

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: UC SAN DIEGO
THE PRICE CENTER
9500 GILMAN DRIVE
LA JOLLA, CALIFORNIA

DATE: FRIDAY, AUGUST 5, 2005
9:30 A.M.

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

BRS FILE NO.: 71714

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1 LA JOLLA, CALIFORNIA; FRIDAY, AUGUST 5, 2005

2

3 CHAIRMAN KLEIN: OKAY. IF WE CAN CALL THIS
4 MEETING TO ORDER. I'D LIKE TO WELCOME EVERYONE TO UC
5 SAN DIEGO'S PRICE HALL. I THINK THAT MIGHT BE THE
6 APPROPRIATE TITLE. IT'S A TREMENDOUS FACILITY. WE
7 WANT TO PARTICULARLY THANK JOHN PAYNE, MARK KINSEY, AND
8 THE TEAM HERE AT THE PRICE CENTER. WE WANT TO THANK
9 KELLY, CHIEF OF STAFF AT THE UCSD CONNECT, FOR PUTTING
10 US IN TOUCH WITH THE PRICE CENTER, AND DWAYNE ROTH VERY
11 SPECIFICALLY AS THE EXECUTIVE DIRECTOR OF UCSD CONNECT
12 FOR HIS TEAM'S HELP.

13 WE'D ALSO LIKE TO EXPRESS OUR GRATITUDE TO
14 DR. HOLMES AND DR. THAL, BOTH CONNECTED HERE WITH THIS
15 GREAT INSTITUTION, FOR THEIR HOSPITALITY.

16 THIS MORNING WE STARTED WITH A SPOTLIGHT ON
17 MS, WHICH WAS AN EXTRAORDINARILY MOVING PRESENTATION.
18 AND DAVID SERRANO-SEWELL, WHO CHAMPIONS BOTH ALS AND
19 MS, LED THAT PROGRAM. DAVID, PERHAPS YOU COULD
20 INTRODUCE THE MS PARTICIPANTS IN THE AUDIENCE, AND WE
21 HAVE THE DISTINCTION OF YOUR WIFE AND YOUR PARENTS
22 BEING HERE, IF YOU COULD INTRODUCE THEM AS WELL.

23 MR. SERRANO-SEWELL: THANK YOU, BOB AND
24 COLLEAGUES. THIS MORNING WE HAD A GREAT SPOTLIGHT.
25 SOME OF THE PARTICIPANTS AND CO-SPONSORS, THANK YOU

1 AGAIN VERY MUCH. I SEE IN THE AUDIENCE PEOPLE FROM THE
2 WAGA CENTER, THE ACCELERATED CURE PROJECT, AND ALSO
3 JAMIE MCDONALD AND STEWART FERRY FROM THE NATIONAL MS
4 SOCIETY. AGAIN, THANK YOU FOR HELPING US OUT TODAY.
5 APPRECIATE IT.

6 MOST IMPORTANTLY, WHEN YOU'RE ON THESE
7 THINGS, YOU DO GET TO A POINT OF PERSONAL PRIVILEGE,
8 AND THAT IS TO DO WHATEVER YOU WANT. I DO WANT TO
9 RECOGNIZE THE SMARTEST DECISION I EVER MADE, AND THAT
10 WAS WHEN SARA SAID YES AND WE WERE MARRIED FIVE YEARS
11 AGO. SHE'S HERE. SHE FLEW IN THIS MORNING FROM SAN
12 FRANCISCO. THANK YOU, SARA. AND MY TWO MENTORS AND
13 PEOPLE THAT HAVE CONTINUED TO GUIDE ME AND SUPPORT ME
14 UNCONDITIONALLY, LOVE ME, MY MOTHER AND FATHER, SANDY
15 AND MARIO. THEY DROVE IN THIS MORNING. AND SOMEONE
16 THAT'S KNOWN ME FOREVER, SHE LIVES JUST DOWN THE
17 STREET, AND RECEIVED AN AWARD FROM THE WOMAN'S PROGRAM
18 HERE, GRACIA PICK. THANK YOU, BOB. THANK YOU,
19 COLLEAGUES.

20 CHAIRMAN KLEIN: WOULD YOU LIKE TO INTRODUCE
21 JAMIE AND THE OTHER LEADERSHIP FROM THE NATIONAL AND
22 REGIONAL MS SOCIETY?

23 MR. SERRANO-SEWELL: JAMIE, AGAIN, SHE IS THE
24 ORANGE COUNTY CHAPTER PRESIDENT. THE ORANGE COUNTY AND
25 SAN DIEGO CHAPTERS ARE MERGING WITH THE NATIONAL MS

1 SOCIETY. SHE IS HERE. AND STEWART FERRY IS THE STATE
2 LEGISLATIVE DIRECTOR. HE'S A REALLY GOOD LOBBYIST FOR
3 US AND A GREAT ORGANIZER, AND SO THEY'RE BOTH HERE AS
4 WELL.

5 I DON'T SEE MARY HERE RIGHT NOW. THOSE OF
6 US, YOU KNOW, WE HEARD MARY SPEAK THIS MORNING. HER
7 PARTNER, RICHARD, IS JUST OUTSIDE THE DOOR, I CAN SEE,
8 AND THE DOG, I'M SURE, IS AROUND. SHE GAVE A VERY
9 MOVING SPEECH. TO HAVE HER COME DOWN HERE AND SPEAK
10 WAS REALLY AN HONOR.

11 CHAIRMAN KLEIN: THANK YOU VERY MUCH. IT WAS
12 A TREMENDOUS PROGRAM.

13 MELISSA KING, COULD YOU LEAD US IN THE PLEDGE
14 OF ALLEGIANCE. AND I'LL ASK THE BOARD SEATED ON THE
15 BACK OF THE PODIUM NOT TO STEP OFF THE EDGE.

16 (THE PLEDGE OF ALLEGIANCE.)

17 CHAIRMAN KLEIN: THANK YOU VERY MUCH. AND,
18 MELISSA, THE ROLL CALL.

19 MS. KING: DAVID BALTIMORE. BOB PRICE FOR
20 ROBERT BIRGENEAU.

21 DR. PRICE: HERE.

22 MS. KING: KEITH BLACK. SUSAN BRYANT.

23 DR. BRYANT: HERE.

24 MS. KING: MICHAEL FRIEDMAN. MICHAEL
25 GOLDBERG.

1 MR. GOLDBERG: HERE.
2 MS. KING: BRIAN HENDERSON. ED HOLMES.
3 DR. HOLMES: HERE.
4 MS. KING: DAVID KESSLER. BOB KLEIN.
5 CHAIRMAN KLEIN: HERE.
6 MS. KING: SHERRY LANSING.
7 MS. LANSING: HERE.
8 MS. KING: GERALD LEVEY. MICHAEL LEVY FOR
9 TED LOVE.
10 DR. LEVY: HERE.
11 MS. KING: RICHARD MURPHY.
12 DR. MURPHY: HERE.
13 MS. KING: TINA NOVA.
14 DR. NOVA: HERE.
15 MS. KING: ED PENHOET.
16 DR. PENHOET: HERE.
17 MS. KING: PHIL PIZZO. CLAIRE POMEROY.
18 DR. POMEROY: HERE.
19 MS. KING: FRANCISCO PRIETO. JOHN REED.
20 DR. REED: HERE.
21 MS. KING: JOAN SAMUELSON.
22 MS. SAMUELSON: HERE.
23 MS. KING: DAVID SERRANO-SEWELL.
24 MR. SERRANO-SEWELL: HERE.
25 MS. KING: JEFF SHEEHY. JONATHAN SHESTACK.

1 OSWALD STEWARD.

2 DR. STEWARD: HERE.

3 MS. KING: LEON THAL.

4 DR. THAL: HERE.

5 MS. KING: GAYLE WILSON.

6 MS. WILSON: HERE.

7 MS. KING: JANET WRIGHT.

8 CHAIRMAN KLEIN: AND, MELISSA, I BELIEVE THAT

9 DR. PAUL BERG IS HERE FOR DEAN PIZZO. AND I WOULD LIKE

10 TO HAVE THE HONOR OF INTRODUCING HIM TO THIS GROUP IN

11 SAYING THAT IT IS A DISTINCT PRIVILEGE FOR HIM TO BE

12 WITH US. DR. BERG OBVIOUSLY WAS A GREAT CHAMPION OF

13 RECOMBINANT DNA FOR WHICH HE RECEIVED THE NOBEL PRIZE.

14 IT IS A BATTLE THAT'S REALLY LED THE NATION THROUGH

15 ANOTHER FRONTIER, A FRONTIER WHICH HAS BEEN

16 EXTRAORDINARILY PRODUCTIVE FOR MEDICAL RESEARCH. IT'S

17 A GREAT DISTINCTION, DR. BERG, TO HAVE YOU HERE.

18 DR. BERG: THANK YOU, BOB.

19 CHAIRMAN KLEIN: THIS MORNING'S PROGRAM, WE

20 ARE STARTING WITH A STATE AND NATIONAL LEGISLATIVE

21 UPDATE. WE'RE GOING TO GO CHAIRMAN'S REPORT,

22 PRESIDENT'S REPORT, AND THEN WE ARE GOING TO GO INTO

23 THE EXECUTIVE SESSION EARLIER THAN WAS ON THE AGENDA

24 FOR PEOPLE'S TIMING.

25 WE'VE HAD SOME VERY POSITIVE DEVELOPMENTS IN

1 OUR LITIGATION THAT WE ARE GOING TO DISCUSS IN
2 EXECUTIVE SESSION ALONG WITH SOME PERSONNEL ISSUES AND
3 IMPROVEMENTS THERE. SO FOR INFORMATIONAL PURPOSES, I'D
4 JUST LIKE TO LET EVERYONE KNOW WE'RE GOING TO MODIFY
5 THE SCHEDULE SLIGHTLY.

6 ON THE INFORMATIONAL SIDE, WE HAVE SOME
7 EXTREMELY IMPORTANT STATE AND FEDERAL LEGISLATION TO
8 CONSIDER. COULD WE HAVE KIRK COME FORWARD. KIRK IS
9 OUR HEAD OF GOVERNMENT AFFAIRS. AND, KIRK, COULD YOU
10 LEAD US THROUGH THE STATUS OF THE FEDERAL AND STATE
11 LEGISLATIVE ISSUES.

12 MR. KLEINSCHMIDT: BE HAPPY TO. THANK YOU.
13 IN YOUR PACKET YOU HAVE A WRITTEN SUMMARY OF THE ACTIVE
14 LEGISLATION ON THE STATE LEVEL. I'M NOT GOING TO GO
15 INTO MUCH DETAIL ON THAT UNLESS THERE IS A QUESTION,
16 BUT THERE IS A NUMBER OF MEASURES THAT WE'RE STILL
17 TRACKING AND CLOSELY MONITORING.

18 BUT ON THE FEDERAL LEVEL, THERE'S A NUMBER OF
19 ISSUES THAT WE WANTED TO BRING TO YOUR ATTENTION FOR
20 SOME DISCUSSION AND HOPEFULLY CONSIDERATION OF A
21 POSITION ON TWO MEASURES THAT ARE PARTICULARLY TIMELY
22 AT THIS POINT.

23 THOSE TWO MEASURES HAVE BEEN GETTING A
24 SUBSTANTIAL NUMBER OF MEDIA INTEREST, AND THIS HAS TO
25 DO, OF COURSE, WITH THE HISTORY OF THIS ISSUE OF GOING

1 WAY BACK TO 2001, BUT MORE RECENTLY IN MAY WHEN THE
2 HOUSE PASSED THE CASTLE/DEGETTE MEASURE IN MAY, WHICH
3 WOULD EXPAND THE EXISTING LINES THAT ARE ELIGIBLE FOR
4 FEDERAL FUNDING. YOU MAY RECALL THAT THIS BOARD
5 DISCUSSED THIS ISSUE AT ITS MAY MEETING AND TOOK A
6 POSITION OF SUPPORT FOR THE CASTLE/DEGETTE MEASURE,
7 WHICH SUBSEQUENTLY DID PASS THE HOUSE BY SUBSTANTIAL
8 MARGINS.

9 THAT MEASURE IS THE ONE THAT WE ARE HOPING
10 THERE WILL BE A SENATE VOTE ON IN THE NEAR FUTURE.
11 ORIGINALLY WE WERE TOLD THAT THERE WAS GOING TO BE A
12 VOTE ON IT IN THE SENATE BEFORE THE AUGUST RECESS.
13 THAT DID NOT HAPPEN, BUT WE ARE TOLD THAT WE WILL GET A
14 VOTE ON CASTLE/DEGETTE IN THE FALL PROBABLY AFTER THE
15 SUPREME COURT NOMINATION PROCESS.

16 HOWEVER, IT'S NOT QUITE AS SIMPLE AS AN
17 UP-OR-DOWN VOTE ON ONE MEASURE. THERE ARE A NUMBER OF
18 COMPETING MEASURES HAVING TO DO WITH STEM CELL RESEARCH
19 THAT ARE BEING CONSIDERED AS FAR AS A PACKAGE GOING
20 FORWARD IN THE SENATE. AND WE DO HAVE SOME CONCERNS
21 OVER SOME OF THESE MEASURES.

22 SPECIFICALLY, A MEASURE BY SENATOR BROWNBACK
23 OF KANSAS WOULD BAN, NOT ONLY HUMAN REPRODUCTIVE
24 CLONING, BUT ALSO SCNT. THAT'S SENATE BILL 658.
25 THERE'S A COMPANION BILL IN THE HOUSE AS WELL SPONSORED

1 BY CONGRESSMAN WELDON.

2 THERE ARE A NUMBER OF OTHER PIECES OF
3 LEGISLATION THAT MAY BE GOING FORWARD IN A UNANIMOUS
4 CONSENT DECREE, AND IT'S NOT CLEAR AT THIS PARTICULAR
5 MOMENT WHAT THAT ENTIRE PACKAGE WOULD BE. BUT THE
6 MEASURES THAT I'VE BEEN TOLD THAT WOULD BE CONSIDERED
7 IN ADDITION TO THE CASTLE/DEGETTE MEASURE AND THE
8 BROWNBACK BILL WOULD BE A MEASURE HAVING TO DO WITH
9 BONE MARROW AND CORD BLOOD AND CREATING A NATIONAL
10 INFRASTRUCTURE TO SUPPORT THAT KIND OF RESEARCH. AND
11 THAT IS SPONSORED BY HATCH AND DODD IN THE SENATE BILL
12 1317.

13 ANOTHER POSSIBILITY AS FAR AS A PACKAGE GOING
14 FORWARD FOR A VOTE IS A NEW BILL, ALSO SPONSORED BY
15 SENATOR BROWNBACK, HAS NO COSPONSORS AT THE MOMENT,
16 THAT WOULD BAN HUMAN CHIMERA RESEARCH. AND THERE IS
17 OBVIOUSLY SOME CONCERN ABOUT THAT IF THAT WOULD GO
18 FORWARD.

19 AND THEN RECENTLY, LAST WEEK, IN FACT,
20 SENATOR FEINSTEIN AND HATCH, TOGETHER WITH A TOTAL OF
21 29 MEMBERS IN THE SENATE, INTRODUCED THE HUMAN CLONING
22 BAN ACT OF 2005, SENATE BILL 1520, AND YOU HAVE A FACT
23 SHEET ON THIS MEASURE IN YOUR PACKET. THIS BILL WOULD
24 ONLY BAN HUMAN REPRODUCTIVE CLONING AND REMAINS SILENT
25 IN ANY OTHER ISSUE HAVING TO DO WITH SCNT.

1 SO WHAT'S REALLY IMPORTANT IS THAT IT'S A
2 VERY FLUID SITUATION THAT WE'RE NOT COMPLETELY CLEAR
3 WHAT'S GOING TO GO FORWARD FOR THE FINAL VOTE IN THE
4 SENATE, BUT WE ARE OPTIMISTIC THAT THERE WILL BE A
5 VOTE. SO THE MAIN THING TO FOCUS ON IS THE HUMAN
6 CLONING PROHIBITION ACT, THE BROWNBACK BILL, AS WELL AS
7 THE CASTLE/DEGETTE MEASURE. THOSE ARE THE TWO THAT
8 WE'RE HOPING THAT YOU WILL GIVE SOME CONSIDERATION TO
9 TAKE A POSITION ON, ONE IN SUPPORT AND ONE IN
10 OPPOSITION. THAT'S THE STAFF RECOMMENDATION.

11 BUT SPECIFICALLY, THE BROWNBACK BILL THAT WE
12 HAVE THE CONCERN ABOUT WOULD CRIMINALIZE SCNT, WHICH
13 MANY OF US KNOW WE NEED FOR DISEASE-SPECIFIC LINES AND
14 FOR PATIENT-SPECIFIC TREATMENTS IN THE FUTURE. SO IT'S
15 A VERY NEEDED TECHNIQUE AND WOULD BE PUT IN JEOPARDY IF
16 THIS MEASURE INDEED PASSED.

17 CHAIRMAN KLEIN: OKAY. KIRK, WHY DON'T WE
18 STOP AND DO THIS INCREMENTALLY IF WE COULD. JUST AS A
19 FOCUS HERE, THE ISSUE IN THE SENATE IS THAT CURRENTLY
20 IN THE UNANIMOUS CONSENT RESOLUTION BEING CONSIDERED
21 PRIOR TO SENATOR FRIST'S ANNOUNCEMENT OF HIS CHANGE OF
22 POSITION, THERE WAS NO OPTION FOR ANY DEMOCRAT OR
23 REPUBLICAN WHO IS AGAINST HUMAN REPRODUCTIVE CLONING TO
24 VOTE AGAINST HUMAN REPRODUCTIVE CLONING WITHOUT VOTING
25 AGAINST SCNT.

1 THE PROBLEM HERE IS THAT IN THE BROWNBACK
2 BILL, IN THE DEFINITION SECTION, I'D LIKE YOU, KIRK, IF
3 YOU WOULD, TO PLEASE READ THAT DEFINITION BECAUSE THE
4 DEFINITION IN DEFINING HUMAN CLONING REALLY DEFINES THE
5 THERAPEUTIC USE OF STEM CELLS, NOT HUMAN CLONING. AND
6 THE DEFINITION, THEREFORE, CONFUSES NOT ONLY THE
7 PUBLIC, BUT CONFUSES THE SENATE AND PUTS THE SENATORS
8 IN A VERY AWKWARD POSITION IF THEY DON'T HAVE THE
9 FEINSTEIN/HATCH BILL WHICH FOCUSES ON PROHIBITING HUMAN
10 REPRODUCTIVE CLONING AS AN OPTION. KIRK, COULD YOU
11 READ THAT DEFINITION.

12 MR. KLEINSCHMIDT: THE DEFINITION IN THE
13 BROWNBACK BILL FOR HUMAN CLONING IS "THE TERM 'HUMAN
14 CLONING' MEANS ASEXUAL REPRODUCTION ACCOMPLISHED BY
15 INTRODUCING NUCLEAR MATERIAL FROM ONE OR MORE HUMAN
16 SOMATIC CELLS INTO A FERTILIZED OR UNFERTILIZED OOCYTE
17 WHOSE NUCLEAR MATERIAL HAS BEEN REMOVED OR INACTIVATED
18 SO AS TO PRODUCE A LIVING ORGANISM AT ANY STAGE OF
19 DEVELOPMENT THAT IS GENETICALLY VIRTUALLY IDENTICAL TO
20 AN EXISTING OR PREVIOUSLY EXISTING HUMAN ORGANISM."

21 CHAIRMAN KLEIN: SO THE ISSUE BEFORE US IS
22 ARE WE GOING TO TAKE A POSITION AGAINST THE BROWNBACK
23 BILL, AND ARE WE GOING TO TAKE A POSITION FOR THE
24 HATCH/FEINSTEIN BILL?

25 I WOULD ALSO POINT OUT THAT BEYOND THE

1 OBVIOUS ISSUE OF CONFUSING THE SUBJECT AND RAISING THE
2 RISK THAT SCNT IS PROHIBITED THROUGH THE BROWNBACK
3 BILL, THE BROWNBACK BILL AND ITS COMPANION IN THE
4 HOUSE, THE WELDON BILL, USED SOME VERY ARTFUL LEGAL
5 CODING TO DISGUISE THE REACH OF THEIR PROHIBITION. IN
6 ADDITION TO CRIMINALIZING THE RESEARCH FOR DOCTORS AND
7 SCIENTISTS, IF YOU LOOK AT THE BROWNBACK BILL UNDER
8 SECTION 302(A)(2), YOU WILL FIND THAT IT ALSO REACHES A
9 PROHIBITION AGAINST ANYONE WHO PARTICIPATES IN THE
10 PROCESS, WHICH FOR THOSE OF YOU FROM AREAS OF CHRONIC
11 DISEASE, AS A SPOUSE OR AS A PARENT OR AS A CHILD
12 DEALING FOR YOUR AGING PARENT, IT'S REALLY REACHING
13 BEYOND PROHIBITING IT. IT'S REACHING TO THE POINT THAT
14 IF IN THE FUTURE WE COULD NOT HAVE THIS TYPE OF THERAPY
15 IN THIS COUNTRY AND THEY DEVELOPED ACCESS FOR THIS
16 THERAPY IN CANADA AND YOU TOOK YOUR CHILD OR YOUR
17 PARENT OR YOUR SPOUSE TO CANADA AND BROUGHT THEM BACK
18 INTO THIS COUNTRY, YOU WOULD BE, UNDER THIS BILL, A
19 PARTICIPANT. YOU WOULD BE ARRESTED AT THE BORDER AND
20 SUBJECT TO UP TO TEN YEARS IN PRISON.

21 NOW, IF YOU ALSO LOOK AT THE IMPORTATION
22 CLAUSE, THIS IMPORTATION CLAUSE IN BROWNBACK LOOKS AT
23 IMPORTING THERAPY. BUT AS WE KNOW, BETWEEN THE HOUSE
24 AND THE SENATE, IF THERE'S A DIFFERENCE BETWEEN TWO
25 BILLS BY TWO AUTHORS WORKING TOGETHER, THEY'LL BRING IT

1 TO A CONFERENCE COMMITTEE. AND IF YOU LOOK ACROSS TO
2 THE OTHER SIDE TO THE WELDON BILL ON IMPORTATION, THE
3 LANGUAGE IS SPECIFICALLY IMPORTATES THE THERAPY OR ANY
4 PRODUCT OF THE THERAPY. IT'S EVEN MORE VISIBLE WHAT
5 THEY'RE AFTER IF YOU LOOK AT THE PRIOR YEAR'S BILL
6 WHERE THEY WERE INARTFUL ENOUGH TO INCLUDE THE WORDS
7 "IN ANY BODY" WHERE IT WAS CLEAR THAT IF YOU BROUGHT
8 YOUR PARENT BACK OR YOU TRIED TO BRING A CHILD BACK
9 INTO THE COUNTRY WHEN THEY HAD THE THERAPY IN THEIR
10 BODY, THEY WOULD NOT BE ALLOWED BACK IN THE COUNTRY.

11 AGAIN, IN THE WELDON BILL IT GOES EVEN
12 FURTHER BECAUSE IT HAS SPECIFIC WORDING PROHIBITING ANY
13 PECUNIARY -- ANYONE FROM ADVISING YOU ON THERAPIES
14 WHERE THERE'S A PECUNIARY GAIN, WHICH IS CODE FOR IF
15 YOU PAY YOUR DOCTOR, THEY'RE SUBJECT TO A
16 MILLION-DOLLAR FINE AND IMPRISONMENT.

17 SO BETWEEN THE SENATE AND THE HOUSE, IF YOU
18 LOOK AT THIS PAIR OF PIECES OF LEGISLATION, THEY ARE
19 REALLY EXTRAORDINARILY BURDENSOME AND REPRESENT A
20 RADICAL INTERVENTION OF GOVERNMENT IN THE RIGHT OF A
21 FAMILY MEMBER TO ACCESS FOR THE FUTURE THE BEST CARE
22 FOR THEIR CHILD, THEIR PARENT, OR THEIR SPOUSE, AND IT
23 REPRESENTS A RADICAL INTERVENTION IN THE RELATIONSHIPS
24 BETWEEN A DOCTOR AND A PATIENT.

25 SO THIS IS REALLY HIGHLY DISCONNECTED FROM

1 THE AMERICAN TRADITION, THE AMERICAN EXPERIENCE. BUT
2 IN TERMS OF THE BROWNBACK BILL, IF WE COULD FOCUS ON
3 THAT FIRST, IS THERE OPEN DISCUSSION ON THE ISSUE OF
4 OPPOSITION OF THAT BILL? JOAN.

5 MS. SAMUELSON: I JUST HAD A THOUGHT ALONG
6 THE LINES OF OUR ROLE AS IN THE EDUCATION OF THE
7 PUBLIC, WHICH IS SORT OF A BY-PRODUCT, BUT AT THIS
8 MOMENT I REALIZE HOW IMPORTANT IT IS. I'M WONDERING IF
9 THE STANDARDS WORKING GROUP, NOT TO GIVE IT MORE WORK,
10 BUT THAT IF IT MIGHT PLAY A ROLE IN BEING A BIT OF A
11 TRUTH PATROL ON SOME OF THE ISSUES THAT ARE
12 MISUNDERSTOOD IN THE WAY THEY CHARACTERIZE THEM AND IN
13 THE CASE OF SCNT. IT'S NOT CLONING ANOTHER HUMAN
14 BEING, FOR GOODNESS SAKE. IT'S A CELL. AND ALSO
15 CHIMERAS.

16 PRESUMABLY WE HAVE TO DEVELOP STANDARDS ABOUT
17 THAT STUFF, AND MAYBE IN SO DOING, THERE COULD BE SOME
18 EDUCATION. THE PUBLIC MIGHT SHED SOME LIGHT ON THIS IN
19 THE CONGRESSIONAL SETTING BECAUSE THAT'S WHAT ADVOCATES
20 END UP DOING. EVERY TIME THEY MEET WITH A CONGRESSMAN,
21 THEY HAVE TO REEDUCATE THEM ABOUT WHAT THE TRUE FACTS
22 ARE, AND MAYBE MEDIA COVERAGE OF OUR WORK OR SOME
23 DIRECT COMMUNICATION, WE COULD USE OUR STANDARDS
24 SETTING PROCESS. JUST A THOUGHT.

25 CHAIRMAN KLEIN: I THINK IT'S VERY IMPORTANT.

1 THE STANDARDS COMMITTEE AND THE LEGISLATIVE
2 SUBCOMMITTEE BOTH ENGAGE THIS TOPIC. PARTICULARLY IN
3 THE UPCOMING PERIOD, THE LEGISLATIVE COMMITTEE WILL
4 NEED TO HAVE A MEETING BECAUSE CONGRESS WILL BE COMING
5 BACK INTO SESSION. BUT IT WAS FELT IT WAS IMPORTANT
6 ENOUGH TO BRING IT TO THE FULL BOARD BECAUSE OF THE
7 IMMEDIATE ACTION WHERE SENATOR FEINSTEIN REQUESTED ED
8 PENHOET AND I WRITE A PRELIMINARY LETTER IN OUR
9 INDIVIDUAL ROLES AS CHAIRMAN AND VICE CHAIRMAN, BUT
10 THEN TO HAVE THE FULL BOARD'S ENDORSEMENT OF THIS
11 POSITION TO CARRY THE WEIGHT WITH THE CALIFORNIA
12 DELEGATION IN THE HOUSE AS WELL AS TO CARRY THE WEIGHT
13 OF CALIFORNIA IN THE SENATE.

14 MS. LANSING: TAKING UP ON -- JOAN IS SAYING
15 SOME OF THE THINGS THAT I WANTED TO SAY. I THINK WE
16 MUST BE ACTIVE IN THIS ISSUE. I THINK WE CANNOT BE
17 PASSIVE. THE BROWNBACK BILL AND THE WELDON BILL GO TO
18 THE VERY CORE OF THE WORK THAT WE'RE TRYING TO DO. AND
19 THE FEINSTEIN/HATCH BILL, WHICH IS A BIPARTISAN BILL,
20 IS SUPPORTING OUR WORK. AND FOR US NOT TO BE
21 SUPPORTIVE OF THAT BILL WOULD BE A TRAGEDY IN MY
22 OPINION.

23 I THINK THAT WE HAVE AS A BOARD, AND I DON'T
24 KNOW HOW WE FORMALLY DO THIS, I THINK WE SHOULD
25 ACTIVELY SUPPORT THAT BILL AND ACTIVELY CAMPAIGN

1 AGAINST THE OTHERS. AND I THINK THAT WE HAVE TWO AREAS
2 THAT WE HAVE TO DO IT IN. I THINK WE NEED TO GO TO
3 CONGRESS, WE NEED TO MEET INDIVIDUALLY WITH PEOPLE.

4 AND JOAN AND I WERE TALKING ABOUT THIS ON THE
5 PLANE. WE NEED TO EDUCATE PEOPLE BECAUSE, AND THIS
6 BRINGS ME TO THE SECOND PART OF WHAT WE WERE TALKING
7 ABOUT, THE BIGGEST PROBLEM WE'RE FACING IS NOT WHAT
8 WE'RE DOING, BUT AN EDUCATION OF WHAT WE'RE DOING
9 BECAUSE VERY EDUCATED PEOPLE, OUR CONGRESSMEN AND OUR
10 SENATORS, ARE NOT CLEAR THAT WE ARE DEFINITELY NOT
11 DOING HUMAN CLONING. SO I THINK WE HAVE TO COME OUT
12 ACTIVELY IN OUR COMMUNICATIONS AND SAY THAT. AND THEY
13 DON'T KNOW WHAT SCNT IS. IT'S A BIG WORD. IT'S A
14 SCIENTIFIC WORD. AND IT'S UNFORTUNATE, IN MY OPINION,
15 AND I'M NOT BEING CRITICAL OF ANYONE, THAT THE WORD
16 "CLONING" IS USED WITH IT.

17 AND I URGE US IN OUR PUBLIC COMMUNICATION AND
18 IN OUR PRIVATE COMMUNICATION TO CALL IT CELL
19 DUPLICATION. I'M NOT SMART --

20 DR. MURPHY: PATIENT-SPECIFIC STEM CELLS.

21 MS. LANSING: IT IS NOT CLONING BECAUSE
22 CLONING TO PEOPLE MEANS HUMAN BEINGS ARE BEING CLONED,
23 AND WE'RE NOT DOING THAT. SO I GUESS MY POINT, JUST TO
24 SUMMARIZE, IS TWO THINGS. I THINK WE SHOULD ACTIVELY
25 BE AGAINST THESE BILLS. I DON'T THINK ANY OF US SHOULD

1 BE SHY ABOUT IT. AND I THINK EVEN EQUALLY AS IMPORTANT
2 IS WHEN WE HAVE TWO DISTINGUISHED SENATORS WHO ARE
3 COMING OUT IN A BIPARTISAN BILL SUPPORTING OUR WORK, WE
4 HAVE TO GIVE THEM THE SUPPORT THAT THEY NEED. AND WE
5 HAVE TO, YOU KNOW, WORK WITH THEM TO GET THEIR BILL
6 THROUGH.

7 AND THEN THE SECOND PART IS I THINK WE NEED
8 TO EDUCATE THE PUBLIC, EDUCATE OUR REPRESENTATIVES
9 BECAUSE WE'RE NOT DOING HUMAN CLONING.

10 CHAIRMAN KLEIN: DR. MURPHY.

11 DR. MURPHY: LET ME JUST REINFORCE WHAT
12 SHERRY SAID. I THINK THAT WE AS A BOARD SHOULD USE THE
13 TERM, AND PAUL BERG WAS ONE OF THE FIRST PEOPLE TO COIN
14 THE TERM, OF PATIENT-SPECIFIC OR DISEASE-SPECIFIC STEM
15 CELLS. BY USING THE TERM "CLONING," WHICH NO ONE IS
16 DOING HERE, WE ARE PLAYING INTO THE HANDS OF THE
17 OPPOSITION. AND I THINK WE HAVE TO TAKE A LEADERSHIP
18 POSITION IN USING EXACTLY WHAT THIS IS, WHICH IS CELLS
19 THAT ARE SPECIFIC TO CERTAIN PATIENTS WITH DISEASES
20 THAT THOSE PATIENTS HAVE.

21 DR. HOLMES: ASSUMING THAT FOR THE MOMENT
22 THAT WE WILL SUPPORT THE RECOMMENDATION TO OPPOSE THE
23 BROWNBACK AND THE WELDON BILLS, KIRK, COULD YOU OR
24 SOMEONE TELL US WHAT DOES IT LOOK LIKE IN THE SENATE?
25 HOW CLOSE IS THIS BILL TO ACTUALLY PASSING? AND WHERE

1 SHOULD WE FOCUS OUR ATTENTION AS FAR AS MEMBERS BECAUSE
2 I WOULD THINK, ALONG WITH SHERRY, THAT ONE OF THE
3 THINGS WE'RE GOING TO HAVE TO DO IS ACTUALLY MAKE SOME
4 PERSONAL CONTACT WITH PEOPLE WE MIGHT INFLUENCE IN
5 ADDITION TO JUST SAYING WE SUPPORT SOMETHING OR DON'T
6 SUPPORT SOMETHING.

7 MR. KLEINSCHMIDT: FIRST OF ALL, BOTH OF OUR
8 SENATORS ARE IN SUPPORT OF CASTLE/DEGETTE AND AGAINST
9 BROWNBACK, AND THEY'VE GONE ON RECORD FOR THAT. AND AS
10 FAR AS BROWNBACK, THERE ARE CURRENTLY 33 COSPONSORS FOR
11 THAT MEASURE IN THE WHOLE SENATE. BUT, AGAIN, THERE'S
12 A NUMBER OF PROCEDURAL VOTES THAT HAVE TO HAPPEN UNDER
13 THE UNANIMOUS CONSENT DECREE. AND THERE'S A COUPLE
14 DIFFERENT KEY THRESHOLDS. ONE IS A 60-VOTE MARGIN TO
15 KIND OF CONSIDER THESE -- FIRST OF ALL, EVERY SENATOR
16 HAS TO AGREE TO THIS PACKAGE, WHATEVER THIS PACKAGE IS
17 THAT WE DON'T KNOW YET. THAT HAS TO GO FORWARD, AND
18 THERE IS A DEBATE ON EVERY BILL WITHIN THAT PACKAGE.

19 THERE IS A PROCEDURAL VOTE THAT 60 SENATORS
20 HAVE TO AGREE TO MOVE FORWARD FOR AN ACTUAL VOTE WITHIN
21 THAT PACKAGE. SO, FOR INSTANCE, SO 41 VOTES COULD STOP
22 BROWNBACK UNDER THIS PROCEDURAL VOTE, FROM MY
23 UNDERSTANDING. AND THEN THERE WOULD BE A SUBSEQUENT --
24 IF THAT DID NOT HAPPEN AND WENT TO ACTUAL FLOOR VOTE,
25 THEN IT WOULD BE A MAJORITY VOTE. SO IT DEPENDS ON

1 WHAT STEP OF THE PROCESS YOU' RE TALKING ABOUT AS FAR AS
2 HOW MANY VOTES WE NEED. I DON' T WANT TO GET TOO
3 COMPLICATED BECAUSE, AGAIN, ALL THIS HASN' T BEEN WORKED
4 OUT IN A LOT OF DETAIL.

5 CHAIRMAN KLEIN: KIRK, I THINK THAT THE MOST
6 IMPORTANT CONTRIBUTION, GIVEN THE LEADERSHIP ON THIS
7 BOARD AND THE SCIENTIFIC COMMUNITY, IS BY AN OUTREACH
8 TO THE SCIENTIFIC LEADERSHIP OF OTHER STATES. THE
9 SENATORS ARE VERY MUCH OPEN TO, IN MOST CASES, THE
10 OUTREACH FROM SCIENTISTS WITHIN THEIR OWN STATES. AND
11 IF WE CAN GET THE SCIENTIFIC LEADERSHIP AND THE BROADER
12 BIO AREA LEADERSHIP IN OTHER STATES, CORPORATE AND
13 PUBLIC LEADERSHIP, FOR PROFIT AND NONPROFIT SECTOR, TO
14 REACH OUT TO THE SENATORS IN THEIR STATES, IT WOULD
15 MAKE A VERY BIG DIFFERENCE.

16 ADDITIONALLY, IF THE SCIENTIFIC LEADERSHIP IN
17 OTHER STATES WILL GET OUT FRONT AND EXPLAIN IN THE
18 PRESS WHAT THE POSITION IS AND WHY STEM CELL THERAPY
19 TOOLS ARE SO CRITICAL HERE, IT GIVES THE SENATORS IN
20 THOSE STATES THE POLITICAL COVER TO BE ABLE TO VOTE
21 CONSCIENCE AND BE ABLE TO VOTE WITH SCIENCE. BUT
22 WITHOUT AN EXPLANATION IN THE PRESS IN THOSE STATES,
23 IT' S VERY DIFFICULT FOR THEM. OBVIOUSLY THE PATIENT
24 ADVOCATES AND THEIR ACTIVITY IN MAKING CLEAR IN THOSE
25 STATES HOW IMPORTANT THESE SCIENTIFIC TOOLS ARE IS VERY

1 I M P O R T A N T .

2 D R . B R Y A N T : I W A S J U S T G O I N G T O A S K W H E T H E R
3 I T W O U L D B E A P P R O P R I A T E F O R O U R W O R K I N G G R O U P M E M B E R S
4 W H O A R E F R O M A L L O V E R T H E S T A T E S A N D W H O A R E I N T E R E S T E D
5 I N S E E I N G T H I S R E S E A R C H G O I N G F O R W A R D , I F T H E Y ' D B E A
6 G O O D G R O U P T O T A R G E T I N T H I S O U T R E A C H E F F O R T .

7 C H A I R M A N K L E I N : I J U S T S P E N T T W O D A Y S W I T H
8 O U R W O R K I N G G R O U P M E M B E R S O N T H E G R A N T R E V I E W
9 C O M M I T T E E , A S D I D D A V I D S E R R A N O - S E W E L L A N D J E F F S H E E H Y
10 A N D S H E R R Y L A N S I N G . T H E Y A R E , I N F A C T , A C T I V E I N M O S T
11 C A S E S A L R E A D Y A N D R E A C H I N G O U T E V E N I N S T A T E S L I K E
12 G E O R G I A . B U T T H E S C I E N T I F I C R E A C H A N D C O N T A C T S , T H E
13 T R E M E N D O U S E S T E E M O F M E M B E R S O F T H I S B O A R D I S A T S U C H A
14 H I G H L E V E L , T H E Y C A N H A V E T R E M E N D O U S I M P A C T B Y R E A C H I N G
15 O U T T O O T H E R I N S T I T U T I O N S I N P A R T I C U L A R I N O T H E R S T A T E S
16 B E C A U S E I F I N S T I T U T I O N S W I L L S T E P F O R W A R D I N S T A T E S A N D
17 T A K E A P O S I T I O N -- W H E N A M A J O R U N I V E R S I T Y I N A S T A T E
18 C O M E S F O R W A R D , I T H A S T R E M E N D O U S I M P A C T .

19 S H E R R Y L A N S I N G A N D T H E N D R . H O L M E S .

20 M S . L A N S I N G : Y O U K N O W , I T H I N K T H I S I S
21 W O R T H Y O F , Y O U K N O W , S O M E S E R I O U S T H I N K I N G B E C A U S E I
22 T H I N K W E ' R E A N E X T R A O R D I N A R I L Y I N F L U E N T I A L B O A R D . W E
23 H A V E E X T R A O R D I N A R I L Y I N F L U E N T I A L P E O P L E O N T H E
24 S T A N D A R D S C O M M I T T E E , O N T H E G R A N T S C O M M I T T E E , O N A L L O F
25 O U R C O M M I T T E E S . W H A T I W O U L D L I K E T O A S K Y O U T O D O ,

1 KIRK, AND I SAY THIS ON BEHALF OF MYSELF, BUT I BET
2 THAT EVERYONE ELSE WILL WANT IT ALSO, IS TO DRAFT A
3 LETTER THAT'S SIMPLE, REALLY SIMPLE, DO YOU KNOW,
4 EXPLAINING WHY WE'RE OPPOSED TO THESE BILLS AND WHY
5 WE'RE FOR THE OTHER BILLS AND EXPLAINING THAT WE DO NOT
6 DO HUMAN CLONING.

7 I THINK I WOULD TAKE IT UPON MYSELF, AND I
8 THINK EVERYONE HERE WOULD, TO SEND IT TO EACH PERSON IN
9 THE SENATE. THEN YOU OBVIOUSLY TARGET THE PEOPLE THAT
10 YOU KNOW. YOU CALL THEM PERSONALLY AFTER THEY'VE
11 RECEIVED YOUR LETTER. AND THEN I WOULD LIKE TO
12 SUGGEST, AND THIS IS PART OF A BIGGER THING, THAT WE --
13 YOU KNOW, IF WE THINK THERE'S MOMENTUM GAINING ON THIS,
14 YOU KNOW, THAT WE OBVIOUSLY GO AND SEE THESE PEOPLE IN
15 PERSON BECAUSE WE HAVE TO SUPPORT THE FORWARD MOMENTUM
16 OF FEINSTEIN AND HATCH, AND I'D LIKE THEM TO KNOW WE'RE
17 THERE, AND I'D LIKE TO ASK THEM WHAT THEY WANT US TO
18 DO. WE ALL, MOST OF US, KNOW SENATOR FEINSTEIN.

19 CHAIRMAN KLEIN: IN THAT REGARD, KIRK, COULD
20 YOU ADDRESS THE DRAFT LETTER?

21 MR. KLEINSCHMIDT: YES. AND ALSO I JUST WANT
22 TO BACK UP. THERE'S A COALITION CALLED THE COALITION
23 FOR THE ADVANCEMENT OF MEDICAL RESEARCH, A NATIONAL
24 COALITION OF OVER 90 PATIENT ADVOCATE GROUPS, AS WELL
25 AS UNIVERSITIES AND RESEARCH INSTITUTES, THAT IS VERY

1 ACTIVE ON THIS ISSUE. AND SO THERE IS A NATIONWIDE
2 NETWORK OUT THERE THAT IS ATTEMPTING TO MOBILIZE THE
3 GRASS ROOTS IN KEY STATES. CAMR ALSO HAVE RECENTLY
4 ISSUED THEIR LIST OF THEIR TOP TEN STATES THAT THEY
5 FEEL ARE THE KEY TARGETS IN THIS DEBATE. I HAVE THAT
6 LIST. WE CAN SEND IT AROUND AT A SUBSEQUENT TIME.

7 SECONDLY, WE HAVE DRAFTED SUCH A LETTER,
8 SHERRY. AND, IN FACT, WE WERE HOPING, IF WE DO TAKE A
9 SUPPORT OF FEINSTEIN/HATCH AND IN OPPOSITION TO
10 BROWNBACK, THAT WE HAVE A LETTER PREPARED ALREADY FOR
11 THE BOARD TO ACTUALLY SIGN AS INDIVIDUALS TODAY. AND
12 WE HAVE A COPY THAT WE CAN SHOW ON THE SCREEN FOR YOUR
13 QUICK REVIEW IF YOU'RE SO INCLINED.

14 CHAIRMAN KLEIN: COULD YOU SHOW THAT AT THIS
15 POINT, PLEASE?

16 MR. KLEINSCHMIDT: IT'S GOING TO TAKE A
17 COUPLE MINUTES TO GET IT UP.

18 MS. LANSING: IS IT TO SIGN INDIVIDUALLY?

19 MR. KLEINSCHMIDT: WELL, WE DRAFTED IT IN
20 SUCH A WAY THAT IT COMES FROM THE BOARD ITSELF, BUT
21 THEN HAVE ALL OF YOU AS INDIVIDUALS ALSO SIGN IT AS
22 OPPOSED TO HAVING JUST BOB AND ED SIGN IT.

23 MS. LANSING: I ALSO THINK -- AT LEAST I
24 SPEAK FOR MYSELF. I'D LIKE TO SEND ONE INDIVIDUALLY
25 AND MAKE TARGETED PHONE CALLS.

1 MR. KLEINSCHMIDT: I'D BE HAPPY TO WORK WITH
2 YOU ON THAT.

3 CHAIRMAN KLEIN: THAT WOULD BE EXTREMELY
4 APPRECIATED, I'M CERTAIN, BY THE SENATORS. AND, GAYLE
5 WILSON, YOU'RE IN A REMARKABLY EXPERT POSITION TO
6 ADDRESS THIS.

7 MS. WILSON: LET ME JUST PARTICULARLY COMMENT
8 ON SHERRY'S TALKING ABOUT US GOING TO WASHINGTON AND
9 TALKING TO THE VARIOUS SENATORS. IT MADE A BIG
10 DIFFERENCE, I BELIEVE --

11 CHAIRMAN KLEIN: CAN EVERYONE OUT THERE HEAR
12 HER? MAYBE YOU COULD JUST MOVE THE MIC CLOSER.

13 MS. WILSON: IT MADE A BIG DIFFERENCE, I
14 BELIEVE, WHEN WE WENT TO SACRAMENTO AND PUT A FACE TO
15 THE CIRM.

16 I ALSO REMEMBER, I THINK IT WAS APRIL OR
17 MARCH, WHEN I WAS IN WASHINGTON WITH BOB AND WITH KIRK,
18 AND WE WENT TO VISIT MIKE CASTLE IN THE HOUSE OF
19 REPRESENTATIVES. HE WAS SO THRILLED. THIS IS THE MAN
20 WITH THE CASTLE/DEGETTE BILL, WHICH PASSED WITH ABOUT
21 50 EXTRA VOTES, NOT ENOUGH TO OVERTURN A VETO. HE WAS
22 SO THRILLED TO HAVE US COME AND GIVE HIM SOME COVER.

23 BOB, ALSO, WHO IS SO ARTICULATE ON THIS
24 ISSUE, WAS ABLE TO GIVE HIM SOME TALKING POINTS, WHICH
25 WE HEAR FROM BOB OFTEN, BUT THAT MIKE CASTLE HAD NOT

1 HEARD.

2 I THINK NOW THAT -- I'M NOT POSITIVE THE
3 BROWNBACK BILL IS EVER GOING TO BE BROUGHT TO THE
4 FLOOR, BUT IT'S SOMETHING WE SHOULD DEFINITELY WORRY
5 ABOUT. AND, AGAIN, WHEN WE WERE IN WASHINGTON IN
6 MARCH, BOB AND I WENT TO VISIT SENATOR HATCH'S STAFF.
7 SENATOR HATCH WASN'T THERE. AGAIN, THEY WERE SO
8 THRILLED TO HAVE PEOPLE FROM THE CIRM COME AND GIVE
9 THEM SUPPORT BECAUSE THEY ARE WAY OUT ON A LIMB.

10 SENATOR HATCH IS PICKING THEM OFF ONE BY ONE,
11 AND NOW WITH ARLEN SPECTER, THEY ARE PICKING THEM OFF
12 ONE BY ONE. I JUST THINK IF WE CAN GO AND HAVE A FACE,
13 PUT A FACE TO THE CIRM TO THE SENATORS THAT WE KNOW
14 WOULD BE A GOOD THING.

15 CHAIRMAN KLEIN: GAYLE DOESN'T MENTION, OF
16 COURSE, THAT SHE HAS A PHENOMENAL IMPACT, HAVING BEEN
17 IN WASHINGTON AS A PART OF THE SENATE FAMILY THERE.
18 SHE HAS A TREMENDOUS RECEPTION AND A TREMENDOUS ABILITY
19 TO PENETRATE, GET ACCESS, AND HAVE A THOUGHTFUL
20 CONVERSATION IN BOTH THE HOUSE AND SENATE SIDE.

21 DR. PENHOET: TO FOLLOW UP ON SHERRY'S POINT
22 ABOUT A CLEAR AND UNAMBIGUOUS COMMUNICATION, I THINK TO
23 SOME DEGREE WHENEVER WE DISCUSS THE VARIOUS BILLS,
24 ETC., WHICH ARE IN PLAY AND HOW THEY INTERACT WITH EACH
25 OTHER, WE END UP WITH A SOMEWHAT CONFUSING MESSAGE

1 BECAUSE IT'S A LITTLE HARD TO KEEP TRACK OF EXACTLY HOW
2 THEY OVERLAP. SO I MAKE A PLEA FOR A CLEAR AND
3 UNAMBIGUOUS STATEMENT ON OUR PART ABOUT WHAT WE SUPPORT
4 AND DON'T SUPPORT THAT'S NOT DIRECTLY LINKED TO ANY
5 PIECE OF LEGISLATION PRECISELY.

6 BUT I THINK WE SHOULD TAKE A VERY CLEAR AND
7 UNAMBIGUOUS POSITION THAT WE OPPOSE HUMAN REPRODUCTIVE
8 CLONING, PERIOD. THAT WE DO SUPPORT THE GENERATION OF
9 PATIENT-SPECIFIC CELL LINES OR WHATEVER IT IS FOR IT.
10 SO IT MAY BE AS A LEAD-IN TO A LETTER WHICH HAS THE
11 MORE COMPLEXITIES OF THE LEGISLATIVE SITUATION EMBEDDED
12 IN IT, BUT THAT WE DON'T LOSE THE CLEAR AND POINTED
13 MESSAGE ABOUT WHAT WE DO SUPPORT AND WHAT WE DON'T
14 SUPPORT BECAUSE I DO THINK PART OF THE AMBIGUITY ABOUT
15 WHAT WE SUPPORT OR DON'T SUPPORT IS THAT WE SORT OF
16 FAIL TO LIFT THOSE THINGS OUT OF THE AMBIGUOUS NATURE
17 OF THE POLITICAL DEBATE AND MAKE A CLEAR STATEMENT
18 ABOUT WHAT WE DO AND DON'T SUPPORT.

19 PERHAPS THE MOST IMPORTANT, FROM MY
20 PERSPECTIVE, WOULD BE TO TAKE A CLEAR AND UNAMBIGUOUS,
21 SIMPLE POSITION OF OPPOSITION TO HUMAN REPRODUCTIVE
22 CLONING.

23 CHAIRMAN KLEIN: LET ME ASK, JAMES, DO WE
24 HAVE A QUORUM AT THIS POINT? WE ARE MISSING ONE?

25 DR. PENHOET: WILL WE HAVE ONE TODAY?

1 DR. BERG: I WAS JUST SWORN IN TO MAKE THAT
2 QUOTA.

3 CHAIRMAN KLEIN: WE HAVE ONE MORE PERSON WHO
4 IS ON THE WAY EVIDENTLY, WHO ARE WILL MAKE OUR QUORUM.
5 THANK YOU, PAUL BERG. DR. HOLMES. AND WHAT WE WILL DO
6 WHILE WE'RE WAITING FOR THE QUORUM IS WE'LL MOVE
7 THROUGH DIFFERENT ITEMS AND THEN COME BACK FOR SPECIFIC
8 VOTES ON THOSE ITEMS. I THINK --

9 MR. KLEINSCHMIDT: WE ALSO HAVE THE LETTER
10 READY IF YOU ARE INTERESTED IN LOOKING AT THAT.

11 CHAIRMAN KLEIN: COULD YOU SHOW THE LETTER,
12 PLEASE? WHILE WE'RE GETTING THE LETTER UP, DR. HOLMES.

13 DR. HOLMES: KIRK, YOU SAID SOMETHING IN
14 PASSING THAT SEEMED IMPORTANT IN REFERENCE TO BOB'S
15 COMMENT ABOUT US INFLUENCING OR AT LEAST CALLING
16 COLLEAGUES AT OTHER UNIVERSITIES. IT WOULD BE NICE TO
17 KNOW WHICH STATES TO FOCUS ON. I THINK YOU SAID THERE
18 WERE TEN SWING SENATORS OF STATES. IT WOULD BE VERY
19 HELPFUL TO KNOW WHAT THEY ARE SO WE FOCUS OUR
20 ATTENTION.

21 MR. KLEINSCHMIDT: THEY'RE ARKANSAS, INDIANA,
22 MINNESOTA, MISSISSIPPI, NEW MEXICO, TENNESSEE, TEXAS,
23 UTAH, VIRGINIA, AND WEST VIRGINIA.

24 DR. HOLMES: IT MIGHT BE WORTH SOMEHOW
25 CIRCULATING TO US AND SEEING IF SOME OF US CAN WRITE

1 OUR NAME BY THAT AND SAY WE KNOW SOMEBODY IN ONE OF
2 THOSE STATES WE'D BE WILLING TO CALL AND SEE IF WE
3 COULDN'T HELP.

4 MR. KLEINSCHMIDT: I'D BE HAPPY TO FOLLOW UP
5 ON THAT.

6 CHAIRMAN KLEIN: THAT'S AN EXCELLENT
7 SUGGESTION. IT GETS US TO IMMEDIATE TACTICAL
8 IMPLEMENTATION. AND THE LETTER IS UP, AND THE GOOD
9 NEWS IS, DR. BERG, YOU WERE THE PIVOTAL PERSON. WE NOW
10 DO HAVE A QUORUM.

11 DR. BERG: I WAS ASSURED OF THAT BEFORE.

12 CHAIRMAN KLEIN: MY UNDERSTANDING IS THAT ONE
13 OF THE PEOPLE WE THOUGHT WAS ON THE WAY, IN FACT, HAS A
14 PROBLEM, AND SO THANK YOU VERY MUCH.

15 OKAY. CAN WE -- IT'S DIFFICULT -- IT MAY BE
16 DIFFICULT FOR THE MEMBERS TO READ THIS. KIRK, CAN YOU
17 READ IT OUT LOUD?

18 MR. KLEINSCHMIDT: SURE. AT TODAY'S BOARD
19 MEETING OF THE CALIFORNIA INSTITUTE FOR REGENERATIVE
20 MEDICINE, THE GOVERNING BOARD NAMED THE INDEPENDENT
21 CITIZEN'S OVERSIGHT COMMITTEE VOTED TO OPPOSE SENATE
22 BILL 658, BROWNBACK, AND ITS HOUSE COUNTERPART HOUSE
23 RESOLUTION 1357 BY WELDON, MEASURES THAT WOULD PROHIBIT
24 CRITICAL SOMATIC CELL NUCLEAR TRANSFER, SCNT,
25 TECHNOLOGIES.

1 THE BOARD ALSO VOTED TO SUPPORT SENATE BILL
2 1520, FEINSTEIN/HATCH, A NEWLY INTRODUCED BILL THAT
3 WOULD BAN HUMAN REPRODUCTIVE CLONING. PREVIOUSLY THE
4 BOARD VOTED TO SUPPORT HR 810, CASTLE/DEGETTE, AND
5 SENATE BILL 471, SPECTER/HARKIN, BILLS TO EXPAND THE
6 NUMBER OF STEM CELL LINES ELIGIBLE FOR FEDERAL FUNDING.

7 SENATE BILL 1520 IS CONSISTENT WITH
8 PROPOSITION 71, THE INITIATIVE THAT LAUNCHED CIRM,
9 WHICH EXPRESSLY AMENDED THE CALIFORNIA CONSTITUTION TO
10 PROHIBIT FUNDING FOR HUMAN REPRODUCTIVE CLONING.
11 MOREOVER, EVERY RESPONSIBLE SCIENTIST SUPPORTS A BAN ON
12 HUMAN REPRODUCTIVE CLONING.

13 PROPOSITION 71, PASSED IN NOVEMBER 2004 WITH
14 OVER 59 PERCENT OF CALIFORNIA VOTERS, EARMARKS FUNDS
15 FOR STEM CELL RESEARCH, INCLUDING RESEARCH ON
16 DISEASE-SPECIFIC STEM CELL LINES WITH THE HIGHEST
17 ETHICAL AND MEDICAL SAFEGUARDS AND STANDARDS. SOMATIC
18 CELL NUCLEAR TRANSFER IS PROVEN SCIENTIFIC TECHNOLOGY
19 THAT PROMISES TO ALLOW SCIENTISTS TO CREATE NEW HEALTHY
20 TISSUES TO REPLACE DAMAGED TISSUE IN ORDER TO
21 POTENTIALLY DEVELOP THERAPIES FOR DEVASTATING DISEASES
22 AND INJURIES.

23 SENATE BILL 658 WOULD HAVE DEVASTATING
24 CONSEQUENCES. THE MEASURE IS OVERBROAD AND, IF PASSED,
25 WOULD SIGNIFICANTLY IMPEDE THE ADVANCEMENT OF MEDICAL

1 SCIENCE. SHOULD IT BECOME LAW, SENATE BILL 658 WOULD
2 SEVERELY UNDERCUT OUR RESEARCH FUNDING PROGRAM IN
3 CALIFORNIA AND, THEREFORE, SIGNIFICANTLY SET BACK
4 SCIENTIFIC RESEARCH FOR STEM CELL TREATMENTS AROUND THE
5 WORLD.

6 SCNT IS IMPORTANT FOR DEVELOPING
7 DISEASE-SPECIFIC THERAPIES, UNDERSTANDING THE ORIGINS
8 OF DISEASE, AND FOR REDUCING RISKS IN HUMAN CLINICAL
9 TRIALS IN, FOR EXAMPLE, SMALL MOLECULAR THERAPIES.
10 SENATE BILL 1520 IS TARGETED TO BAN HUMAN REPRODUCTIVE
11 CLONING, AN IMPORTANT DISTINCTION FROM SCIENTIFIC AND
12 MEDICAL RESEARCH THAT WILL CREATE INVALUABLE NEW STEM
13 CELL LINES THROUGH SOMATIC CELL NUCLEAR TRANSFER.

14 THE FEINSTEIN/HATCH ANTI-CLONING BILL WOULD
15 MAKE IT A FEDERAL CRIME TO CLONE OR ATTEMPT TO CLONE A
16 HUMAN BEING AND PROHIBIT SHIPMENT OF THE PRODUCT OF
17 NUCLEAR TRANSPLANTATION IN INTERSTATE OR FOREIGN
18 COMMERCE FOR THE PURPOSE OF HUMAN CLONING IN THE U. S.
19 OR ELSEWHERE.

20 TO ENFORCE THESE PROVISIONS, THE MEASURE
21 CALLS FOR PENALTIES OF UP TO TEN YEARS IN PRISON FOR
22 CLONING A HUMAN BEING OR ATTEMPTING TO CLONE A HUMAN
23 BEING, AS WELL AS INSTITUTES FINES UP TO \$1 MILLION.
24 MILLIONS OF PATIENTS SUFFERING FROM DEVASTATING CHRONIC
25 DISEASE AND INJURY AND THEIR FAMILIES SUPPORT THE

1 PURSUIT OF ETHICAL EMBRYONIC STEM CELL RESEARCH.
2 CONGRESS SHOULD NOT INTERFERE WITH THIS SCIENCE. ANY
3 SERIOUS ROADBLOCKS, SUCH AS A PROHIBITION ON RESEARCH
4 INVOLVING DISEASE-SPECIFIC STEM CELL LINES, WOULD
5 CONSTITUTE ITS OWN ETHICAL TRANSGRESSION.

6 SOMATIC CELL NUCLEAR TRANSFER IS A CRITICAL
7 TECHNOLOGY, AND IT IS VITAL THAT SCIENTISTS ARE ALLOWED
8 TO USE IT TO INVESTIGATE NEW TREATMENTS.

9 CHAIRMAN KLEIN: IF YOU COULD SCROLL UP
10 FURTHER. THIS IS SET UP SO THAT THE MEMBERS OF THE
11 ICOC, IF WE WERE TO ADOPT THIS, COULD ALL SIGN BECAUSE
12 THERE'S A TREMENDOUS IMPACT BY HAVING THE AGGREGATED
13 EXPERTISE THAT IS MUCH GREATER THAN HAVING ED SIGN OR I
14 SIGN OR US SIGN TOGETHER. HAVING THE BOARD SIGN
15 PROVIDES A COALITION OF PATIENT ADVOCATES, THE
16 EXPERIENCE FROM THE BIOTECH COMMUNITY IN DEVELOPING
17 THERAPIES, AND THE TREMENDOUS LEADERSHIP OF THE
18 RESEARCH COMMUNITY ALL ON ONE SIGNATURE DOCUMENT.

19 DR. REED: I JUST WANTED TO POINT OUT THAT
20 THERE'S JUST ONE PHRASE IN THE LETTER THAT'S INACCURATE
21 IN TERMS OF THE TERMINOLOGY THAT SCIENTISTS USE. WE
22 MIGHT WANT TO CORRECT THAT. IT'S THE PHRASE THAT SAYS
23 MOLECULAR THERAPIES. IT'S USUALLY SMALL-MOLECULE
24 THERAPIES, A HYPHENATED TERM. FRANKLY, YOU COULD
25 PROBABLY JUST TAKE OUT THAT CLAUSE OF THE SENTENCE AND

1 IT WOULD BE MORE IMPACTFUL.

2 CHAIRMAN KLEIN: I THINK WE HAVE IT SET UP SO
3 THAT WE COULD ACTUALLY DO SIGNATURES ON A PAGE WHERE WE
4 COULD ISOLATE IT FROM THE CORRECTION THAT WE NEED. WE
5 CAN CHANGE IT RIGHT NOW AND REPRINT IT.

6 DR. REED: I DON'T THINK YOU NEED THE "FOR
7 EXAMPLE." SAY RISK IN HUMAN CLINICAL TRIALS, PERIOD,
8 IS WHAT I WOULD PROPOSE. I WAS JUST GOING TO PROPOSE
9 TO CHANGE THE SENTENCE SO IT ENDS AT HUMAN CLINICAL
10 TRIALS, PERIOD.

11 CHAIRMAN KLEIN: GREAT. WITH THE CONSENT.

12 DR. STEWARD: PICKING UP ON SOMETHING THAT ED
13 RAISED EARLIER ON, I WONDER IF WE WANT TO JUST BE A
14 TINY BIT MORE BROAD AND MAKE SURE THAT WE'RE MAKING A
15 STATEMENT HERE THAT IS IN PRINCIPLE NOT NECESSARILY
16 LINKED TO A PARTICULAR BILL. AND WHAT I'M PROPOSING IS
17 SOMETHING VERY SIMPLE.

18 IN THAT FIRST PARAGRAPH SAY WE SUPPORT THE
19 PROCESS OF SOMATIC CELL NUCLEAR TRANSFER AS A
20 TECHNOLOGY TOWARD THERAPEUTIC APPLICATIONS. IN OTHER
21 WORDS, ANY BILL THAT PROHIBITS THAT WE OPPOSE.

22 CHAIRMAN KLEIN: OKAY.

23 DR. STEWARD: SO YOU COULD GO BACK UP TO THAT
24 FIRST PARAGRAPH. WE OPPOSE THE BROWNBACK BILL OR ANY
25 OTHER BILL THAT --

1 CHAIRMAN KLEIN: WHY DON'T WE SCROLL TO THAT
2 POINT, AND WHY DON'T YOU MAKE A SUGGESTION, DR.
3 STEWARD.

4 DR. STEWARD: VOTED TO OPPOSE 658 AND ITS
5 HOUSE COUNTERPART THAT WOULD PROHIBIT SOMATIC CELL
6 NUCLEAR TRANSFER, AND JUST ADD A SENTENCE IN THERE
7 SOMETHING LIKE WE ALSO WOULD OPPOSE ANY BILL THAT WOULD
8 PROHIBIT THE PROCESS OF SCNT.

9 DR. HALL: TAKE OUT ALSO WOULD. HOW ABOUT WE
10 OPPOSE ANY BILL?

11 DR. BRYANT: DO YOU WANT TO HAVE A BECAUSE AT
12 THAT POINT? THIS IS AN IMPORTANT AND VALUABLE TOOL IN
13 THE DEVELOPMENT OF STEM CELL THERAPY.

14 CHAIRMAN KLEIN: DR. BRYANT IS SUGGESTING
15 THAT AT THE END OF THAT NEW SENTENCE AFTER THE WORDS
16 "SCNT," SHE'S SUGGESTING AN INSERTION.

17 DR. BRYANT: BECAUSE WE CONSIDER THIS AN
18 ESSENTIAL AND IMPORTANT TOOL IN THE DEVELOPMENT OF STEM
19 CELL THERAPIES. SOMETHING LIKE THAT.

20 CHAIRMAN KLEIN: WE WANT TO SAY A VITAL TOOL?

21 DR. HALL: DEVELOPMENT OF THERAPIES.

22 DR. BRYANT: HOW ABOUT VITAL?

23 MS. WILSON: START THE BOARD ALSO VOTED TO
24 SUPPORT FEINSTEIN/HATCH. JUST MAKE THAT ANOTHER
25 PARAGRAPH.

1 CHAIRMAN KLEIN: THAT'S A GOOD POINT. RIGHT
2 THERE, LET'S MAKE THAT A PARAGRAPH. OKAY.

3 DR. PRICE: I JUST WANT TO FOLLOW UP JUST ON
4 A POINT THAT ED MADE A FEW MINUTES AGO. THIS LETTER
5 REALLY DOESN'T DO WHAT HE SUGGESTED THAT WE NEEDED TO
6 DO. THAT IS, TO MAKE A CLEAR STATEMENT THAT CIRM AND
7 ICOC OPPOSE HUMAN STEM CELL -- HUMAN CLONING. AND
8 THEN -- WHICH WOULD ONLY TAKE A SENTENCE OR TWO.

9 AND THEN FOLLOWING A PARAGRAPH, A LITTLE
10 LONGER, WHICH STATES WHAT SCNT IS, WHY IT ISN'T HUMAN
11 CLONING, AND WHY WE SUPPORT IT. TWO SHORT PARAGRAPHS
12 FOLLOWED BY THAT. I RAISE THAT. I DON'T WANT TO
13 DERAILED THIS. I DON'T KNOW WHAT THE LOGISTICS ARE, BUT
14 I THINK DURING THE DAY THOSE PARAGRAPHS COULD BE
15 WRITTEN AND THEN BEFORE WE ADJOURN, WE COULD ADOPT THE
16 LETTER.

17 CHAIRMAN KLEIN: I THINK THAT'S AN EXCELLENT
18 SUGGESTION. FOR A MOMENT, THOUGH, LET'S GO BACK DOWN
19 HERE TO THIS THIRD PARAGRAPH ON THIS PAGE. IT CALLS
20 OUT THE FACT THAT PROPOSITION 71 EXPRESSLY AMENDED THE
21 CALIFORNIA CONSTITUTION TO PROHIBIT FUNDING FOR HUMAN
22 REPRODUCTIVE CLONING. SO WE ARE HIGHLIGHTING THE FACT
23 THAT WE ARE ON THE RECORD WITHIN CALIFORNIA AS
24 PROHIBITING HUMAN REPRODUCTIVE CLONING.

25 DR. PRICE: I UNDERSTAND. I THINK THE

1 I M P O R T A N T P O I N T T H A T E D M A D E , A N D A S A L A Y M A N H E R E , I ' M
2 N O T A S T E M C E L L S C I E N T I S T , I S T H A T W E H A V E T O A T S O M E
3 P O I N T M A K E C L E A R , T E L L T H E P U B L I C W H A T T H I S S C N T I S A N D
4 W H Y I T ' S N O T H U M A N C L O N I N G . F R A N K L Y , T H E R E S T O F U S
5 D O N ' T H A V E A C L U E A S T O W H A T T H I S I S E X A C T L Y .

6 M S . L A N S I N G : I D O N ' T W A N T T O D E R A I L T H I S
7 E I T H E R . I W A S G O I N G T O S A Y , A T L E A S T F O R M Y S E L F , I
8 C O U L D N E V E R S E N D A -- I W I L L S I G N T H I S . T H A T ' S E A S Y
9 B E C A U S E I T ' S A B O A R D T H I N G . B U T T H I S L E T T E R I S -- I
10 J U S T W A N T A S I M P L E L E T T E R . I ' M N O T T R Y I N G T O B E F U N N Y .
11 I M E A N I W A N T A L E T T E R T H A T S A Y S W E E N T H U S I A S T I C A L L Y
12 E N D O R S E T H I S . T H I S I S W H A T , Y O U C O R R E C T M E , B U T I
13 T H I N K T H I S I S W H A T T H E Y ' R E L O O K I N G F O R F R O M U S . W E
14 E N T H U S I A S T I C A L L Y E N D O R S E T H E F E I N S T E I N / H A T C H B I L L . I T
15 I S C O N S I S T E N T W I T H O U R V I E W . W E B A N H U M A N R E P R O D U C T I V E
16 C L O N I N G , A N D W E A R E V I O L E N T L Y O P P O S E D -- I M E A N W E H A V E
17 T O U S E S T R O N G W O R D S -- W E A R E V E H E M E N T L Y O P P O S E D T O
18 B R O W N B A C K A N D W E L D O N , A N D T H E N Y O U C A N H A V E A L L T H E
19 R E S T .

20 B U T T H E Y ' R E G E T T I N G T H O U S A N D S O F L E T T E R S A
21 D A Y . A N D I T H I N K I F W E D O N ' T S A Y I N T H A T F I R S T
22 P A R A G R A P H O U R S T R O N G P O S I T I O N , Y O U K N O W , W E L I V E , I
23 H A T E T O S A Y T H I S , I N A S O U N D B I T E W O R L D , A N D W E N E E D T O
24 M A K E O U R P O S I T I O N C L E A R . W E ' R E P R O U D O F O U R P O S I T I O N
25 A N D , Y O U K N O W , I T ' S C O N S I S T E N T . I ' L L S I G N A N Y B E C A U S E

1 IT'S ALL TRUE, BUT THEN FOR A PERSONAL LETTER, I WANT A
2 PERSONAL LETTER THAT'S LIKE A PARAGRAPH AND JUST SAYS
3 THIS IS WHAT IT IS. AND THEN I WANT TO BE ABLE TO CALL
4 THE PERSON AND SAY WHAT I FEEL.

5 CHAIRMAN KLEIN: I WANT TO POINT OUT, AS
6 WELL, FOR THE EFFICIENCY OF THE BOARD'S TIME, THERE'S
7 REALLY FOUR OR FIVE DIFFERENT BILLS THAT ARE REFERENCED
8 HERE. EACH OF THE SPONSORS WANTED BOARDS TO SIGN A
9 LETTER, AND THIS LETTER IS ATTEMPTING TO TIE TOGETHER
10 THE VITAL PIECES OF THIS THEATER THAT'S GOING ON IN
11 WASHINGTON TO GET TO THE KEY POINTS THAT WE NEED TO
12 COMMUNICATE. BUT IT IS VERY POWERFUL TO HAVE A
13 PERSONAL LETTER THAT HITS A SINGLE BILL WITH A SINGLE
14 FORCEFUL MESSAGE, AND THAT IS SOMETHING THAT, IF EACH
15 BOARD MEMBER WERE TO DO, COULD BE A TREMENDOUS
16 BUTTRESS.

17 WHAT THE SENATORS SUGGEST THAT THEY WOULD
18 LIKE IS SOMETHING THEY COULD HOLD UP THAT, FOR EXAMPLE,
19 WOULD SAY THIS IS FOR EXPANDING THE PRESIDENTIAL LINES.
20 IT'S AGAINST HUMAN REPRODUCTIVE CLONING. IT IS FOR
21 FEINSTEIN/HATCH AND AGAINST BROWNBACK, AND IT'S SIGNED
22 BY ALL OF THESE BOARD MEMBERS.

23 MS. LANSING: I AGREE WITH THAT. I ALSO
24 AGREE WE CAN HAVE AN OPENING PARAGRAPH THAT WE CAN MAKE
25 OUR POINT CLEAR.

1 CHAIRMAN KLEIN: MY SUGGESTION WOULD BE, IF
2 IT'S THE SENSE OF THE BOARD, THAT WE FOLLOW DR. PRICE'S
3 SUGGESTION, ALONG WITH SHERRY LANSING'S SUGGESTION,
4 MAYBE THEY COULD GET TOGETHER DURING THE DAY, WORK OUT
5 THE ADDITIONS, AND WE'LL BRING THIS BACK AT THAT POINT
6 FOR AN INDIVIDUAL VOTE. SINCE WE CAN VOTE RIGHT NOW ON
7 THE BROWNBACK BILL AND WE CAN VOTE ON THE FEINSTEIN
8 BILL AS BILLS SEPARATE FROM THE LETTER, IS THERE A
9 MOTION THAT ANY INDIVIDUAL WOULD LIKE TO MAKE FOR
10 OPPOSITION TO THE BROWNBACK BILL?

11 MS. SAMUELSON: SO MOVED.

12 DR. HOLMES: SECOND.

13 CHAIRMAN KLEIN: SECOND FROM DR. HOLMES.
14 PUBLIC DISCUSSION?

15 MR. REED: DON REED. THIS IS NOT JUST
16 THEORETICALLY. I APPLAUD THE BOARD FOR TAKING A STRONG
17 POSITION. ONE INTERPRETATION OF BROWNBACK IS THAT IF I
18 TOOK MY SON TO ENGLAND FOR AN SCNT THERAPY AND BROUGHT
19 HIM BACK, WE'D BOTH BE JAILED FOR TEN YEARS, FINED \$1
20 MILLION FOR IMPORTING A PRODUCT.

21 ALSO, I'D LIKE TO SEE SOMEWHERE IN THERE, I
22 MAY HAVE MISSED IT, BUT I DON'T SEE THE PHRASE
23 "PATIENT-SPECIFIC STEM CELLS," WHICH I THINK WE NEED TO
24 START USING EVERYWHERE. I THINK THAT DR. BERG'S PHRASE
25 IS PERFECT, AND I THINK WE NEED TO HAVE IT BE A PART OF

1 OUR PACKAGE FROM NOW ON. THANK YOU.

2 CHAIRMAN KLEIN: I POINT OUT TOO BECAUSE THE
3 TERMINOLOGY THAT'S IN THE SENATE BILLS, SO THAT THEY
4 KNOW WHAT WE'RE TALKING ABOUT, IT'S DIFFICULT TO
5 COMPLETELY DIVORCE OURSELVES AT THIS MOMENT FROM THE
6 EXISTING TERMINOLOGY THAT'S IN THE EXISTING BILLS.
7 THEY HAVE TO KNOW THAT WE THINK SOMATIC CELL NUCLEAR
8 TRANSFER IS CRITICAL.

9 ADDITIONAL PUBLIC COMMENT? CALL FOR THE
10 QUESTION.

11 MS. SAMUELSON: I'VE GOT ONE MORE SUGGESTION.
12 IT'S REALLY MORE ABOUT THE LETTER, BUT I THINK IT'S
13 IMPORTANT. IT SEEMS TO ME IF WE'RE GOING TO MAKE THIS
14 STRONG STATEMENT, WE SHOULD DIRECT IT TO THE HOUSE AND
15 SENATE LEADERS OF THE LEGISLATION AND ALSO, OF COURSE,
16 COPY SENATOR BOXER. BUT WE SHOULD DO THAT. AND WE
17 SHOULD THANK THEM FOR THEIR LEADERSHIP AND, I THINK,
18 EXPLICITLY OFFER OUR INDIVIDUAL AND COLLECTIVE SUPPORT
19 AND HELP IN ANY WAY THEY SEE FIT.

20 CHAIRMAN KLEIN: OKAY. IF YOU WOULD CONFER
21 WITH OUR TWO MEMBERS WHO ARE GOING TO CONTRIBUTE TO
22 THAT LANGUAGE, THAT WOULD BE HELPFUL.

23 ANY ADDITIONAL BOARD COMMENTS BEFORE WE VOTE?
24 ALL IN FAVOR. OPPOSED. MEASURE PASSES.

25 IS THERE A MOTION TO SUPPORT FEINSTEIN/HATCH?

1 MR. SERRANO-SEWELL: SO MOVED.

2 CHAIRMAN KLEIN: MOVED BY DAVID
3 SERRANO-SEWELL. IS THERE A SECOND?

4 MS. LANSING: SECOND.

5 CHAIRMAN KLEIN: SECOND BY SHERRY LANSING.
6 IS THERE PUBLIC COMMENT?

7 MR. REED: I WOULD JUST LIKE TO SAY THAT THE
8 POWER OF A LETTER FROM YOU AS INDIVIDUALS IS HARD TO
9 OVERESTIMATE. THERE IS SO MUCH TALK IN THE PRESS
10 NOWADAYS, AND IT WOULD BE SO SIMPLE FOR ANYONE TO JUST
11 TAKE ANY POSITIVE ARTICLE AND ADD ONTO IT. IT'S NOT AS
12 DIFFICULT AS MAKING A FULL OP ED, WHICH IS A HUGE
13 INVESTMENT OF YOUR TIME. IF YOU COULD JUST WHEN YOU
14 SEE AN ARTICLE OR GO TO GOOGLE, LOOK UP STEM CELL
15 ENHANCEMENT ACT, AND IT WILL GIVE YOU THE TEN LATEST
16 NEWSPAPER ARTICLES. AND IF YOU RESPOND TO ONE OR TWO,
17 PARTICULARLY IN THOSE TARGET STATES, THAT WOULD BE
18 HUGELY SIGNIFICANT.

19 ALSO, I THINK IT'S VITAL THAT YOUR BEST LINES
20 BE GIVEN EITHER THROUGH THE STATE PAPERS OR THROUGH THE
21 INDIVIDUALS THEMSELVES THAT THEY HEAR YOUR GOOD
22 LANGUAGE BECAUSE IT'S EASY TO FORGET. THESE PEOPLE ARE
23 SWAMPED WITH INFORMATION AND BILLS TO KEEP TRACK OF,
24 AND THEY DON'T ALWAYS KNOW. I WON'T NAME THE SENATOR'S
25 NAME, BUT THERE WAS ONE SENATOR THAT YOU ALL KNOW, HER

1 BILL DID NOT CONTAIN SCNT. SHE JUST DIDN'T KNOW ABOUT
2 IT. SO A LETTER IS HUGE LY SIGNIFICANT, AND I WOULD
3 URGE YOU TO TAKE 20 MINUTES AND WRITE SMALL RESPONSES
4 TO KEY STATES, JUST NEWSPAPERS, BECAUSE IT HAS HUGE
5 IMPACT WITHOUT THE TIME INVESTMENT THAT AN OP ED
6 REQUIRES.

7 CHAIRMAN KLEIN: THANK YOU, DON. ANY
8 ADDITIONAL BOARD COMMENT? ALL IN FAVOR. OPPOSED?
9 MEASURE PASSES UNANIMOUSLY. AND STAFF WILL WORK ON THE
10 WORDING. WE'LL BRING THIS BACK AT A LATER POINT.

11 NOW THAT WE HAVE A QUORUM, I WOULD LIKE TO,
12 BEFORE GOING ON TO THE PRESIDENT'S REPORT, MAKE TWO
13 COMMENTS. ONE IS ON BOND FUNDING, I'VE GIVEN THE
14 AGENDA AND TIME. WE'RE GOING TO NOT GO THROUGH THAT
15 TODAY.

16 WHAT I'D LIKE TO DO IS GO BACK TO THE CONSENT
17 CALENDAR. THE CONSENT CALENDAR HAD ITEMS ADDRESSING
18 THE PRIOR MINUTES, AND IT HAS AN ITEM ADDRESSING A CIRM
19 CONTACT FOR FILING REGULATIONS WITH THE OFFICE OF
20 ADMINISTRATIVE LAW. JAMES HARRISON IS OUT FOR THE
21 MOMENT. THIS IS AN ADMINISTRATIVE MATTER, SHOULD BE
22 NONCONTROVERSIAL.

23 WE ARE DELEGATING AUTHORITY AND
24 RESPONSIBILITY TO THE PRESIDENT OF CIRM AS THE CONTACT
25 OR THE PRESIDENT'S DESIGNEE. IF THERE ARE --

1 MS. WILSON: MOVE APPROVAL.

2 CHAIRMAN KLEIN: MOVE APPROVAL OF THE CONSENT
3 ITEMS.

4 MS. SAMUELSON: SECOND.

5 CHAIRMAN KLEIN: ALL IN FAVOR. CONSENT ITEMS
6 ARE PASSED.

7 WE WILL, THEREFORE, MOVE DIRECTLY TO THE
8 PRESIDENT'S REPORT. AND I WOULD SAY THAT WHILE WE'RE
9 WAITING FOR THE POWERPOINT FOR JUST A MOMENT, IT HAS
10 BEEN AN ACT OF TREMENDOUS DEDICATION THIS BOARD SHOWING
11 UP FOR MONTHLY MEETINGS. THE PRESIDENT AND I ARE
12 WORKING ON TRYING TO GET US TO A POINT VERY QUICK HERE.
13 WE'RE EXPLORING BEING ABLE TO GO TO BIMONTHLY MEETINGS.
14 AND WE WILL BE POLLING THE BOARD IN THE VERY NEAR
15 FUTURE ABOUT THAT POSSIBILITY, BUT I THINK THERE WOULD
16 BE A GENERAL CONSENSUS, SO I'M NOT GOING TO WASTE ANY
17 TIME.

18 DR. THAL: YOU WANT TO VOTE?

19 CHAIRMAN KLEIN: I WILL TELL YOU IT IS
20 TREMENDOUS TO HAVE SAT IN A GRANT REVIEW MEETING
21 YESTERDAY. AS I'M SURE THE REST OF THE BOARD MEMBERS
22 THAT WERE THERE CAN TELL YOU, JOAN SAMUELSON WAS A
23 TREMENDOUS CO-CHAIR. VERY GRATEFUL. BUT TO HAVE THE
24 STRUCTURE IN PLACE TO BE ABLE TO GET TO THE POINT WHERE
25 WE HAD A GRANT REVIEW SESSION WAS REMARKABLE. AND I

1 REMIND EVERYONE THAT, WHEREAS, THE NIH, WHICH IS A
2 TREMENDOUS ASSET TO THIS COUNTRY, SOMETIME TAKES EIGHT
3 TO NINE MONTHS BETWEEN SUBMISSION OF GRANT REQUESTS AND
4 PEER REVIEW SESSIONS, THESE APPLICATIONS, UNDER THE
5 GREAT LEADERSHIP OF DR. HALL AND DR. ARLENE CHIU, WENT
6 THROUGH WITH APPLICATIONS SUBMITTED ON JULY 1 TO US AND
7 PEER REVIEW ON AUGUST 3D AND 4TH. NOW, THAT'S A
8 REMARKABLE ACCOMPLISHMENT. AND I THINK WE SHOULD OPEN
9 THE PRESIDENT'S REPORT WITH A GOOD HAND OF APPLAUSE.

10 (APPLAUSE.)

11 DR. HALL: I'M NOT WHERE ARLENE CHIU IS, BUT
12 SHE HAS BEEN THE CENTER OF THIS EFFORT AND REALLY THE
13 STAR HERE.

14 LET ME JUST ECHO THE CHAIRMAN'S WORDS. THE
15 LAST TWO DAYS WERE FOR MANY OF US EXHILARATING. IT WAS
16 A VERY IMPORTANT FIRST STEP. WE WERE ABLE TO MEET SOME
17 OF OUR GRANTS REVIEW WORKING GROUP, OUR RESEARCH
18 FUNDING WORKING GROUP AS WE'RE GOING TO CALL THE GROUP
19 FROM NOW ON, THANKS TO JOAN SAMUELSON. WE WERE ABLE TO
20 MEET MANY OF THESE MEMBERS FOR THE FIRST TIME. WE HAD
21 A LIVELY SESSION. THERE WEREN'T TOO MANY MOMENTS THAT
22 WERE IN PAUL BERG'S PHRASE BRUTAL, BUT WE HAD A VERY
23 LIVELY DISCUSSION. AND IT WAS INTERESTING TO SEE THE
24 SORT OF MARKETPLACE OF VALUES AS WE DISCUSSED THESE
25 ITEMS.

1 ONE OF THE MEMBERS OF THE COMMITTEE, WHO IS A
2 PERSON WHO HAS CHAIRED NIH STUDY SECTIONS BEFORE, SAID
3 THAT HE HAD NEVER SEEN A REVIEW GROUP WORK SO WELL ON
4 THE FIRST DAY OF PEOPLE COMING TOGETHER FOR THE FIRST
5 TIME. SO I THINK IT'S A TRIBUTE TO THE JOB DONE BY THE
6 SECTION COMMITTEE HEADED BY ED HOLMES THAT WE HAD A
7 GREAT GROUP THERE. AND WE WILL BRING THE RESULTS OF
8 THAT WORK TO YOU NEXT MONTH.

9 AND I STARTED TO SAY ARLENE AND HER STAFF.
10 IN FACT, HER STAFF RIGHT NOW IS -- HER SCIENTIFIC STAFF
11 IS A NULL POOL, NULL SET. SO SHE WILL BE DOING FOR THE
12 NEXT MONTH THE BULK OF THE WORK IN GETTING THE REPORTS
13 READY FOR YOUR CONSIDERATION IN SEPTEMBER. SO AT ANY
14 RATE, I FEEL LIKE WE'RE OFF AND RUNNING AND IT'S
15 WONDERFUL TO BE THERE.

16 LET ME JUST QUICKLY MENTION A NEW APPOINTMENT
17 THAT WE HAVE MADE. DR. GOEFF LOMAX HAD HIS FIRST DAY
18 WITH CIRM YESTERDAY. HE'S SENIOR STAFF LIAISON TO THE
19 STANDARDS WORKING GROUP. HE HAS A PH.D. IN PUBLIC
20 HEALTH AND HAS RECENTLY STAFFED A LEGISLATIVELY
21 MANDATED COMMITTEE, COMPLETE WITH A RAMBUNCTIOUS PANEL
22 OF EXPERTS, TO ASSESS THE IMPACT OF THE ENVIRONMENT ON
23 CHRONIC DISEASE. HE LED THE STAFFING FOR THE
24 COMMITTEE. HE ESSENTIALLY WROTE THE FIRST DRAFT OF THE
25 REPORT AND RECEIVED VERY HIGH PRAISE FROM THOSE WHO

1 WERE INVOLVED. APPARENTLY PEOPLE ON THE COMMITTEE SAID
2 IT WAS THE BEST STAFF WORK THEY HAD EVER SEEN, SO WE
3 ARE VERY FORTUNATE, I FEEL, TO HAVE HIM JOIN US. AND
4 HE WILL BE WORKING WITH THE STANDARDS WORKING GROUP
5 THEN IN CARRYING OUT THEIR WORK. SO WE ARE, AS I SAY,
6 FORTUNATE TO HAVE HIM, AND I LOOK FORWARD TO HAVING YOU
7 MEET HIM.

8 JUST TO MENTION THAT WE HAVE THE -- WE HAVE
9 PRIORITIZED OUR RECRUITMENTS, WHICH YOU'VE HEARD ABOUT
10 QUITE A BIT IN THE LAST FEW TIMES, TO PUT THESE FIVE AT
11 THE FRONT BURNER. THEY SEEM TO US THE MOST CRITICAL
12 ONES, AND THEY ARE DESIGNED TO ACHIEVE THREE SHORT-TERM
13 OBJECTIVES. THE FIRST IS TO BE ABLE TO -- MECHANICALLY
14 ABLE TO GIVE OUT MONEY FOR THE TRAINING GRANTS, OUR
15 FIRST RFA, FOLLOWING THE MEETING NEXT MONTH. AND THAT
16 REQUIRES THAT WE PUT IN PLACE A CONSIDERABLE GRANTS
17 MANAGEMENT MACHINERY, AND WE NEED TO GET THE GRANTS
18 MANAGEMENT OFFICER, THE GRANTS TECHNICAL ASSISTANT, AND
19 DIRECTOR FOR INFORMATION TECHNOLOGY IN PLACE AS SOON AS
20 POSSIBLE. SO THESE ARE VERY HIGH PRIORITIES.

21 THE SECOND IS WE WILL NEED TO GIVE THE CHAIR
22 ALL THE SUPPORT THAT WE CAN AS HE IS ENGAGED IN THE
23 IMPORTANT ROLE OF RAISING BRIDGE FINANCING DURING THE
24 NEXT MONTHS. AND SO HAVING AN EXECUTIVE ASSISTANT FOR
25 HIM IS A VERY HIGH PRIORITY FOR US.

1 AND FINALLY, WE HAVE, AS YOU WILL HEAR LATER,
2 OUR PLANS FOR OUR NEW SPACE ARE NOW COMPLETE. WE ARE
3 AT THE END OF DESIGN DEVELOPMENT AND ABOUT TO START
4 CONSTRUCTION. AND WE NEED TO START PLANNING NOW FOR
5 OUR MOVE, AND FOR THAT IT IS ESSENTIAL THAT WE HAVE A
6 FACILITIES PROCUREMENT AND OPERATIONS MANAGER. THIS
7 PERSON WOULD REPORT TO WALTER BARNES AND WOULD BE
8 RESPONSIBLE FOR THE ITEMS, THE OPERATIONS MENTIONED IN
9 THE TITLE.

10 LET ME JUST ALSO, ONCE AGAIN, REMIND YOU OUR
11 PLANS ARE NOW COMPLETE AND WE'VE ANNOUNCED ON OUR
12 WEBSITE OUR SCIENTIFIC MEETING "STEM CELL RESEARCH IN
13 CALIFORNIA -- CHARTING NEW DIRECTIONS." WE WILL BE
14 HOLDING THAT MEETING OCTOBER 1ST AND 2D IN SAN
15 FRANCISCO. AND I THINK MOST OF THIS INFORMATION YOU
16 KNOW. I WANTED TO REPORT IT TO YOU.

17 WE HAVE ONE NOVEL FEATURE, WHICH I DON'T
18 THINK I MENTIONED. AND THAT IS FOR EACH SESSION, WE
19 WILL HAVE A STUDENT RAPPOREUR. AND ON THE SECOND DAY
20 OF THE MEETING, EACH OF THESE STUDENTS WILL GIVE A LAY
21 SUMMARY OF THE PARTICULAR SESSION FOR THOSE WHO MAY BE
22 ATTENDING THE MEETING WHO DON'T HAVE THE SCIENTIFIC
23 EXPERTISE. AND THERE WILL BE AN OPPORTUNITY FOR PEOPLE
24 TO ASK QUESTIONS IN AN INFORMAL SETTING TO TRY TO LEARN
25 MORE ABOUT THE TOPICS UNDER DISCUSSION.

1 WE LOOK FORWARD TO THAT, AND WE HOPE AS MANY
2 OF YOU AS POSSIBLE WILL COME. YOU SHOULD HAVE ALREADY
3 RECEIVED THE LETTER REMINDING YOU OF THIS.

4 WE HAVE SOME BUSINESS WHICH I WOULD LIKE TO
5 BRING TO YOUR ATTENTION. THE STANDARDS WORKING GROUP
6 WILL NEED SOME WORK, I THINK, BY THE SEARCH COMMITTEE
7 UNDER THE CHAIRMANSHIP OF DAVID KESSLER. OUR CO-CHAIR,
8 HARRIET RABB, HAS UNFORTUNATELY RESIGNED FROM THE
9 COMMITTEE DUE TO UNEXPECTED PERSONAL AND PROFESSIONAL
10 RESPONSIBILITIES. THIS IS A SERIOUS LOSS FOR US AS
11 HARRIET WAS NOT ONLY EXTRAORDINARILY DISTINGUISHED AND
12 HAD DONE A REMARKABLE JOB EVEN IN THE FIRST MONTH THAT
13 SHE HAD BEEN DOING THIS; BUT FOR THOSE OF US WHO GOT A
14 CHANCE TO KNOW HER, SHE'S ALSO A WONDERFUL PERSON, AND
15 SO WE WILL MISS HER VERY MUCH.

16 BUT WE WILL NEED A CO-CHAIR FOR THAT
17 COMMITTEE, AND WE ARE IN THE PROCESS OF FINDING
18 SOMEBODY. ITS NEXT MEETING IS AUGUST 30TH, AND SO WE
19 ARE IN THE PROCESS OF DOING THAT.

20 WE ALSO NEED THREE NEW MEMBERS OF THE
21 COMMITTEE, A SCIENTIST-PHYSICIAN, AN ETHICIST, AND AN
22 ICOC PATIENT REPRESENTATIVE. AND AS YOU MAY RECALL
23 FROM THE ORIGINAL LIST, BECAUSE OF THE CONFLICT OF
24 INTEREST RULES THAT WE INSTITUTED, ONE, THE
25 SCIENTIST-PHYSICIAN WHO WAS RECOMMENDED WAS UNABLE TO

1 SERVE OR DID NOT WISH TO SERVE UNDER THOSE CONDITIONS,
2 BUT BASICALLY BECAUSE THEY WANTED TO APPLY FOR A GRANT
3 TO US. ALSO, THE ETHICIST WOULD REPLACE, THEN, HARRIET
4 RABB. AND ALSO, AS MANY OF YOU KNOW, PHYLLIS PRECIADO
5 HAS RESIGNED FROM THE BOARD, AND WE WILL NEED AN ICOC
6 PATIENT REPRESENTATIVE TO REPLACE HER. WHETHER THAT IS
7 THE NEW APPOINTEE TO THAT POSITION OR SOMEONE ELSE, I
8 DON'T KNOW, BUT WE DO ASK THAT THAT SUBCOMMITTEE
9 ADDRESS THESE PROBLEMS IF WE WOULD.

10 I'D ALSO LIKE TO TAKE AN ITEM OUT OF ORDER,
11 IF I MIGHT, TO TAKE ADVANTAGE OF OUR QUORUM WHILE WE
12 HAVE IT. AND THAT IS, IT IS ITEM NO. 10, AND YOU MIGHT
13 WISH TO LOOK AT YOUR BOOK. NO. NO. 15. THIS IS NO.
14 15. AND THAT IS THAT OUR RESEARCH FUNDING, OUR GRANTS
15 WORKING GROUP, HAS ALAN TROUNSON FROM AUSTRALIA WAS
16 ORIGINALLY SELECTED TO SERVE ON THIS COMMITTEE.
17 HOWEVER, HE DEVELOPED A CONFLICT OF INTEREST BETWEEN
18 THE TIME ORIGINALLY HE AGREED TO BE ON THE COMMITTEE
19 AND THE TIME OF THE FIRST MEETING, IN THAT HE BECAME
20 ENGAGED IN ACTIVE DISCUSSIONS ABOUT THE POSSIBILITY OF
21 COLLABORATING AND BEING ON-SITE FOR EXPERIMENTS FOR
22 SOME PORTION OF THE YEAR WITH A CALIFORNIA UNIVERSITY.

23 THAT'S A WONDERFUL THING FOR STEM CELL
24 RESEARCH IN CALIFORNIA, AS HE IS AN INTERNATIONALLY
25 RECOGNIZED AUTHORITY; HOWEVER, IT CLEARLY CONSTITUTED A

1 CONFLICT OF INTEREST, AND SO HE HAS RESIGNED FROM THE
2 WORKING GROUP FOR THAT REASON.

3 AS YOU MAY REMEMBER, OUR FIRST ALTERNATE
4 AMONG THE 15 REPORTED FROM THE WORKING GROUP, THE
5 RESEARCH FUNDING WORKING GROUP SEARCH COMMITTEE, WAS
6 WISE YOUNG. AND IT WAS SUGGESTED BY US AND AGREED TO
7 BY YOU THAT HE WOULD BE THE FIRST ALTERNATE; THAT IS,
8 THE FIRST PERSON TO FILL ANY VACANCY THAT OCCURRED.

9 HE IS A PROFESSOR AT RUTGERS, FOUNDING
10 DIRECTOR OF THE W. M. KECK CENTER FOR COLLABORATIVE
11 NEUROSCIENCE. HE'S A WELL-KNOWN AND WELL-RECOGNIZED
12 SPINAL CORD INJURY EXPERT. I HAVE INFORMATION FROM --
13 GIVEN IN PUBLIC ACTUALLY AT ONE OF THESE MEETINGS BY
14 DON REED, WHO I DON'T KNOW OTHERWISE, BUT I WILL
15 CLEARLY TAKE HIS WORD FOR IT, THAT HE'S JUST BEEN
16 INDUCTED INTO THE SPINAL CORD RESEARCH HALL OF FAME.
17 AND HE ALSO IS A CO-HEAD WITH IRA BLACK, WHO SOME OF
18 YOU MAY KNOW, OF THE NEW JERSEY STEM CELL CENTER
19 CENTERED AROUND RUTGERS. SO HE WILL BE A VERY
20 IMPORTANT AND GOOD ADDITION TO OUR WORKING GROUP.

21 AND I WOULD ASK AS AN ACTION ITEM THAT THE
22 ICOC APPROVE HIS APPOINTMENT. LET ME JUST REMIND YOU
23 THAT THE WAY WE DID THIS WAS ESSENTIALLY TO PREAPPROVE
24 ALTERNATES FOR THE WORKING GROUP, AND WE ARE FREE TO
25 DRAW ON THEM FOR SERVICE AT VARIOUS MEETINGS. BUT IN

1 MY VIEW, IF WE REPLACE A MEMBER OF THE 15 WITH AN
2 ALTERNATE, THAT THAT SHOULD BE BROUGHT TO YOU FOR YOUR
3 APPROVAL. SO WE ASK THAT YOU ACT ON THAT ITEM.

4 CHAIRMAN KLEIN: DR. HALL, BEFORE YOU PROCEED
5 FURTHER WITH YOUR REPORT, WOULD YOU LIKE US TO ACT AT
6 THIS TIME?

7 DR. HALL: I THINK IT WOULD SIMPLE AND EASY
8 TO DO.

9 CHAIRMAN KLEIN: IS THERE A MOTION?

10 MS. SAMUELSON: IT WOULD BE MY PLEASURE TO
11 MAKE THAT MOTION.

12 CHAIRMAN KLEIN: IS THERE A SECOND?

13 DR. HOLMES: SECOND.

14 CHAIRMAN KLEIN: IS THERE PUBLIC COMMENT?

15 MR. REED: WHEN MY SON WENT INTO THE HOSPITAL
16 FOR HIS MOST TERRIBLE TIME, THERE WAS ONLY ONE
17 MEDICATION, AND TO THIS DAY IT'S STILL TRUE, WHICH IS
18 UNIVERSALLY ACCEPTED, TO DIMINISH THE EFFECT OF SPINAL
19 CORD INJURY, AND THAT'S METHYLPREDNISOLONE. WISE YOUNG
20 WAS A CO-INVENTOR OF THAT. HE IS ALSO A FINE WARRIOR.
21 YOU ARE GOING TO LOVE HIM. GREAT CALL.

22 CHAIRMAN KLEIN: ANY OTHER COMMENTS? ANY
23 OTHER BOARD COMMENTS? CALL THE QUESTION. ALL IN
24 FAVOR. OPPOSED? THANK YOU.

25 DR. HALL: THANK YOU VERY MUCH, MR. CHAIR. I

1 NEED YOUR GUIDANCE HERE AT THIS POINT. WE HAVE TWO
2 OTHER ITEMS THAT I HAVE, BOTH I HOPE RELATIVELY SHORT,
3 THAT REQUIRE A BOARD ACTION. AND THESE ARE NUMBERS 10
4 AND 11. AND IF YOU WISH, I WOULD BE HAPPY TO TAKE THEM
5 OUT OF ORDER SO THAT OUR TENUOUS QUORUM HERE, WHILE IT
6 HOLDS, WE CAN GET TO THE ACTION THAT'S NECESSARY FROM
7 IT.

8 SO IF YOU SUGGEST, I'LL GO AHEAD WITH THAT.
9 OTHERWISE, WE CAN WAIT AND TAKE THEM IN ORDER, AS YOU
10 WISH.

11 CHAIRMAN KLEIN: THE -- WE HAVE SOME -- I
12 THINK OUR QUORUM IS STABLE. AND WE HAVE SOME VERY
13 POSITIVE INFORMATION TO COVER IN THE EXECUTIVE SESSION,
14 AND COVERING IT EARLY HAS SOME TIME BENEFIT TO US. SO
15 THAT IF IT'S CONVENIENT FOR YOU, WE'LL DO THESE ITEMS
16 IMMEDIATELY AFTER THE EXECUTIVE SESSION.

17 DR. HALL: THAT'S FINE.

18 CHAIRMAN KLEIN: ARE THERE ADDITIONAL ITEMS,
19 DR. HALL, THAT YOU WANTED TO COVER IN YOUR PRESIDENT'S
20 REPORT?

21 DR. HALL: NO. THAT CONCLUDES MY PRESIDENT'S
22 REPORT. THANK YOU VERY MUCH.

23 CHAIRMAN KLEIN: FOR THE EXECUTIVE SESSION,
24 WE'RE GOING TO THE ROOM WHERE THE SPOTLIGHT OCCURRED.
25 AND, MR. HARRISON, WE HAVE STATED THAT THE EXECUTIVE

1 SESSION IS GOING TO FOCUS ON BOTH PIECES OF LITIGATION
2 THAT ARE PENDING, AS WELL AS PERSONNEL ITEMS. DO WE
3 NEED TO READ ANYTHING SPECIFIC INTO THE RECORD?

4 MR. HARRISON: WE DO NOT.

5 CHAIRMAN KLEIN: SO WE WILL ADJOURN TO THE
6 OTHER ROOM. THANK YOU VERY MUCH.

7 MS. SAMUELSON: FOR THE BENEFIT OF THE
8 PUBLIC, DO YOU HAVE ANY KIND OF ESTIMATE OF THE TIME?

9 CHAIRMAN KLEIN: WE'RE GOING TO TRY AND GET
10 THIS DONE IN ONE HOUR.

11 (THE ICOC THEN RECESSED TO CLOSED
12 SESSION, WHICH WAS NOT REPORTED, NOR HEREIN
13 TRANSCRIBED. THE PUBLIC SESSION WAS THEN RECONVENED
14 AND HERD AS FOLLOWS:)

15 CHAIRMAN KLEIN: ALL RIGHT. IF WE CAN COME
16 BACK TO ORDER. IF STAFF WOULD SEARCH IN THE LABYRINTH
17 FOR THE BOARD MEETING. I'M GOING TO ASK JAMES HARRISON
18 TO START THE PUBLIC SESSION WITH A REPORT ON THE
19 LITIGATION ISSUES DISCUSSED IN THE EXECUTIVE SESSION.
20 THIS IS AN EXTREMELY IMPORTANT LITIGATION REPORT,
21 EXTRAORDINARY PROGRESS FOR US FOR WHICH WE ARE VERY
22 PLEASED AND VERY APPRECIATIVE OF THE FUNCTIONING OF THE
23 JUDICIAL SYSTEM IN REALLY UPHOLDING THE MANDATE OF THE
24 PUBLIC. MORE IMPORTANTLY, IN THIS PARTICULAR CASE, OF
25 MOVING THE CASE FORWARD EXPEDITIOUSLY AND REDUCING THE

1 COST AND TIME NECESSARY FOR CARRYING THIS CASE TO
2 FRUIT ION. JAMES HARRISON.

3 MR. HARRISON: YESTERDAY, AS YOU NOW KNOW,
4 THE ALAMEDA COUNTY SUPERIOR COURT RULED ON A MOTION
5 FILED BY THE ICOC AND THE OTHER STATE DEFENDANTS IN THE
6 ALAMEDA COUNTY SUPERIOR COURT ACTION, THE PEOPLE'S
7 ADVOCATE ACTION, TO TRANSFER THE ACTION FILED BY THE
8 CALIFORNIA FAMILY BIOETHICS COUNCIL, WHICH WAS FILED IN
9 SACRAMENTO, TO ALAMEDA COUNTY SUPERIOR COURT SO THAT IT
10 COULD BE CONSOLIDATED FOR THE PURPOSES OF HEARING AT
11 TRIAL WITH THE PEOPLE'S ADVOCATE ACTION.

12 THE COURT GRANTED THAT MOTION, SO THE
13 CALIFORNIA FAMILY BIOETHICS COUNCIL ACTION WILL NOW BE
14 CONSOLIDATED WITH THE PEOPLE'S ADVOCATE ACTION AS OF
15 SEPTEMBER 1ST. THIS IS IMPORTANT FOR SEVERAL REASONS,
16 AS THE CHAIR NOTED. FIRST, IT SAVES THE CIRM'S
17 RESOURCES BECAUSE IT PERMITS THE CIRM TO DEAL WITH THIS
18 LITIGATION IN A SINGLE COURT RATHER THAN HAVING TO
19 FIGHT IT ON TWO SEPARATE FRONTS. IT ALSO AVOIDS THE
20 POSSIBILITY OF INCONSISTENT RULINGS. AND IT'S
21 IMPORTANT FOR A FINAL REASON IN THAT THE ALAMEDA COUNTY
22 SUPERIOR COURT HAS A PILOT SINGLE ASSIGNMENT PROJECT TO
23 WHICH THIS ACTION HAS BEEN ASSIGNED, WHICH MEANS THAT
24 ALL MATTERS PERTAINING TO BOTH ACTIONS WILL BE HEARD BY
25 A SINGLE JUDGE, JUDGE BONNIE SABRAW, WHICH SHOULD ALSO

1 AID BOTH IN TERMS OF JUDICIAL EFFICIENCY, AS WELL AS IN
2 TERMS OF SPEED IN THE PROCESS ITSELF.

3 AND IT'S IMPORTANT TO NOTE THAT IN RULING ON
4 THE MOTION, JUDGE SABRAW RECOGNIZED THAT ONE OF THE
5 PURPOSES BEHIND THE VALIDATION PROCEDURES WAS TO LIMIT
6 THE EXTENT TO WHICH DELAY DUE TO LITIGATION MAY IMPAIR
7 A PUBLIC AGENCY'S ABILITY TO OPERATE FINANCIALLY. AND
8 SHE WROTE, "THIS OBJECTIVE IS MET IN PART BY ASSURING A
9 SPEEDY DETERMINATION OF THE VALIDITY OF FINANCIAL
10 TRANSACTIONS AND OF CHALLENGES THAT MAY AFFECT THE
11 MARKETABILITY OF THE PUBLIC AGENCY'S BONDS. "

12 SO YOU COURTS HAVE RECOGNIZED THE IMPORTANCE
13 OF RESOLVING THESE ISSUES AS QUICKLY AS POSSIBLE SO
14 THAT THE CIRM CAN GET ON WITH ITS BUSINESS OF FUNDING
15 STEM CELL RESEARCH.

16 I HAVE ONE OTHER THING TO REPORT, WHICH IS AN
17 EVENT THAT JUST HAPPENED EARLIER THIS MORNING, WHICH IS
18 THAT THE PLAINTIFFS IN THE ACTION WHICH WAS FILED IN
19 FEDERAL DISTRICT COURT IN RIVERSIDE BY MARY SCOTT DOE,
20 A FICTIONAL HUMAN EMBRYO, HAVE NOW SERVED THE MEMBERS
21 OF THE ICOC WITH A COPY OF THE COMPLAINT SO THAT THAT
22 CASE HAS NOW BEEN SERVED. OBVIOUSLY WE HAVEN'T HAD A
23 CHANCE TO REVIEW THE COMPLAINT IN DETAIL HAVING JUST
24 RECEIVED IT, BUT AS WITH ALL OF THIS LITIGATION, WE
25 TAKE IT VERY SERIOUSLY, AND WE WILL AGGRESSIVELY DEFEND

1 THE ICOC AND THE CIRM IN THIS LITIGATION AS WELL.

2 CHAIRMAN KLEIN: AND, JAMES, FOR THE BENEFIT
3 OF THE PUBLIC, COULD YOU REVIEW FOR THEM TERSELY THE
4 FEDERAL HISTORY OF THIS LITIGANT ON THIS ISSUE
5 SPECIFICALLY?

6 MR. HARRISON: YES. THIS ACTION IS BROUGHT
7 BY A GROUP CALLED THE NATIONAL ASSOCIATION FOR THE
8 ADVANCEMENT OF PREBORN CHILDREN OR THE NAAPC, AND IT IS
9 SIMILAR TO AN ACTION THAT THE SAME GROUP FILED
10 PROTESTING CLINTON ERA POLICIES REGARDING HUMAN
11 EMBRYONIC STEM CELL RESEARCH. AND ULTIMATELY THAT
12 ACTION WAS DISMISSED AS MOOT AFTER THE DISTRICT COURT
13 RULED THAT THE PLAINTIFFS LACKED STANDING. THE FOURTH
14 CIRCUIT COURT OF APPEALS DISMISSED THE APPEAL AS MOOT
15 ON THE GROUNDS THAT THE BUSH ADMINISTRATION HAD CHANGED
16 THE UNDERLYING POLICY THAT WAS AT ISSUE.

17 CHAIRMAN KLEIN: AND THIS IS THE SAME CASE
18 THAT'S BEEN REPORTED PREVIOUSLY. IT JUST HAD NOT BEEN
19 SERVED.

20 MR. HARRISON: THAT'S CORRECT. IT'S THE SAME
21 CASE. IT IS AN AMENDED COMPLAINT, BUT ON A CURSORY
22 REVIEW, IT APPEARS TO RAISE THE SAME PRIMARY ISSUES,
23 WHICH ARE ALLEGED VIOLATION OF THE EQUAL PROTECTION
24 RIGHTS OF FROZEN EMBRYOS AND ALLEGED VIOLATIONS OF THE
25 13TH AMENDMENT PROHIBITION AGAINST SLAVERY.

1 CHAIRMAN KLEIN: THANK YOU VERY MUCH. AND I
2 WOULD LIKE TO THANK PAUL BERG FOR BEING SWORN IN JUST
3 TO BE SERVED WITH THE REST OF US.

4 DR. BERG: I'M SURPRISED UNDER THIS KIND OF
5 CHALLENGE WHY IVF CLINICS ARE ALLOWED TO CONTINUE.

6 CHAIRMAN KLEIN: IF THIS CHALLENGE WERE
7 SUCCESSFUL, IN VITRO FERTILIZATION CLINICS WOULD NOT BE
8 ABLE TO CONTINUE OPERATION. AND CERTAINLY, THERE IS A
9 VERY PROUD TRADITION IN THIS COUNTRY WHERE MORE THAN A
10 MILLION PERSONS, I BELIEVE, HAVE BEEN BORN THROUGH IN
11 VITRO FERTILIZATION WITH VERY SOUND SAFETY RECORD AND
12 ETHICAL RECORD. BUT THE SUCCESS OF A LAWSUIT OF THIS
13 EXTREME NATURE WOULD SHUT DOWN IN VITRO FERTILIZATION
14 CLINICS AS WELL AS A GREAT DEAL OF RESEARCH. I
15 WOULD --

16 MS. SAMUELSON: MAY I BE ALLOWED JUST A QUICK
17 COMMENT. I DON'T WANT TO DELAY. OUR MEETINGS ARE SO
18 LONG, BUT WHEN SOMETHING LIKE THIS HAPPENS, IT'S
19 JUST -- I THINK WE HAVE TO EXPRESS SOME OUTRAGE AND
20 JUST THE SHEAR CONTINUING DISAPPOINTMENT OF THE DELAY
21 IN OUR WORK, TRYING TO ACHIEVE THE MISSION THAT SEVEN
22 MILLION CALIFORNIANS ENTHUSIASTICALLY VOTED FOR TO TRY
23 TO GET CURES TO SUFFERING PEOPLE, SUCH AS THE PEOPLE
24 WITH MS WHO SPOKE BEFORE US FIRST THING THIS MORNING.
25 AND THIS IS A CASE OF JUSTICE DELAYED IS JUSTICE

1 DENIED. THEY PROBABLY KNOW THAT THIS IS A RIDICULOUS
2 CLAIM THAT WILL NEVER ACHIEVE SUCCESS, BUT IT WILL COST
3 US MONEY TO DEFEND IT, MONEY THAT'S TAXPAYER MONEY THAT
4 WE WON'T BE ABLE TO SPEND ON RESEARCH, AND IT WILL
5 DELAY OUR ABILITY TO MOVE AHEAD WITH THE TIME THAT IT
6 TAKES. AND THAT WILL INCREASE AND PROLONG HUMAN
7 SUFFERING. AND THAT IS SIMPLY A TERRIBLE THING.

8 CHAIRMAN KLEIN: THANK YOU VERY MUCH, JOAN.
9 WE HAVE TWO JOB RECLASSIFICATIONS THAT
10 OCCURRED DURING THE EXECUTIVE SESSION. I BELIEVE THAT,
11 DR. HALL, YOU HAVE RECOMMENDATIONS ON SALARY
12 ADJUSTMENTS FOR THOSE JOB RECLASSIFICATIONS.

13 DR. HALL: YES. WE WANT TO REQUEST APPROVAL
14 OF THE ICOC FOR A 10-PERCENT INCREASE IN THE SALARY OF
15 DR. ARLENE CHIU FROM 165 TO 181,500, BASED ON INCREASE
16 IN DUTIES AND RESPONSIBILITY ON ASSUMING RESPONSIBILITY
17 FOR GRANTS MANAGEMENT. AND ALSO AN INCREASE OF
18 JENNIFER ROSAIA FROM 42 TO 47,500, A 13-PERCENT
19 INCREASE, ALSO BASED ON INCREASED RESPONSIBILITY AND
20 DUTIES THAT SHE'S ASSUMED IN ORGANIZING ICOC MEETINGS.

21 CHAIRMAN KLEIN: AND MY UNDERSTANDING, AS
22 WELL, DR. HALL, IS THAT BETWEEN YOU AND DR. CHIU,
23 YOU'VE REALLY KIND OF ABSORBED THE CHIEF SCIENTIFIC
24 OFFICER'S DUTIES SO THAT THERE'S A POSITION THAT WE'RE
25 NOT FILLING, BUT THESE DUTIES ARE BEING ABSORBED BY YOU

1 AND DR. ARLENE CHIU. SO THERE'S ACTUALLY A CURRENT
2 SAVINGS IN THAT PAYROLL CATEGORY EVEN WITH THE
3 EXTRAORDINARILY WELL-DESERVED INCREASE FOR DR. CHIU AND
4 WELL-DESERVED INCREASE FOR JENNIFER, WHICH WE'RE VERY
5 APPRECIATIVE FOR HER MAJOR ROLE IN PLANNING ALL OF THE
6 35 BOARD HEARINGS AND SUBCOMMITTEE MEETINGS AND
7 CARRYING THEM OUT.

8 DR. HALL: LET ME JUST EMPHASIZE, MR. CHAIR,
9 IF I MAY, THAT I CERTAINLY AGREE THAT BOTH HAVE
10 PERFORMED WELL; HOWEVER, THE INCREMENTS THAT ARE BEING
11 ASKED ARE BASED ON INCREASED RESPONSIBILITY AND CHANGE
12 IN DUTIES IN EACH CASE.

13 CHAIRMAN KLEIN: IT'S A COMPLETE CHANGE IN
14 JOB CLASSIFICATION.

15 DR. HALL: YOU'RE QUITE CORRECT THAT WE WILL,
16 THEREFORE, NOT BEING HIRING A CHIEF SCIENTIFIC OFFICER
17 IN THE NEAR FUTURE.

18 CHAIRMAN KLEIN: IS THERE ANY BOARD COMMENT
19 ON THIS ITEM?

20 MS. SAMUELSON: DOES IT REQUIRE A MOTION?

21 CHAIRMAN KLEIN: REQUIRES A MOTION.

22 MS. SAMUELSON: I WOULD WITH GREAT PLEASURE
23 MAKE THAT MOTION. HAVING WATCHED DR. CHIU IN ACTION
24 OVER THE LAST FEW DAYS, WE'RE GETTING A LOT FOR OUR
25 MONEY.

1 CHAIRMAN KLEIN: DOES YOUR MOTION ENCOMPASS
2 JENNIFER'S AS WELL?

3 MS. SAMUELSON: IT DOES. AND I HAVE THE SAME
4 SENTIMENT.

5 CHAIRMAN KLEIN: OKAY. IS THERE A SECOND?
6 (MULTIPLE SECONDS.)

7 CHAIRMAN KLEIN: MOTION IS MADE AND SECONDED.
8 IS THERE PUBLIC COMMENT? NO PUBLIC COMMENT. ALL IN
9 FAVOR.

10 AND, DR. CHIU, YOU WERE OUT OF THE ROOM
11 EARLIER TODAY, BUT WE WERE ALL THANKING YOU AND DR.
12 HALL FOR THE TREMENDOUS LEADERSHIP AND EXTRAORDINARY
13 PERFORMANCE IN GETTING US THROUGH OUR FIRST GRANT
14 REVIEW SESSION. IT'S REMARKABLE THAT THOSE
15 APPLICATIONS CAME IN JULY 1ST, AND WE HAD THAT GRANTS
16 REVIEW CYCLE COMPLETED ON AUGUST 4TH. I KNOW YOU HAVE
17 A LOT OF WORK TO DO TO GET READY FOR THE SEPTEMBER
18 MEETING, BUT I THINK A HAND OF APPLAUSE IS EXTREMELY
19 WELL DESERVED.

20 (APPLAUSE.)

21 CHAIRMAN KLEIN: DR. HALL, WE HAD PROMISED TO
22 MOVE TO ITEM 10. AND IF WE COULD PICK UP THE WORK
23 THERE. AND I WOULD LIKE TO SAY TO THE PUBLIC MY
24 PERSONAL APOLOGIES THAT IT TOOK A LONGER A PERIOD OF
25 TIME. IF I'M EVER THIS FAR OFF MY ESTIMATES FOR LUNCH

1 AGAIN, I'LL BUY LUNCH FOR EVERYONE IN THE AUDIENCE. I
2 HOPE THE BOARD DOESN'T DELAY COMING BACK INTO SESSION
3 JUST SO I GET TO BUY LUNCH FOR THE AUDIENCE.
4 SINCERELY, MY APOLOGIES.

5 DR. HALL: SO THIS IS ITEM NO. 10, AND IF YOU
6 WILL TURN TO AGENDA NO. 10 IN YOUR BOOKS, IT IS
7 BASICALLY A CONTINUATION OF A DISCUSSION WE HAD LAST
8 TIME WHERE, AS YOU RECALL, THE LEGISLATIVE SUBCOMMITTEE
9 HAD APPROVED AN ENHANCEMENT OF OUR POLICIES. WE
10 BROUGHT THAT FOR CONFLICT OF INTEREST AND ALSO FOR OUR
11 FUNDING RECOMMENDATIONS TO THE ICOC. I'LL DEAL WITH
12 THOSE IN JUST A MOMENT. LET'S DEAL FIRST WITH THE
13 CONFLICT OF INTEREST.

14 AND DURING THAT DISCUSSION, IT WAS CLEAR THAT
15 THERE WERE SEVERAL SMALL DISCREPANCIES BETWEEN THE
16 DIFFERENT CONFLICT OF INTEREST POLICIES, AND WE ASKED
17 LAST TIME FOR INTERIM AUTHORITY JUST BECAUSE WE HAD
18 THESE MEETINGS ONGOING WHILE WE BASICALLY MADE THE
19 POLICIES CONSISTENT WITH EACH OTHER. SO I WON'T GO
20 THROUGH THIS. I THINK IT'S NOT IMPORTANT POINT BY
21 POINT, BUT THE TWO MAJOR THINGS ARE THAT NOW THE
22 RELEVANT FINANCIAL INTEREST IS \$5,000 UNDER WHATEVER
23 CATEGORY AND IS TRUE FOR ALL THREE GROUPS.

24 AND THE OTHER IS THE DEFINITION OF FAMILY
25 INTEREST NOW. THE RELEVANT PHRASE IS SPOUSES OR OTHERS

1 WITH WHOM A REVIEWER HAS A COMMON FINANCIAL INTEREST.
2 SO THAT'S BEEN ADDED TO ALL OF THEM, SO THEY'RE NOW
3 INTERNALLY CONSISTENT. AND IF YOU FIND ANY OTHER
4 IMPROVEMENTS, WE ARE, OF COURSE, DELIGHTED TO CONSIDER
5 THEM. BUT I THINK THE POINT WAS JUST TO FINISH THAT
6 TASK AND TO MAKE THEM COMMENSURATE ACROSS THE BOARD.

7 CHAIRMAN KLEIN: ALL RIGHT. AND, JAMES
8 HARRISON, IF I COULD ASK, WOULD IT BE APPROPRIATE TO
9 HAVE A MOTION THAT ENCOMPASSES ALL THE RECONCILING
10 CHANGES TO ALL THREE?

11 DR. HALL: YES. THERE'S A TECHNICAL POINT
12 HERE. ALTHOUGH IT'S NOT IN THE -- THIS IS TECHNICALLY
13 A CHANGE TO OUR PROCEDURES. WE HAVE ALSO PREVIOUSLY
14 PASSED THE POLICIES, AND SO BOTH OF THOSE HAVE NOW BEEN
15 ALSO BROUGHT INTO CONSISTENCY WITH EACH OTHER. SO LET
16 ME ASK THAT THE MOTION ENCOMPASS BOTH THE POLICIES AND
17 THE PROCEDURES SO THAT THE CHANGES THAT ARE REFLECTED
18 HERE REPRESENT A CHANGE IN DETAIL IN BOTH OUR CONFLICT
19 OF INTEREST POLICY STATEMENT AND IN THE PROCEDURES IN
20 THAT IT IS PART OF A FORM THAT WE ASK -- SEND TO OUR
21 WORKING GROUP MEMBERS TO ASK FOR DISCLOSURE.

22 I'M SORRY I'M BEING SO OBTUSE WITH THIS. IF
23 ANYBODY WANTS FURTHER EXPLANATION, I'M HAPPY TO DO IT.

24 CHAIRMAN KLEIN: JAMES, IS THAT -- ANYTHING
25 ADDITIONAL WE NEED TO ADD TO THAT?

1 MR. HARRISON: NO. I THINK YOU SHOULD JUST
2 MAKE CLEAR THAT WHAT YOU ARE VOTING ON PERTAINS TO THE
3 FINANCIAL DISCLOSURE POLICY AND PROCEDURES FOR THE
4 WORKING GROUP MEMBERS.

5 CHAIRMAN KLEIN: OKAY. WITH THAT
6 CLARIFICATION, PRIOR TO DISCUSSION, WOULD ANYONE LIKE
7 TO MAKE A MOTION SO WE CAPTURE IT WHILE IT'S FRESH ON
8 OUR MIND?

9 DR. MURPHY: SO MOVED.

10 DR. STEWARD: SECOND.

11 CHAIRMAN KLEIN: IT'S BEEN MOVED AND
12 SECONDED. THE MOTION IS ON THE TABLE FOR DISCUSSION.
13 ANY DISCUSSION? SEEING NO DISCUSSION, IS THERE
14 DISCUSSION FROM THE PUBLIC?

15 MR. REYNOLDS: HI. I'M JESSE REYNOLDS FROM
16 THE CENTER FOR GENETICS AND SOCIETY. OF COURSE, IN THE
17 PAST, I'VE STATED NUMEROUS TIMES THE IMPORTANCE OF
18 HAVING PUBLIC DISCLOSURE OF THE PERSONAL FINANCIAL
19 INTERESTS OF THE WORKING GROUP MEMBERS IN ORDER FOR THE
20 PUBLIC TO HAVE CONFIDENCE IN THE OBJECTIVITY OF THEIR
21 DECISIONS.

22 WHAT I WANT TO EMPHASIZE NOW IS THE EXCEPTION
23 CLAUSE THAT'S IN ALL THREE CONFLICTS POLICIES; FOR
24 EXAMPLE, ON THE GRANTS REVIEW OR THE RESEARCH FUNDING
25 WORKING GROUP. IT SAYS THAT THE PRESIDENT MAY -- THE

1 PRESIDENT OF THE CIRM OR A DESIGNEE MAY DECIDE THAT THE
2 NEED FOR SPECIAL EXPERTISE OF THE REVIEWER OUTWEIGHS
3 ANY POSSIBLE BIAS POSED BY A REAL OR APPARENT CONFLICT
4 OF INTEREST. AND I FEEL THE RESULT OF THIS IS
5 SOMETHING OF A TOOTHLESS POLICY BECAUSE IN THE END, NOT
6 ONLY WILL THE PUBLIC NOT KNOW THE PERSONAL INTERESTS OF
7 THE WORKING GROUP MEMBERS, AND THE PUBLIC WON'T KNOW
8 WHEN RECUSALS DID AND DID NOT OCCUR ON FUNDING
9 DECISIONS. BUT THEY CAN'T BE ASSURED WITH BLANKET AND
10 100 PERCENT CONFIDENCE THAT THE INSTITUTE STAFF HAS IN
11 EVERY CASE REVIEWED AND PREVENTED ANY CONFLICT OF
12 INTEREST.

13 SO I URGE YOU TO RECONSIDER THIS POLICY.

14 CHAIRMAN KLEIN: MY UNDERSTANDING, DR. HALL,
15 IS THAT WHEN BRUCE ALBERTS, THE CHAIRMAN OF NATIONAL
16 ACADEMIES OF SCIENCE, PROVIDED US WITH NATIONAL
17 ACADEMIES' MODELS, THAT WHETHER IT'S THE NATIONAL
18 ACADEMIES OR NIH, THAT THIS IS DIRECTLY CONSISTENT WITH
19 THAT, AND THIS IS A MODEL FROM WHICH THAT WAS DERIVED.
20 BUT PERHAPS YOU COULD CLARIFY THAT FOR US AND INDICATE
21 WHAT AN EXAMPLE OF THE SITUATION UNDER WHICH THAT MIGHT
22 BE A CRITICAL EXCEPTION AND THE FREQUENCY IN WHICH
23 THOSE EXCEPTIONS COULD BE EXPECTED.

24 DR. HALL: WE WOULD EXPECT TO USE THIS
25 EXTREMELY RARELY. IT WOULD BE DOCUMENTED. WE WOULD SO

1 STATE WHAT THE CONFLICT OF INTEREST WAS AND WHAT THE
2 REASON WAS FOR DECIDING THAT THE INTEREST -- PUBLIC
3 INTEREST WAS SERVED BETTER BY HAVING THE MEMBER
4 PARTICIPATE IN SPIITE OF THAT.

5 I GUESS THE SITUATION WE'RE THINKING OF IS A
6 CASE IN WHICH THERE'S SOME HIGHLY SPECIALIZED
7 SCIENTIFIC OR OTHER AREA IN WHICH THERE ARE ONLY A VERY
8 SMALL NUMBER OF PEOPLE WHO ARE EXPERT AND IN WHICH, IN
9 ORDER TO MAKE A JUDGMENT ABOUT WHETHER SOMETHING IS
10 FEASIBLE OR NOT, WE NEED THE OPINION OF THAT EXPERT,
11 AND THAT WE FIND THAT ANY CONFLICT OF INTEREST IS SMALL
12 AND, IN OUR VIEW, OUTWEIGHED BY THE IMPORTANCE OF OUR
13 GETTING THEIR OPINION ON THIS DECISION.

14 IT WOULD BE DISCLOSED THAT THERE IS THAT
15 CONFLICT OF INTEREST, AND WE WOULD, AS I SAY, KEEP A
16 RECORD OF THAT, WHICH WOULD BE AVAILABE FOR AUDIT.

17 CHAIRMAN KLEIN: NOW, IT'S MY UNDERSTANDING,
18 MAYBE YOU COULD CLARIFY THAT FOR THE BOARD AS WELL,
19 WE'RE DISCUSSING CONFLICTS WHICH WOULD NOT BE ACTUAL
20 CONFLICTS IN THAT THIS WOULD NOT ALLOW -- THERE WOULD
21 NOT BE ANY MEMBER WHO WOULD ACTUALLY BENEFIT FROM ANY
22 APPLICATION UNDER THIS EXCEPTION. THIS IS A VERY
23 NARROW EXCEPTION.

24 DR. HALL: AN EXAMPLE MIGHT BE SOMEBODY WHO
25 HAD A SPOUSE WHO HAD RECEIVED \$5,050 OVER THE COURSE OF

1 SEVERAL SEMINARS OR INVITATIONS OR CONSULTING FEES FROM
2 A PARTICULAR UNIVERSITY. AND WE FELT, HOWEVER, THAT
3 HERE WAS A GRANT APPLICATION FROM SOMEBODY IN THAT
4 UNIVERSITY, AND OUR SENSE WAS THAT THIS PERSON'S
5 OPINION, THEY WOULD NOT BE -- IN GENERAL, I SHOULD SAY
6 THAT THESE WOULD NOT BE ACTUALLY WORKING GROUP MEMBERS,
7 ALTHOUGH OCCASIONALLY THEY MIGHT BE. MIGHT BE AN
8 OUTSIDE EXPERT, SOMEBODY WHO COMES IN AND SAYS THIS IS
9 MY OPINION. SO WE WOULD NOT WANT THEM TO PARTICIPATE
10 IN THE DISCUSSION.

11 I GUESS A REASONABLE POINT THERE IS THAT
12 PERHAPS WE SHOULD STIPULATE THAT THEY WOULD NOT
13 PARTICIPATE IN THE VOTING, BUT WOULD ONLY PARTICIPATE
14 IN THE DISCUSSION. AND THEIR CONFLICT OF INTEREST
15 WOULD BE IDENTIFIED AND THEIR PROFESSIONAL OPINION
16 WOULD BE ASKED ABOUT A PARTICULAR POINT. I THINK THAT
17 ACTUALLY IS A REASONABLE POINT. I'M SORRY WE HAD NOT
18 THOUGHT OF THAT BEFORE.

19 CHAIRMAN KLEIN: I THINK THAT'S A VERY GOOD
20 IMPROVEMENT. AND THE OTHER POINT IS THAT THE GRANTS
21 WORKING GROUP MEMBERS HAVE TO BE FROM OUT OF STATE AND
22 THEY CANNOT PARTICIPATE UNDER OTHER POLICES WE HAVE IN
23 ANY WAY IN ANY GRANT APPLICATION. SO, DR. HALL, MY
24 UNDERSTANDING IS THAT THERE'S NO ONE ON THE GRANTS
25 WORKING GROUP WHO COULD HAVE A CONFLICT OF THE NATURE

1 WHERE THEY WOULD PARTICIPATE DIRECTLY OR INDIRECTLY IN
2 THE GRANT PROCEEDS. THOSE BARRIERS AND WALLS HAVE BEEN
3 SET UP SEPARATELY. SO THIS IS IN THE NATURE OF A
4 CONFLICT THAT IS AN APPEARANCE OF A CONFLICT, IF I
5 UNDERSTAND CORRECTLY.

6 DR. HALL: WELL, AS IT READS, IF A MEMBER'S
7 SPOUSE -- I THINK THE WHOLE POINT IS TO EXERCISE YOUR
8 JUDGMENT HERE. SO IF THERE WERE AN INDIRECT BENEFIT OR
9 OTHER FAMILY MEMBER WITH WHOM; THAT IS, IF IT WERE NOT
10 DIRECT, IF IT WERE SMALL IN AMOUNT, AND I THINK WE'RE
11 GOING TO ASK MR. HARRISON HERE TO MAKE -- SUGGEST AN
12 AMENDED WORDING THAT WOULD STIPULATE THAT SUCH PERSON
13 WOULD NOT VOTE, BUT WE WOULD STILL BE ABLE TO USE THEIR
14 EXPERTISE EVEN THOUGH ONE COULD SAY THERE IS -- SO IN
15 THAT SENSE IT WOULD NOT BE SIMPLY THE APPEARANCE OF A
16 CONFLICT OF INTEREST. IT WOULD BE BY DEFINITION A
17 CONFLICT OF INTEREST, BUT WE WOULD DEEM IT SUFFICIENTLY
18 SMALL THAT UNDER THE CIRCUMSTANCES WE COULD USE IT.

19 I EMPHASIZE, AGAIN, THE CONFLICT OF INTEREST
20 WOULD BE IDENTIFIED AT THE TIME BEFORE THE WHOLE
21 COMMITTEE, WHOLE WORKING GROUP, WOULD BE IN THE RECORD,
22 AND I WOULD EXPECT TO USE THIS RARELY. THE CHAIR IS
23 CORRECT IN THAT THIS IS A -- THIS ALSO IS USED BY THE
24 NATIONAL ACADEMY OF SCIENCES FOR JUST THIS REASON
25 ACTUALLY, THE NATIONAL ACADEMIES, MORE PROPERLY,

1 INCLUDING THE INSTITUTE OF MEDICINE AND INSTITUTE OF
2 ENGINEERING, BUT THIS IS USED IN JUST THAT WAY BY THEM.
3 THERE MAY BE OCCASIONS IN THE NATIONAL INTEREST WHEN
4 YOU HAVE SOMEBODY WHO IS THE WORLD'S EXPERT ON
5 SOMETHING, AND YOU MAY DEEM THAT THEY HAVE A CONFLICT
6 OF INTEREST, BUT IN AMOUNT IT'S NOT VERY LARGE AND SO
7 FORTH. SO THAT WOULD BE THE CIRCUMSTANCE. I WOULD
8 EXPECT WE WOULD EXERCISE THIS VERY, VERY RARELY.

9 CHAIRMAN KLEIN: JOAN SAMUELSON.

10 MS. SAMUELSON: I THINK IT'S IMPORTANT FOR
11 THE PUBLIC TO UNDERSTAND THIS, TO APPRECIATE THAT THE
12 REASONS FOR THESE EXCEPTIONS ARE SO THAT WE CAN DO OUR
13 WORK BETTER, SO THAT WE CAN GET SCIENTIFIC EXPERTISE WE
14 NEED TO MAKE DECISIONS. I SAT IN MY FIRST EVER PEER
15 REVIEW SESSION IN THE LAST TWO DAYS, SO I EXPERIENCED
16 THIS IN ACTION. AND IT WAS VERY DISTRESSING TO ME.
17 THERE'S A CONFLICT OF INTEREST POLICY THAT YOU COULD
18 SAY IS VERY STRICT, AND THAT SOUNDS GREAT ON THE
19 SURFACE. BUT IT'S THIS BALANCING ACT. AND THESE
20 BRILLIANT SCIENTISTS, MANY OF THEM WERE HAVING TO LEAVE
21 THE ROOM AND NOT BE ABLE TO ADD THEIR BRILLIANCE TO
22 THESE DISCUSSIONS WHEN THEY WERE ONE OF MANY AUTHORS ON
23 ONE PEER REVIEWED JOURNAL FROM SOME TIME FRAME OF
24 YEARS. AND SO WE WERE LOSING THEIR EXPERTISE.

25 DR. HALL: LET ME JUST EMPHASIZE. WE'RE NOT

1 CHANGING THE POLICIES THAT WERE IN EFFECT THEN.

2 MS. SAMUELSON: I'M JUST GIVING AN EXAMPLE OF
3 THAT BALANCING ACT, THAT THIS ISN'T TO ALLOW SOMEONE TO
4 GET MORE MONEY OR SOMEHOW TO GAIN FINANCIALLY OR
5 ANYTHING ELSE. IT'S SO THAT WE CAN GET THEIR
6 EXPERTISE.

7 DR. HALL: I HOPE THE GIST OF YOUR COMMENTS,
8 IF I MAY SUMMARIZE THEM, IS THAT YOU WERE PLEASED AND
9 GRATIFIED BY HOW STRICTLY WE ENFORCED THE CONFLICTS OF
10 INTEREST IN THE WORKING GROUP.

11 MS. SAMUELSON: I AM. I SEE THE PRICE OF IT.
12 CONFLICT OF INTEREST ISN'T JUST ONE THING OR JUST A
13 GOOD THING THAT WE SEEK MORE OF AT ALL TIMES. IT'S A
14 BALANCING ACT.

15 CHAIRMAN KLEIN: OKAY. WELL, THANK YOU.
16 THAT'S A VERY INSIGHTFUL STATEMENT FROM OUR ESTEEMED
17 CO-CHAIR OF THE GRANTS REVIEW COMMITTEE.

18 ADDITIONAL COMMENTS FROM THE BOARD?

19 DR. HALL: COULD WE, IN RESPONSE TO THE
20 COMMENTS OF MR. REYNOLDS, WHICH WE APPRECIATIVE MUCH
21 VERY ACTUALLY, I THINK IT HAS CLARIFIED AND HELPED US.
22 LET ME ASK YOU TO READ YOUR HANDWRITING. JAMES HAS
23 APPROPRIATELY MODIFIED OUR STANDARD PARAGRAPH IN THE
24 CONFLICT OF INTEREST POLICY, AND HE WILL READ IT NOW.

25 MR. HARRISON: WE'LL SEE IF IT'S APPROPRIATE

1 AFTER I READ IT. I'LL TRY. SO WHAT WE WOULD DO --

2 DR. HALL: TELL US WHICH PAGE TO TURN TO.

3 MR. HARRISON: IF EVERYONE WOULD TURN IN
4 THEIR BOOK TO AGENDA ITEM 10, AND THIS IS THE
5 MODIFICATION WE WOULD MAKE TO EACH OF THE WORKING GROUP
6 POLICIES. SO LET'S JUST TAKE AS AN EXAMPLE THE CIRM
7 CONFLICT OF INTEREST POLICY FOR GRANTS REVIEW WORKING
8 GROUP MEMBERS. AND IF YOU TURN TO THE SECOND PAGE,
9 MR. REYNOLDS POINTED OUT THE PARAGRAPH THAT INCLUDES
10 THE LANGUAGE. THIS IS THE FIRST FULL PARAGRAPH UNDER
11 THE DESCRIPTION OF PERSONAL CONFLICTS OF INTEREST.
12 MR. REYNOLDS POINTED OUT THE LANGUAGE, "IN EXCEPTIONAL
13 CASES THE PRESIDENT OF THE CIRM OR DESIGNEE MAY DECIDE
14 THAT THE NEED FOR SPECIAL EXPERTISE OF THE REVIEWER
15 OUTWEIGHS ANY POSSIBLE BIAS POSED BY A REAL OR APPARENT
16 CONFLICT OF INTEREST."

17 WHAT I WOULD PROPOSE ADDING IS A SENTENCE AT
18 THE END OF THAT PARAGRAPH THAT WOULD SAY SOMETHING
19 LIKE, "UNDER THESE CIRCUMSTANCES, THE CIRM STAFF WILL
20 PUBLICLY DISCLOSE THE WORKING GROUP MEMBER'S INTEREST,
21 AND THE WORKING GROUP MEMBER WILL BE PERMITTED TO
22 DISCUSS THE APPLICATION, BUT WILL NOT BE PERMITTED TO
23 VOTE ON THE APPLICATION OR PARTICIPATE IN THE
24 SCIENTIFIC SCORING."

25 CHAIRMAN KLEIN: DOES THE MAKER OF THE MOTION

1 ACCEPT THAT LANGUAGE?

2 DR. HALL: I HAVE ONE OTHER -- I WOULD BE
3 QUITE HAPPY TO TAKE OUT DESIGNEE IF YOU FEEL THAT IT'S
4 SUFFICIENTLY SERIOUS THAT THE PRESIDENT SHOULD -- AND
5 RARE THAT THE PRESIDENT SHOULD MAKE THE FINAL DECISION
6 ON THAT. I'D BE QUITE HAPPY TO TAKE THAT OUT. THAT
7 SEEMS TO ME VERY APPROPRIATE. MAY I SUGGEST THAT
8 MODIFICATION AS WELL? SO IT SAYS THE PRESIDENT OF CIRM
9 MAY DECIDE, BUT TAKE THE DESIGNEE OUT.

10 CHAIRMAN KLEIN: SO DOES THE MAKER OF THE
11 MOTION ACCEPT BOTH MODIFICATIONS?

12 DR. MURPHY: I DO.

13 CHAIRMAN KLEIN: AND THE SECOND?

14 DR. STEWARD: YES.

15 CHAIRMAN KLEIN: OKAY. MADE AND ACCEPTED.
16 ANY FURTHER DISCUSSION? ALL I FAVOR. OPPOSED? IT
17 PASSES. AND I'D LIKE TO SAY, MR. REYNOLDS, THAT WE
18 APPRECIATE YOUR VERY THOUGHTFUL AND VALUABLE COMMENTS,
19 BUT WE WISH TO MAINTAIN YOUR INDEPENDENCE, SO THERE IS
20 A CONFLICT IN PAYING YOU. WE WILL NOT BE MAKING ANY
21 COMPENSATION FOR THESE GREAT REMARKS.

22 ALL RIGHT. LET'S GO TO ITEM 11.

23 DR. HALL: OKAY. THIS IS THE ISSUE OF
24 FUNDING RECOMMENDATIONS TO THE ICOC. AND LET ME SAY I
25 REALIZE THAT IS REPRODUCED AT THE END OF THE AGENDA

1 ITEM NO. 10 AS WELL. THIS IS EXACTLY THE SAME MATERIAL
2 THAT'S THERE.

3 SO AS WE HAVE DISCUSSED BEFORE, AND WE
4 DISCUSSED WITH THE RESEARCH FUNDING WORKING GROUP THE
5 LAST TWO DAYS, AND YOU WILL HEAR A FORMAL MOTION TO
6 THIS EFFECT LATER, THE APPLICATIONS WILL BE SUBMITTED
7 TO THE ICOC BY THE GRANTS REVIEW WORKING GROUP IN THREE
8 GROUPS: THOSE RECOMMENDED FOR FUNDING, THOSE
9 RECOMMENDED, BUT NOT FUNDED, AND THOSE THAT ARE NOT
10 RECOMMENDED FOR FUNDING AT THIS TIME. SO WE CALL THOSE
11 GROUPS 1, 2, AND 3.

12 AND THE ISSUE IS WHAT WE WOULD PUT INTO
13 THE -- WHAT WE WOULD PUT INTO THE INFORMATION THAT WE
14 WOULD PROVIDE THE ICOC AND WOULD ALSO BE PROVIDED TO
15 THE PUBLIC ON THE WEBSITE TEN DAYS BEFORE THE MEETING.
16 WE WILL NOT GIVE THE PRINCIPAL INVESTIGATOR OR THE
17 INSTITUTION, BUT WE WILL GIVE THE APPLICATION NUMBER
18 AND TITLE, REDACTED, IF NECESSARY, SO THAT THE
19 INSTITUTION IS NOT REVEALED; AN ABSTRACT OF THE
20 PROPOSAL THAT INCLUDES A STATEMENT OF HOW THE PROPOSAL
21 COULD BENEFIT THE STATE OF CALIFORNIA; A SYNOPSIS OF
22 THE SCIENTIFIC EVALUATIONS; AND THE REASONS FOR
23 RECOMMENDATION ALONG WITH ANY MINORITY REPORT AS
24 APPLICABLE; THE SCIENTIFIC SCORE OF THE APPLICATION
25 BASED ON THE CRITERIA DECIDED BY THE ICOC; THE

1 RECOMMENDED BUDGET; AND THE RECOMMENDATION OF THE
2 WORKING GROUP WITH RESPECT TO GROUP 1 OR 2. THAT IS,
3 WILL IT BE IN GROUP 1 OR GROUP 2.

4 FOR GROUP 3, THOSE ARE NOT RECOMMENDED FOR
5 FUNDING AT THIS TIME, THE INFORMATION WOULD BE THE SAME
6 EXCEPT THAT WE WOULD NOT GIVE THE BUDGET OR THE
7 SCIENTIFIC SCORE. IF, HOWEVER, AN ICOC MEMBER IN THE
8 SUBSEQUENT DISCUSSION WISHED TO CONSIDER AN APPLICATION
9 IN GROUP 3 AND SAID I WOULD LIKE FOR US TO DISCUSS THIS
10 FOR BRINGING IT UP, WE WOULD THEN GIVE THE SCIENTIFIC
11 SCORE. WE WOULD GIVE A FULLER CRITIQUE AND WE WOULD
12 GIVE THE BUDGET.

13 SO THE INTENT HERE IS FOR THE ONES THAT ARE
14 NOT RECOMMENDED FOR FUNDING, WE DO NOT GIVE THE
15 SCIENTIFIC SCORE UNLESS ASKED FOR. AND THIS IS TO
16 PREVENT ESSENTIALLY PUBLIC EMBARRASSMENT FOR THOSE WHO
17 DON'T. WE WILL GIVE THE RANGE OF SCORES FOR THOSE IN
18 GROUP 3, BUT WE WILL NOT IDENTIFY A SCORE FOR EACH OF
19 THOSE UNLESS IT'S ASKED FOR.

20 CHAIRMAN KLEIN: MR. PRESIDENT, IF I COULD
21 ASK YOU TO POSSIBLY CONSIDER ONE EXCEPTION TO THAT. IF
22 THERE'S ONLY TWO APPLICATIONS IN GROUP 3, IF YOU GIVE
23 THE RANGE OF SCIENTIFIC SCORES, YOU'VE EFFECTIVELY
24 GIVEN THE SCORES OF EACH. AND THAT PERHAPS THAT YOU
25 WOULD WANT TO GIVE THE RANGE OF SCIENTIFIC SCORES AS A

1 GENERAL MATTER.

2 DR. HALL: WE DON'T KNOW WHICH IS WHICH.

3 CHAIRMAN KLEIN: I'D LIKE TO GIVE -- I WOULD
4 HOPE THAT WE COULD GIVE YOU MORE DISCRETION.

5 DR. HALL: WELL, LET ME ASK THE ICOC'S
6 OPINION ON THAT BECAUSE THE PURPOSE IS, AS I SAY, NOT
7 TO IDENTIFY THE LOSERS IN TERMS OF THE SCORES. AND LET
8 ME JUST SAY THAT THE PURPOSE OF THIS IN TERMS OF
9 SCIENTIFIC EVALUATION AND REVIEW, AND WE DISCUSSED
10 EXTENSIVELY WITH THE WORKING GROUP THE LAST TWO DAYS,
11 IS WHEN ALL OF US IN THE SCIENTIFIC COMMUNITY HAVE HAD
12 GRANT APPLICATIONS THAT HAVE BEEN TURNED DOWN, AND SO
13 IT'S NO DISGRACE TO BE TURNED DOWN. YOU LOOK AT THE
14 DETAILED REVIEW, WHICH EACH APPLICANT WILL RECEIVE, AND
15 YOU USE THAT AS THE BASIS FOR SUBMITTING A REVISED
16 APPLICATION THE NEXT TIME.

17 WE THOUGHT IT WAS UNNECESSARY, PARTICULARLY
18 IF WE HAVE GRANTS THAT FALL VERY LOW, TO IDENTIFY THEM
19 WITH A SCORE BECAUSE, FOR THOSE WHO ARE KNOWLEDGEABLE,
20 IT'S VERY EASY TO FIGURE OUT WHAT THEY ARE. HOWEVER,
21 WE DID WANT TO GIVE BOTH THE ICOC AND THE PUBLIC A
22 SENSE OF WHERE THESE STOOD, THIS GROUP OF GRANTS STOOD
23 IN GROUP 3 RELATIVE TO THOSE IN 1 AND 2. ONE WAY TO DO
24 THAT IS BY GIVING THE SCORES THAT ARE THERE.

25 FOR EXAMPLE, LET ME GIVE YOU ANOTHER EXAMPLE

1 THAT MIGHT HAPPEN. IT MAY BE THAT, FOR WHATEVER
2 REASONS, THE WORKING GROUP MIGHT DECIDE THAT A GRANT
3 THAT HAD DONE VERY WELL IN THE SCIENTIFIC SCORE FOR
4 SOME PARTICULAR REASON DID NOT WISH TO RECOMMEND FOR
5 FUNDING AT THAT TIME. THAT WOULD BE APPARENT FROM
6 THOSE RANGE OF SCORES. ANYBODY WHO WANTED TO ASK ABOUT
7 THAT COULD DO SO, AND WE WOULD PRODUCE THAT GRANT, AND
8 WE WOULD DO THE DETAILS. BUT WE WOULDN'T DO IT IN THE
9 ABSENCE OF INTEREST BY THE ICOC IN A PARTICULAR
10 APPLICATION.

11 DR. HOLMES: ZACH, WHO'S GOING TO PREPARE THE
12 ABSTRACT FOR THESE? IS THIS THE INDIVIDUAL WHO SUBMITS
13 THAT AND THEY KNOW THAT THIS IS GOING TO BE A PUBLIC
14 DOCUMENT? HOW DOES THAT WORK?

15 DR. HALL: SO THE ABSTRACT, WE ARE GOING TO
16 ASK FOR EACH OF THE APPLICATIONS ACTUALLY THAT THEY
17 HAVE A LAY SUMMARY WITH A STATEMENT OF BENEFIT TO THE
18 STATE OF CALIFORNIA. AND THAT WILL BE THE SUMMARY THAT
19 WE WILL PRESENT. WE MAY EDIT IT A LITTLE BIT IN SOME
20 CASES IF WE NEED TO, BUT THAT WILL FORM THE BASIS OF
21 WHAT WE PRESENT.

22 DR. HOLMES: THEY'LL KNOW IT'S A PUBLIC
23 DOCUMENT WHEN THEY TURN IT IN?

24 DR. HALL: ABSOLUTELY. ABSOLUTELY. AND THEN
25 THE CRITIQUES WILL BE DISTILLED FROM THE SEVERAL PAGES

1 OF MATERIAL THAT WE WILL HAVE AS WRITTEN BY THE
2 REVIEWERS, PLUS THE DISCUSSION, AND THOSE WILL BE --
3 WHICH IS RECORDED, AND THOSE WILL BE PUT TOGETHER BY
4 DR. CHIU AND HER STAFF.

5 CHAIRMAN KLEIN: CLAIRE.

6 DR. HALL: WHICH AS I REMIND YOU FOR
7 SEPTEMBER IS A NULL SET.

8 DR. POMEROY: ZACH, WOULD THERE BE ANY FOURTH
9 CATEGORY THAT WOULD BE COMPARABLE TO THE NIH VERSION OF
10 UNSCORED? AT THE NIH IF THERE ARE ETHICAL OR SOME
11 MAJOR FLAW, WE SOMETIMES DON'T SCORE A GRANT. WE SAY
12 DOESN'T EVEN WARRANT A SCORE.

13 DR. HALL: WE WOULD TRY TO PICK THOSE OFF
14 BEFORE THEY REACH THE WORKING GROUP.

15 DR. POMEROY: THAT'S DONE ADMINISTRATIVELY.

16 DR. HALL: OUR STAFF ADMINISTRATIVELY LOOK AT
17 THAT, YES. THAT WOULD BE THE INTENT THERE BECAUSE THIS
18 IS INTENDED TO BE A SCIENTIFIC REVIEW. AND IF FOR SOME
19 REASON, THEY HAVEN'T MET ANOTHER. SOMETIMES ISSUES
20 LIKE THAT COME UP, AND I THINK WE WOULD PROBABLY PUT
21 THAT -- THAT MIGHT BE AN EXAMPLE OF ONE THAT SCORED
22 HIGHLY, BUT WAS PUT IN THAT CATEGORY. IF THEY ASK, WE
23 WOULD JUST SAY THAT.

24 DR. POMEROY: SO THEY WOULD GO IN GROUP 3 AS
25 IT IS NOW?

1 DR. HALL: THAT'S RIGHT.

2 MS. SAMUELSON: I HAVE A QUESTION THAT MAY BE
3 A LEGAL QUESTION. I SEE THE VALUE OF CERTAINLY
4 INFORMING THE FULL COMMITTEE AND THE PUBLIC ABOUT WHAT
5 THE FUNDING -- THE WORKING GROUP IS RECOMMENDING AND
6 THE KINDS OF RESEARCH THAT IT APPEARS WE'RE DECIDING
7 UPON FUNDING AND THE PRIVACY NEEDS TO NOT DISCLOSE
8 SCORING AND SO ON. I THOUGHT OUR BAGLEY-KEENE
9 EXCEPTIONS TOOK CARE OF THAT SO THAT WE COULD FULLY
10 INFORM ABOUT THE THINGS THAT WE ALL WANT EVERYONE TO
11 KNOW ABOUT.

12 DR. HALL: ICOC MEETS UNDER BAGLEY-KEENE SO
13 THAT ANY INFORMATION THAT THE ICOC HAS IS AVAILABLE TO
14 THE PUBLIC. AND SO THAT IS -- SO NONE OF THE ORIGINAL
15 MATERIAL FOR CONFIDENTIALITY REASONS WILL BE MADE
16 AVAILABLE TO THE ICOC. AND THEY WILL BE DEPENDENT IN
17 THEIR JUDGMENTS ON THE MATERIAL THAT WE PROVIDE, THE
18 LAY SUMMARY, THE TITLE, AND THE CRITIQUE, AND THE
19 SCIENTIFIC SCORE.

20 MS. SAMUELSON: PERHAPS WE MIGHT JUST NOT
21 DISCLOSE SO MUCH SPECIFIC INFORMATION ABOUT THOSE THAT
22 SCORED THAT LOW. MAY NOT BE IMPORTANT ENOUGH TO RISK
23 THIS PROBLEM.

24 DR. HALL: THAT'S EXACTLY WHAT WE'RE SAYING.
25 SO WE WILL NOT PRESENT THE SCIENTIFIC SCORE. AND I

1 THINK THE CRITIQUES WILL NOT BE DETAILED FOR THOSE. WE
2 WILL SIMPLY HAVE TWO OR THREE LINES. HOWEVER, WE WILL
3 HAVE AVAILABLE, IF SOMEBODY SAYS I'M INTERESTED IN THE
4 POSSIBILITY THAT MAYBE WE SHOULD FUND THIS APPLICATION
5 IN GROUP 3, CAN YOU TELL US MORE ABOUT IT, WE WOULD
6 THEN SAY FOR THAT APPLICATION, THEN HERE WAS THE
7 SCIENTIFIC SCORE, AND HERE'S A MORE COMPLETE
8 CRITIQUE -- DESCRIPTION OF THE CRITIQUE. BUT IF -- AND
9 SO ANY OF THOSE ARE AVAILABLE TO BE CALLED UP BY YOU
10 AND ARE THUS ELIGIBLE FOR FUNDING, BUT IT IS, AS YOU
11 NICELY SAID, WE ARE WALKING THE LINE BETWEEN BEING
12 TRANSPARENT, BEING ABLE TO EXERCISE THE BEST POSSIBLE
13 JUDGMENT ABOUT THESE FOR THE ICOC, AND AT THE SAME TIME
14 PROTECTING THE CONFIDENTIALITY.

15 DR. HOLMES: I'M A LITTLE CONFUSED, ZACH. IN
16 THE GROUP 1, YOU WILL KNOW WHAT THE AMOUNT OF MONEY IS
17 THAT'S AVAILABLE FOR THAT ROUND SO THAT EVERYTHING
18 THAT'S IN THAT GROUP COULD BE COVERED BY THE FUNDS THAT
19 ARE AVAILABLE.

20 DR. HALL: EXACTLY RIGHT.

21 DR. HOLMES: SHOULD WE THEN ON THE ICOC
22 CHOOSE TO ELEVATE SOMETHING FROM THE GROUP 2, LET'S
23 SAY, YOU ARE GOING TO HAVE KNOCK SOMETHING OUT OF GROUP
24 1.

25 DR. HALL: YOU WOULD HAVE THE CHOICE OF

1 BUMPING THE LOWEST ONE.

2 DR. HOLMES: THERE'S A TRADE-OFF IS ALL I WAS
3 TRYING TO SAY.

4 DR. HALL: YES. OR OF INCREASING THE TOTAL
5 BUDGET FOR THAT ROUND.

6 MS. LANSING: I JUST WANT A POINT OF
7 CORRECTION BECAUSE WE WERE PART OF THIS PROCESS
8 YESTERDAY. WE DON'T HAVE TO SPEND. IF WE DON'T SEE
9 SUFFICIENT GRANTS, WE DON'T HAVE TO SPEND ALL OF IT.
10 SO IT'S CONCEIVABLE THAT YOU COULD ELEVATE SOMETHING
11 UP, AND THERE WE MAY NOT HAVE SPENT ALL THE MONEY THAT
12 WE HAD IF WE, FOR WHATEVER THE REASON, DIDN'T FEEL THAT
13 THEY WERE GOOD.

14 DR. HALL: THE ICOC IS FREE TO REDRAW THE
15 LINE OR TO MOVE THE APPLICATIONS AROUND AS IT SEES FIT.
16 WHAT THE WORKING GROUP WILL REPORT OUT ARE THE FIRST
17 CATEGORY ARE THE GRANTS RECOMMENDED FOR FUNDING UP TO
18 THE LIMIT.

19 MS. LANSING: NOT NECESSARILY.

20 DR. HALL: NOT NECESSARILY AT THE LIMIT, AS
21 SHERRY CORRECTLY POINTS OUT. THERE WILL BE ANOTHER
22 GROUP THAT WE THINK WOULD BE ELIGIBLE AND THAT THE
23 COMMITTEE WAS ENTHUSIASTIC ABOUT, NOT SO ENTHUSIASTIC
24 AS TO PUT THEM IN THE TOP GROUP, BUT THEY'RE THERE, AND
25 THEN THERE WOULD BE A THIRD THAT THE COMMITTEE FEELS

1 NEEDS MORE WORK IN ORDER TO COME BACK.

2 CHAIRMAN KLEIN: IF DR. HOLMES COULD FINISH
3 HIS RESPONSE TO THIS ITEM BEFORE WE GO TO DR. PENHOET.

4 DR. HOLMES: I UNDERSTOOD YOUR POINT, SHERRY.
5 FROM THE NIH EXPERIENCE, THE LIKELIHOOD OF HAVING MONEY
6 NOT -- USUALLY YOU GET SO MANY MORE GOOD PROPOSALS THAN
7 YOU CAN FUND, AND MY HOPE AND ANTICIPATION IS THAT WE
8 ARE GOING TO BE OVERRUN WITH GOOD SCIENCE.

9 MS. LANSING: THEY'RE A PRETTY TOUGH GROUP,
10 I'LL TELL YOU THAT.

11 DR. PENHOET: MY POINT IS IN REPORTING THE
12 SCORES FOR THE UNFUNDED GROUP, IF YOU'RE TRYING TO
13 CHARACTERIZE THE GROUP AS A WHOLE, PERHAPS THE AVERAGE
14 SCORE IS MORE USEFUL THAN THE RANGE. YOU MIGHT
15 ANTICIPATE, FOR EXAMPLE, THAT YOU HAD SIX GRANTS, FIVE
16 OF WHICH HAD A SCORE OF 28 AND ONE HAD A SCORE OF 10,
17 THE RANGE SORT OF IMPLIES SOMETHING DIFFERENT IN THAT
18 CASE THAN THE AVERAGE SCORE WOULD IMPLY.

19 DR. HALL: I THINK THAT'S A VERY GOOD
20 SUGGESTION.

21 DR. PENHOET: IN THAT CASE THAT BOB BROUGHT
22 UP WHERE YOU HAD ONLY TWO, IF YOU REPORTED THE AVERAGE
23 RATHER THAN THE RANGE, IT WOULD BE HARDER FOR PEOPLE
24 OBTAIN THE SYSTEM, AND YOU STILL GET A SENSE OF WHAT
25 THOSE SCORES WERE.

1 DR. HALL: I THINK THAT'S AN EXCELLENT
2 SUGGESTION BECAUSE YOU CAN SEE WHERE THE LINE IS BY THE
3 BOTTOM ONE ON THE GROUP 2. IT'S CLEAR WHERE YOU'VE
4 DRAWN THE LINES. AND THEN WE OFFER YOU THE OPPORTUNITY
5 TO REDRAW THEM. THAT'S A GOOD POINT. IF YOU'VE GOT
6 TWO, YOU'VE GOT AVERAGE SCORE.

7 DR. MURPHY: ZACH, SORRY FOR BEING TOO
8 TECHNICAL HERE. LET'S ASSUME THAT DURING ONE OF THE
9 FUNDING CYCLES, LIKE IN SEPTEMBER, THERE ARE 10 OR 15
10 GRANTS THAT ARE APPROVED -- THAT ARE RECOMMENDED FOR
11 APPROVAL TO THE ICOC. DO YOU SEE THE ICOC ACTUALLY
12 GOING THROUGH ALL OF THOSE GRANTS IN PUBLIC SESSION?
13 DO YOU SEE IT BEING A BLANKET APPROVAL? HOW DO YOU SEE
14 THAT WORKING?

15 DR. HALL: MY UNDERSTANDING FROM MR. HARRISON
16 IS THAT FOR CONFLICT OF INTEREST, WE'RE GOING TO HAVE
17 TO VOTE EVERY GRANT INDIVIDUALLY. ANYBODY ON THE BOARD
18 WHO HAS A CONFLICT OF INTEREST WILL BE ADVISED AT THE
19 TIME NOT TO VOTE.

20 NOW, THE ASTUTE AMONG YOU WILL HAVE
21 RECOGNIZED THAT IT WILL THEN BE POSSIBLE FOR A KEEN
22 OBSERVER TO FIGURE OUT THE INSTITUTION FROM WHICH THE
23 GRANTS COME. BUT WE WILL NOT ENCOURAGE THAT NOTION.
24 WE ARE CONSIDERING HAVING AN ELECTRIC BUZZ ON EACH OF
25 YOUR CALVES SO THAT THERE WILL BE NO VISIBLE SIGN

1 EXCEPT PERHAPS A LIGHT JUMP WHEN YOU ARE ADVISED YOU
2 HAVE A CONFLICT OF INTEREST.

3 DR. HOLMES: AND GIVEN WHAT RICH JUST SAID,
4 IF WE'RE GOING TO MAKE A DECISION ON EACH GRANT, AND
5 DEPENDING ON HOW DILIGENT WE BECOME ABOUT THAT, WILL WE
6 BE ABLE TO GAIN ACCESS TO THE ORIGINAL PROPOSAL?

7 DR. HALL: NOPE. BECAUSE IT THEN BECOMES A
8 PUBLIC DOCUMENT. THAT'S THE DILEMMA THAT WE FACE.

9 CHAIRMAN KLEIN: THERE WILL BE PREPARED
10 SUMMARIES OF THE GRANT AND STRENGTHS.

11 DR. HOLMES: BUT YOU WILL HAVE A LAY
12 BASICALLY SUMMARY TO GO FROM, NOTHING AGAINST THE LAY
13 SUMMARY, BUT THAT'S A HARD ONE --

14 CHAIRMAN KLEIN: THERE WILL ALSO BE A
15 SCIENTIFIC SUMMARY PREPARED BY OUR STAFF.

16 DR. MURPHY: THOSE ALL WOULD CLEARLY HAVE TO
17 BE AVAILABLE PUBLICLY WELL IN ADVANCE.

18 DR. HALL: OF COURSE. YOU WILL HAVE THE
19 CRITIQUE.

20 CHAIRMAN KLEIN: WE WILL HAVE BOTH THE PUBLIC
21 SUMMARY THAT'S A LAY SUMMARY AND A SCIENTIFIC SUMMARY
22 FOR PURPOSES OF THE BOARD'S REVIEW, WHICH WOULD BE
23 AVAILABLE TO THE PUBLIC.

24 DR. HOLMES: BUT WE WOULDN'T BE ABLE TO
25 GET -- I'M NOT LOOKING FOR MORE WORK, BUT YOU WOULDN'T

1 BE ABLE TO GET IN ANY MORE DEEPLY THAN THAT INFORMATION
2 TO MAKE A DECISION. IF YOU WANTED TO RESCUE A PROPOSAL
3 FROM FURTHER DOWN ON THE LIST, YOU ARE GOING TO HAVE
4 LIMITED INFORMATION ON WHICH TO DO THAT IS WHAT I'M
5 TRYING TO SAY.

6 DR. HALL: SO THAT WHAT -- THE INTENT, I
7 THINK -- I DON'T KNOW. LET ME NOT SPEAK ABOUT THE
8 INTENT BECAUSE I DON'T KNOW. THE EFFECT OF THE WAY
9 THIS IS SET UP IS THAT WHAT THE BOARD WILL BE DOING, AS
10 I SEE IT, IS NOT DIVING DEEP INTO ONE PARTICULAR GRANT.
11 THAT'S THE JOB OF THE WORKING GROUP AND SAYING, YOU
12 KNOW, WHAT KIND OF VECTOR ARE THEY GOING TO USE? HOW
13 DO THEY EVER THINK THIS IS GOING TO WORK? SO ON AND SO
14 ON. WE WILL HAVE FOR YOU A CRITIQUE OF WHAT THE
15 COMMITTEE SAID AND TO A LIMITED EXTENT WOULD BE WILLING
16 TO ANSWER QUESTIONS ABOUT THAT IF THERE WERE DISCUSSION
17 ABOUT IT.

18 I SEE THE ROLE OF THE ICOC AS MORE IN BROAD
19 POLICY DECISION. THAT IS, IN SHAPING THIS BY SAYING
20 THIS IS SO IMPORTANT AND THESE ALL LOOK SO CLOSE, THAT
21 WE ACTUALLY WOULD PROPOSE THAT WE INCREASE THE BUDGET
22 TO EXTEND DOWN HERE. OR PERHAPS TO SAY THAT WE ARE --
23 HERE IS, AGAIN, ALTHOUGH WE GO THROUGH THIS IN THE
24 WORKING GROUP, THE ICOC MAY WISH TO DO THAT. WE LOOK
25 OVER THIS WHOLE PORTFOLIO, WE FIND THAT WE WOULD PREFER

1 TO SEE MORE GRANTS IN THIS PARTICULAR AREA. AND WE CAN
2 TELL BY THE TITLES AND THE DESCRIPTIONS THAT THERE ARE
3 A SERIES OF GRANTS JUST BELOW THE LINE THAT WE THINK
4 COULD ADD AND GIVE YOU A BETTER BALANCE, A DEEPER AND
5 BETTER PORTFOLIO, WE ARE GOING TO PROPOSE THAT YOU
6 REDRAW THE LINE OR THAT WE PULL THIS OR THESE THREE
7 GRANTS UP BASED ON THAT AND DROP SOME OTHERS DOWN.

8 HOWEVER YOU WISH TO DO IT, BUT YOU SEE WHAT I'M SAYING.

9 I THINK THE INTENT IS NOT TO GIVE A DETAILED
10 AND TECHNICAL DESCRIPTION, BUT RATHER TO HAVE YOU MAKE
11 THE BROADER POLICY DECISIONS ON THE BASIS OF THE
12 TECHNICAL INFORMATION YOU'VE BEEN GIVEN.

13 CHAIRMAN KLEIN: IT'S IMPORTANT PERHAPS FOR
14 FRAMEWORK TO UNDERSTAND THAT ADVISORY GROUPS CAN ONLY
15 BE ADVISORY. THIS HAS TO BE THE BOARD OF FINAL
16 DECISION. AND IF THE BOARD WANTS TO ASK THAT A GRANT
17 COME BACK WITH FURTHER DETAIL, THEY CAN ASK THAT IT
18 COME BACK WITH FURTHER DETAIL. IF THE BOARD WANTS THE
19 LEVEL OF THE SCIENTIFIC REPORTS PREPARED BY STAFF TO BE
20 MORE COMPLETE, THEY CAN ASK FOR THEM TO BE MORE
21 COMPLETE. THE BOARD WILL HAVE TO WORK OUT ITS BALANCE
22 OF DEPTH AND THE EFFICIENCY OF THE PROCESS IN MAKING
23 MEANINGFUL DECISIONS THAT ARE EFFECTIVE IN RESOURCE
24 ALLOCATIONS AND JUDGMENTS ON THE SCIENTIFIC DIRECTION
25 AND THE STRATEGIC OBJECTIVES OF THE PLAN BY THE BOARD.

1 SO THE BOARD HAS TO BE A BOARD OF FINAL
2 DECISION, RECOGNIZING AND RESPECTING THIS PROCESS
3 THAT'S SO IMPORTANT TO US OF HAVING QUALITY PEER REVIEW
4 THAT IS EXTRAORDINARILY IMPORTANT INPUT TO THAT
5 PROCESS. THAT'S THE FOUNDATION UNDER WHICH THE PROCESS
6 AND THE BALANCING EXISTS WITHIN THE STATE LAW.

7 DR. HALL: WE TRUST THAT ANY REQUESTS FOR
8 MORE DETAILED INFORMATION ACROSS THE BOARD WILL BE
9 ACCOMPANIED BY COMPARABLE INCREASES IN STAFF.

10 DR. MURPHY: MR. CHAIRMAN, I AGREE, BUT I
11 THINK WE NEED TO EMPHASIZE WHAT ZACH JUST SAID. THE
12 PRIMARY RESPONSIBILITY FOR A STRONG RECOMMENDATION
13 COMES FROM THE SCIENTIFIC PANEL. AND ONE WOULD HOPE
14 THAT 90 PERCENT OF THE TIME THE ICOC IS GOING TO BE
15 GUIDED BY THE SCIENTIFIC --

16 DR. HALL: I SEE YOU AS SHAPING THE
17 PORTFOLIO. I THINK THE JOB IN A POLICY SENSE IS TO
18 SHAPE IT, AND THERE MAY BE CASES WHERE YOU DO SEE
19 INDIVIDUAL GRANTS THAT YOU FEEL STRONGLY ABOUT OR BOARD
20 MEMBERS DO AND WANT TO MAKE THE CASE THAT, FOR WHATEVER
21 REASON, THAT THESE GRANTS SHOULD BE BROUGHT UP IN THE
22 CASE OR I WOULD HOPE IN A RARE INSTANCE WOULD BE
23 BROUGHT DOWN. BUT I SEE THE REAL -- AS I SAY, TO GIVE
24 SHAPE TO IT IN TERMS OF THESE BROAD OVERALL POLICIES,
25 BUT I THINK CERTAINLY ON A GRANT-BY-GRANT BASIS, THEY

1 WILL HAVE TO BE VOTED ON GRANT BY GRANT FOR THE REASONS
2 THAT I STATED. BUT I DON'T SEE THE ICOC SAYING, ALL
3 RIGHT, GRANT NO. 1, LET'S CONSIDER THIS, THAT, AND THE
4 OTHER. I THINK THE JOB IS TO LOOK IT OVER, AND YOU
5 WILL HAVE SEEN IT BEFOREHAND, YOU MAY HAVE IDENTIFIED
6 PARTICULAR CONCERNS OR PARTICULAR APPLICATIONS THAT YOU
7 SEE THAT YOU HAVE AN INTEREST IN ONE WAY OR THE OTHER
8 AND THEN MAY WISH TO BRING TO THE ICOC.

9 DR. BERG: ZACH, CAN YOU SAY ANYTHING ABOUT
10 HOW YOU DEAL WITH CONFIDENTIAL INFORMATION THAT'S IN
11 THE GRANT PROPOSAL?

12 DR. HALL: WELL, PERHAPS THE MEMBERS OF THE
13 ICOC WHO WERE IN THE WORKING GROUP THE LAST TWO DAYS
14 CAN DESCRIBE THE LECTURE THAT THEY WERE GIVEN BY DR.
15 CHIU ABOUT CONFIDENTIALITY. WE TAKE THAT VERY
16 SERIOUSLY. AND THE DISCUSSIONS IN THE WORKING GROUPS
17 ARE CONFINED TO THE WORKING GROUP.

18 DR. BERG: THAT ISN'T WHAT I MEANT. WHAT I
19 MEANT IS THE CONTENTS OF A GRANT PROPOSAL.

20 DR. HALL: THE PROPOSALS, THE REASON THEY'RE
21 NOT AVAILABLE FOR THE ICOC IS TO PROTECT THE
22 CONFIDENTIALITY OF THE PROPOSALS.

23 DR. POMEROY: WHAT ABOUT PROPRIETARY
24 INFORMATION THAT MIGHT HAVE TO PUT IN THE SCIENTIFIC
25 SUMMARY THAT YOU PREPARE FOR US FOR US TO UNDERSTAND IT

1 AND MAKE A DECISION, BUT IT'S PROPRIETARY?

2 DR. HALL: IT WOULD BE OUR JOB TO USE THE
3 SKILL AND ART THAT WE HAVE TO AVOID THAT SITUATION;
4 THAT IS, TO GIVE YOU, EVEN IF WE WERE TO SAY BECAUSE OF
5 PROPRIETARY INFORMATION WE CAN'T TELL YOU ABOUT, THIS
6 LOOKS VERY PROMISING.

7 DR. HOLMES: THAT WAS THE POINT OF MY
8 QUESTION ABOUT THE ABSTRACT. THE PERSON WHO PREPARES
9 THE ABSTRACT NEEDS TO KNOW THAT THE ABSTRACT THAT THEY
10 WRITE, THE LAY ABSTRACT, IS GOING TO BE IN PUBLIC
11 POTENTIALLY AND, THEREFORE, YOU SHOULDN'T PUT SOMETHING
12 IN THERE THAT YOU WOULDN'T WANT DISCLOSED TO THE
13 PUBLIC.

14 I JUST WANTED TO CLARIFY. I WAS REALLY VERY
15 HAPPY WITH WHAT YOU SAID, ZACH. I WAS NOT LOOKING TO
16 START REVIEWING GRANTS. IN FACT, I THINK IT WOULD BE
17 HARD FOR US TO GET INTO THAT FOR THE REASONS YOU'VE
18 SAID. AND BY AND LARGE, IT WILL BE DIRECTIONAL SETTING
19 RATHER THAN INDIVIDUAL GRANTS THAT WE'RE PICKING OVER,
20 AND I WAS QUITE PLEASED TO HEAR YOU SAY THAT. SO I
21 WASN'T LOBBYING TO DO ANY GRANT REVIEWING.

22 DR. HALL: IT IS TRUE. LET ME BE IN A MORE
23 SOBER TONE JUST SAY THAT I THINK WE WILL ALSO HAVE TO
24 FIND OUR WAY IN TERMS OF THE DIRECTION OF THE AMOUNT OF
25 DETAIL THAT WE PROVIDE YOU IN THE SUMMARY. IF THE LAY

1 SUMMARIES PROVE TO BE INADEQUATE, THEN WE WILL TRY TO
2 FILL THEM OUT A LITTLE BIT. BUT IT IS WHAT -- WE DON'T
3 WANT TO PROVIDE -- WE DON'T WANT TO PROVIDE A DETAILED
4 SUMMARY OF THE WHOLE GRANT, WHICH GETS US INTO THE KIND
5 OF TERRITORY THAT PAUL AND YOU WERE WORRYING ABOUT OF
6 WHAT YOU CAN REVEAL AND NOT.

7 AND I THINK THE OTHER ISSUE IS ALSO
8 CONFIDENTIALITY, AND PARTICULARLY FOR THE GRANTS THAT
9 DON'T GET FUNDED, BY THE WAY. THIS IS -- I MEAN THE
10 IDEA THAT YOU WOULD PUT YOUR APPLICATION IN, CIRM WOULD
11 TELL ALL THE WORLD WHAT YOU PLAN TO DO, BUT DON'T GIVE
12 YOU MONEY TO DO IT, THIS WILL NOT LEAVE US IN GOOD
13 STANDING WITH THE SCIENTIFIC COMMUNITY. SO I THINK WE
14 HAVE AN OBLIGATION TO PROTECT PEOPLE.

15 DR. BERG: ACTUALLY AS IT TURNS OUT, I
16 LEARNED THAT THE NIH MAKES YOUR GRANT AVAILABLE THE
17 MOMENT IT IS APPROVED.

18 DR. HALL: BUT NOT BEFORE.

19 DR. BERG: ANYBODY CAN WRITE INTO THE NIH AND
20 GET A COPY OF YOUR GRANT.

21 DR. HALL: BUT NOT BEFORE. AND THE
22 UNSUCCESSFUL ONES ARE NEVER EVEN IDENTIFIED.

23 DR. BERG: ON THE DAY AFTER IT'S APPROVED,
24 YOU HAVEN'T EVEN STARTED THE PROJECT, COMPANY XYZ CAN
25 GET A COPY OF YOUR GRANT.

1 DR. HALL: IT'S NOT THE ENTIRE APPLICATION,
2 PAUL. WE'LL TALK ABOUT THIS LATER. THAT'S A
3 DIFFERENT.

4 CHAIRMAN KLEIN: OUR UNDERSTANDING IS IT'S AN
5 ABBREVIATED SUMMARY. I THINK THAT WE'VE HAD A GOOD
6 DISCUSSION OF THIS ITEM. ANY PUBLIC DISCUSSION ON THIS
7 ITEM?

8 MR. REED: I THINK THAT WHAT I'M HEARING IS
9 THAT THE PERSON APPLYING FOR THE GRANT WOULD BE
10 RESPONSIBLE FOR PROVIDING THE LAY SUMMARY; IS THAT
11 CORRECT?

12 CHAIRMAN KLEIN: DR. HALL, THERE'S A
13 QUESTION. IS THE PERSON APPLYING TO PROVIDE A DRAFT OF
14 THE LAY SUMMARY?

15 DR. HALL: YES, THAT'S RIGHT. THAT'S EXACTLY
16 RIGHT. AND DRAFT IS PROBABLY THE CORRECT TERM, BUT WE
17 WOULD --

18 CHAIRMAN KLEIN: STAFF WILL REVIEW THE DRAFT
19 TO MAKE SURE IT'S SUBSTANTIVELY CORRECT AND ACCURATE.

20 DR. HALL: JUST TO MAKE SURE EVERYBODY
21 UNDERSTANDS, THE DETAILED COMMENTS OF THE REVIEWERS
22 WILL GO BACK TO THE APPLICANTS. AND WE, AS DO THE NIH,
23 REGARD IT AS THEIR PROPERTY AND NO ONE ELSE'S. IF A
24 CHAIR CALLS AND SAYS CAN I SEE THE CRITICAL SHEETS FROM
25 THE GRANT, WE SAY NO. YOU HAVE TO GO TALK TO THEM.

1 IT'S NOT OUR JOB TO GIVE IT TO YOU. JUST TO FILL IT
2 OUT, THAT'S CONFIDENTIAL. IT ALSO GIVES PEOPLE THE
3 INFORMATION THEY NEED TO COME IN WITH A BETTER GRANT
4 THE NEXT TIME.

5 CHAIRMAN KLEIN: MR. REED, THAT ANSWER YOUR
6 QUESTION?

7 MR. REED: YEAH. THIS IS SOMETHING I HAVE
8 SOME BACKGROUND IN. THE ROMAN REED GRANTS, AT FIRST,
9 WHEN I FIRST BEGAN, I ASKED THAT EACH SCIENTIST THAT
10 WAS TO GET A GRANT WOULD GIVE ME PERSONALLY A ONE-PAGE
11 RUNDOWN OF THE PRIVATE -- OF WHAT THEIR GOAL WAS, HOW
12 THEY WOULD MEASURE SUCCESS, AND HOW IT FIT INTO THE
13 LARGER SCHEME OF THINGS. AND AT FIRST IT WAS VERY
14 HARD, LIKE PULLING TEETH, TO GETTING FROM THEM. NOW WE
15 HAVE IT DOWN -- BUT IT WAS VERY VALUABLE BECAUSE THEN
16 WE COULD GO TO THE PEOPLE THAT WERE GOING TO MAKE THE
17 MONEY DECISIONS, THE SENATORS WITH WHOM WE WANTED TO
18 MAINTAIN GOOD RELATIONSHIPS, AND SAY THIS IS EXACTLY
19 WHAT'S HAPPENING WITH YOUR MONEY.

20 BUT IT'S SUCH A HUGE UNDERTAKING, THAT WHAT
21 FINALLY HAPPENED WITH THE ROMAN REED ACT WAS WE HAVE A
22 PERSON, A VERY EXCELLENT SCIENCE WRITER, DR. MAURA
23 HOFFSTEDDER (PHONETIC), AND SHE WORKS EXTREMELY HARD TO
24 WORK WITH THE SCIENTISTS TO MAKE THE LAY SUMMARIES AS
25 ACCURATE AND UNDERSTANDABLE BOTH FOR THE PUBLIC AND FOR

1 THE EVERYBODY ELSE AS WELL.

2 WE FINALLY CAME OUT WITH TWO DIFFERENT
3 BOOKLETS, WHICH I BROUGHT WITH ME. ONE IS FOR THE LAY
4 PUBLIC AND ONE GOES TO EVERY -- WHEN WE WENT FOR OUR
5 NEW MONEY THIS YEAR, EVERY MEMBER OF THE ASSEMBLY AND
6 SENATE GOT ONE AND THE GOVERNOR AND ALSO ONE WHICH THE
7 SCIENTIST COULD TALK AS ONE SCIENTIST TO ANOTHER. AND
8 I WOULD JUST URGE THAT GREAT PRESSURE BE PUT ON THE
9 SCIENTISTS THEMSELVES TO DO THE WORK AND NOT TO HAVE IT
10 BE SOMETHING THAT DR. CHIU OR SOMEBODY ELSE WOULD GET
11 STUCK WITH. WE ONLY HAD 54 SCIENTISTS FOR A MILLION
12 AND A HALF BUCKS. WITH 300 MILLION, IT JUST BOGGLES
13 THE MIND HOW MANY GRANTS ARE GOING TO HAVE TO BE
14 CLARIFIED. SO I WOULD JUST URGE THAT AS MUCH PRESSURE
15 BE PUT AS POSSIBLE ON THE SCIENTISTS THEMSELVES TO BE
16 THE ONES THAT DO THE WORK ON THIS.

17 DR. HALL: IT'S PART OF THEIR APPLICATION. I
18 THINK THERE'S A CONSIDERABLE -- THANKS FOR YOUR
19 COMMENTS, DON. BUT I THINK WE INTENDED TO HAVE IT AS
20 PART OF THEIR APPLICATION. AND I THINK THAT -- AND
21 THEY KNOW IT WILL COME TO YOU, AND THAT YOU WILL USE IT
22 IN MAKING YOUR DECISIONS. IF THAT'S CLEAR TO THEM, I
23 THINK PEOPLE WILL SPEND A GREAT DEAL OF TIME ON THAT.

24 ACTUALLY, I REMEMBER FROM MY DAYS AS A YOUNG
25 INVESTIGATOR BEING TOLD THAT THAT LITTLE SECTION AT THE

1 BEGINNING OF AN NIH GRANT, THE SUMMARY, THAT YOU BETTER
2 WORK ON VERY HARD BECAUSE MOST MEMBERS OF THE STUDY
3 SECTION WOULD ONLY READ THAT PART.

4 MR. REED: ONE MORE THING. THIS IS GOING TO
5 HAVE LARGER ECHOES THAN MAY BE IMMEDIATELY VISIBLE.
6 ANYONE THAT WANTS TO READ THE CONGRESSIONAL RECORD OF
7 THE DEBATE ON HR 810, WHICH WE WERE DISCUSSING TODAY,
8 WOULD SEE THAT THE SCIENTISTS' VIEWPOINTS ON THE
9 PROGRESS WAS NOT REFLECTED. THE ENEMY KEPT SAYING
10 STUFF LIKE THERE HAS BEEN NO PROGRESS MADE BY EMBRYONIC
11 STEM CELL RESEARCH, AND THE ANSWERS WEREN'T GIVEN. SO
12 IF OUR SCIENTISTS WOULD SPEND A LOT OF TIME, MAKE THEIR
13 THOUGHTS CLEAR, THAT WOULD BE VALUABLE FOR A WHOLE
14 NATION AS WELL.

15 CHAIRMAN KLEIN: THANK YOU VERY MUCH, MR.
16 REED.

17 ALL RIGHT. MY UNDERSTANDING IS THAT THERE
18 WAS A CLARIFICATION IN THE TEXT. AND IT WOULD BE
19 APPROPRIATE BEFORE WE HAVE A MOTION TO GET THAT
20 CLARIFICATION STATED.

21 DR. HALL: IT SAYS -- I'VE NOW SCRATCHED OUT,
22 SO I CAN'T READ WHAT WAS THERE, BUT WHERE IT SAYS THE
23 GENERAL RANGE OF SCIENTIFIC SCORES NOW READS THE
24 AVERAGE SCIENTIFIC SOURCE OF APPLICATIONS NOT
25 RECOMMENDED FOR FUNDING WILL ALSO BE PROVIDED.

1 DR. BERG: MAY I SUGGEST THAT YOU SAY THAT
2 THE GRANTS IN GROUP 3 SCORED BELOW SOME NUMBER. THAT'S
3 IT. I DON'T SEE WHY YOU NEED AN AVERAGE OR A RANGE.
4 IT'S JUST THEY SCORED BELOW SOME NUMBER. THAT'S IT.

5 DR. PENHOET: HE WAS TRYING TO CHARACTERIZE
6 GROUP RELATIVE -- GIVE SOME CHARACTERIZATION OF THE
7 GROUP.

8 DR. BERG: WHAT DOES THAT SERVE?

9 CHAIRMAN KLEIN: THAT'S AN APPROPRIATE
10 SUGGESTION.

11 DR. PENHOET: THEY'RE EITHER WAY OFF THE MARK
12 OR THEY'RE CLOSE.

13 MS. LANSING: YOU WOULDN'T KNOW. YOU
14 WOULDN'T KNOW. IF YOU JUST TOOK A NUMBER, THEY COULD
15 HAVE SCORED WAY BELOW IT.

16 DR. HALL: WELL, THERE IS A POINT HERE IN
17 TERMS -- GO BACK TO THE RANGE IDEA, THAT YOU DO KNOW IF
18 THERE'S A DROP-OFF AFTER THAT LINE OR NOT. AND I THINK
19 THE OTHER INTERESTING THING IS, FROM OUR OWN
20 EXPERIENCE, IS THAT SOMETIMES YOU HAVE GRANTS THAT
21 ARE -- SCORE EXTREMELY -- HAVE EXTREMELY LOW SCORES. I
22 THINK IT ACTUALLY IS WORTH KNOWING THAT THAT IS THERE.

23 DR. BERG: WELL, THE PEOPLE WHO WROTE THOSE
24 WILL KNOW THAT.

25 DR. HALL: THEY'LL KNOW WHEN THEY GET IT

1 BACK.

2 CHAIRMAN KLEIN: THAT'S RIGHT. THEY WILL
3 KNOW WHEN THEY GET IT BACK.

4 DR. HALL: MAYBE IT'S NOT USEFUL.

5 DR. BERG: WHY SHOULD IT BE ANNOUNCED IN THE
6 PUBLIC SESSION?

7 CHAIRMAN KLEIN: I THINK DR. BERG'S POINT IS
8 VERY EFFECTIVE. IT ALSO SOLVES THE PROBLEM IF THERE'S
9 ONLY ONE APPLICATION BELOW THE LINE WHERE YOU'VE
10 CREATED A VERY LOW SCORE AND THEY'RE STIGMATIZED. SO I
11 THINK THAT IT'S AN EXCELLENT SUGGESTION.

12 DR. HALL: SO I WAS JUST CONFERRING HERE
13 ABOUT WHETHER THIS MET THE REQUIREMENTS OF PROPOSITION
14 71 AND THE IDEA THAT THE BOARD DOES DECIDE. AS LONG AS
15 THE BOARD, I THINK, MY UNDERSTANDING, AS LONG AS THE
16 BOARD HAS THE RIGHT AT ANY TIME TO PULL ANY GRANT UP
17 AND GET FULL -- THE KIND OF INFORMATION THAT'S
18 AVAILABLE ABOUT IT AS IS AVAILABLE ABOUT TYPE 1 AND
19 TYPE 2, THEN I THINK WE'RE FINE.

20 CHAIRMAN KLEIN: BECAUSE YOU LEAVE IN THE
21 SECOND PART OF THE COMPOUND SENTENCE THAT SAYS THE
22 SPECIFIC SCORE CAN BE REQUESTED BY THE ICOC.

23 DR. HALL: WE JUST SAY THE SCIENTIFIC SCORES
24 OF APPLICATIONS NOT RECOMMENDED TO BE FUNDED. THE
25 SPECIFIC. FINE. THAT'S FINE. JUST TAKE OUT THE FIRST

1 PART OF THE SENTENCE.

2 CHAIRMAN KLEIN: DR. BERG, I THINK, WAS
3 SUGGESTING THAT WE INDICATE THAT THEY'RE BELOW A
4 CERTAIN SCORE.

5 DR. HALL: THAT WILL BE CLEAR FROM THE BOTTOM
6 RANK OF TYPE 2 WILL BE THE CUTOFF.

7 DR. THAL: CLARIFICATION. IF THE
8 INSTITUTIONS ARE NOT IDENTIFIED BY THE APPLICATION, WHY
9 DO WE HAVE TO BE SO CONCERNED ABOUT MASKING THE SCORES?

10 CHAIRMAN KLEIN: BECAUSE IF WE'RE REQUESTING
11 THE NAMES OF THE INSTITUTIONS BELOW THE LINE --

12 DR. THAL: NOT THE NAMES. WE'RE LOOKING AT
13 THE SCORES. EVEN IF WE HAVE THE SCORES, SUPPOSE THERE
14 ARE ONE OR TWO OR THREE BELOW THE LINE.

15 DR. HALL: I THINK FOR THOSE WHO ARE
16 INTERESTED, I DON'T THINK IT'S GOING TO BE SO HARD TO
17 FIGURE OUT. IF IT'S AN INSTITUTIONAL GRANT, THEN IT
18 WILL PROBABLY BE PRETTY EASY TO FIGURE OUT WHERE IT'S
19 FROM.

20 DR. POMEROY: HOW DO WE RECUSE OURSELF IF WE
21 HAVEN'T IDENTIFIED THE INSTITUTION?

22 DR. HALL: WE WILL TELL YOU. WE KNOW. STAFF
23 KNOWS.

24 DR. POMEROY: YOU SAY YOU RECUSE YOURSELF FOR
25 NO. 7?

1 DR. HALL: YES. YOU WILL GET A THING BEFORE
2 AND SAY THAT PLEASE DO NOT PARTICIPATE IN THE
3 DISCUSSION OR VOTE FOR NOS. 3, 7, AND 79. AND WE WILL
4 BE HERE TO REMIND YOU. IN THAT CASE, WE WILL BE HERE
5 TO REMIND YOU IN CASE YOU FORGET.

6 MR. HARRISON: THAT'S WHERE THE ELECTRIC
7 SHOCK COMES IN.

8 CHAIRMAN KLEIN: AND THE QUORUM --

9 DR. HALL: AND THE OTHER -- I HAD ANOTHER
10 POINT ABOUT THAT, BUT I'VE LOST IT.

11 CHAIRMAN KLEIN: JAMES, JUST SO THAT EVERYONE
12 UNDERSTANDS THE MECHANICS HERE, MY RECOLLECTION OF HOW
13 THE SECTION IS WRITTEN IS THE QUORUM ADJUSTS TO THOSE
14 QUALIFIED TO VOTE.

15 MR. HARRISON: THAT'S CORRECT.

16 DR. POMEROY: I'M STILL NOT SURE HOW JAMES
17 KNOWS THAT I WAS A COLLABORATOR WITH SOMEONE ON GRANT
18 NO. 9.

19 CHAIRMAN KLEIN: WELL, YOU CAN'T COLLABORATE
20 ANYWAY.

21 DR. POMEROY: NO. IN THE PAST, THAT, IN
22 OTHER WORDS, I UNDERSTAND HOW HE'S GOING TO DETERMINE
23 THE CONFLICT OF INTEREST THAT I HAVE ON AN
24 INSTITUTIONAL BASIS, BUT HOW IS HE GOING TO DETERMINE
25 WHICH ONES I HAVE A CONFLICT OF INTEREST WITH ON A

1 PERSONAL PROFESSIONAL BASIS?

2 CHAIRMAN KLEIN: WE'RE GOING TO HAVE A
3 SPECIFIC BRIEFING ON THIS FOR THE SEPTEMBER MEETING
4 BECAUSE WE'RE GOING TO ACTUALLY GO THROUGH THE PROCESS.
5 DR. CHIU, IF YOU COULD --

6 DR. CHIU: ONE THING WE DO AS HOMEWORK IS TO
7 LOOK AT THE PUB MED, THE PUBLICATIONS OF THE PRINCIPAL
8 INVESTIGATOR, AND SEE IF WE RECOGNIZE ANYBODY ON THE
9 ICOC WHO HAS PUBLISHED WITH THEM IN THE PAST THREE
10 YEARS. SO THAT'S ONE WAY.

11 NOW, OF COURSE, WE DON'T KNOW IF YOU'RE IN
12 CURRENT COLLABORATION THAT'S NOT PUBLISHED. THAT IS
13 TRUE. AND WE DEPEND ON YOU TO LET US KNOW THAT.

14 DR. POMEROY: I DON'T KNOW WHOSE THEY ARE.

15 DR. HALL: WE DID THAT FOR THE GRANTS WORKING
16 GROUP THAT JUST MET, IN FACT. ARLENE'S STAFF PERSON
17 WHO WENT THROUGH AND CHECKED THAT OUT.

18 CHAIRMAN KLEIN: I THINK IT'S APPROPRIATE,
19 CLAIRE, IF YOU COULD DO JUST A PARAGRAPH WRITE-UP ON
20 THE FACT PATTERN YOU'RE ANTICIPATING BECAUSE I CAN SEE
21 YOUR POINT. WE'RE NOT GOING TO HAVE BEFORE US
22 INDIVIDUAL GRANTS, BUT RATHER INSTITUTIONAL GRANTS IN
23 SEPTEMBER, WHICH ARE EASIER, BUT IT WILL GIVE THEM SOME
24 TIME TO THINK THROUGH THIS CASE.

25 MR. HARRISON: LET ME MAKE JUST ONE

1 CLARIFICATION BECAUSE IT'S AN IMPORTANT DISTINCTION.
2 THE CONFLICT OF INTEREST PROCEDURES THAT YOU AS BOARD
3 HAVE ADOPTED FOR THE WORKING GROUP MEMBERS GO BEYOND
4 WHAT STATE LAW REQUIRES IN TERMS OF CAPTURING MORE THAN
5 FINANCIAL CONFLICT OF INTERESTS. SO, FOR EXAMPLE, THE
6 PROFESSIONAL AND PERSONAL CONFLICTS OF INTEREST THAT
7 ARE COVERED BY THE POLICIES FOR THE WORKING MEMBERS ARE
8 NOT PART OF CALIFORNIA LAW, SO DO NOT APPLY TO YOU ICOC
9 MEMBERS.

10 CHAIRMAN KLEIN: HOWEVER, WE DO HAVE A WHOLE
11 SET OF OTHER CONFLICT PROVISIONS THAT ARE ATTEMPTED TO
12 GET AT ALL MEANINGFUL CONFLICTS THAT ALSO GO BEYOND
13 STATE LAW, AND WE WILL HAVE SEPARATE BRIEFINGS AT EACH
14 GRANT SESSION THAT COMES TO THE BOARD RELATED TO THAT
15 SPECIFIC TYPE. BUT THIS COULD BE VERY HELPFUL FOR THEM
16 TO RESEARCH.

17 DR. STEWARD: QUESTION. I DON'T MEAN TO DRAG
18 THIS OUT, BUT I JUST WANT TO PAINT A LITTLE SCENARIO
19 AND JUST ASK HOW YOU THINK ABOUT HANDLING THIS. IT
20 GOES REALLY TO THE HEART OF SOMETHING JOAN SAID EARLIER
21 ON. THERE IS REALLY A TREMENDOUS COST TO THIS
22 COMPROMISE THAT WE'RE MAKING BETWEEN TRANSPARENCY AND
23 TRYING TO PROTECT THE INVESTIGATORS, AS WE ABSOLUTELY
24 MUST DO. SO LET ME JUST OUTLINE THIS SCENARIO.

25 WE WILL HAVE GRANTS IN GROUP 3 THAT WE HAVE

1 NO IDEA SORT OF WHAT THE RANKING IS. AND ONE OF US MAY
2 THINK THAT THERE'S A VERY GOOD LOOKING GRANT IN THERE
3 THAT SOUNDS GREAT THAT, IN FACT, IS AT THE VERY DEAD
4 BOTTOM OF THAT LIST. BY NOT KNOWING THAT IT'S AT THE
5 VERY BOTTOM, WE MIGHT SUGGEST THAT IT BE CALLED UP.
6 AND THE ONLY WAY TO DEAL WITH IT WOULD BE TO LITERALLY
7 CRITICIZE IT HEAVILY. HAVE YOU THOUGHT ABOUT --

8 DR. HALL: THERE'S NO WAY TO LET YOU KNOW
9 THAT IT'S AT DEAD BOTTOM WITHOUT TELLING YOU THAT IT'S
10 AT THE DEAD BOTTOM. SO THAT'S THE TRICKY PART. THAT
11 WAS OUR -- I GUESS THAT WAS MY THOUGHT IN LISTING THE
12 BOTTOM SCORE, PAUL, WHAT WE WERE TALKING ABOUT BEFORE,
13 JUST TO LET PEOPLE KNOW THAT THERE ARE SOME THAT IT'S
14 PROBABLY A KINDNESS TO ALL IF THEY ARE NOT EXHUMED.

15 CHAIRMAN KLEIN: FOR EXAMPLE --

16 DR. STEWARD: WE WON'T KNOW THAT.

17 CHAIRMAN KLEIN: -- OS, YOU COULD ASK AS AN
18 INTRODUCTORY QUESTION IS THIS AT THE TOP RANGE OR THE
19 BOTTOM, OR IS THIS AT THE TOP RANGE OF THOSE GRANTS
20 THAT ARE NOT RECOMMEND FOR FUNDING. IF THE ANSWER IS
21 NO, YOU CAN DECIDE HOW MUCH FURTHER YOU'RE GOING.

22 DR. BRYANT: ACTUALLY IT'S NOT THE BOTTOM
23 GROUP THAT WE WOULD BE WORRIED ABOUT. IT'S THE MIDDLE
24 GROUP THAT'S RECOMMENDED, BUT NO FUNDING FOR THEM.
25 IT'S A DIFFERENT GROUP, I THINK.

1 DR. HALL: WELL, I THINK OUR IDEA IN SETTING
2 IT UP LIKE THIS WAS THAT THE GROUP THAT YOU'RE MOST
3 LIKELY TO BE CONCERNED WITH IN YOUR DELIBERATIONS ARE
4 PRECISELY WHAT SUSAN SAID, THE MIDDLE GROUP. THAT THE
5 WHOLE DEFINITION OF THE BOTTOM GROUP IS THAT IN THE
6 VIEW OF THE SCIENTIFIC MEMBERS OF THE GROUP AND THE
7 GROUP AS A WHOLE IN TERMS OF ITS RECOMMENDATION, IN
8 FACT, IT IS THE WHOLE WORKING GROUP THAT, IN FACT,
9 MAKES THAT RECOMMENDATION, SO IN THEIR VIEW THIS IS A
10 GRANT THAT THEY WOULD FEEL IS REALLY NOT RECOMMENDED
11 FOR FUNDING AT THIS TIME, THAT IT NEEDS MORE WORK, IT
12 NEEDS TO COME BACK. THERE'S SOMETHING THAT THE GROUP
13 IS UNCOMFORTABLE WITH. AND EVEN IF WE HAD THE MONEY,
14 THEY'RE NOT SURE WE SHOULD FUND THESE GRANTS.

15 SO, HOWEVER, IT MAY BE THAT IN THE JUDGMENT
16 OF OTHERS, THAT ONE WILL WANT TO EXAMINE THOSE
17 DECISIONS. SO THE IDEA IS TO SORT OF GROUP THEM IN
18 THAT WAY. AND IT'S A SORT OF COMPROMISE BETWEEN WE ARE
19 REQUIRED BY LAW TO GIVE YOU ALL THE APPLICATIONS; AND
20 YET, AS I SAY, THERE'S SOME FOR WHICH IT'S A KINDNESS
21 NOT TO DESCRIBE THEM IN TOO MUCH DETAIL. SO THAT'S THE
22 IDEA FOR DOING THAT. AND ALSO IT'S AN OPPORTUNITY, I
23 THINK, THE GRANTS REVIEW WORKING GROUP, IT'S A MATTER
24 OF STANDARDS OF THE INSTITUTE THAT THERE ARE GRANTS
25 THAT ARE NOT READY TO BE FUNDED NO MATTER HOW MUCH

1 MONEY WE HAVE, THAT THEY SHOULD GO BACK AND HAVE MORE
2 WORK AND HAVE THEIR FLAWS CORRECTED BEFORE WE EVEN
3 CONSIDER THEM.

4 IF YOU CHOOSE TO DIFFER WITH THAT OPINION, OF
5 COURSE, IT'S YOUR PREROGATIVE.

6 CHAIRMAN KLEIN: ONE QUESTION COMING FROM THE
7 BOARD MIGHT BE DID YOU GET ENOUGH -- DR. HALL, ONE
8 POINT COMING FROM THE BOARD MIGHT BE IS THERE ENOUGH
9 SCIENTIFIC DIRECTION FROM THE PEER REVIEW PROCESS, THAT
10 SINCE THIS IS SUCH A CRITICAL GRANT, THAT YOU MIGHT BE
11 ABLE WITH CONDITIONS TO HAVE THIS GRANT FUNDED AND
12 CORRECT WHAT IS A FUNDAMENTAL PROBLEM IN IT. THOSE
13 OPTIONS ARE AVAILABLE TO THE BOARD, ALTHOUGH THEY MIGHT
14 NOT BE USED FREQUENTLY.

15 DR. HALL: YES. IT'S UP -- THE PREROGATIVE
16 OF THE BOARD TO DO AS YOU ARE THE FINAL DECISION
17 MAKERS. HOWEVER YOU WISH TO STRUCTURE IT, WE PROVIDE
18 YOU WITH THE INFORMATION BEST THAT WE CAN, AND THEN YOU
19 MAKE THE DECISIONS. THERE'S NO QUESTION ABOUT THAT.

20 MS. SAMUELSON: I'D JUST LIKE TO POINT OUT
21 ONE THING, WHICH IS THAT WE SHOULD NOTE THAT THIS
22 DILEMMA, AND IT COULD BE A REAL PROBLEM FROM TIME TO
23 TIME, IS CAUSED BY BAGLEY-KEENE. AND I AM CONFIDENT
24 THIS IS NOT WHAT ASSEMBLYMEN KEN BAGLEY AND SENATOR
25 BARRY KEENE HAD IN MIND. AND THAT WE MIGHT WANT TO

1 ISSUE A REPORT TO THE SENATE AND ASSEMBLY ABOUT THIS
2 PROBLEM AND ASK THEM TO DO SOMETHING ABOUT IT.

3 CHAIRMAN KLEIN: YOU'VE ALWAYS BEEN A VERY
4 AMBITIOUS PERSON. AND I DO COMPLETELY RECOGNIZE THE
5 TRUTH AND THRUST OF YOUR STATEMENT. I THINK THAT WE
6 NEED TO PUT IT ON A LIST OF OBJECTIVES THAT WE'LL
7 PROCEED WITH MAYBE IN THE SECOND STAGE OF OUR
8 ENDEAVORS.

9 MS. SAMUELSON: I'M HOPING THEY WOULD JUST
10 TAKE IT UPON THEIR OWN.

11 CHAIRMAN KLEIN: IF WE COULD GET THE MODIFIED
12 LANGUAGE, PLEASE.

13 DR. HALL: IT IS SIMPLY IN THE PENULTIMATE
14 SENTENCE THAT NOW STARTS THE GENERAL RANGE. THAT IS
15 ALL DELETED UP UNTIL THE POINT WHERE IT SAYS SPECIFIC
16 SCORES. SO THE FINAL SENTENCE WOULD NOW READ, THE NEXT
17 TO LAST SENTENCE WOULD READ, THE SPECIFIC SCORE AS WELL
18 AS THE BUDGET OF A PARTICULAR APPLICATION WILL BE
19 SUBMITTED UPON REQUEST BY THE ICOC.

20 CHAIRMAN KLEIN: IS THERE SOMEONE WOULD LIKE
21 TO MAKE A MOTION TO SUPPORT THIS EXHIBIT 11'S ADOPTION
22 ALONG WITH THAT CORRECTION?

23 DR. PENHOET: SO MOVED.

24 CHAIRMAN KLEIN: SECOND?

25 DR. THAL: SECOND.

1 CHAIRMAN KLEIN: MOVED AND SECONDED. WE'VE
2 HAD A DISCUSSION FROM THE PUBLIC. ANY OTHER DISCUSSION
3 FROM THE BOARD? SEEING NO DISCUSSION, CALL THE
4 QUESTION. ALL IN FAVOR. OPPOSED. MATTER IS APPROVED.

5 ALL RIGHT. I'D LIKE TO GO, IF WE CAN, TO THE
6 GOVERNANCE COMMITTEE MATERIALS AND SHERRY LANSING.

7 MS. LANSING: SURE. IT'S MY PLEASURE TO
8 REPORT TO YOU TODAY ON THE BUSINESS THAT WAS CONDUCTED
9 IN THE GOVERNANCE COMMITTEE. AND BEFORE WE START, I'D
10 REALLY LIKE TO THANK THE MEMBERS OF THE COMMITTEE WHO
11 GRACIOUSLY ACCEPTED BEING ON ANOTHER COMMITTEE.

12 I'D LIKE TO TELL YOU A LITTLE BIT ABOUT THE
13 PHILOSOPHY OF THE GOVERNANCE COMMITTEE BEFORE I GO INTO
14 THE SPECIFICS SINCE WE ARE A NEW COMMITTEE. OUR
15 PHILOSOPHY IS TO TRY AND PROVIDE OVERSIGHT AND FULL
16 TRANSPARENCY FOR THE BOARD AS WELL AS FOR THE PUBLIC,
17 BUT IT'S A FINE LINE THAT WE WANT TO MANAGE BECAUSE WE
18 DO NOT WANT TO MICROMANAGE THE CIRM INSTITUTE. WE WANT
19 TO LEAVE THE PEOPLE WHO ARE DOING THE WORK, WE WANT TO
20 LEAVE THEM THE ABILITY TO DO THEIR JOB.

21 IT'S ALSO AN ONGOING PROCESS. WE'LL BE
22 MEETING SEVERAL TIMES DURING THE YEAR AS MUCH AS IS
23 NECESSARY. AND THIS MEETING THAT WE HAD WAS REALLY
24 JUST THE BEGINNING. WE INTEND TO HAVE A DELIBERATE AND
25 A THOROUGH PROCESS, AND WE RESERVE THE RIGHT TO MODIFY

1 THE DECISIONS THAT WE MAKE AS WE ARE CONSTANTLY GOING
2 TO BE REEVALUATING OUR PLANS. JUST AS THE STEM CELL
3 RESEARCH IS MOVING SO QUICKLY, WE MUST ADAPT AS WELL,
4 BUT WE ARE GOING TO TAKE THE TIME TO BE THOUGHTFUL.

5 IN THAT SPIRIT, ON JULY 29TH WE HAD FROM
6 WALTER BARNES AN UPDATE ON THE SALARY. WE HAD A
7 SURVEY, AND WE ARE GOING TO USE THAT SURVEY AS THE
8 BASIS FOR OUR COMPENSATION PLAN. AND THAT COMPENSATION
9 PLAN WILL REALLY FORM THE BASIS OF OUR FORMAL BUDGET.
10 I HOPE THAT WE WILL HAVE A BUDGET SOMETIME AROUND THE
11 END OF AUGUST, THE BEGINNING OF SEPTEMBER SO THAT WE
12 WILL HAVE OUR NEXT GOVERNANCE COMMITTEE TIED TO THAT
13 BUDGET. AND THEN OUR GOAL, AND IT IS A GOAL, SO IF WE
14 MISS IT BECAUSE WE'RE TRYING TO BE THOROUGH, THEN IT
15 WILL BE DELAYED, BUT OUR GOAL IS TO HAVE THAT BUDGET
16 FOR OUR SEPTEMBER 9TH ICOC MEETING.

17 BUT TODAY I'D LIKE TO REPORT ON THREE
18 RECOMMENDATIONS IN THREE AREAS. FIRST, YOU SHOULD HAVE
19 AN ATTACHMENT A, WHICH IS ON THE POLICY AND PROCEDURES
20 FOR CONTRACTING. YOU SHOULD HAVE A DELEGATION POLICY
21 WHICH IS ATTACHMENT B. AND THEN WE ARE GOING TO REVIEW
22 THE CONTRACT APPROVAL FOR THE REMCHO CONTRACT, WHICH IS
23 OUR GENERAL COUNSEL, AND FOR THE EDELMAN CONTRACT,
24 WHICH IS OUR COMMUNICATIONS. HAVE THE --

25 DR. BRYANT: IT'S TAB 9.

1 MS. LANSING: THEY SHOULD BE LABELED, THOUGH,
2 ATTACHMENT A, B, AND C.

3 CHAIRMAN KLEIN: STARTING WITH THE SECOND
4 PAGE OF TAB 9, THEY'RE WELL DESCRIBED IN SUMMARY.

5 MS. LANSING: AND WE'RE GOING TO DESCRIBE
6 THEM EVEN MORE. BEFORE WE BEGIN AND I TURN IT OVER TO
7 WALTER TO GO INTO GREAT DETAIL ON ALL OF IT, I'D LIKE
8 TO KNOW IF THERE'S ANY COMMENT FROM THE BOARD? ANY
9 PUBLIC COMMENT? THEN I'D LIKE TO TURN IT OVER TO
10 WALTER TO KIND OF GO THROUGH THE POLICIES AND
11 PROCEDURES FOR CONTRACTING.

12 MR. BARNES: SURE. I THINK AS I'VE SAID AT
13 PREVIOUS MEETINGS, THE INSTITUTE IS SUPPOSED TO BE
14 FOLLOWING THE UC PROCUREMENT PRACTICES AND POLICIES
15 WITH REGARD TO ITS CONTRACTING ACTIVITIES. THE ACTUAL
16 POLICIES AND PROCEDURES ACTUALLY CONSTITUTE A COUPLE OF
17 BINDERS WORTH OF MATERIAL. SO WHAT WE HAVE DONE IS
18 WE'VE TRIED TO SUMMARIZE THE GOALS, THE POLICY, SOME OF
19 THE SPECIFIC REQUIREMENTS AND GUIDELINES AND PROCEDURES
20 WITH REGARD TO CONTRACTING THAT REFLECT THE
21 EXPECTATIONS OF THE UC SYSTEM, WHICH WE ARE
22 RECOMMENDING THAT YOU ADOPT AS THE GUIDANCE FOR US IN
23 FUTURE CONTRACTING, CARRYING OUT OUR FUTURE CONTRACTS.

24 THIS SUMMARY HAS BEEN REVIEWED BY JAMES
25 HARRISON, WHO HAS GONE THROUGH IT WORD BY WORD TO MAKE

1 SURE THAT WE'VE PROPERLY STATED WHAT THE REQUIREMENTS
2 AND POLICIES ARE. AND ESSENTIALLY THIS IS THE GUIDANCE
3 THAT WE'VE ACTUALLY BEEN OPERATING UNDER SINCE THE
4 INSTITUTE WAS FIRST FORMED.

5 WE LAY OUT IN ATTACHMENT A THE BACKGROUND,
6 THE POLICY ITSELF, WHICH ARE BASICALLY RELATED TO THE
7 GOAL OF OBTAINING PURCHASED GOODS AND SERVICES AT THE
8 LOWEST POSSIBLE PRICE CONSISTENT WITH RECEIVING THE
9 GOODS AT A LEVEL THAT MEETS OUR NEED AND WITHIN A
10 REASONABLE TIME FRAME. IT'S THOSE THREE FACTORS THAT
11 GENERALLY MAKE UP THE POLICY AND THAT YOU'RE REALLY
12 TRYING TO ATTAIN. WE'VE GIVEN DEFINITIONS OF THE TYPES
13 OF CONTRACTING. WE HAVE GUIDANCE HERE WITH REGARD TO
14 HOW A VENDOR CAN BE SELECTED AND WHEN A NEGOTIATED
15 CONTRACT CAN BE ENTERED INTO AND WHEN A COMPETITIVE BID
16 MUST BE CONDUCTED.

17 THERE IS A SPECIFIC CONTRACT FORMAT FOR EACH
18 ONE OF THESE TYPES OF CONTRACTS, AND THOSE ARE SUPPOSED
19 TO BE USED. AND THEN BASICALLY WE HAVE LAID OUT WHAT
20 WE CALL THE CONTRACT MANAGEMENT RESPONSIBILITIES. EACH
21 OF OUR CONTRACTS HAS A SPECIFIC PERSON AT THE
22 INSTITUTE, PERSON OR PERSONS, I SHOULD SAY, WHO IS
23 RESPONSIBLE FOR OVERSEEING THE CONTRACT AND MAKING SURE
24 THAT THE GOODS OR SERVICES ARE DELIVERED IN ACCORDANCE
25 WITH THE TERMS OF THE CONTRACT.

1 WE'VE ALSO LAID OUT A COUPLE OF DON'TS TO TRY
2 AND MAKE SURE THAT, IN CONDUCTING OUR BUSINESS, WE
3 DON'T MAKE ERRORS OR MISTAKES. BUT ESSENTIALLY THIS IS
4 THE GUIDANCE THAT WE FEEL THAT WE SHOULD BE OPERATING
5 UNDER. AND WE FEEL IT'S APPROPRIATE. AND, IN FACT, I
6 THINK JAMES WOULD SAY THAT IT'S ACTUALLY SPECIFICALLY
7 REQUIRED THAT THE ICOC ADOPT THESE -- THIS STATEMENT OF
8 POLICIES AND PROCEDURES. SO, THEREFORE, I WOULD
9 RECOMMEND THAT YOU DO SO.

10 MS. LANSING: OKAY. THANK YOU, WALTER. DO I
11 HAVE ANY BOARD DISCUSSION AT THIS TIME ON THESE? ANY
12 PUBLIC DISCUSSION? DO I -- JUST ONE SECOND -- I'D
13 LIKE, THEN, TO MAKE A MOTION FOR THE RECOMMENDATION.
14 CAN I HAVE SOMEONE MOVE THIS?

15 DR. MURPHY: SO MOVED.

16 MS. LANSING: SECOND?

17 DR. REED: SECOND.

18 CHAIRMAN KLEIN: ALL IN FAVOR. ANY OPPOSED?
19 MOTION PASSES.

20 WALTER, CAN YOU EXPLAIN OUR DELEGATION POLICY
21 AND OUR RECOMMENDATIONS?

22 MR. BARNES: SURE. THE POLICY THAT YOU JUST
23 APPROVED IS THE THING THAT WE AT CIRM WILL CARRY OUT;
24 BUT AT THE LAST MEETING, IF YOU RECALL, YOU EXPRESSED
25 AN INTEREST IN HAVING A ROLE TO PLAY WITH REGARD TO THE

1 CONTRACTING AS WELL. YOU BASICALLY ADOPTED A
2 RECOMMENDATION THAT CONTRACTS THAT WERE GREATER THAN
3 \$1,000 -- \$100,000 BE BROUGHT BACK FOR APPROVAL. IT'S
4 GETTING LATE, FOLKS. SORRY. -- \$100,000 BE BROUGHT
5 BACK FOR APPROVAL BY THE FULL ICOC.

6 AND IF YOU RECALL, THAT WAS THE LIMIT THAT
7 WAS IMPOSED ON CHAIRMAN KLEIN DURING THE ACTING
8 PRESIDENT PHASE DURING WHICH HE WAS DELEGATED TO ACT AS
9 PRESIDENT OF CIRM. WE HAVE TAKEN A LOOK AT THAT
10 DELEGATION PROCESS AND APPROVAL PROCESS, AND WE ARE
11 RECOMMENDING SOME CHANGES TO IT, WHICH WE THINK ARE
12 CONSISTENT WITH THE INTENT THAT THE BOARD EXPRESSED AT
13 THE LAST MEETING, BUT WE'RE ALSO SUGGESTING THAT THE
14 \$100,000 LIMIT BE AT THE GOVERNANCE LEVEL, AND THAT
15 CONTRACTS THAT ARE GREATER THAN 250,000 BE THE ONES
16 THAT COME TO THE ICOC FOR APPROVAL.

17 IT ALSO -- THE POLICY, WHICH IS STATED IN
18 PART B OR ATTACHMENT B, ALSO DEALS WITH SOMETHING THAT
19 YOU HADN'T CONSIDERED, WHICH IS THE ISSUE OF
20 AMENDMENTS. WE CAN ENTER INTO A CONTRACT THAT'S LESS
21 THAN A \$100,000, BUT WE MAY HAVE TO EXTEND THAT
22 CONTRACT OR TO ADD MONEY TO IT. AND WE THINK THAT YOU
23 SHOULD BE THINKING ABOUT THE APPROVAL AMOUNTS FOR
24 CONTRACTS WHEN THEY GO OVER THESE AMOUNTS AS WELL. SO
25 WE FACTORED THAT INTO THIS RECOMMENDED POLICY.

1 ALSO, THERE ARE REALLY TWO TYPES OF
2 CONTRACTING THAT WE DO. THERE'S CONTRACTING WITH OTHER
3 STATE AGENCIES, WHICH ARE CALLED INTERAGENCY
4 AGREEMENTS. THAT'S LIKE THE ONE THAT WE HAVE WITH THE
5 STATE CONTROLLER'S OFFICE, BY WHICH YOU PAID FOR MY
6 SALARY WHILE I WAS ON LOAN TO YOU. SOME OF THESE
7 INTERAGENCY AGREEMENTS ARE VOLUNTARY. YOU COULD HAVE
8 GONE TO ANOTHER DEPARTMENT FOR MY SERVICES FROM
9 SOMEBODY ELSE. SOME OF THEM ARE NOT VOLUNTARY. THE
10 ATTORNEY GENERAL'S OFFICE, FOR INSTANCE, WE ARE
11 REQUIRED TO CONTRACT WITH THEM TO RECEIVE THE LEGAL
12 SERVICES RELATED TO LITIGATION AND THINGS LIKE THAT AS
13 THE LAWYER OF RECORD FOR THE STATE AGENCIES.

14 SO ESSENTIALLY WE HAVE SOME VOLUNTARY, WE
15 HAVE SOME INVOLUNTARY, BUT NONE OF THEM ARE REQUIRED TO
16 BE BID OR HAVE ANY COMPETITIVE BID PROCESS. SO WE PUT
17 THAT INTO THE POLICY AS WELL, BUT WE'RE RECOMMENDING
18 THAT INTERAGENCY AGREEMENTS AND THE DECISION ABOUT
19 INTERAGENCY AGREEMENTS BE DELEGATED TO THE PRESIDENT.

20 SO THE RECOMMENDATION THAT'S LAID OUT HERE IN
21 ATTACHMENT B, WHICH IS AT THE BOTTOM OF PAGE 1, WE'RE
22 SAYING INTERAGENCY AGREEMENTS EITHER INITIAL AND
23 AMENDMENTS OR EXTENSIONS WOULD BE THE RESPONSIBILITY OF
24 THE PRESIDENT TO DECIDE. CONTRACTS WITH PRIVATE THIRD
25 PARTIES, WHICH ARE BASICALLY PRIVATE AGENCIES OR

1 PRIVATE FIRMS, THE \$100,000 LEVEL OR WHEN AN AMENDMENT
2 CAUSES A CONTRACT TO GO TO A HUNDRED THOUSAND, IT WOULD
3 BE FOR THE GOVERNANCE COMMITTEE. CONTRACTS THAT ARE
4 MORE THAN \$250,000 OR WHICH GET TO BE MORE THAN
5 \$250,000 BY AN AMENDMENT WOULD BE THE RESPONSIBILITY OF
6 THE ICOC. AND THE PRESIDENT WOULD BASICALLY HAVE
7 RESPONSIBILITY FOR ANY CONTRACTS THAT DON'T FALL INTO
8 ONE OF THESE TWO CATEGORIES.

9 I SHOULD SAY THAT THIS IS A, AS SHERRY
10 MENTIONED, THIS IS AN EVOLVING PROCESS. AND I HAVE TO
11 TELL YOU THAT I THINK THESE -- ON A PERSONAL BASIS, I
12 THINK THESE LIMITS ARE AND LEVELS ARE KIND OF LOW. I
13 USED TO SIT IN FOR THE PREVIOUS CONTROLLER AT CAL PERS,
14 AND THAT'S AN ORGANIZATION MUCH LIKE THIS THAT'S
15 INVOLVED IN A SPECIFIC LINE OF WORK, INVESTMENTS AND A
16 RETIREMENT SYSTEM. AND SO RECENTLY I GOT THEIR
17 CONTRACT DELEGATION PROCESS. AND FOR ALL OPERATIONAL
18 CONTRACTS OF ANY AMOUNT, NONE OF THOSE GO TO THE BOARD.
19 THEY ALL ARE DELEGATED TO THE STAFF AND MEMBERS AT
20 VARIOUS LEVELS IN CAL PERS.

21 NOW, THERE'S A LOT OF DIFFERENCE BETWEEN US.
22 THEY HAVE A LOT MORE MONEY, \$184 BILLION. THEY RUN THE
23 RETIREMENT SYSTEM, THINGS LIKE THAT. I GUESS WHAT I'M
24 SAYING IS THAT WE'RE ACCEDING TO WHAT THE BOARD ASKED
25 FOR AT THE LAST MEETING; BUT I THINK OVER TIME, AS YOU

1 GET COMFORTABLE AND UNDERSTAND AND FEEL GOOD ABOUT WHAT
2 WE'RE DOING WITH THE CONTRACTS POLICY, WE'LL PROBABLY
3 COME BACK AND RECOMMEND SOME MORE DELEGATIONS.

4 MS. LANSING: I WANT TO SECOND WHAT YOU ARE
5 SAYING AND SAY, YOU KNOW, WE TRIED TO TAKE INTO ACCOUNT
6 WHAT THE BOARD WAS ASKING FOR. BUT THEN, ALSO, YOU
7 KIND OF SAY, WELL, EVERYTHING OVER A \$100,000, WE HAVE
8 TO COME TO THE FULL BOARD, WE WILL REALLY HAVE A
9 DYSFUNCTIONAL COMPANY BECAUSE WE DON'T MEET ENOUGH. IF
10 WE STARTED TO TRY AND GET A QUORUM TOGETHER TO VOTE ON
11 A SALARY, WE WOULD REALLY NOT BE ALLOWING ZACH AND BOB
12 AND ED TO DO THEIR JOBS. DO YOU KNOW? SO WE RAISED
13 IT, YOU KNOW, SO THAT IT CAME TO THE GOVERNANCE
14 COMMITTEE, A SMALLER COMMITTEE, THAT WE THOUGHT AT
15 LEAST BETWEEN A HUNDRED AND TWO FIFTY, WE COULD MANAGE
16 TO GET A MEETING TOGETHER. AND THEN ANYTHING OVER TWO
17 FIFTY WE WOULD CALL TO ALL OF YOU.

18 BUT I ALSO WANT TO SAY THAT WHAT I'M HOPEFUL
19 FOR, BECAUSE I HAVE THE GREATEST, GREATEST RESPECT FOR
20 THE PEOPLE THAT ARE RUNNING CIRM, AND I KNOW WE ALL DO,
21 WHAT I'M REALLY HOPEFUL FOR IS THAT WHEN WE HAVE OUR
22 BUDGET IN PLACE, THEN IT WILL BECOME PRETTY
23 SELF-EVIDENT WHAT WE'RE SPENDING. AND IF YOU LIVE
24 WITHIN THE BUDGET REQUIREMENTS, EVERYTHING WILL BE
25 FINE.

1 SO I'D LIKE TO OPEN THIS NOW FOR DISCUSSION
2 TO THE BOARD.

3 CHAIRMAN KLEIN: I'D LIKE TO MAKE A MOTION TO
4 APPROVE THE RECOMMENDED POLICIES AS AN INTERIM MEASURE
5 WITH COMPLETE RECOGNITION OF YOUR STATEMENT ABOUT THE
6 FUTURE CONSIDERATION AND REVIEW WHEN THERE IS A BUDGET
7 IN PLACE.

8 MR. SERRANO-SEWELL: SECOND.

9 MS. LANSING: NOW DO I HAVE ANY BOARD
10 DISCUSSION?

11 MR. SERRANO-SEWELL: I HAVE A QUESTION. I'D
12 LIKE TO DIRECT IT TO COUNSEL. CAN WE DELEGATE TO A
13 SUBCOMMITTEE THE EXCLUSIVE AUTHORITY TO MAKE BINDING
14 DECISIONS? MEANING DOES -- MY QUESTION IS CAN THE
15 SUBCOMMITTEE MAKE THOSE KINDS OF DECISIONS? CAN WE
16 DELEGATE THAT AUTHORITY? OR DO THEY HAVE TO COME BACK
17 TO THE ICOC FOR RATIFICATION?

18 MR. HARRISON: THERE ARE DELEGATED BODIES
19 UNDER STATE LAW. THE BOARD CAN DELEGATE
20 RESPONSIBILITIES TO A SUBCOMMITTEE. IT THEN BECOMES A
21 DELEGATED BODY REGARDLESS OF WHETHER IT HAS TWO MEMBERS
22 OR MORE, AND IT'S COVERED BY BAGLEY-KEENE, BUT THE
23 BOARD CERTAINLY HAS THE ABILITY AND THE POWER TO
24 DELEGATE RESPONSIBILITY TO A SUBCOMMITTEE.

25 CHAIRMAN KLEIN: I THINK IT'S ALSO IMPORTANT

1 HERE IS THAT WHAT WE'RE SUGGESTING IS THAT THE
2 SUBCOMMITTEE WOULD HAVE THE RIGHT TO APPROVE THE
3 DECISION BY THE PRESIDENT WHO WOULD BE ACTING PURSUANT
4 TO THE POLICIES OF THE BOARD IN IMPLEMENTING THEIR
5 POLICIES. SO IT WOULD BE AFFIRMING THE PRESIDENT'S
6 DECISION. AND SO THE REAL DELEGATION IS TO THE
7 PRESIDENT TO CARRY OUT THE POLICIES OF THE BOARD, AND
8 THE SUBCOMMITTEE WOULD, THEREFORE, BE AFFIRMING THAT
9 THE AUTHORITY IS, IN FACT, BEING PROPERLY SUPERVISED.

10 MS. LANSING: ANY OTHER DISCUSSION? ANY
11 PUBLIC DISCUSSION? ALL RIGHT. THEN WE HAVE A MOTION
12 ON THE FLOOR. ALL IN FAVOR. ANY OPPOSED? THE MOTION
13 PASSES.

14 OKAY. WALTER, WANT TO EXPLAIN THE REMCHO.

15 MR. BARNES: WELL, UNDER YOUR DELEGATION
16 POLICY THAT YOU JUST APPROVED, THERE ARE TWO CONTRACTS
17 THAT NEED YOUR APPROVAL. THE FIRST IS AN EXTENSION OF
18 THE REMCHO, JOHANSEN & PURCELL CONTRACT. WE'RE ASKING
19 THAT THE CURRENT CONTRACT, WHICH THERE'S A TYPO ON IT
20 SAYS SIX-MONTH CONTRACT, IT'S ACTUALLY A SEVEN-MONTH
21 CONTRACT, BE EXTENDED FOR AN ADDITIONAL FOUR MONTHS,
22 WHICH WOULD TAKE IT TO DECEMBER 6TH AND INCREASE IT BY
23 200,000 TO A LEVEL OF 520,000.

24 YOU HAVE A COPY OF THE CONTRACT AS ORIGINALLY
25 EXECUTED. YOU ALSO HAVE A CONTRACT OF TWO AMENDMENTS

1 THAT HAVE ALREADY BEEN EXECUTED, AND A COPY OF THIS
2 AMENDMENT AS WELL. I SHOULD POINT OUT THAT THE
3 ORIGINAL CONTRACT OF THREE MONTHS CONTAINED A PROVISION
4 ALLOWING FOR FOUR -- EXCUSE ME -- TWO FOUR-MONTH
5 EXTENSIONS, SO THIS WOULD BE THE SECOND OF THOSE
6 FOUR-MONTH EXTENSIONS. THE FIRST AMENDMENT WAS TO
7 IMPLEMENT THE FIRST EXTENSION OF FOUR MONTHS.

8 CHAIRMAN KLEIN: WALTER, JUST TO HELP
9 EVERYONE, I BELIEVE IT'S ACTUALLY THE LAST CONTRACT
10 UNDER THE TAB.

11 MR. BARNES: YES, IT IS. EDELMAN GOT FIRST.

12 CHAIRMAN KLEIN: RIGHT. RIGHT AFTER EDELMAN.
13 IT'S ACTUALLY OUT OF ORDER IN THE TABS. GO AHEAD. I'M
14 SORRY.

15 MR. BARNES: THANK YOU FOR POINTING THAT OUT.
16 I MISSED THAT. SO THE FIRST ONE WAS TO EXTEND THE
17 CONTRACT FOR FOUR MONTHS. THE SECOND ONE WAS TO
18 REVISE -- MAKE A TECHNICAL REVISION WITH REGARD TO THE
19 LISTING OF FEES. WE PREVIOUSLY HAD SPECIFIC NAMES OF
20 INDIVIDUALS. AND AFTER DISCUSSION WITH JAMES, WE
21 DECIDED TO CHANGE IT TO CLASSIFICATIONS SO THAT WE HAVE
22 A LITTLE MORE FLEXIBILITY AND NOT HAVE TO CHANGE AND
23 RUN OUT AND DO AN AMENDMENT EVERY TIME WE CHANGE A
24 PERSON WHO'S WORKING ON OUR CONTRACT. SO THIS WOULD BE
25 THE ADDITIONAL EXTENSION. IT WILL TAKE IT TO DECEMBER

1 4TH.

2 THERE' S A DISCUSSION ABOUT THE SERVICES. THE
3 SERVICES INCLUDE THE TYPES OF SERVICES THAT A GENERAL
4 COUNSEL WOULD PROVIDE TO US. THAT INCLUDES THE
5 REVIEWING OF CONTRACTS, ATTENDING THE ICOC
6 SUBCOMMITTEES AND THE MEETINGS HERE, SITTING BY ME AND
7 HOLDING MY HAND ON SOME OF THESE THINGS, WORKING
8 GROUPS, WORKING WITH THE ATTORNEY GENERAL' S OFFICE AND
9 THE ICOC, AND DEVELOPING AND IMPLEMENTING LITIGATION
10 STRATEGIES. THERE' S A NUMBER OF THINGS. THE TRAVEL
11 POLICIES THAT YOU SAW AND APPROVED PREVIOUSLY WERE ALL
12 WORKED OUT WITH JAMES' INPUT AND ASSISTANCE.

13 BUT I THINK IT' S ALSO IMPORTANT TO REMEMBER
14 THAT REMCHO PROVIDES LEGAL SERVICES THAT GO BEYOND JUST
15 THE ACTUAL GENERAL COUNSEL-TYPE SERVICES. PROVIDES
16 CONSULTATION ON BOND ISSUES, CONFLICTS OF INTEREST, AND
17 YOU' VE HEARD FROM HIM WITH REGARD TO A NUMBER OF
18 LITIGATION MATTERS AS WELL. SO THIS IS NOT JUST THE
19 GENERAL COUNSEL, BUT IT IS ADDITIONAL LEGAL MATTERS AS
20 WELL.

21 SO THAT' S THE BACKGROUND ON THE CONTRACT AND
22 WHAT WE' RE ASKING FOR, AND I' D RECOMMEND YOUR APPROVAL.

23 MS. LANSING: ANY COMMENT FROM THE BOARD?

24 MS. WILSON: I' M ASSUMING THAT WE WILL
25 EVENTUALLY HAVE A GENERAL COUNSEL.

1 MR. BARNES: YES.

2 MS. WILSON: WHAT DO WE CONTRACT WITH THE
3 ATTORNEY GENERAL'S OFFICE FOR?

4 MR. BARNES: THE ATTORNEY GENERAL, AND JAMES
5 CAN PROBABLY STATE THIS AS WELL AS, BETTER THAN I CAN,
6 OBVIOUSLY, BUT GENERALLY THE GENERAL COUNSEL IS THE
7 ATTORNEY OF RECORD FOR ALL STATE AGENCIES. SO USUALLY
8 THE ATTORNEY GENERAL WILL GET INVOLVED IN LITIGATION
9 MATTERS; WHEREAS, A GENERAL COUNSEL, AND EACH STATE
10 AGENCY HAS THEM, AND IN SOME CASES THEY HAVE BIGGER
11 ONES IN MORE THAN JUST A SINGLE INDIVIDUAL. WHEN I
12 WORKED FOR THE DEPARTMENT OF SOCIAL SERVICES AND HEALTH
13 SERVICES, WE HAD 20 OR 30 ATTORNEYS WORKING FOR US.
14 THOSE ARE THE PEOPLE THAT ARE EXPERTS IN YOUR
15 PARTICULAR PROGRAM. THEY RESEARCH IT, THEY KEEP TRACK
16 OF ALL THE LAWS AND RULES AND REGULATIONS AND THAT KIND
17 OF THING SO THAT EVEN THOUGH THE ATTORNEY GENERAL MAY
18 BE DEFENDING YOU IN LITIGATION MATTERS, THE ATTORNEY
19 GENERAL WILL RELY VERY HEAVILY UPON THE GENERAL COUNSEL
20 TO HELP HIM OR HER THROUGH THAT PROCESS.

21 MS. LANSING: AM I PUTTING MY FOOT IN MY
22 MOUTH, BUT I THINK OBVIOUSLY THEY CHARGE US, AND DIDN'T
23 WE FIND OUT THAT THIS REMCHO WAS ACTUALLY SAVING US
24 MONEY?

25 MR. BARNES: I THINK THEY'RE CERTAINLY

1 COMPETITIVE WITH REGARD TO THE RATES THAT WE GET FROM
2 THE ATTORNEY GENERAL. AND I THINK THAT THE THING IS
3 THAT THEY'RE CERTAINLY MORE ACCESSIBLE, LET'S PUT IT
4 THAT WAY, FOR A LOT OF THE THINGS THAT WE NEED
5 IMMEDIATE HELP ON. AND USUALLY THE ATTORNEY GENERAL
6 HAS A PROCESS WHERE THEY HAVE TO SET UP A CASE AND A
7 BILLING SYSTEM AND ALL OF THAT KIND OF STUFF. IT'S --
8 WELL, IT'S A BUREAUCRACY.

9 MS. LANSING: LET'S JUST SAY THEY'RE
10 COMPETITIVE.

11 CHAIRMAN KLEIN: IF I CAN SUPPLEMENT THAT.
12 WE DEEPLY APPRECIATE THE SERVICES OF THE ATTORNEY
13 GENERAL'S OFFICE. THEY'RE DOING A VERY GOOD JOB FOR US
14 IN THE LEAD ON THE LITIGATION THAT WE'RE IN. I BELIEVE
15 THAT IT'S CORRECT, JAMES, TO SAY THAT IN PROP 10 THAT
16 YOU WERE THE SPECIAL COUNSEL OF THE STATE.

17 MR. HARRISON: WE REPRESENTED ONE OF THE
18 PLAINTIFFS ALONG WITH THE ATTORNEY GENERAL'S OFFICE IN
19 THAT ACTION.

20 CHAIRMAN KLEIN: SO THERE'S A TRADITION
21 WHERE, FOR SPECIALIZED KNOWLEDGE, THE ATTORNEY
22 GENERAL'S OFFICE BRINGS IN SPECIAL COUNSEL, AND WE'RE
23 DOING THE SAME THING HERE IN AUGMENTING OUR ACTION THAT
24 WE ARE DEFENDING AT THIS POINT IN TRYING TO IMPLEMENT
25 THIS INITIATIVE.

1 IT'S ALSO TRUE THAT ON, IF YOU REMEMBER OUR
2 MEETING AT USC OR OUR MEETING AT STANFORD, THE ATTORNEY
3 GENERAL'S OFFICE TRAVELS IN TEAMS. THEY COME WITH
4 THREE PEOPLE AT A TIME, AND WE HAVE FOUND THAT JAMES
5 HARRISON'S KNOWLEDGE IS SUFFICIENT FOR ALMOST ALL
6 PURPOSES EXCEPT IN SPECIALIZED OCCASIONS WHERE ONE
7 INDIVIDUAL CAN ANSWER THE QUESTIONS THAT WE OTHERWISE
8 WOULD BE BILLED FOR THREE PEOPLE FOR. IN GOING BACK
9 THROUGH THIS EXPERIENCE, WE'VE TRIED TO BECOME MORE
10 EFFICIENT OVER TIME, AND WE'VE GOTTEN ALL THE VERY,
11 VERY PARTICULAR QUESTIONS ANSWERED FOR WHERE WE NEEDED
12 THOSE TEAMS. WE NOW DON'T BELIEVE WE DO NEED THOSE
13 TEAMS AND ARE OPERATING MORE EFFICIENTLY.

14 MS. LANSING: I JUST WANT TO CLARIFY WE'RE
15 VERY GRATEFUL FOR EVERYTHING THAT THE ATTORNEY
16 GENERAL'S OFFICE HAS DONE FOR US. MY POINT IN SAYING
17 THIS WAS THAT SOMETIMES YOU LOOK AT A NUMBER, AND
18 YOU'RE SAYING, WELL, THIS NUMBER LOOKS BIG, YOU KNOW,
19 AND SO YOU ARE ASKING QUESTIONS. WHY IS THIS NUMBER
20 BIG? I WAS ACTUALLY JUST TRYING TO SAY THAT WHEN WE
21 DID OUR DUE DILIGENCE, I WAS HAPPY TO FIND OUT THAT IT
22 WAS HIGHLY COMPETITIVE AND VERY EFFICIENT WITH THE
23 ATTORNEY GENERAL. AND I WAS HAPPY TO FIND OUT, AND
24 WITH OTHER LAW FIRMS AS WELL, THAT'S REALLY ALL I WAS
25 SAYING. I'M VERY GRATEFUL WE HAVE BOTH SERVICES. AND,

1 YES, EVENTUALLY WE WON'T NEED BOTH SERVICES, BUT I JUST
2 WANTED TO STRESS HOW COMPETITIVE IT WAS WITH THE
3 ATTORNEY GENERAL.

4 ANY OTHER BOARD QUESTIONS? PUBLIC COMMENT?

5 MS. SAMUELSON: I'D JUST LIKE TO MAKE ONE
6 COMMENT AS ONE OF THE LAWYERS ON THE BOARD. I'VE BEEN
7 EXCEEDINGLY IMPRESSED WITH THE SPECIAL EXPERTISE THAT
8 WE GET FROM THE REMCHO FIRM AND IN PARTICULAR JAMES.
9 IT'S MONEY WELL SPENT. IT IS A BIG NUMBER. I THINK
10 IT'S IMPORTANT TO POINT THAT OUT.

11 MR. SERRANO-SEWELL: CALL THE QUESTION.

12 MS. LANSING: DO I HAVE A MOTION FOR THIS
13 RECOMMENDATION?

14 MR. SERRANO-SEWELL: SO MOVED.

15 MS. LANSING: SECOND?

16 UNIDENTIFIED MEMBER: SECOND.

17 MS. LANSING: ALL IN FAVOR. ANY OPPOSED?
18 MOTION CARRIES.

19 DR. THAL: POINT OF INFORMATION. CAN WE
20 CHANGE -- IF IT TURNS OUT THAT POLICY'S UNWORKABLE, IS
21 THERE ANYTHING THAT PREVENTS US FROM CHANGING THE
22 POLICY THREE MONTHS FROM NOW?

23 MR. BARNES: NO. IN FACT, AS WE SAID, AS WE
24 GO THROUGH THIS --

25 MS. LANSING: NO. NO. WE'RE GOING TO BE

1 CONSTANTLY REEVALUATING THIS, CONSTANTLY.

2 DR. THAL: IF IT DOESN'T WORK, WE CHANGE IT?

3 MS. LANSING: YEAH. WE'RE A WORK IN
4 PROGRESS, AND WE'RE ALSO CONSTANTLY EVOLVING AND WE'RE
5 CONSTANTLY REEVALUATING THINGS. AND THAT'S THE WHOLE
6 POINT OF THE GOVERNANCE COMMITTEE.

7 I'D NOW LIKE TO TURN IT BACK TO WALTER TO
8 DISCUSS THE EDELMAN CONTRACT, WHICH IS REALLY SOMETHING
9 THAT I KNOW ALL OF US WERE VERY, VERY INTERESTED IN.
10 AND I'D LIKE YOU TO KIND OF GO THROUGH THIS ONE AND
11 GIVE US SOME DETAIL ON THE BACKGROUND AND HOW THEY
12 PERFORMED FOR THE INSTITUTE. AND, ZACH, IF YOU WANT TO
13 PARTICIPATE IN ANY WAY FROM YOUR POINT OF VIEW, I'D
14 APPRECIATE IT AS WELL.

15 MR. BARNES: SURE. THIS IS A RECOMMENDATION
16 TO EXECUTE A NEW CONTRACT FOR A 12-MONTH PERIOD
17 BEGINNING APRIL 1ST GOING THROUGH MARCH 31ST OF 2006 --
18 IT SAYS FIVE THERE, BUT IT'S ACTUALLY SIX -- FOR A
19 MAXIMUM OF 378,000. I SHOULD SAY THAT SOME OF THE
20 BACKGROUND ON THIS GOES BACK TO WHEN, AGAIN, WHEN BOB
21 KLEIN WAS GRANTED SOME AUTHORITY TO ACT AS PRESIDENT,
22 HE DIRECTED THE EXECUTION OF A CONTRACT WITH A FIRM
23 CALLED REDGATE COMMUNICATIONS TO PROVIDE
24 COMMUNICATIONS-RELATED SERVICES FOR A THREE-MONTH
25 PERIOD. THE ORIGINAL CONTRACT WAS FOR \$70,000; BUT

1 BECAUSE OF SOME UNANTICIPATED WORKLOAD, THE CONTRACT
2 WAS INCREASED TO 108,000 BY AN AMENDMENT. THIS WAS
3 CONSIDERED A TEMPORARY SOLUTION TO TRY AND MEET OUR
4 IMMEDIATE NEEDS FOR COMMUNICATIONS WHILE WE TRIED TO
5 FIGURE OUT A LONGER TERM PLAN.

6 DURING MARCH OF 2005, THERE WERE THREE
7 COMPANIES THAT WERE INTERVIEWED TO ASSESS THEIR
8 CAPABILITIES FOR ASSUMING THE WORK THAT REDGATE WAS
9 PERFORMING. THERE WERE THREE CONTRACTORS INTERVIEWED.
10 THERE WAS WEBER SANDWICH WORLDWIDE -- SANDWICK. EXCUSE
11 ME. THERE WAS EDELMAN. AND THEN THERE WAS BURSON
12 MARSTELLER. THESE WERE INTERVIEWED BY A GROUP OF
13 PEOPLE, INCLUDING BOB KLEIN, AMY LEWIS, NICOLE PAGANO,
14 ZACH HALL, AND AMY DUROSS. NOT ALL OF THEM WERE IN ALL
15 OF THE MEETINGS, BUT A GROUP OF THEM WERE AT EACH ONE
16 OF THESE MEETINGS.

17 NOW, THIS IS NOT A FORMAL BID PROCESS THAT
18 WAS CONDUCTED HERE, BUT AT THE SAME TIME IT'S AN
19 INTERVIEW PROCESS WHICH SORT OF IS LIKE A BID PROCESS.
20 AND I SHOULD SAY THAT THE CONTRACT POLICY THAT THE UC
21 PROCESS HAS DOESN'T ACTUALLY REQUIRE A BID PROCESS FOR
22 PROFESSIONAL AND PERSONAL SERVICES TYPE CONTRACTS. SO
23 IN THIS PARTICULAR CASE, I THINK WE WENT A LITTLE EXTRA
24 MILE WITH REGARD TO THE SELECTION PROCESS BY TRYING TO
25 INTERVIEW SEVERAL FIRMS THAT MIGHT BE ABLE TO PROVIDE

1 THESE KINDS OF SERVICES.

2 THERE WAS A GENERAL AGREEMENT THAT EDELMAN
3 WAS THE BEST QUALIFIED FOR THE JOB BECAUSE OF THEIR
4 DEMONSTRATED INTEREST AND FAMILIARITY WITH PROPOSITION
5 71, THEIR EXPERIENCE IN HEALTH MATTERS, OR IN
6 COMMUNICATIONS EFFORTS IN HEALTH MATTERS, AND THE
7 COMMITMENT OF THE LEADING MEMBERS OF THE FIRM TO
8 SUPPORTING THE INSTITUTE AND ITS GOALS.

9 THERE HAD BEEN A PLAN TO ACTUALLY EXTEND THE
10 REDGATE CONTRACT TO TRY TO PROVIDE SOME TRANSITION, BUT
11 REDGATE DECIDED TO TERMINATE THEIR CONTRACT ON THE
12 FIRST PART OF APRIL, AND EDELMAN AGREED TO BEGIN
13 IMMEDIATELY, GIVEN THAT SEVERAL ISSUES THAT REQUIRED
14 IMMEDIATE COMMUNICATIONS EXPERTISE THAT INCLUDED THE
15 INSTITUTE'S HEADQUARTERS SEARCH, VARIOUS LITIGATION,
16 AND LEGISLATIVE ACTIONS AT THE STATE AND FEDERAL LEVEL,
17 ALL OF THESE COULD AFFECT CIRM'S MISSION, AND WE NEEDED
18 TO HAVE SOMEBODY TO HELP US OUT DURING THIS PERIOD OF
19 TIME.

20 WE NEGOTIATED THE CONTRACT AND CAME UP WITH
21 THE LEVEL OF \$378,000 THAT'S BASED ON TWO SPECIFIC COST
22 CATEGORIES. ONE HAS TO DO WITH PROFESSIONAL FEES AND
23 INTERNAL EXPENSES. THE ACTUAL COSTS OF FEES WILL BE
24 REIMBURSED FOR INTERNAL -- PLUS 3 PERCENT FOR INTERNAL
25 EXPENSES. THESE ARE THINGS THAT THEY INCUR ON AN

1 ONGOING BASIS, LIKE INTERNAL TELEPHONES AND PAPER AND
2 MEMOS, THINGS LIKE THAT. HOWEVER, THE TOTAL MONTHLY
3 COST FOR THESE FEES WILL NOT EXCEED 27,500. AND THIS
4 IS BECAUSE, FIRST OF ALL, THERE'S A 10-PERCENT DISCOUNT
5 ON ANY OF THE FEES THAT ARE LISTED IN THE CONTRACT AND,
6 IN ADDITION, EDELMAN HAS AGREED TO PROVIDE A NUMBER OF
7 PRO BONO SERVICES ASSOCIATED WITH THIS TO ENSURE THAT
8 THE TOTAL COST TO US NEVER EXCEEDS 27,500. IT ACTUALLY
9 COULD COME IN LESS THAN THAT IF WE DON'T UTILIZE A
10 SUFFICIENT AMOUNT OF SERVICES DURING THAT MONTH.

11 IN ADDITION TO THE PROFESSIONAL FEES, THERE'S
12 OUT-OF-POCKET AND TRAVEL COSTS. NOW, WE WILL REIMBURSE
13 THEM FOR ACTUAL COSTS HERE. FOR THE FIRST THREE MONTHS
14 OF THE CONTRACT, THESE COSTS HAVE AVERAGED ABOUT 4,000
15 PER MONTH. AND I SHOULD SAY THE LARGEST AMOUNT, ABOUT
16 5,000, TOOK PLACE DURING THE MONTH OF MAY WHEN, AS YOU
17 RECALL, WE HAD A NUMBER OF ISSUES GOING ON WITH REGARD
18 TO OUR HEADQUARTERS SEARCH AND THINGS LIKE THAT.

19 SO WE BASICALLY USE THIS AVERAGE AS AN
20 ESTIMATE FOR THE 12-MONTH PERIOD. THAT'S 48,000.
21 BASICALLY THE ACTUAL COST OF THE CONTRACT WILL DEPEND
22 UPON THE SERVICES THAT WE REQUEST. THERE IS A LIST OF
23 SERVICES THAT'S AVAILABLE IN THE CONTRACT THAT THEY CAN
24 PROVIDE, BUT THEY WILL ONLY PROVIDE THEM ON OUR
25 AUTHORIZATION AND REQUEST. AND BOTH OF THE PARTIES

1 HAVE AGREED TO WORK TOGETHER TO ENSURE THAT THE COSTS
2 ARE KEPT TO THE MINIMUM. AND IN ANY CASE, THE MAXIMUM
3 FOR THE PROFESSIONAL FEES AND INTERNAL EXPENSES WILL
4 NOT EXCEED THE AMOUNT THAT'S LISTED HERE.

5 I THINK -- I GUESS THAT I SHOULD -- I GUESS
6 WHAT I WOULD LIKE TO CLOSE ON IS THAT IN THE INITIAL
7 DISCUSSIONS THAT WE HAD WITH EDELMAN AFTER THEY AGREED
8 TO BEGIN WORK, WE TALKED ABOUT THEIR FEES. AND I CAN
9 TELL YOU THAT THE FIRST MONTHLY ESTIMATES WERE AS MUCH
10 AS \$65,000. WE SPENT A LOT OF TIME WITH THEM AND THEM
11 WITH US TRYING TO NEGOTIATE THE AMOUNT DOWN TO THE
12 MINIMUM, BARE MINIMUM THAT WE COULD PAY HERE. AND I
13 HAVE TO TELL YOU THAT I THINK THAT WE HAVE A CONTRACT
14 HERE THAT IS NOT ONLY PROVIDING A VERY VALUABLE SERVICE
15 TO US, BUT ONE THAT WE HAVE NEGOTIATED TO A VERY
16 ECONOMICAL ARRANGEMENT FOR CIRM. AND, THEREFORE, I
17 WOULD RECOMMEND THAT WE GO AHEAD AND APPROVE THIS
18 CONTRACT FOR EXECUTION.

19 MS. LANSING: THANK YOU, WALTER. I JUST WANT
20 TO SAY THAT I THINK I WAS ONE OF THE PEOPLE THAT WAS
21 MOST ANXIOUS TO LEARN ABOUT THIS SITUATION BECAUSE
22 SOMETIMES THESE NUMBERS STICK OUT AT YOU, AND YOU DON'T
23 REALLY KNOW WHAT'S BEHIND THEM AND YOU DON'T REALLY
24 HAVE A COMPETITIVE LANDSCAPE TO CHECK IT ON. SO I WAS
25 REALLY VERY HAPPY WITH THE PRESENTATION THAT YOU JUST

1 GAVE AND THE PRESENTATION IN THE GOVERNANCE COMMITTEE.

2 I WAS PARTICULARLY STRUCK BY THE FACT THAT
3 THEY REDUCED THEIR FEES INITIALLY BY ALMOST HALF, AS
4 YOU SAID. AND THEN I WAS IMPRESSED ALSO THAT THEY
5 FORGAVE THE OVERBUDGET FEES THAT WERE FOR WORK THAT
6 THEY HAD DONE, SO THEY ACTUALLY FORGAVE THAT. AND THEN
7 I WAS ALSO -- SO THAT TO ME SHOWED A REAL COMMITMENT
8 AND A REAL PASSION FOR WHAT THEY WERE DOING.

9 AND THEN OBVIOUSLY WHEN WE DID THE
10 COMPETITIVE SITUATION, I WAS STRUCK BY THE FACT THAT
11 THEY WERE LOWER THAN ANYBODY ELSE, WHICH ALSO SHOWED
12 THEIR DESIRE TO BE INVOLVED WITH WHAT WE WERE DOING. I
13 THINK THAT THE NEED FOR COMMUNICATION BECAME VERY
14 EVIDENT TO US EARLY THIS MORNING WHEN WE WERE TALKING
15 ABOUT THE WORD "CLONING" AND HOW DO WE GET OUR MESSAGE
16 OUT. I THINK THERE'S NO DOUBT THAT WE NEED EDUCATION
17 AND COMMUNICATION OUTREACH, AND THAT IS REALLY WHAT I
18 HOPE THE EDELMAN GROUP WILL BE DOING.

19 I ALSO WANT TO ADD THAT WHEN WE GET OUR OWN
20 PEOPLE IN PLACE, THE BALANCE WILL START TO SHIFT, AND
21 OUR OWN PEOPLE WILL BE STARTING TO DO THAT, BUT WE
22 DON'T HAVE THAT YET. SO THAT'S REALLY WHAT I WANTED TO
23 ADD. I'D JUST LIKE TO OPEN IT UP FOR BOARD DISCUSSION
24 BECAUSE I THINK IT'S A VERY IMPORTANT ISSUE THAT WE'RE
25 DEALING WITH.

1 DR. POMEROY: I WOULD LIKE TO CONGRATULATE
2 SHERRY AND THE ENTIRE COMMITTEE ON A JOB THAT I THINK
3 IS REALLY WELL DONE. I ALSO WAS ONE OF THE PEOPLE THAT
4 WAS VERY EAGER TO SEE THIS BASICALLY VETTED IN A
5 SESSION WHERE THERE WAS A LOT OF TRANSPARENCY, A LOT OF
6 DISCUSSION. I THINK WE GOT THERE. AND I THINK THE
7 ORGANIZATION IS BETTER FOR THAT PROCESS THAT WE WENT
8 THROUGH. SO THANK YOU FOR ALL OF YOUR LEADERSHIP IN
9 THAT, SHERRY.

10 MS. LANSING: THANK YOU. ANY OTHER
11 DISCUSSION FROM THE BOARD? FROM THE PUBLIC?

12 MR. REED: I'M TOLD THAT THE ONLY MANMADE
13 OBJECT THAT CAN BE SEEN FROM THE MOON IS THE GREAT WALL
14 OF CHINA, WHICH IS TWICE AS LONG AS AMERICA IS WIDE.
15 AND IT WAS BUILT TO KEEP OUT THE MONGOLS AND IT COST A
16 MILLION LIVES. AND WHEN THE MONGOLS ARRIVED, THEY
17 BRIBED THEIR WAY THROUGH. WHAT WE'RE FIGHTING FOR IS
18 SOMETHING THAT CANNOT BE SEEN FROM THE MOON OR EVEN IN
19 HERE. IT'S MICROSCOPIC. SO OUR EDUCATION HAS TO BE
20 TERRIFICALLY EFFECTIVE.

21 I WOULD LIKE TO SEE US APPROACH IT WITH THE
22 SAME VIGOR AND ENTHUSIASM THAT THE ENGLISH DO WHEN THEY
23 SEND OUT PACKETS OF INFORMATION TO THE SCHOOLS. I
24 THINK WE HAVE TO EDUCATE, EDUCATE, EDUCATE SO THE
25 PEOPLE CAN FOLLOW US ALL THE WAY. THANK YOU.

1 MS. LANSING: COULDN' T AGREE WITH YOU MORE.

2 MR. REYNOLDS: HI. THANKS FOR THE
3 OPPORTUNITY TO SPEAK. A NUMBER OF THINGS HAVE BEEN
4 ITCHING ON MY MIND AND PERHAPS EVEN DISTURBING ME A
5 LITTLE BIT ABOUT THE EDELMAN CONTRACT. IT'S NOT
6 NECESSARILY THE AMOUNT OR WHO AUTHORIZED IT OR THE
7 QUALITY OF WORK, WHICH WAS THE MAIN TOPICS OF
8 DISCUSSION THAT I HEARD AT THE LAST BOARD MEETING IN
9 IRVINE, BUT THERE'S TWO THINGS THAT REALLY STUCK OUT
10 ABOUT THE PROCESS. AND FIRST IS THAT, IF I UNDERSTAND
11 THE SITUATION CORRECTLY, PLEASE CORRECT ME IF I'M
12 WRONG, IS THAT THERE WAS NO COMPETITIVE BIDDING PROCESS
13 FOR THIS. AND ASKING FOR BIDS DOES NOT REQUIRE AN
14 ENORMOUS AMOUNT OF EFFORT ON YOUR PART AND CAN RESULT
15 IN, OF COURSE, FAVORABLE TERMS.

16 EVEN GREATER IS, IF I UNDERSTOOD THE
17 DOCUMENTS CORRECTLY, IS THAT THERE WAS INITIALLY NO
18 WRITTEN AGREEMENT, THAT WHAT YOU HAVE ON THE TABLE
19 BEFORE YOU IS A RETROACTIVE CONTRACT THAT I PRESUME WAS
20 AN ORAL AGREEMENT FOR THE FIRST FOUR MONTHS. AND IF
21 THAT'S THE CASE, I SUPPOSE I HOPE THAT IT WAS SIMPLY AN
22 OVERSIGHT AND ACTING IN HASTE AND NOT ANY SORT OF A
23 CAVALIER ATTITUDE ABOUT SPENDING THE TAXPAYERS' MONEY.
24 THAT'S CERTAINLY NOT AN ACCEPTABLE WAY TO PROCEED.
25 THANK YOU.

1 CHAIRMAN KLEIN: I CAN TELL YOU, AS ONE
2 MEMBER OF THAT, AND ZACH MAY WANT TO COMMENT AS WELL,
3 AS ONE MEMBER OF THE REVIEW COMMITTEE, THERE WERE
4 WRITTEN PROPOSALS, THERE WERE WRITTEN CONTRACT TERMS,
5 AT ALL TIMES THERE WERE -- THERE WAS WRITTEN TERMS
6 DURING THE INTERIM PERIOD WHEN THE PERMANENT CONTRACT
7 WAS BEING NEGOTIATED. AND THEY WERE ADVISED, IT'S MY
8 UNDERSTANDING, IS THAT THEY WERE WORKING ON GOOD FAITH
9 BECAUSE THEY WERE AT RISK THAT UNLESS THE CONTRACT WAS
10 EXECUTED, THEY WOULD NOT BE PAID UNTIL THIS BOARD HAD
11 ACTED ON AN EXECUTED CONTRACT. THEY WERE CONTRIBUTING
12 THEIR SERVICES IF WE DECIDED NOT TO PROCEED.

13 SO THEY WERE WORKING WITH A GREAT DEAL OF
14 GOOD FAITH. BUT AS COMPARED TO THE PRIOR THREE-MONTH
15 PERIOD WITH REDGATE, THE FIGURE WAS ABOUT \$31,000 A
16 MONTH. THIS IS \$27,500 A MONTH, AND THE OTHER
17 PROPOSALS DID NOT HAVE THE LEVEL OF PRO BONO DISCOUNTS
18 THAT WERE IN THIS. SO WE HAD BOTH THE EXPERIENCE OF
19 THE EXISTING CONTRACT AND THREE NEW INTERVIEW GROUPS
20 THAT WE WENT THROUGH WITH WRITTEN PROPOSALS THAT WERE
21 ALL SUBMITTED AND PROCESSED WITH WALTER.

22 MS. LANSING: CAN I ASK WALTER AND ZACH TO
23 JUST COMMENT ON THAT AND THEN DAVID.

24 MR. BARNES: I THINK THERE'S TWO COMMENTS I'D
25 MAKE. I THOUGHT I SAID IT DURING MY PRESENTATION, BUT

1 THERE ISN'T A SPECIFIC REQUIREMENT THAT WE DO A BID
2 PROCESS FOR THIS PARTICULAR TYPE OF CONTRACT. AT THE
3 SAME TIME, WE WENT THE EXTRA STEP TO DO THE INTERVIEW
4 PROCESS BECAUSE THE ISSUE IS NOT THE -- COST IS AN
5 ISSUE, BUT CERTAINLY THE TYPE OF SERVICE AND THE
6 QUALITY OF SERVICE WAS THE THING THAT WAS MOST ON MIND.
7 THE FEELING BEING THAT WE COULD GET THE SERVICE
8 PROBABLY FOR WHATEVER AMOUNT OF MONEY THAT WE WANTED TO
9 GET IT AT, BUT THE SERVICE WAS THE MOST CRITICAL PART
10 TO IT.

11 THE SECOND THING I WOULD SAY IS THAT IT WOULD
12 BE OUR EXPECTATION AND GOAL TO TRY AND HAVE CONTRACTS
13 EXECUTED BEFORE PEOPLE START. THAT IS CERTAINLY A
14 PRIME PRINCIPLE WITHIN CONTRACTING FIELDS. AND THE
15 FACT THAT WE WERE NOT ABLE TO DO THAT AT THIS TIME IS
16 MORE A REFLECTION OF THE FACT THAT THERE WERE JUST TOO
17 MANY THINGS GOING ON AT THE TIME WITH NOT ENOUGH TIME
18 TO DEAL WITH IT. IT DOESN'T TAKE AWAY AT ALL, THOUGH,
19 FROM THE FACT THAT WE ARE GETTING AN EXCELLENT DEAL FOR
20 THE SERVICES THAT WE'RE RECEIVING.

21 MS. LANSING: ZACH, DID YOU WANT TO ADD
22 ANYTHING?

23 DR. HALL: NO. JUST TO UNDERLINE WHAT WALTER
24 AND BOB HAVE SAID.

25 MR. SERRANO-SEWELL: I'D JUST LIKE TO MAKE A

1 MOTION THEN THAT WE -- DID SOMEBODY ALREADY MAKE THE
2 MOTION?

3 MS. LANSING: NO, THEY HAVEN'T. DO I HAVE A
4 SECOND TO THE MOTION?

5 DR. BRYANT: SECOND.

6 MS. LANSING: I JUST WANT TO OPEN IT TO
7 DISCUSSION. I JUST WANT TO SAY, MR. REYNOLDS, THAT I
8 ACTUALLY RESPECT YOUR CONCERNS, AND I KNOW WHAT YOU'RE
9 SAYING. AND I HOPE THAT YOU'VE HEARD THE RESPONSE TO
10 IT, THAT THERE WAS JUST A LOT GOING ON. AND THE WHOLE
11 POINT OF THIS GOVERNANCE COMMITTEE IS TO HAVE FULL
12 TRANSPARENCY AND TO GO THROUGH WHAT WE WENT THROUGH IN
13 OUR MEETING AND IN PUBLIC, AND THAT IS OUR INTENTION.
14 AND I DO RESPECT WHAT YOU'RE SAYING. SO THANK YOU.

15 WE HAVE A MOTION AND NOW ALL IN FAVOR. ANY
16 OPPOSED? THE MOTION CARRIES. AND, AGAIN, I THANK ALL
17 OF YOU FOR YOUR PATIENCE, AND WE'LL BACK TO YOU,
18 HOPEFULLY, AT THE NEXT MEETING WITH A BUDGET. THANK
19 YOU.

20 CHAIRMAN KLEIN: ALL RIGHT. WE HAVE ITEMS
21 14, 16, AND 17 TO COVER. WE'RE GOING TO TRY AND DO
22 THAT QUICKLY.

23 ITEM 14 IS CONSIDERATION OF UPDATE FROM THE
24 PRESIDENTIAL SEARCH SUBCOMMITTEE. ONE OF THE VERY
25 IMPORTANT ITEMS THAT'S BEEN DISCUSSED IS IN LOOKING FOR

1 A PERMANENT PRESIDENT, DO WE WANT TO HAVE THE OPTION
2 FOR THAT PRESIDENT TO HAVE A LAB SPACE UNDER WHICH THAT
3 PRESIDENT COULD INDEPENDENTLY CONDUCT RESEARCH.

4 AS A PART OF THE PROPOSAL FROM CITY OF SAN
5 FRANCISCO FOR HEADQUARTERS, WE WERE GIVEN THE OPTION ON
6 SPACE IN BUILDING 9 AND BUILDING 40 AT SAN FRANCISCO
7 GENERAL HOSPITAL. THAT SPACE WAS REVIEWED BY A WORKING
8 COMMITTEE THAT WAS DR. ZACH HALL, WALTER BARNES, I WAS
9 INVOLVED IN THAT REVIEW, AS THE CO-CHAIRMAN OF THE
10 FACILITIES COMMITTEE, DAVID SERRANO-SEWELL WAS INVOLVED
11 ALONG WITH RUSTY DOMS, THE OTHER CO-CHAIR OF THE
12 FACILITIES ADVISORY GROUP.

13 GIVEN THE TIME THAT WAS AVAILABLE, THE
14 INFORMATION ON SEISMIC STUDIES FOR THAT SPACE AND THE
15 PLANS FOR THAT SPACE WAS SHIPPED TO THE CO-CHAIRMEN AND
16 WAS IN THE HEADQUARTERS AVAILABLE TO THE HEADQUARTERS
17 STAFF, BUT THERE WASN'T TIME TO GO THROUGH CALLING AN
18 ENTIRE FACILITIES ADVISORY GROUP COMMITTEE ON THAT
19 MATTER.

20 THE ADVICE FROM THE FACILITIES COMMITTEE TO
21 THE PRESIDENTIAL SEARCH COMMITTEE WAS THAT WE DID NOT
22 HAVE TIME TO REALLY DEAL WITH THE SEISMIC RETROFIT
23 ANALYSIS, WHICH WAS EXTRAORDINARILY COMPLICATED. WE
24 DID NOT HAVE TIME OR THE FUNDS TO TIE UP LAB SPACE
25 WITHOUT HAVING SOMEONE FOR WHOM IT WOULD HAVE SERVED,

1 AND WE WOULD HAVE HAD TO HAVE OBLIGATED OURSELVES BY
2 AUGUST 15TH TO THIS SPACE. GIVEN THAT WE'RE HUSBANDING
3 OUR FUNDS AND USING THEM FOR OUR CRITICAL STAFFING, THE
4 DECISION OR RECOMMENDATION TO THIS BOARD BY THE
5 PRESIDENTIAL SEARCH COMMITTEE WAS TO PASS ON TAKING
6 DOWN ANY OF THAT SAN FRANCISCO GENERAL SPACE.

7 NOW, THE FACILITIES COMMITTEE ALSO, BASED
8 UPON A RECOMMENDATION, I THINK, FROM DR. HALL AND RUSTY
9 DOMS AND DAVID, ALSO BELIEVE WE SHOULDN'T TAKE DOWN ANY
10 OF THE OTHER SPACE IN SAN FRANCISCO GENERAL BECAUSE IT
11 DIDN'T APPEAR TO BE THE TIME TO GET THE SEISMIC
12 ANALYSIS AND RISK ANALYSIS UPDATED. THERE WERE
13 SUBSTANTIAL FINANCIAL COMMITMENTS THAT WOULD HAVE HAD
14 TO BE MADE, AND THE INSTITUTIONS IN THE BAY AREA THAT
15 MIGHT HAVE COMPETED TO USE THAT SPACE WERE NOT
16 PREPARED, BASED ON A PRELIMINARY POLL, TO COME TO THE
17 TABLE AND PUT THEIR OWN MONEY AT RISK BECAUSE WE
18 CERTAINLY DIDN'T HAVE THE MONEY TO PUT AT RISK.

19 AS TO THE PRESIDENTIAL SEARCH COMMITTEE, I
20 WOULD LIKE TO KNOW IF THERE IS A MOTION TO ACCEPT THE
21 RECOMMENDATION THAT WE PASS ON THE SAN FRANCISCO
22 GENERAL SPACE, RELYING ON THE RECOMMENDATIONS OF THE
23 FACILITIES ADVISORY GROUP CO-CHAIRS, THE PRESIDENT, AND
24 MY OWN ANALYSIS AS WELL.

25 DR. PENHOET: SO MOVED.

1 CHAIRMAN KLEIN: IS THERE A SECOND?

2 MR. GOLDBERG: SECOND.

3 CHAIRMAN KLEIN: IS THERE PUBLIC DISCUSSION?
4 ALL IN FAVOR. OKAY.

5 WE WILL GO ON TO THE INFORMATIONAL UPDATE ON
6 CCST. ED, I BELIEVE YOU AND DR. SUSAN BRYANT HAVE THIS
7 ITEM.

8 DR. PENHOET: THIS WILL BE A QUICK UPDATE
9 BECAUSE AS OF THIS DATE, WE DON'T HAVE A CCST REPORT;
10 HOWEVER, WE'VE BEEN INFORMED THAT THE REPORT WILL BE
11 RELEASED ON MONDAY. THAT'S THE CURRENT. TUESDAY.
12 OKAY. EARLY NEXT WEEK IS THE CURRENT EXPECTATION FOR
13 THE RELEASE OF THE REPORT. YOU REMEMBER WE HAVE
14 APPOINTED AN IP TASK FORCE. WE HAVE DELIBERATELY NOT
15 MET BECAUSE WE FELT THAT WE SHOULD WAIT TO RECEIVE THE
16 REPORT, TO READ IT CAREFULLY, AND DIGEST ITS CONTENTS
17 BEFORE WE GET TOGETHER AS A GROUP TO DISCUSS NEXT
18 STEPS.

19 SO WE'RE EAGERLY AWAITING THE ARRIVAL OF THE
20 REPORT MONDAY OR TUESDAY OF NEXT WEEK. SUSAN AND
21 MICHAEL WERE BOTH OUR REPRESENTATIVES TO THE CCST, SO
22 PERHAPS THEY WOULD WANT TO ELABORATE ON IT.

23 DR. BRYANT: THAT'S ALL WE KNOW BASICALLY.
24 WE WILL BE RECEIVING COPIES TODAY. AND THEN SO THAT WE
25 CAN READ THEM AND BE PREPARED FOR THE PRESS BARRAGE, I

1 GUESS. I DON'T KNOW WHY WE'RE GETTING THEM EARLY, BUT
2 IT'S THE SAME DOCUMENT THAT WILL BE RELEASED TO THE
3 PRESS ON MONDAY OR TUESDAY.

4 DR. PENHOET: AND THEN, IN ADDITION TO THAT,
5 WE HAVE SCHEDULED A MEETING WITH REPRESENTATIVES OF DON
6 PRATA AND SENATOR ORTIZ' OFFICES ON AUGUST 17TH. SO A
7 SMALL GROUP OF US WILL GO AND MEET WITH THEM. THIS
8 RELATES TO IP POLICY BECAUSE THE SUBJECT OF THE
9 DISCUSSION IS THE INCORPORATION OF ANY ELEMENTS OF
10 PROVIDING ACCESS TO CALIFORNIANS BROADLY TO THIS
11 TECHNOLOGY AND ITS RELATIONSHIP TO THE IP POLICY THAT
12 WE ESTABLISH FOR THE CIRM.

13 SO THAT'S AN ONGOING DISCUSSION WITH THE
14 LEGISLATURE. AND THOSE MEETINGS WILL TAKE PLACE FOR
15 INFORMATION PURPOSES ONLY ON THE 17TH. AND OBVIOUSLY
16 AS WE GO FORWARD IN DEVELOPING A FINAL IP POLICY FOR
17 THIS GROUP, WE HAVE TO TAKE INTO ACCOUNT BOTH IP
18 POLICIES AS THEY ARE ARTICULATED BROADLY AND FOR
19 WIDESPREAD USE, BUT ALSO THE CONCERNS THE LEGISLATURE
20 HAS ARTICULATED CONCERNING ACCESS FOR CALIFORNIANS TO
21 THE RESULTS OF THE RESEARCH THAT WE FUND. I DON'T KNOW
22 IF YOU WANT TO ADD ANYTHING TO THAT.

23 MR. GOLDBERG: VERY WELL SAID.

24 CHAIRMAN KLEIN: I THINK IT WOULD BE
25 APPROPRIATE TO THANK MICHAEL GOLDBERG AND DR. SUSAN

1 BRYANT FOR THEIR DEDICATED SERVICE ON THE CCST TASK
2 FORCE.

3 THE NEXT ITEM WE HAVE IS INFORMATIONAL UPDATE
4 ON THE HEADQUARTERS. AND, WALTER, WOULD YOU COVER THAT
5 ITEM?

6 MR. BARNES: SURE. THERE'S INFORMATION ON
7 SOME OF THE MAJOR STEPS THAT HAVE BEEN TAKEN SINCE THE
8 ICOC SELECTED SAN FRANCISCO AS THE PERMANENT -- TAB 17.
9 TAB 17 IS WHERE THIS IS -- SINCE THE ICOC MADE THE
10 DECISION TO SELECT SAN FRANCISCO AT ITS MAY 6TH
11 MEETING.

12 THERE ARE SEVERAL ACTIONS THAT HAVE BEEN
13 TAKEN. ONE IS THAT ROBERT KLEIN AND MAYOR GAVIN NEWSOM
14 SIGNED THE CIRM CITY AGREEMENT AS CALLED FOR IN THE
15 RFP. THIS COMMITS THE CITY TO DELIVER ALL THE BENEFITS
16 PROMISED IN ITS BID, INCLUDING FREE RENT AND UTILITIES,
17 WHICH ALSO MEANS THAT I FORGOT TO ADD ON PROBABLY THE
18 MOST IMPORTANT ITEM, WHICH IS THE LEASE ITSELF HAS BEEN
19 EXECUTED WITH FREE RENT AND UTILITIES FOR A TEN-YEAR
20 PERIOD BEGINNING THE DATE OF OCCUPANCY.

21 REPRESENTATIVES FROM THE INSTITUTE, SAN
22 FRANCISCO, STOCKBRIDGE, THE BUILDING OWNER, GENSLER,
23 WHO'S THE ARCHITECT, HATHAWAY DINWIDDIE, THE
24 CONTRACTOR, THE DEPARTMENT OF GENERAL SERVICES, AND
25 HAWORTH, WHICH IS THE FURNITURE CONTRACTOR, HAVE HELD

1 SEVERAL MEETINGS OVER THE LAST TWO MONTHS TO DEVELOP A
2 DESIGN PLAN FOR BUILDING OUT OF THE SPACE. WE'VE GIVEN
3 YOU A COPY OF THE FLOOR PLAN THAT HAS BEEN DESIGNED.

4 THIS REALLY DOESN'T DO JUSTICE. THIS LAYOUT
5 CERTAINLY SHOWS WHERE THE OFFICES ARE GOING TO BE AND
6 HOW MANY CONFERENCE ROOMS WE'RE GOING TO HAVE AND WHERE
7 THE STORAGE IS AND THE SCIENCE AREA AND THINGS LIKE
8 THAT. I HAVE TO TELL YOU THIS IS REALLY GOING TO BE A
9 SHOWCASE. GENSLER AND HATHAWAY DINWIDDIE AND HAWORTH,
10 THE FURNITURE CONTRACTOR, HAVE REALLY COMMITTED
11 THEMSELVES TO MAKING THIS A SHOWPLACE FOR US.

12 WHAT I WILL SAY IS THAT GENERALLY, IF YOU ARE
13 LOOKING AT THE FLOOR PLAN LIKE THIS, THE PART THAT'S
14 DOWN AT THE BOTTOM, THAT'S THE KING STREET SIDE OF THE
15 BUILDING. AND THAT ENTRY AREA RIGHT AT THE FRONT PART
16 THERE IS WHERE THE ICOC AND ITS STAFF AND THE MAJOR
17 CONFERENCE ROOM AND THINGS LIKE THAT WILL BE. JUST A
18 LITTLE WAYS FURTHER DOWN WILL BE WHERE THE
19 ADMINISTRATIVE STAFF, MYSELF, OUR GENERAL COUNSEL,
20 PEOPLE LIKE THAT WILL BE. AND THEN THE REST OF THIS,
21 YOU KNOW, WHICH IS IN AN AREA THAT'S KIND OF CUT OFF
22 FROM EVERYTHING IS BASICALLY WHERE ALL THE SCIENTIFIC
23 PERSONNEL WILL BE DOING THEIR WORK. WE'VE ALSO
24 DESIGNED IT IN A WAY SO THAT ESSENTIALLY NOBODY GETS
25 BACK THERE UNLESS THEY ARE ONE OF US OR THEY ARE

1 BASICALLY CLEARED TO COME THROUGH AT THE FRONT PART.
2 AND THAT'S PART OF THE SECURITY THAT WE HAVE.

3 ANYWAY, THAT'S THE FLOOR PLAN. I SHOULD ALSO
4 SAY THAT IN THE BID, MAYOR NEWSOM ORIGINALLY PROMISED
5 THAT THERE WOULD BE 1.2 MILLION FOR THE BUILDOUT, BUT
6 HE RAISED AN ADDITIONAL \$400,000 IN PHILANTHROPIC
7 CONTRIBUTIONS THAT HE'S MADE AVAILABLE TO US. AND THAT
8 WILL ALLOW US NOT ONLY TO DEAL WITH THE BUILDOUT, BUT
9 ALSO TO IMPROVE THE ENTRANCE TO THIS BUILDING. THERE
10 WILL BE A MOVEMENT OF SOME OF THE THINGS THAT ARE IN
11 THE LOBBY, LIKE THE TICKET MACHINES FOR THE PARKING
12 LOT, THINGS LIKE THAT, AND IN ADDITION THERE WILL BE A
13 BETTER ENTRANCE AND THERE WILL BE A SIGN FOR CIRM
14 ANNOUNCING OUR PRESENCE THERE. SO IT WILL REALLY LOOK
15 MUCH NICER AND MUCH MORE INSTITUTE ORIENTED THAN IT
16 CURRENTLY DOES.

17 WE'VE DEVELOPED A FINAL BUDGET FOR THE TENANT
18 IMPROVEMENTS ON BOTH THE THIRD FLOOR AND THE LOBBY
19 BUILDOUT. AND BASICALLY THE LAST BUDGET IS ABOUT 30 TO
20 \$40,000 UNDER THE 1.6 MILLION. I SHOULD SAY ANYTHING
21 THAT'S LEFT OVER COMES TO US, SO WE HAVE A REAL
22 INCENTIVE TO TRY TO MAKE SURE THAT THIS GETS DONE, NOT
23 ONLY ON TIME, BUT ON BUDGET AND PREFERABLY LESS THAN
24 BUDGET.

25 CHAIRMAN KLEIN: I THINK WE SHOULD SAY,

1 WALTER, THAT BASICALLY WE COOPERATED AND TEAMED UP WITH
2 THE MAYOR TO INCREASE THAT DOLLAR AMOUNT FROM 1.2 TO
3 1.6. IN THAT EXCHANGE, WE GOT THE BENEFIT THAT IF WE
4 COULD NEGOTIATE SAVINGS, THEY WOULD HELP PAY FOR
5 FURNITURE AND OTHER EQUIPMENT FOR THE OFFICES.

6 MR. BARNES: THAT'S RIGHT. ANYWAY, WE DO
7 HAVE A TEAM MADE UP OF THE INSTITUTE AND DEPARTMENT OF
8 GENERAL SERVICES AND THE CONTRACTOR AND THE ARCHITECT
9 AND THE CITY. WE'RE STARTING A SERIES BEGINNING THIS
10 LAST WEEK OF WEEKLY MEETINGS THAT WE'LL HAVE, BOTH JUST
11 OFF-SITE AND ON-SITE, TO MAKE SURE THAT WE'RE
12 MONITORING THE CONSTRUCTION, THE BUILDOUT. AND THE
13 DEPARTMENT OF GENERAL SERVICES HAS ASSIGNED A SPACE
14 MANAGER TO ASSIST US IN THE PLANNING AND EXECUTING OF
15 THE MOVE.

16 NOW, AS ZACH SAID, WE'RE HOPING TO HIRE OUR
17 OWN FACILITIES MANAGER, WHICH WILL ALSO BE DOING WORK
18 IN THE PROCUREMENT AND OPERATIONAL NEEDS THAT WE HAVE
19 FOR THE INSTITUTE AS A WHOLE BEFORE THAT ACTUAL
20 OCCUPANCY, AND THAT PERSON WILL HELP US MOVE IN AS
21 WELL.

22 IN ADDITION, I THINK, AS YOU RECALL, THERE
23 WERE A NUMBER OF INCENTIVES THAT WERE INCLUDED IN THE
24 BID. WE HAVE EXECUTED AGREEMENTS WITH ALL OF THOSE
25 INCENTIVE PROVIDERS WITH ONE EXCEPTION, BUT THAT'S

1 BASI CALLY STILL BEING WORKED ON RIGHT NOW. BUT WE HAVE
2 ALL OF THOSE DONE. THAT I INCLUDES THE FREE HOTEL ROOMS
3 AND THE CONFERENCE ROOMS AND THINGS LIKE THAT. AND
4 WE' RE WORKING WITH THE OFFICE FURNITURE MANUFACTURER
5 RIGHT NOW TO OBTAIN OUR DISCOUNTS OF 80 TO 90 PERCENT
6 ON THE FURNITURE THAT WILL BE OCCUPYING THE SPACE.

7 SO THAT' S WHERE WE ARE. I SHOULD -- RIGHT
8 NOW OUR TARGET DATE IS THE FIRST OF NOVEMBER.

9 CHAIRMAN KLEIN: AND THE INTENT IS TO HAVE A
10 NOVEMBER 2D ANNIVERSARY CELEBRATION IN THIS SPACE. I
11 WOULD ALSO SAY THAT IN THE MOST RECENT NUMBER OF
12 MONTHS, WHILE WITHOUT A FACILITIES MANAGER, I THINK DR.
13 HALL WOULD AGREE THAT AMY LEWIS HAS BEEN DOING A
14 YEOMAN' S JOB REALLY PUTTING HER ARMS AROUND ALL
15 ELEMENTS OF THIS, THE INTERIOR DESIGN, THE CONTRACTORS,
16 THE ARCHITECTS, THE IP STAFF, COORDINATING EVERYONE TO
17 MOVE THIS FORWARD WEEK TO WEEK. AND SHE IS NOT HERE
18 TODAY AS WE MONITOR TRAVEL AND REDUCE TRAVEL TO CONTROL
19 COST, BUT WE SHOULD COMMUNICATE TO HER THE EXPRESSION,
20 I THINK, FROM THE WHOLE BOARD OF OUR TREMENDOUS THANKS
21 FOR ALL THE EXTRA HOURS SHE' S PUT IN THAT EFFORT.

22 ALL RIGHT. I THINK THAT THAT COVERS THE
23 HEADQUARTERS UPDATE. ARE THERE ANY OTHER BOARD
24 COMMENTS WE' D LIKE TO MAKE AT THIS MEETING?

25 DR. PENHOET: IF I COULD, I WOULD LIKE TO

1 COMMENT ON THE ROLE THAT TWO OF OUR BOARD MEMBERS
2 PLAYED IN BRINGING THE FIRST THERAPY FOR MULTIPLE
3 SCLEROSIS TO PATIENTS. MICHAEL GOLDBERG WAS A
4 SIGNIFICANT MEMBER OF THE MANAGEMENT TEAM AT CETUS
5 CORPORATION, WHICH DEVELOPED THIS PRODUCT FOR 17 YEARS
6 BEFORE IT CAME TO MARKET. AND SHERRY LANSING WAS A
7 DIRECTOR OF THAT COMPANY FOR MANY OF THOSE YEARS. SO
8 TWO OF OUR BOARD MEMBERS. I THINK IT'S ALSO A GOOD
9 EXAMPLE OF THE TECHNOLOGY WHICH IS VERY CONTROVERSIAL.
10 RECOMBINANT DNA TECHNOLOGY EVENTUALLY LED TO A VERY
11 IMPORTANT THERAPEUTIC. SO I WOULD JUST LIKE TO
12 RECOGNIZE THE CONTRIBUTIONS THAT BOTH MICHAEL AND
13 SHERRY MADE TO BRINGING THE FIRST INTERFERON TO
14 PATIENTS WITH MULTIPLE SCLEROSIS.

15 (APPLAUSE.)

16 MS. LANSING: THAT'S VERY KIND.

17 MR. GOLDBERG: THANKS, PAUL BERG.

18 CHAIRMAN KLEIN: THANK YOU, DR. BERG.

19 DR. MURPHY: JUST ONE QUESTION. AND WE
20 PROBABLY ALREADY MADE A DECISION ON THIS, BUT I FORGET.
21 ONCE WE ARE SET UP IN SAN FRANCISCO, DO WE EXPECT THE
22 ICOC WILL STILL MOVE AROUND THE STATE FOR ITS MEETINGS,
23 OR WILL WE BE GRAVITATING MORE TO SAN FRANCISCO TO
24 REDUCE TRAVEL COST?

25 CHAIRMAN KLEIN: I THINK THIS IS A BOARD

1 LEVEL DECISION WE NEED TO GET TO. AND WE FOUND SAN
2 DIEGO TO BE A GREAT PLACE TO HAVE MEETINGS, AND SOME OF
3 THE HOTELS THAT OFFERED CONCESSIONS MIGHT BE OFFERING
4 MORE CONCESSIONS, AND WE MIGHT END UP HERE VERY, VERY
5 HAPPY.

6 MS. LANSING: I WANT TO EXPRESS AT LEAST AN
7 OPINION. MAYBE THIS ISN'T THE PLACE TO DO IT. I KNOW
8 THIS IS -- I LOVE SAN FRANCISCO, I LOVE SAN DIEGO, I
9 ENJOYED GOING TO FRESNO. I HONESTLY DID. I THINK THAT
10 WE ARE A STATE -- I DID. I HAD A GREAT TIME THERE. I
11 THINK THAT WE -- I DID. WHY ARE YOU SO SURPRISED? I
12 THINK WE ARE A STATE AGENCY, AND I THINK THAT WE SHOULD
13 GO AROUND THE STATE. I THINK IT'S VERY IMPORTANT THAT
14 WE GIVE THE PUBLIC THE OPPORTUNITY TO BE PRESENT. AND,
15 YOU KNOW, IT'S NOT EASY FOR PEOPLE TO TRAVEL. AND I
16 THINK THAT, YOU KNOW, IT'S JUST -- I THINK IT'S
17 WONDERFUL TO GO AROUND THE STATE. I PERSONALLY AM
18 ENJOYING IT VERY MUCH.

19 CHAIRMAN KLEIN: AS A PART OF THAT, SHERRY,
20 WOULD YOU ENCOURAGE THE HOTELS IN DIFFERENT REGIONS TO
21 CONTRIBUTE ROOMS?

22 MS. LANSING: I ABSOLUTELY WOULD. I LOVED
23 BEING IN SAN DIEGO LAST NIGHT. WE HAD A WONDERFUL
24 HOTEL. AND I LOVED SAN FRANCISCO THE NIGHT BEFORE, AND
25 I HAD A GREAT HOTEL IN FRESNO. AND IRVINE, I LOVED

1 IRVINE. I DID. WHERE ELSE HAVE WE BEEN? I AM A
2 PERSON WHO IS THOROUGHLY ENJOYING EVERYPLACE. I LOVED
3 SACRAMENTO. THAT WAS ONE OF MY FAVORITE. I HAVE LOVED
4 EVERY SINGLE PLACE. AND I HOPE THAT WE GO MORE PLACES,
5 AND I HOPE THE PUBLIC SHOWS UP MORE. AND I DO. I FEEL
6 VERY STRONGLY ABOUT THIS.

7 CHAIRMAN KLEIN: YOU KNOW, WITH THAT KIND OF
8 ENTHUSIASM, I THINK THAT WOULD BE A GREAT NOTE TO
9 ADJOURN THE MEETING UNLESS THE PUBLIC HAS SOME CRITICAL
10 COMMENT THAT WE'D LIKE TO MAKE.

11 DR. REED: I THINK WE HAVE TO HAVE A SONG.
12 YOU KNOW HOW THEY HAVE THE SONGS THAT MENTION EACH OF
13 THE CITIES. WE NEED THE OFFICIAL ICOC SONG THAT
14 MENTIONS ALL THE CITIES IN WHICH WE HOLD OUR MEETINGS.

15 DR. MURPHY: EITHER THAT OR LET'S DRINK WHAT
16 SHE WAS DRINKING.

17 CHAIRMAN KLEIN: ANY PUBLIC COMMENT? NO
18 PUBLIC COMMENT, DECLARE THIS SESSION ADJOURNED AHEAD OF
19 TIME.

20 (APPLAUSE.)

21 (THE MEETING WAS THEN ADJOURNED AT 04:07
22 P. M.)

23

24

25