUST ADVOCATE THAT DIVERSITY BE ADDED.

2 DR. HALL: WE WOULD CERTAINLY CONSIDER THAT.  
3 THAT WAS PROPOSED LAST NIGHT. THERE WAS CONSIDERABLE  
4 DISCUSSION ABOUT IT, AND THE GROUP LAST NIGHT DECIDED  
5 NOT TO PUT IT ON. I THINK IT'S NOT THAT ANYBODY  
6 DISAGREES WITH IT. IT WAS A QUESTION OF WHETHER THIS  
7 WAS THE RIGHT PLACE FOR IT. BUT WHATEVER YOU WISH ON  
8 THIS. IF IT'S THE DESIRE OF THIS GROUP, WE WILL  
9 CERTAINLY ADD IT.

10 DR. THAL: WE DISCUSSED THIS FAIRLY  
11 THOROUGHLY LAST NIGHT. IT WAS REALLY AN ISSUE. WE  
12 STARTED OFF WITH A LIST OF 15, IT WENT TO 17, I THINK  
13 WE'VE GOT IT DOWN TO EIGHT. EVEN EIGHT IS PROBABLY TOO  
14 MANY. AND SO AGAIN, IT WASN'T THAT NO ONE DOESN'T LIKE  
15 DIVERSITY AND DOESN'T THINK IT'S IMPORTANT. IT JUST  
16 DOESN'T QUITE RISE TO THE TOP.

17 DR. HALL: ANYBODY ELSE, ANY OTHER COMMENT?

18 CHAIRMAN KLEIN: I WOULD JUST LIKE TO SAY  
19 THAT DIVERSITY IN TERMS OF REACHING OUT TO ALL ELEMENTS  
20 OF THE POPULATION OF THE STATE, BOTH IN SERVICE TO  
21 THOSE PATIENT GROUPS AND IN THE CONSTITUENCY OF THOSE  
22 TRAINED AND WILL BECOME THE NEXT GENERATION OF  
23 SCIENTISTS AND PHYSICIANS IN THE STATE, IS A TERRIBLY  
24 IMPORTANT VALUE. WE HAVE IT INCORPORATED IN OTHER  
25 DOCUMENTS AND POLICIES, BUT I THINK CLAIRE'S POINT,

1 GOING TO THAT DIVERSITY, AS I UNDERSTAND IT, IT WOULD  
2 BE APPROPRIATE BETWEEN NOW AND THE NEXT MEETING FOR US  
3 TO CONSIDER WHETHER WE'VE ADEQUATELY ADDRESSED HOW  
4 CRITICAL IT IS TO US IN OUR MISSION OR WHETHER IT NEEDS  
5 TO BE LISTED HERE AS WELL.

6 DR. HALL: LET ME JUST RAISE ONE QUESTION.  
7 AS LEON SAID, WE DO HAVE EIGHT. AND THE QUESTION IS DO  
8 YOU WISH TO CUT THIS ANY FURTHER, OR ARE YOU HAPPY WITH  
9 EIGHT?

10 CHAIRMAN KLEIN: IT APPEARS THAT WE MIGHT ADD  
11 ONE. SO --

12 DR. HALL: WELL, OR NINE. THAT WOULD BE THE  
13 QUESTION. IT IS TRUE THAT, AS YOU ADD MORE AND MORE,  
14 YOU DILUTE THE VALUE OF THE ONES YOU HAVE IN A SENSE BY  
15 IT'S BEING A LONG LIST RATHER THAN BEING FOUR OR FIVE  
16 OR SIX STRONG VALUES.

17 CHAIRMAN KLEIN: I DON'T SEE ANY GREAT  
18 OUTPOURING OF ANY DECISION TO CUT THIS LIST AT THIS  
19 POINT, BUT I THINK IT IS VERY APPROPRIATE, GIVEN THE  
20 CRITICAL NATURE OF DIVERSITY IN THIS STATE, TO CONSIDER  
21 THAT BETWEEN NOW AND THE NEXT MEETING.

22 DR. HALL: SO WHAT AM I HEARING? IS THERE  
23 THEN A WISH ON THE BOARD TO ADD DIVERSITY TO THIS LIST?

24 MR. GOLDBERG: I WOULD VOTE FOR THAT.

25 MS. FEIT: I WOULD AGREE ALSO THAT DIVERSITY

1 WOULD REALLY BE IMPORTANT IN TERMS OF, PARTICULARLY IN  
2 THE STATE OF CALIFORNIA. I JUST THINK ITS ABSENCE IS  
3 GOING TO SAY SOMETHING THAT WE DON'T WANT TO SAY, SO I  
4 WOULD VOTE FOR ADDING IT.

5 DR. HALL: ANYBODY ELSE?

6 DR. PRIETO: I THOUGHT ABOUT THIS AFTER LAST  
7 NIGHT'S DISCUSSION, AND I THINK THAT I WOULD ALSO FAVOR  
8 PUTTING DIVERSITY ON THERE. AND I THINK THAT FOR ME  
9 ANYWAYS IT WOULD BE AT A HIGHER LEVEL THAN URGENCY AS A  
10 BASIC VALUE. URGENCY, I THINK, IS IMPORTANT AND  
11 ASSUMED IN OUR WORK, BUT AS A BASIC VALUE I'M NOT SURE  
12 IT RISES TO THE IMPORTANCE THAT I THINK DIVERSITY DOES.

13 DR. HALL: ALL RIGHT. IS THAT THE GENERAL  
14 SENSE OF THE GROUP, THEN, THAT WE SHOULD ADD THAT?  
15 LET'S DO. ANYBODY OBJECT? OKAY. PLEASE ADD  
16 DIVERSITY. GOOD. ALL RIGHT.

17 BOB SUGGESTED THAT WE SHOULD HAVE A GROUP OF  
18 STRATEGIC PRINCIPLES. AND THIS WAS THE -- THESE WERE  
19 THE GROUP THAT CAME FROM THE DISCUSSION. RISK  
20 DIVERSIFICATION, COMPARATIVE ADVANTAGE; THAT IS, WHAT  
21 CAN CIRM DO THAT OTHERS CAN'T; SEEDING, ENABLING,  
22 RESOURCE LEVERAGE, FOCUS ON TRANSLATIONAL MEDICINE,  
23 DYNAMIC. IF WE MADE A NOUN OUT OF THAT, I GUESS IT  
24 WOULD BE DYNAMISM. WE DISCUSSED THE PROS AND CONS OF  
25 THOSE TWO WORDS LAST NIGHT A BIT. DATA SHARING,



1 ACHIEVING MILESTONES, GOAL-DRIVEN DIRECTED SCIENCE,  
2 AMBITIOUS GOALS, TARGETING CRITICAL GAPS, PARTNERSHIP  
3 BETWEEN ACADEMIA AND INDUSTRY, CAPTURING KNOWLEDGE FOR  
4 CLINICAL USE.

5 I SUGGEST THAT WE DON'T ADD MORE. IF YOU  
6 HAVE ONE YOU WANT TO SUBSTITUTE FOR ONE OF THOSE, I  
7 THINK THAT MIGHT BE A GOOD RULE OF THUMB.

8 CHAIRMAN KLEIN: BETWEEN NOW AND THE NEXT  
9 MEETING, SINCE THIS IS THE FIRST TIME THE BOARD HAS  
10 LOOKED AT THESE, WE CAN CONSIDER THESE, I TAKE IT?  
11 TAKE IT UNDER ADVISEMENT?

12 DR. HALL: ABSOLUTELY. YES. I GUESS WE WILL  
13 PRESENT THEM NEXT TIME.

14 DR. WRIGHT: ZACH, ARE THESE GOING TO BE UP  
15 ON THE WEBSITE?

16 DR. HALL: YES, THEY WILL. YES, THEY WILL.

17 DR. MURPHY: TURNING STEM CELLS INTO CURES,  
18 THAT SOUNDS FINE TO ME, BUT THERE'S A WONDERFUL BEAUTY  
19 ABOUT THE FACT THAT THAT CAME FROM ONE OF THE PEOPLE  
20 THAT WE'RE REALLY TRYING TO HELP WHO HAPPENS TO BE THE  
21 SON OF SOMEONE WHO HAS BEEN OF ENORMOUS HELP TO US  
22 ALREADY. IF WE CHOOSE THAT, I WOULD BE DELIGHTED.

23 DR. HALL: YES. I'VE MADE THE HALF SERIOUS  
24 SUGGESTION LAST NIGHT. WE SHOULD THINK ABOUT HOW TO DO  
25 THIS, BUT THAT IN THE SAME WAY THAT YOU HAVE A

1 TRADEMARK AT THE END, WE SHOULD PUT RR CIRCLED AT THE  
2 END, SOMETHING LIKE THAT TO ACKNOWLEDGE. IT WAS A  
3 WONDERFUL CONTRIBUTION. I THINK IT WAS VERY  
4 APPROPRIATE AND APT; AND AS YOU SAY, THERE'S SOMETHING  
5 ABOUT THE SOURCE OF IT THAT, I THINK, SAYS A LOT ABOUT  
6 WHO WE ARE AND THE WAY WE GO ABOUT OUR BUSINESS.

7 DR. FONTANA: CAN WE ALSO CAPTURE THE SMILE  
8 ON DON REED'S FACE, PUT THAT ON OUR EMBLEM?

9 DR. HALL: THAT KEEPS US GOING ALL THE TIME.  
10 ALL RIGHT. THAT CONCLUDES THAT.

11 CHAIRMAN KLEIN: THANK YOU VERY MUCH. SO,  
12 STAFF, TO MAKE CERTAIN WE HAVEN'T MISSED ANYTHING,  
13 THEY'RE TELLING ME WE HAVEN'T. WE WENT THROUGH AND  
14 ADJUSTED THIS IN A VERY CUSTOM FASHION AS THE DAY'S  
15 EVENTS UNFOLDED. WE HAVE A VERY DYNAMIC CALENDAR THAT  
16 RESPONDS TO CHALLENGE. THANK YOU ALL.

17 IS THERE ANY CLOSING PUBLIC COMMENT?

18 MR. REED: I JUST HAVE TO SAY THAT WHILE  
19 WE'RE ALL THRILLED WITH THE GOVERNOR'S MAGNIFICENT  
20 GESTURE, IT WOULD NOT HAVE HAPPENED IF YOU GUYS HADN'T  
21 WORKED YOUR HEADS OFF SO MUCH. SO THANK YOU ALL ON  
22 BEHALF OF CALIFORNIA.

23 MR. SIMPSON: TWO VERY QUICK THINGS. ONE,  
24 DELIGHTED TO SEE THAT ALL THE DOCUMENTS WERE UP AND  
25 AVAILABLE IN AMPLE TIME. AGAIN, STAFF IS DOING FINE

1 WORK IN THAT REGARD.

2 THE OTHER QUESTION I HAD GOES TO THE MINUTES.  
3 IT STRUCK ME THAT FROM TIME TO TIME THEY RECORD ACTIONS  
4 THAT ARE TAKEN THAT ARE, IN FACT, SOMETIMES THE RESULT  
5 OF PUBLIC COMMENT. BUT THE MINUTES DON'T SEEM TO  
6 REFLECT THAT INPUT. THE TRANSCRIPTS DO, BUT I WONDER  
7 WHETHER THERE SHOULD BE A MECHANISM IN THE MINUTES WHEN  
8 THERE IS A DIRECT RESPONSE TO PUBLIC COMMENT THAT  
9 SHOULD BE REFLECTED.

10 CHAIRMAN KLEIN: I THINK THAT'S AN EXCELLENT  
11 COMMENT, JOHN. AND TO THE EXTENT YOU CAN HELP US IN  
12 IDENTIFYING THEM, HOPEFULLY WE CAN GO BACK THROUGH THE  
13 MORE RECENT TRANSCRIPTS AND MAKE THAT NOTATION BECAUSE  
14 IT IS AN -- THE PUBLIC IS A VERY IMPORTANT PART OF THE  
15 THAT PROCESS. AND TO THE EXTENT THE PUBLIC SEES THEIR  
16 CONTRIBUTIONS BEING RECOGNIZED, IT REINFORCES THAT.

17 MS. FOGEL: SUSAN FOGEL. I JUST HAVE ONE  
18 COMMENT ON THE STRATEGIC PLAN AND THE VALUES AND THE  
19 PRINCIPLES. ONE OF THE THINGS THAT YA'LL TALKED ABOUT  
20 EARLY ON, BUT THAT'S MISSING THERE, IS ACCESS. AND IT  
21 SEEMS TO ME YOU HAVE A SPECIAL RESPONSIBILITY TO MAKE  
22 SURE THAT EVERYTHING YOU DEVELOP, YOU FUND WITH PUBLIC  
23 MONEY IS REALLY ACCESSIBLE, ESPECIALLY TO THOSE WHO  
24 CAN'T AFFORD THE \$20,000 DRUGS THAT JOHN SIMPSON WAS  
25 TALKING ABOUT. AND IT'S NOT REFLECTED ANYWHERE. IT'S

1 NOT IN VALUES, IT'S NOT IN PRINCIPLES, IT'S NOT IN  
2 MISSION. I THINK IT'S A HUGE OVERSIGHT.

3 CHAIRMAN KLEIN: THANK YOU VERY MUCH. VERY  
4 IMPORTANT COMMENT. ARE THERE ANY ADDITIONAL PUBLIC  
5 COMMENTS? SEEING NONE, ARE THERE ANY FINAL BOARD  
6 COMMENTS? SEEING NONE, WE STAND ADJOURNED. THANK YOU  
7 VERY MUCH.

8 (THE MEETING WAS THEN ADJOURNED AT 04:38  
9 P.M.)

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REPORTER'S CERTIFICATE

I, BETH C. DRAIN, A CERTIFIED SHORTHAND REPORTER IN AND FOR THE STATE OF CALIFORNIA, HEREBY CERTIFY THAT THE FOREGOING TRANSCRIPT OF THE PROCEEDINGS BEFORE THE INDEPENDENT CITIZEN'S OVERSIGHT COMMITTEE OF THE CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE IN THE MATTER OF ITS REGULAR MEETING HELD AT THE LOCATION INDICATED BELOW

MISSION BAY CONFERENCE CENTER AT UCSF  
ROBERTSON AUDITORIUM  
1675 OWENS STREET  
SAN FRANCISCO, CALIFORNIA  
ON  
AUGUST 2, 2006

WAS HELD AS HEREIN APPEARS AND THAT THIS IS THE ORIGINAL TRANSCRIPT THEREOF AND THAT THE STATEMENTS THAT APPEAR IN THIS TRANSCRIPT WERE REPORTED STENOGRAPHICALLY BY ME AND TRANSCRIBED BY ME. I ALSO CERTIFY THAT THIS TRANSCRIPT IS A TRUE AND ACCURATE RECORD OF THE PROCEEDING.

BETH C. DRAIN, CSR 7152  
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