

BARRISTERS' REPORTING SERVICE

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

VOLUME I

LOCATION: CROWNE PLAZA HOTEL
1177 AIRPORT BOULEVARD
BURLINGAME, CALIFORNIA

DATE: JANUARY 16, 2008
4 P.M.

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

BRS FILE NO.: 79809

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BARRISTERS' REPORTING SERVICE

1 SAN FRANCISCO, CALIFORNIA; WEDNESDAY, JANUARY 16, 2008

2 4 P.M.

3

4 CHAIRMAN KLEIN: I THINK WE ARE LIVE. AND
5 COULD YOU PLEASE LET US KNOW, MELISSA, DO YOU HAVE
6 MEMBERS IN THE LOBBY? HERE'S DAVID SERRANO-SEWELL COMING
7 IN, AND MAYBE, JENNA, YOU COULD CHECK ON ADDITIONAL
8 MEMBERS. WE ARE PREPARING FOR LIFT-OFF HERE. DR.
9 POMEROY IS HERE. ALL RIGHT.

10 WHILE WE'RE WAITING FOR SOME MEMBERS, I AM
11 GOING TO GO INTO THOSE ITEMS THAT DON'T REQUIRE ANY
12 ACTION BY CALLING THIS MEETING TO ORDER AND ASKING IF
13 MELISSA WILL PLEASE LEAD US IN THE PLEDGE OF ALLEGIANCE.

14 (THE PLEDGE OF ALLEGIANCE.)

15 CHAIRMAN KLEIN: IT WILL SAVE A GREAT DEAL OF
16 MONEY IF EVERYTHING IS DONE IN VIRTUAL REALITY.

17 I WOULD LIKE TO BRING TO THE ATTENTION OF THE
18 ASSEMBLED BODY HERE THAT WHILE WE ARE WAITING FOR A
19 COUPLE MORE MEMBERS, BEFORE GOING INTO ROLL CALL, I WOULD
20 LIKE TO ANNOUNCE THAT THIS IS DR. TROUNSON'S FIRST
21 MEETING IMPORTED STRAIGHT FROM AUSTRALIA. I WANT TO TELL
22 YOU THAT DESPITE THE FDA'S APPROVAL ON CLONED ANIMALS, HE
23 IS NOT CLONED. THIS IS THE REAL THING. SO I THINK IT
24 WOULD BE APPROPRIATE IF WE STOOD IN APPLAUSE FOR DR.
25 TROUNSON.

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1 (APPLAUSE.)

2 CHAIRMAN KLEIN: DR. TROUNSON, I KNOW THAT
3 YOU'VE RECOGNIZED SINCE YOU'VE BEEN HERE THAT ONCE IN A
4 WHILE WE GET KICKED IN THE BEHIND. AND I LEARNED FROM
5 MR. HUCKABEE LAST NIGHT ON THE TELEVISION THAT IF YOU'RE
6 KICKED IN THE BEHIND, THAT SHOWS THAT YOU'RE LEADING.
7 WITH THAT, I'D LIKE TO SEE, MELISSA, IF WE COULD DO A
8 ROLL CALL.

9 MS. KING: DONALD DAFOE FOR RICARDO AZZIZ.

10 DR. DAFOE: HERE.

11 MS. KING: ROBERT PRICE.

12 DR. PRICE: HERE.

13 MS. KING: FLOYD BLOOM.

14 DR. BLOOM: HERE.

15 MS. KING: DAVID BRENNER.

16 DR. BRENNER: HERE.

17 MS. KING: SUSAN BRYANT.

18 DR. BRYANT: HERE.

19 MS. KING: MARSHA CHANDLER. MARCY FEIT.

20 MICHAEL FRIEDMAN.

21 DR. FRIEDMAN: HERE.

22 MS. KING: LEEZA GIBBONS. MICHAEL GOLDBERG.

23 MR. GOLDBERG: HERE.

24 MS. KING: SAM HAWGOOD. BRIAN HENDERSON. BOB
25 KLEIN.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: HERE.

2 MS. KING: SHERRY LANSING. GERALD LEVEY.

3 DR. LEVEY: HERE.

4 MS. KING: TED LOVE.

5 DR. LOVE: HERE.

6 MS. KING: TINA NOVA. ED PENHOET.

7 DR. PENHOET: HERE.

8 MS. KING: PHIL PIZZO. CLAIRE POMEROY.

9 DR. POMEROY: HERE.

10 MS. KING: FRANCISCO PRIETO. JOHN REED. DUANE
11 ROTH.

12 MR. ROTH: HERE.

13 MS. KING: JOAN SAMUELSON. DAVID

14 SERRANO-SEWELL. JEFF SHEEHY. JONATHAN SHESTACK. OSWALD
15 STEWARD.

16 DR. STEWARD: HERE.

17 MS. KING: JANET WRIGHT.

18 DR. WRIGHT: HERE.

19 CHAIRMAN KLEIN: I BELIEVE DAVID SERRANO-SEWELL
20 IS JUST OUTSIDE FOR THE MOMENT.

21 GREAT THANKS TO JENNIFER PRYNE FOR HER EFFORTS
22 IN LOGISTICS IN BRINGING THIS MEETING TOGETHER AND
23 MELISSA FOR COORDINATING ALL OF OUR EXTRAORDINARILY
24 COMPLICATED SCHEDULES IN WHAT SHOULD BE AN EXTREMELY
25 IMPORTANT MEETING IN THE MAJOR FACILITIES GRANT PROGRAM

BARRISTERS' REPORTING SERVICE

1 REVIEW OF THE SCIENTIFIC WORKING GROUP'S EFFORTS, WHICH
2 WILL LEAD TO THE BOARD RECOMMENDING WHICH APPLICATIONS
3 MOVE FORWARD.

4 THE FIRST ITEM ON THE AGENDA TODAY IS THE
5 APPROVAL OF THE CONSENT CALENDAR ITEMS. WE WILL NOT BE
6 CONSIDERING THE MINUTES, AND THE ONLY ITEM IS THE
7 STANDARDS ITEM. IS THERE A MOTION TO APPROVE THIS ON THE
8 CONSENT ITEM?

9 MS. KING: WE DON'T YET HAVE A QUORUM.

10 CHAIRMAN KLEIN: WE DO NOT YET HAVE A QUORUM.
11 SO I'D LIKE TO GO INTO THE CHAIRMAN'S REPORT AS AN
12 EFFECTIVE USE OF TIME.

13 AS WE ALL KNOW, WE ARE NOW IN THE THIRD YEAR OF
14 THE AGENCY'S EXISTENCE. IT'S ACTUALLY, I THINK,
15 APPROXIMATELY A YEAR AND A DAY THAT WE'VE BEEN UP AND
16 RUNNING. IN THAT TIME IT'S EXTRAORDINARY WHAT THIS
17 AGENCY, WITH THE BENEFIT OF THE BOARD AND THE STAFF, HAS
18 ACCOMPLISHED, INCLUDING \$260 MILLION IN GRANTS WITH
19 ANOTHER 260 MILLION THAT IS IN PROCESS FOR REVIEW IN
20 APRIL AND AN ADDITIONAL GROUP OF GRANTS ON THE DISEASE
21 TEAM PLANNING GRANTS AS WELL AS THE NEW CELL LINES THAT
22 IS ALSO IN PROCESS THAT'S GOING TO BE IN A LATER BOARD
23 APPROVAL TOWARDS THE END OF THIS FISCAL YEAR.

24 WE CONTINUE TO LEAD THE WAY WITH OUR STANDARDS
25 AND POLICIES. IN THE DEVELOPMENT OF OUR STANDARDS, GEOFF

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1 LOMAX, WHO IS HEAD OF OUR STANDARDS WORKING GROUP, IS
2 PARTICIPATING IN THE INTERSTATE STANDARD DEVELOPMENT
3 ALLIANCE MANAGED BY THE NATIONAL ACADEMIES.

4 IT IS CRITICAL TO ALSO UNDERSTAND THAT AT THIS
5 TIME, WHEN THE STATE IS MAKING CERTAIN THAT IT IS A GOOD
6 STEWARD OF ITS RESOURCES, THAT WE HAVE A THREE-YEAR
7 HISTORY OF BEING AN OUTSTANDING STEWARD OF THE FUNDS THAT
8 WERE APPROVED FOR THE USE OF OUR OPERATING COSTS FOR THIS
9 AGENCY. FOR 2004-2005, 2005-2006, 2006-2007, AND
10 2007-2008, OUR TOTAL AUTHORIZED OVERHEAD, WITH THE 5.91
11 PERCENT OVERHEAD ALLOWANCE, IS APPROXIMATELY \$30,700,000.
12 THROUGH JUNE 30, 2008, WE'RE EXPECTED TO RUN
13 APPROXIMATELY \$20,550,000 TO 600,000. THIS IS 67 PERCENT
14 OF THE AUTHORIZED AMOUNT, DEMONSTRATING THAT, IN FACT,
15 THE CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE HAS
16 BEEN AN EXTREMELY EFFECTIVE STEWARD OF THE STATE'S
17 OPERATING FUNDING FOR OUR AGENCY THROUGH PROPOSITION 71.

18 IT IS PHENOMENAL WHAT HAS BEEN ACCOMPLISHED
19 WITH THE EMPLOYEES THAT WE HAVE, AND EVEN TODAY WE HAVE
20 ONLY 26 EMPLOYEES OF THE 50 THAT ARE AUTHORIZED.
21 ADDITIONALLY, DURING OUR INITIAL START-UP PERIOD, MANY OF
22 OUR SALARIES WERE KEPT VERY LOW GIVEN HIGHLY CONSTRICTED
23 FUNDS DESPITE HIGHER COMPARABILITY, AND A NUMBER OF
24 PEOPLE ON OUR STAFF ARE DOING MULTIPLE JOBS AT THIS
25 POINT.

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1 IT IS VERY IMPORTANT TO UNDERSTAND THAT IN THAT
2 TIME PERIOD WE'VE REVIEWED OVER 500 GRANT PROPOSALS IN
3 COMMITTING -- OVER THAT TIME PERIOD WE WILL HAVE REVIEWED
4 OVER 500 GRANT PROPOSALS IN COMMITTING THE \$530 MILLION
5 IN THIS FISCAL YEAR. WE BELIEVE THE FIGURE MAY, IN FACT,
6 BE SLIGHTLY ABOVE THAT.

7 IT IS CRITICAL TO UNDERSTAND THAT THE
8 CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE IN ITS
9 STAFFING POLICIES ALSO HAS A VERY SPECIAL CHALLENGE
10 BECAUSE IN OFFERING SALARIES TO ATTRACT INDIVIDUALS FROM
11 THE NONPROFIT RESEARCH INSTITUTIONS AND BIOTECH IN
12 CALIFORNIA, WE DON'T HAVE THE OPPORTUNITY FOR CAREER
13 ADVANCEMENT. THIS IS NOT A 400-PERSON AGENCY WHERE YOU
14 CAN MOVE TO THE TOP OF A DIVISION.

15 PEOPLE REALLY HAVE TO BE COMMITTED TO THIS
16 VISION, COMMITTED TO ADVANCING THE SCIENCE ITSELF,
17 COMMITTED TO SCIENTIFIC BREAKTHROUGHS THAT MAY HAVE
18 TREMENDOUS IMPACT, AND THAT THEIR ACHIEVEMENTS WILL
19 CONTRIBUTE TO THEIR OVERALL CAREERS, BUT WE DON'T HAVE
20 INTERNALLY A LARGE NUMBER OF ADVANCEMENT POSTS WITHIN THE
21 AGENCY WHICH THEY MIGHT WELL HAVE AT A UNIVERSITY OR
22 RESEARCH INSTITUTION.

23 TENURE IS NOT AVAILABLE IN OUR INSTITUTION,
24 WHICH, OF COURSE, IS IMPORTANT; AND BECAUSE WE DO NOT
25 HAVE A 20- OR 30-YEAR LIFE CYCLE OF THIS AGENCY AT THIS

BARRISTERS' REPORTING SERVICE

1 TIME, NO ONE CAN ENTER THE AGENCY THINKING THAT THEY' RE
2 GOING TO HAVE A MAJOR PENSION BUILT UP AND VESTED BY THE
3 TIME THEY LEAVE THIS ORGANIZATION.

4 SO THERE ARE A NUMBER OF THINGS THAT MAKE IT
5 IMPORTANT TO INCENTIVIZE OUR EMPLOYEES AND COMPENSATE
6 THEM PROPERLY FOR THE HEROIC DUTY THEY' RE DOING HERE.

7 OUR CURRENT SALARY BUDGET FOR 2008 IS
8 APPROXIMATELY A LITTLE OVER \$3 MILLION AS COMPARED TO 2.9
9 MILLION IN 2007, DIFFERENCE OF APPROXIMATELY 2 PERCENT.
10 CERTAINLY WE WILL HOPE TO ADJUST SOME OF THE INEQUITIES
11 OF THE PAST PERIOD WHEN WE HAD EXTREME CONTROLS ON
12 SALARIES GIVEN LITIGATION THAT WAS IN PLACE. WE WILL
13 HIRE ADDITIONAL STAFF. AND WE WILL ADVANCE INDIVIDUALS
14 WHO ARE, IN FACT, FULFILLING MUCH DIFFERENT ROLES THAN
15 WHEN THEY WERE ORIGINALLY HIRED; BUT WE CERTAINLY WILL BE
16 OPERATING, EVEN WITH THOSE ADDITIONAL HIRES, AT A
17 SIGNIFICANTLY LOWER FIGURE THAN OUR AUTHORIZED BUDGET.
18 SO HOPEFULLY WE' RE AN EXAMPLE FOR OTHER STATE AGENCIES OF
19 HOW YOU CAN OPERATE WELL, FRUGALLY WITH A SMALL STAFF, A
20 SPARTAN STAFF, BE WELL UNDER YOUR AUTHORIZED BUDGETS, AND
21 GET THE JOB ACCOMPLISHED.

22 IN COMPLETING THE CHAIRMAN' S REPORT, IT' S
23 IMPORTANT TO UNDERSTAND THAT TODAY THE FACILITIES WORK WE
24 DO WILL BE REPORTED TO THE FULL BOARD TOMORROW MORNING,
25 AND THE FINAL VOTES WILL BE TAKEN TOMORROW ON THESE

BARRISTERS' REPORTING SERVICE

1 FACILITIES RECOMMENDATIONS; BUT THE WORK TONIGHT OF GOING
2 THROUGH IN-DEPTH THESE APPLICATIONS IS A VERY IMPORTANT
3 FOUNDATION FOR WHAT HAPPENS TOMORROW.

4 WE ADDITIONALLY HAVE ON OUR AGENDA FOR TOMORROW
5 A VERY CRITICAL ADDITION TO OUR NEW FACULTY DEVELOPMENT
6 PROGRAM. WE FOUND THAT WITH THE FIRST PHASE NEW FACULTY
7 DEVELOPMENT PROGRAM, IT WAS EXTREMELY WELL RECEIVED IN
8 THE STATE. IT PROVIDES OUR INTELLECTUAL PLATFORM, OUR
9 FOUNDATION, FOR THE FUTURE GROWTH OF THIS NEW FRONTIER OF
10 SCIENCE AT OUR MAJOR NONPROFIT INSTITUTIONS, AND WE'RE
11 QUITE HOPEFUL WE'LL HAVE AS ROBUST A RESPONSE TO NEW
12 FACULTY GRANTS PHASE II AS WE DID WITH PHASE I.

13 LET ME ASK THE COUNSEL TO PLEASE REVIEW FOR THE
14 COMMITTEE AND FOR THE AUDIENCE, AS WE GO THROUGH THE
15 SUBSEQUENT MAJOR FACILITIES GRANT REVIEW, THE POLICIES WE
16 HAVE IN PLACE TO MAKE CERTAIN THAT THERE ARE NO CONFLICTS
17 OF INTEREST IN THE VOTES THAT WILL BE TAKEN. TAMAR,
18 COULD YOU PLEASE REVIEW THOSE POLICIES AND PRACTICES OF
19 THE BOARD THAT WE WILL FOLLOW IN THE MAJOR FACILITIES
20 REVIEW.

21 MS. PACTER: MR. CHAIR, ARE YOU TALKING ABOUT
22 THE PROCESS FOR VOTING ON THE MAJOR FACILITIES GRANTS
23 THEMSELVES?

24 CHAIRMAN KLEIN: I AM.

25 MS. PACTER: SO I THINK EACH OF YOU RECEIVED

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1 THIS FROM MELISSA IN ADVANCE, BUT I JUST WANT TO GO OVER
2 IT BRIEFLY AND ASK IF YOU HAVE ANY QUESTIONS. FIRST, WE
3 WILL LOOK AT ALL THE APPLICATIONS, AND THE CHAIR WILL
4 ENTERTAIN MOTIONS ACTUALLY IN THE FIRST CATEGORY NOT. WE
5 WILL LOOK FIRST AT THE CIRM INSTITUTES. AND ALL THE
6 MEMBERS OF THE BOARD WHO HAVE AN APPLICATION COME FROM AN
7 INSTITUTION THAT HAS AN APPLICATION PENDING IN THAT
8 CATEGORY WILL BE EXCLUDED FROM PARTICIPATING IN THE
9 DISCUSSION OR THE VOTE OF THOSE APPLICATIONS.

10 THE CHAIR WILL THEN ENTERTAIN MOTIONS TO MOVE
11 APPLICATIONS OUT OF THAT CATEGORY INTO ANY OTHER CATEGORY
12 AND ANYONE WITH AN APPLICATION IN ANY CATEGORY THAT AN
13 APPLICATION MIGHT BE MOVED TO. SO IF THERE'S A MOTION TO
14 MOVE AN APPLICATION FROM THE CIRM INSTITUTE CATEGORY TO
15 THE CIRM SPECIAL PROGRAM CATEGORY, THE MEMBERS WHO ARE
16 EXCLUDED ARE ANYONE WHO HAS AN APPLICATION IN ANY OF
17 THOSE TWO CATEGORIES.

18 ONCE THE MOTIONS TO MOVE APPLICATIONS FROM THE
19 MAJOR FACILITIES FROM THE CIRM INSTITUTE CATEGORIES ARE
20 COMPLETED, THE BOARD WILL VOTE FINALLY ON WHAT
21 APPLICATIONS WILL BE RECOMMENDED FOR FURTHER
22 CONSIDERATION IN PART 2 IN THAT CATEGORY FOR CIRM
23 INSTITUTES. AND THEN WE WILL REPEAT THAT PROCESS FOR
24 CIRM CENTERS OF EXCELLENCE AND CIRM SPECIAL PROGRAMS
25 UNTIL WE ARE COMPLETE.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: OKAY. I THANK YOU VERY MUCH.
2 I THINK IT'S ALSO PROBABLY INFORMATIVE FOR THE AUDIENCE
3 TO UNDERSTAND THAT STAFF HAS REVIEWED THE STATEMENTS OF
4 ECONOMIC INTEREST OF EACH BOARD MEMBER, THE FORM 700, SO
5 WE'VE IDENTIFIED, BEYOND THEIR PRIMARY INSTITUTIONAL
6 CONNECTION, WHETHER THEY HAVE ANY SECONDARY CONNECTION
7 WITH ANY OTHER INSTITUTION THAT MIGHT CREATE A CONFLICT,
8 AND THAT HAS ALSO BEEN INCORPORATED IN THE CONSIDERATION
9 OF WHO CAN ACT ON AN ITEM.

10 MS. PACHTER: THAT'S CORRECT. IN ADDITION,
11 EACH OF YOU WAS ASKED TO IDENTIFY IN ADVANCE OF THIS
12 MEETING ANY CONFLICTS OF INTEREST YOU HAD WITH ANY OF THE
13 INSTITUTIONS WHO ARE BEFORE YOU TONIGHT. SO WE HAD THREE
14 SEPARATE LEVELS OF REVIEW.

15 CHAIRMAN KLEIN: THANK YOU VERY MUCH. SO CAN I
16 ASK HOW WE ARE DOING ON OUR QUORUM FOR THIS ITEM? AND WE
17 CAN AS WELL ASK ABOUT --

18 MS. PACHTER: TWO MORE.

19 CHAIRMAN KLEIN: IS THAT ALSO NECESSARY FOR THE
20 QUORUM ON ANY OF THE OTHER ITEMS?

21 MS. KING: NOT NECESSARILY FOR THE REVIEW PART
22 OF THE MEETING.

23 MS. PACHTER: YOU DON'T HAVE A QUORUM FOR THE
24 MEETING YET, MR. CHAIR. WE HAVE A QUORUM FOR ACTION ON
25 MAJOR FACILITIES.

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1 MS. KING: WE CAN CONDUCT THAT PART OF THE
2 MEETING WITHOUT 19, JUST WITH A QUORUM OF THAT GROUP,
3 CORRECT? JAMES DID SAY THAT.

4 CHAIRMAN KLEIN: ALL RIGHT. SO WHAT I'D LIKE
5 TO DO IS MOVE TO THE DISCUSSION OF THE MAJOR FACILITIES.
6 THE MAJOR FACILITIES HAS A SMALLER QUORUM REQUIREMENT,
7 BUT A VERY SPECIFIC QUORUM REQUIREMENT. AND, MELISSA,
8 COULD YOU REVIEW WHO CAN DO THE DISCUSSION, PARTICIPATE
9 IN THE DISCUSSION AND THE VOTE ON THE INSTITUTE LEVEL OF
10 MAJOR FACILITIES.

11 MS. PACHTER: I HAVE THAT, MR. CHAIR.

12 MS. KING: I HAVE IT. MICHAEL FRIEDMAN, LEEZA
13 GIBBONS, BOB KLEIN, TED LOVE, TINA NOVA, DUANE ROTH, JOAN
14 SAMUELSON, DAVID SERRANO-SEWELL, JON SHESTACK, AND JANET
15 WRIGHT.

16 CHAIRMAN KLEIN: OKAY.

17 MS. PACHTER: WE DON'T HAVE A QUORUM YET FOR
18 CONSIDERATION OF MAJOR FACILITIES PRESENT.

19 CHAIRMAN KLEIN: OKAY. WE CAN, I THINK --

20 MR. ROTH: I THINK JOAN SAMUELSON IS HERE.

21 MS. KING: SHE CALLED US EARLIER.

22 CHAIRMAN KLEIN: SHE IS HERE. SHE'S JUST --
23 JOAN IS MOVING FORWARD TO COME DOWN. SHE HAS MEDICAL
24 ITEMS THAT NEED TO BE COVERED, BUT SHE'S ON HER WAY.

25 MR. ROTH: JEFF IS HERE.

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1 CHAIRMAN KLEIN: JEFF HAS AN AFFILIATION WITH A
2 MAJOR INSTITUTION, SO HE'S NOT IN THE MAJOR FACILITIES
3 QUORUM. DR. PRICE.

4 DR. PRICE: YOU DIDN'T LIST MY NAME AS SOMEBODY
5 WHO CAN PARTICIPATE IN THE INSTITUTE DISCUSSION; ISN'T
6 THAT CORRECT, BUT MY SHEET SAYS I CAN.

7 MS. PACHTER: YOU'RE NOT EXCLUDED, DR. PRICE,
8 NOT FROM THE INSTITUTES.

9 MS. KING: YOU'RE ONE OF OUR NINE.

10 DR. PENHOET: ACCORDING TO THE SHEET, I'M NOT
11 EXCLUDED FROM THE INSTITUTES EITHER, ACCORDING TO THIS
12 SHEET. I'M EXCLUDED FROM CENTERS OF EXCELLENCE.

13 MS. PACHTER: THAT'S RIGHT.

14 DR. BRYANT: WERE YOU READING THE ONES WHO
15 COULD PARTICIPATE OR WHO COULD NOT?

16 MS. KING: I WAS READING THE ONES WHO COULD.

17 MS. PACHTER: I CAN READ YOU WHO CANNOT.

18 MR. HARRISON: THOSE MEMBERS WHO ARE PRECLUDED
19 FROM PARTICIPATING IN THE DISCUSSION OF THE CIRM
20 INSTITUTE GRANTS ARE DAFOE, BLOOM, BRENNER, BRYANT -- I'M
21 JUST GOING TO READ THEM ALL EVEN THOUGH THEY'RE NOT
22 HERE -- CHANDLER, FEIT, GOLDBERG, HAWGOOD, HENDERSON,
23 LANSING, LEVY, PIZZO, POMEROY, FRANCISCO PRIETO WILL BE
24 ABSTAINING, SHEEHY, AND STEWARD.

25 CHAIRMAN KLEIN: OKAY. IF WE HAVE CLARITY ON

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1 THIS, OBVIOUSLY THIS IS A VERY MAJOR ITEM, I JUST WANT
2 CLARITY FOR EVERYONE BEFORE WE OPEN THIS DISCUSSION. ANY
3 OTHER QUESTIONS? SEEING NO OTHER -- IN TERMS OF THE
4 DISCUSSION OF THE INSTITUTE, THE QUESTION IS WITH THE
5 ADDITION OF DR. PRICE AND DR. PENHOET, DO WE HAVE A
6 QUORUM FOR THAT DISCUSSION?

7 MS. PACTER: WE ONLY HAVE EIGHT. WE NEED
8 NINE.

9 CHAIRMAN KLEIN: SO WE HAVE NINE IN THE
10 BUILDING, BUT HAVE TO BE IN THE ROOM. I WOULD LIKE --
11 DR. OLSON, COULD YOU PROVIDE US SOME OPENING GUIDANCE ON
12 THIS ITEM? WE, OF COURSE, WILL NOT TAKE ANY ACTION, AND
13 WE WILL SOLICIT QUESTIONS OF THOSE WHO COME PREVIOUSLY.
14 JOAN SAMUELSON IS A PART OF THE GRANTS WORKING GROUP, SO
15 SHE HAS THE INFORMATION PREVIOUSLY THAT WILL, IN FACT, BE
16 SUMMARIZED BY DR. OLSON.

17 DR. POMEROY: BOB, CAN I ASK A PROCEDURAL
18 THING? AND IF WE ARE NOT PERMITTED -- IF WE'RE RECUSED
19 FROM THIS DISCUSSION, THAT MEANS WE CAN BE IN THE ROOM,
20 BUT WE CANNOT SAY ANY WORDS; IS THAT CORRECT?

21 CHAIRMAN KLEIN: UNLESS IT'S, YOU KNOW, DUANE
22 ROTH, YOU LOOK GOOD TODAY.

23 DR. POMEROY: I'VE DONE THAT ALREADY. ALL
24 RIGHT.

25 CHAIRMAN KLEIN: WE CAN'T HAVE ANY CONTRIBUTION

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1 TO THE DISCUSSION ON THE APPLICATIONS. AS AN ADDITIONAL
2 NOTE, THERE WILL BE NO VOTES TAKEN FROM THOSE MEMBERS.

3 DR. OLSON.

4 DR. OLSON: WE THOUGHT IT MIGHT BE USEFUL JUST
5 TO REMIND YOU ALL, IF YOU NEEDED REMINDING, A LITTLE BIT
6 ABOUT WHAT THIS CIRM MAJOR FACILITIES GRANT PROGRAM IS
7 ABOUT. SO, MELISSA, IF I COULD HAVE THE NEXT SLIDE.

8 FIRST, I'D LIKE TO REMIND YOU WHAT THE PURPOSE
9 OF THIS RFA WAS. IT WAS TO FUND THE ESTABLISHMENT OF
10 CIRM FACILITIES TO SUPPORT STEM CELL RESEARCH PROGRAMS
11 THAT ENCOMPASS ALL OR PART OF THE SPECTRUM OF RESEARCH
12 THAT WILL LEAD FROM DISCOVERY TO DEVELOPMENT AND TESTING
13 OF CURES, THERAPIES, DIAGNOSTICS, AND TECHNOLOGIES FOR
14 THE TREATMENT OF DISEASE.

15 TO ACCOMPLISH THIS PURPOSE, WE ESTABLISHED
16 THREE OBJECTIVES AS PART OF THE RFA. IT IS TO FUND NEW
17 FACILITIES THAT ARE FREE OF ANY FEDERAL FUNDING. IT IS
18 TO EXPAND THE RESEARCH CAPACITY AND CAPABILITIES IN
19 CALIFORNIA WHILE BRINGING HUMAN EMBRYONIC STEM
20 CELL-RELATED RESEARCHERS TOGETHER IN A COLLABORATIVE
21 SETTING. AND IT IS TO FUND NEW FACILITIES AND
22 IMPROVEMENTS WHERE RESEARCH INSTITUTIONS HAVE DETERMINED
23 THAT SUCH EXISTING FACILITIES ARE INADEQUATE OR ENTIRELY
24 LACKING.

25 OUR REVIEW OF THE PART 1 PART OF THIS PROGRAM

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1 CONSISTED OF A SCIENTIFIC REVIEW AND A PROGRAMMATIC
2 REVIEW. IN THE SCIENTIFIC REVIEW, EACH RESEARCH ELEMENT
3 THAT IS BASIC IN DISCOVERY, PRECLINICAL RESEARCH, OR
4 PRECLINICAL DEVELOPMENT AND CLINICAL, X, Y, AND Z
5 RESPECTIVELY, WERE EVALUATED BY THE SCIENTIFIC PANEL FOR
6 THE QUALITY OF THEIR CURRENT STEM CELL SCIENTIFIC PROGRAM
7 IN THAT ELEMENT FOR THE FORMAL INSTITUTIONAL
8 COLLABORATIONS THAT SUPPORTED THAT PROGRAM, FOR THE CORE
9 SERVICES THAT WERE PART OF THAT PROGRAM, AND FOR THEIR
10 PLANS OF GROWTH.

11 THE REVIEWERS WERE ALSO ASKED TO CONSIDER WHICH
12 OF THE ABOVE WERE GOING TO BE HOUSED IN THE PROPOSED
13 FACILITY OR WERE GOING TO BE ELSEWHERE ON THE CAMPUS.

14 THE PROPOSED FACILITY ITSELF WAS SEPARATELY
15 EVALUATED OVERALL FOR ITS USE AND FOR HOW IT WAS GOING TO
16 CONTRIBUTE TO BUILDING CAPACITY, AND HOW IT WAS GOING TO
17 CONTRIBUTE TO THE OVERALL DEVELOPMENT OF THE
18 INSTITUTION'S STEM CELL PROGRAM.

19 IN THE PROGRAMMATIC REVIEW, THE ENTIRE GRANTS
20 WORKING GROUP, INCLUDING THE PATIENT ADVOCATE, DISCUSSED
21 THE APPLICATIONS FROM A PROGRAMMATIC STANDPOINT AND THEN
22 MADE MOTIONS, AND THE RECOMMENDATIONS THEN HAVE BEEN
23 BROUGHT TO THIS COMMITTEE TODAY.

24 IN POINT OF FACT, WHAT THE GRANTS WORKING GROUP
25 DID WAS DECIDE ON THREE OUTCOMES. IF THERE WERE THREE

BARRISTERS' REPORTING SERVICE

1 RESEARCH ELEMENTS THAT WERE DEEMED MERITORIOUS, IT WAS
2 RECOMMENDED FOR FURTHER CONSIDERATION BY THE ICOC AS A
3 CIRM INSTITUTE. IF TWO RESEARCH WERE DEEMED MERITORIOUS
4 IN THE CONTEXT OF THIS PROGRAM, IT WAS RECOMMENDED FOR
5 FURTHER CONSIDERATION BY THE ICOC AS A CIRM CENTER OF
6 EXCELLENCE. IF ONE RESEARCH INSTITUTE WAS DEEMED
7 MERITORIOUS, IT WAS RECOMMENDED FOR FURTHER CONSIDERATION
8 AS A CIRM SPECIAL PROGRAM. IF NO RESEARCH ELEMENTS WERE
9 DEEMED MERITORIOUS WITHIN THE CONTEXT OF THIS PROGRAM,
10 THE ICOC WAS RECOMMENDED TO NOT FURTHER CONSIDER IT FOR A
11 CIRM MAJOR FACILITY GRANT.

12 THE GRANTS WORKING GROUP RECOMMENDATIONS ARE
13 SUMMARIZED HERE. SEVEN APPLICATIONS ARE RECOMMENDED FOR
14 YOUR CONSIDERATION AS A CIRM INSTITUTE, TWO FOR FURTHER
15 CONSIDERATION AS A CIRM CENTER OF EXCELLENCE, THREE FOR
16 FURTHER CONSIDERATION AS A CIRM SPECIAL PROGRAM, AND FIVE
17 WERE DEEMED BY THE GRANTS WORKING GROUP AS NOT
18 APPROPRIATE FOR THIS PARTICULAR PROGRAM.

19 FURTHER CONSIDERATION HERE MEANS THAT THEY
20 WOULD BE INVITED TO PARTICIPATE IN PART 2 OF THE
21 APPLICATION AND PART 2 OF THE REVIEW. THANK YOU.

22 MR. GOLDBERG: POINT OF CLARIFICATION,
23 DR. OLSON. ON THE X, Y, AND Z, X IS FOR RESEARCH?

24 DR. OLSON: IS BASIC RESEARCH. Y IS THE
25 PRECLINICAL COMPONENT. Z INCLUDES PRECLINICAL

BARRISTERS' REPORTING SERVICE

1 DEVELOPMENT; THAT IS, IND ENABLING WORK AND CLINICAL
2 DEVELOPMENT.

3 MR. GOLDBERG: THANK YOU.

4 DR. OLSON: FURTHER QUESTIONS?

5 CHAIRMAN KLEIN: ANY ADDITIONAL QUESTIONS FROM
6 THE BOARD?

7 DR. LOVE: PRESUMABLY THE ONES AT THE BOTTOM
8 THAT HAVE A DASH, THAT'S WHERE THEY HAD A SCORE, BUT NO
9 SCORING IS SHOWN.

10 DR. OLSON: I BEG YOUR PARDON?

11 DR. LOVE: THIS TABLE ON THE FRONT WHERE
12 THERE'S A DASH. I WAS ASKING THAT ON THIS SUMMARY PAGE,
13 THE DASH REPRESENTS A NUMBER THAT'S NOT --

14 DR. OLSON: THAT IS CORRECT.

15 CHAIRMAN KLEIN: ALL RIGHT. SO PROCEDURALLY
16 HERE WE HAVE THE PART 1 RECOMMENDATION FROM THE
17 SCIENTIFIC AND GRANTS WORKING GROUP TO CONSIDER. WE HAVE
18 AN EXECUTIVE SESSION TO EXPLORE ANY PROPRIETARY
19 INFORMATION THAT MEMBERS OF THE BOARD MAY WISH TO ASK
20 QUESTIONS OF BEFORE WE GO THROUGH THE INSTITUTE CATEGORY.
21 HOWEVER, IN TERMS OF THE PROCESS HERE TONIGHT, IT HAS
22 BEEN RECOMMENDED THAT ONE POSSIBLE APPROACH WOULD BE TO
23 START OUT BY, IN FACT, SETTING THE DOLLARS ALLOCATED TO
24 EACH OF THE CATEGORIES.

25 IN ORDER TO TRY AND FIND AN OBJECTIVE STANDARD

BARRISTERS' REPORTING SERVICE

1 TO ALLOCATE DOLLARS PRELIMINARILY, REMEMBERING THAT
2 DOLLARS CAN BE READJUSTED AFTER THE FACILITIES WORKING
3 GROUP AND AT THE FINAL BOARD VOTES, BUT IN ORDER TO HAVE
4 A PRELIMINARY ALLOCATION OF DOLLARS, ONE SUGGESTED
5 METHODOLOGY IS IF WE LOOK AT THE MIDRANGE DOLLAR AMOUNT
6 FOR EACH CATEGORY. FOR EXAMPLE, FOR THE INSTITUTES, THE
7 RANGE IS 25 TO 50 MILLION, THE MIDRANGE IS 37 AND A HALF.
8 FOR CENTERS OF EXCELLENCE, THE RANGE IS 10 TO 25 MILLION,
9 THE MIDRANGE IS 17 AND A HALF. AND IF WE MULTIPLY THOSE
10 MIDRANGE NUMBERS BY THE NUMBER OF INSTITUTIONS IN THAT
11 CATEGORY, WE MIGHT COME UP WITH A NUMBER THAT WE CAN THEN
12 COMPARE TO THE GROSS TOTAL FUNDS AVAILABLE AND LOOK AT
13 THE PERCENTAGE OF FUNDS ON A PRELIMINARY PLANNING BASIS
14 THAT WE COULD ALLOCATE TO EACH OF THE CATEGORIES.

15 IN ORDER TO MAKE SURE EVERYONE UNDERSTANDS THIS
16 METHODOLOGY, I'M GOING TO ASK, RICK, IF YOU COULD PRESENT
17 THIS INFORMATION VISUALLY FOR THE MEMBERS AND WALK
18 THROUGH IT IN MORE DETAIL.

19 MR. KELLER: WE HAVE JUST A VERY FEW SLIDES TO
20 GO OVER HERE. THE STRATEGY FOR ESTABLISHING THE TARGETS
21 ACTUALLY GOES BACK TO THE ICOC MEETING OF MARCH OF 2007
22 WHEN IT WAS DECIDED THAT WE WOULD HAVE A TWO-STEP
23 PROCESS, PART 1 AND PART 2, AND THAT WE WOULD HAVE ONE
24 RFA FOR THE LARGE FACILITIES.

25 AS BOB INDICATED, WE HAVE AVAILABLE \$262

BARRISTERS' REPORTING SERVICE

1 MILLION, AND THE RANGES THAT YOU HAD ESTABLISHED IN
2 AUGUST FOR THE THREE SPECIFIC CATEGORIES ARE SHOWN IN THE
3 SLIDE. AND IN ORDER TO ALLOCATE THE \$262 MILLION TO
4 THOSE THREE, WE ESTABLISHED THE MIDRANGE AS THE MARKER TO
5 DISTRIBUTE THE FUNDING. SO IF YOU THINK ABOUT THIS AS
6 SORT OF SALARY RANGES WHERE YOU'VE GOT THREE SEPARATE
7 RANGES, YOU HAVE A POT OF MONEY, AND YOU WANT TO ALLOCATE
8 THE FUNDS PROPORTIONATELY TO HAVE EQUAL CHANCE OF
9 SUCCESS, YOU WOULD ALLOCATE THE MIDRANGE.

10 HOWEVER, WE DON'T HAVE ENOUGH MONEY IN THE
11 BUCKET TO MEET THE MIDRANGE. SO IF WE TAKE, FOR EXAMPLE,
12 THE RECOMMENDATIONS FROM THE GRANTS WORKING GROUP AS
13 SIMPLY AN EXAMPLE OF THE STRATEGY, BECAUSE THE FINAL
14 STRATEGY WOULD REFLECT THE FINAL DECISIONS OF THE ICOC ON
15 THE NUMBER OF APPLICATIONS IN EACH CATEGORY. SO AS AN
16 EXAMPLE OF SEVEN IN THE INSTITUTES CATEGORY, TWO IN
17 CENTERS OF EXCELLENCE, AND THREE APPROVED IN SPECIAL
18 PROGRAMS, WE WOULD NEED A TOTAL OF \$320 MILLION TO
19 BASICALLY FUND EVERYTHING AT THE SECOND QUARTILE OR
20 MIDDLE OF THE RANGE.

21 WE HAVE 262 MILLION AVAILABLE, SO WHAT WE CAN
22 DO IS ESTABLISH THAT AS THE FACTOR TO APPLY TO COME UP
23 WITH THE AVAILABLE FUNDS FOR EACH CATEGORY. I THINK THE
24 NEXT SLIDE MAKES IT PERFECTLY CLEAR. BY APPLYING THAT
25 81.9 PERCENT, WE TAKE THE MIDRANGE AMOUNTS THAT WE JUST

BARRISTERS' REPORTING SERVICE

1 CALCULATED, AND WE COME UP WITH AN AMOUNT, 214.9 IN THE
2 INSTITUTES, 28.7 IN THE CENTERS, AND 18.4 FOR THE SPECIAL
3 PROGRAMS. THAT AMOUNT OF MONEY MEANS THAT THERE'S EQUAL
4 COMPETITION WITHIN EACH CATEGORY OF FUNDING.

5 MS. PACTER: MR. CHAIR, EXCUSE ME FOR
6 INTERRUPTING, BUT I JUST WANTED TO REMIND THE MEMBERS WHO
7 AMONG THEM CAN DISCUSS, MAKE MOTIONS, OR VOTE ON THIS
8 PARTICULAR ISSUE. THAT INCLUDES DR. FRIEDMAN, LEEZA
9 GIBBONS, ROBERT KLEIN, TED LOVE, TINA NOVA, DUANE ROTH,
10 JOAN SAMUELSON -- WELCOME, JOAN -- DAVID SERRANO-SEWELL,
11 AND DR. WRIGHT. AND THE OTHER MEMBERS MAY NOT
12 PARTICIPATE IN THIS DISCUSSION, MAKE MOTIONS, OR VOTE.

13 CHAIRMAN KLEIN: OKAY. SO WHAT'S IMPORTANT
14 HERE IS THAT I THINK THAT THE FIRST LIST OF QUALIFIED TO
15 VOTE THAT WAS ACTUALLY READ EXCLUDED DR. PRICE AND DR.
16 PENHOET ON THIS MOTION. BECAUSE IT CONCERNS ALL THREE
17 CATEGORIES, IT IS A REDUCED LIST.

18 MS. PACTER: WE NOW HAVE A QUORUM TO CONSIDER
19 THIS MATTER.

20 CHAIRMAN KLEIN: ALL RIGHT. SO, JOAN, WELCOME,
21 AND YOU ARE VERY IMPORTANT TONIGHT. YOU ARE OUR QUORUM.

22 IN BRINGING YOU UP TO DATE ON THIS DISCUSSION,
23 I THINK IT WOULD BE HELPFUL, RICK, BECAUSE THIS IS SUCH
24 AN IMPORTANT DECISION, TO JUST RUN THROUGH THESE SLIDES
25 AGAIN SO THAT JOAN CAN BE UP TO DATE ON THIS ITEM, WHICH

BARRISTERS' REPORTING SERVICE

1 IS NOT AN ITEM THAT WAS DISCUSSED AT THE GRANTS WORKING
2 GROUP.

3 MS. SAMUELSON: I APOLOGIZE.

4 CHAIRMAN KLEIN: WE JUST APPRECIATE HAVING YOU
5 HERE, JOAN.

6 MR. KELLER: I THINK I CAN START WITH THE END
7 BECAUSE I THINK ALL OF THE INFORMATION I WENT THROUGH IS
8 REALLY SUMMARIZED IN THIS ONE SLIDE.

9 THE AMOUNT OF FUNDING THAT HAS BEEN APPROVED
10 FOR THESE THREE CATEGORIES THAT ARE DESIGNATED WITHIN THE
11 MAJOR FACILITIES RFA TOTALS 262 MILLION. WE NEED TO
12 ESTABLISH HOW MUCH OF THOSE FUNDS CAN BE ALLOCATED TO
13 EACH OF THE THREE CATEGORIES OF PROJECTS AND PROVIDE FOR
14 EQUAL COMPETITION OR FAIR CHANCE OF SUCCESS.

15 WE'VE DONE THAT BY ESTABLISHING THE MIDPOINT OF
16 EACH RANGE AS THE AMOUNT OF FUNDING TO USE FOR
17 PROPORTIONALITY PURPOSES. AND APPLYING THE THEORETICAL
18 NUMBER OF APPROVED PROJECTS IN EACH CATEGORY, WE CAME UP
19 WITH AN AMOUNT OF MONEY NEEDED TO FUND EVERY -- ASSUME
20 EVERY PROJECT APPROVED AT THE MIDPOINT. WE PRORATED BY A
21 FACTOR TO TAKE THOSE AMOUNTS DOWN SO THAT IT EQUALED THE
22 AMOUNT OF FUNDS YOU HAVE APPROVED FOR THE RFA, AND THOSE
23 ARE THE FIGURES SHOWN ON THE RIGHT.

24 CHAIRMAN KLEIN: SO, JOAN, THIS IS ONLY FOR
25 CREATING AN INITIAL DOLLAR AMOUNT FOR EACH CATEGORY.

BARRISTERS' REPORTING SERVICE

1 THIS DOLLAR AMOUNT WILL BE REEXAMINED, OF COURSE, WHEN WE
2 GO THROUGH THE FACILITIES WORKING GROUP BASED UPON THOSE
3 RECOMMENDATIONS AND WILL BE SUBJECT TO A FINAL BOARD VOTE
4 AT THE LATER MEETING.

5 MS. SAMUELSON: RIGHT.

6 CHAIRMAN KLEIN: THIS IS WITHIN -- FOR EXAMPLE,
7 FOR THE INSTITUTE, THE RANGE WAS 25 TO 50 MILLION FOR
8 GRANTS IN THAT CATEGORY. SO THE MIDPOINT WAS 37 AND A
9 HALF MILLION. IF YOU TAKE SEVEN TIMES 37 AND A HALF
10 MILLION, YOU CAME OUT WITH A REQUEST FOR 262 MILLION 500
11 THEORETICALLY JUST FOR BUDGETING PURPOSES. WE DON'T HAVE
12 262 MILLION, SO FOR PURPOSES OF TONIGHT, TO SET A
13 FRAMEWORK FOR THE DISCUSSION, IN SCALE, THE PROPOSAL IS
14 THAT WE ADOPT A NUMBER FOR THE INSTITUTE CATEGORY THAT
15 WOULD BE 81.9 PERCENT OF THE REQUESTS IN THAT CATEGORY,
16 ASSUMING EACH REQUEST WERE AT THE MIDPOINT. AND THAT
17 MEANS THAT IF WE FOLLOW THAT METHODOLOGY THROUGH ALL
18 THREE CATEGORIES, WE END UP WITH AN AMOUNT MATCHING THE
19 FUNDS WE HAVE AVAILABLE.

20 AGAIN, THIS IS FOR CREATING A FRAMEWORK FOR
21 THIS DISCUSSION TONIGHT. WE WILL TAKE INTO ACCOUNT THE
22 FACILITIES RECOMMENDATIONS. THERE WILL BE A FINAL BOARD
23 VOTE AT THE MEETING WHERE THE ALLOCATIONS ARE MADE WHERE
24 WE WILL ANALYZE WHETHER EACH OF THESE PRELIMINARY
25 ALLOCATIONS IS ADEQUATE FOR THE FINAL RECOMMENDATIONS FOR

BARRISTERS' REPORTING SERVICE

1 EACH CATEGORY. OKAY.

2 MS. SAMUELSON: THE AMOUNT WE HAVE, HOW IS THAT
3 DETERMINED?

4 CHAIRMAN KLEIN: THE 262 MILLION IS BASED UPON
5 THE -- APPROXIMATELY 237 MILLION IS WHAT WE'VE SET OUT IN
6 THE STRATEGIC PLAN FOR MAJOR FACILITIES. IN ADDITION,
7 BECAUSE THERE'S MAJOR EQUIPMENT THAT IS PART OF THE COST
8 FOR EACH OF THESE FACILITIES, RESEARCH EQUIPMENT, THERE'S
9 35 MILLION FROM RESEARCH EQUIPMENT THAT'S PART OF THE
10 \$262 MILLION. SO OUR TOTAL BUDGET IS A COMBINATION OF
11 237 MILLION IN MAJOR FACILITIES MONEY AND RESEARCH
12 EQUIPMENT IS 35 TO BRING IT TO THE 262.

13 MS. SAMUELSON: AND THAT'S A TOTAL NUMBER FOR
14 THE LIFE OF OUR WORK OR --

15 CHAIRMAN KLEIN: YES.

16 MS. SAMUELSON: THAT'S THE TOTAL SUM FOR
17 FACILITIES.

18 CHAIRMAN KLEIN: THAT IS THE TOTAL SUM FOR
19 FACILITIES EXCEPT FOR A \$35 MILLION NUMBER, WHICH HAS
20 BEEN RESERVED FOR GMP FACILITIES, STEM CELL BANKS, AND
21 OTHER CATEGORIES.

22 MS. SAMUELSON: SO THIS ASSUMES THAT THIS IS
23 IT?

24 CHAIRMAN KLEIN: EXACTLY.

25 MS. SAMUELSON: ONE SHOT.

BARRISTERS' REPORTING SERVICE

1 DR. MURPHY: MAY I MAKE A COMMENT? BUT WE
2 CANNOT HEAR ON THE -- BETH CANNOT HEAR YOU UNLESS YOU
3 SPEAK INTO THE MICROPHONE DIRECTLY, NO. 1.

4 I JUST WOULD ADD A POINT, MR. CHAIRMAN.
5 REMEMBER THAT THESE NUMBERS THAT ARE BEING SUGGESTED HERE
6 WILL PROVIDE GUIDANCE TO THE FACILITIES WORKING GROUP
7 LATER ON AS TO THEIR RECOMMENDATIONS TO THE ICOC FOR HOW
8 MUCH SHOULD BE PROVIDED TO EACH OF THE INSTITUTIONS THAT
9 IS SUCCESSFUL.

10 MR. KELLER: ONE ADDITIONAL POINT IS THE AMOUNT
11 OF FUNDS THAT WERE APPROVED BY THE ICOC AT THE AUGUST
12 MEETING WAS 227 MILLION, PLUS 35 WOULD BE THE 262.

13 CHAIRMAN KLEIN: RIGHT.

14 DR. LOVE: JUST TO UNDERSTAND, WE'RE NOT
15 ACTUALLY DETERMINING HOW MUCH ANY APPLICANT GETS AT THIS
16 POINT?

17 CHAIRMAN KLEIN: THAT'S CORRECT. OKAY. WITH
18 THAT EXPLANATION, IS THERE A MOTION AMONG THOSE WHO HAVE
19 NO CONFLICTS AND, THEREFORE, CAN VOTE ON THIS MOTION,
20 WHICH AFFECTS ALL CATEGORIES, TO APPROVE THIS AS A
21 PRELIMINARY FRAMEWORK FOR PROCEEDING?

22 DR. LOVE: SO MOVED.

23 DR. WRIGHT: SECOND.

24 CHAIRMAN KLEIN: MOTION BY DR. LOVE, SECOND BY
25 DR. WRIGHT. IS THERE ADDITIONAL DISCUSSION ON THIS

BARRISTERS' REPORTING SERVICE

1 MOTION?

2 MR. ROTH: SO I COULD SUPPORT THIS, BUT I THINK
3 IT'S A LITTLE BIT GETTING THE CART BEFORE THE HORSE
4 BECAUSE WE HAD NO DISCUSSION ABOUT WHETHER THEY REALLY
5 SHOULD BE SEVEN CIRM INSTITUTES, TWO CENTERS OF
6 EXCELLENCE. AND I AT LEAST WOULD LIKE TO TALK ABOUT
7 THAT. CONCEPTUALLY I'M FINE WITH THIS. IT'S A WAY TO
8 CUT IT DOWN, BUT THIS ASSUMES THAT THERE'S NO CHANGE.

9 CHAIRMAN KLEIN: AGAIN, THIS IS JUST A
10 PRELIMINARY FRAMEWORK AS WE GO THROUGH THIS PROCESS. WE
11 CAN AT THE END OF THE NIGHT REALLOCATE THE POOL IF
12 THERE'S SIGNIFICANT CHANGES IN THE CATEGORY, OR WE CAN
13 WAIT AND REALLOCATE THE POOL WHEN WE GET THE FACILITIES
14 WORKING GROUP RECOMMENDATIONS. THIS IS TO CREATE A
15 FRAMEWORK TO SIZE THE DISCUSSION.

16 MR. ROTH: I THINK IT'S EXTREMELY HELPFUL AS
17 CONTEXT TO WHAT WE'RE LOOKING AT, BUT THAT HELPS ME THEN
18 HAVE SOME QUESTIONS OF THE WORKING GROUP ABOUT
19 CATEGORIZATION THAT I'D LIKE TO AT LEAST GET ON THE
20 RECORD SO WE UNDERSTAND HOW THE THOUGHT PROCESS WENT.

21 CHAIRMAN KLEIN: OKAY.

22 MR. ROTH: WHETHER WE VOTE ON THIS NOW OR LATER
23 OR AMEND IT LATER, I'M NOT SURE, FROM MY STANDPOINT, IT
24 WOULD BE VERY HELPFUL, WITH THIS IN MIND NOW, TO HAVE THE
25 DISCUSSION ABOUT CATEGORIZATION AND THEN VOTE AFTER, BUT

BARRISTERS' REPORTING SERVICE

1 I'M PREPARED TO GO FORWARD HERE.

2 CHAIRMAN KLEIN: DOCTOR, THE IMPORTANT POINT
3 HERE IS THAT EACH OF THE APPLICANTS HAS APPLIED IN A
4 CATEGORY, BUT WE MAY CHANGE THAT CATEGORY BASED UPON OUR
5 REVIEW. SO WE HAVEN'T SET THESE CATEGORIES. THESE ARE
6 SELF-DETERMINED CATEGORIES BY THE APPLICANT. AND THOSE
7 APPLICANTS THAT HAVE BEEN SUCCESSFUL TONIGHT AT THIS
8 POINT IN HAVING THE SCIENTIFIC AND MEDICAL GRANTS WORKING
9 GROUP RECOMMEND THEM TO BE FORWARDED IN THESE CATEGORIES
10 IS A REFLECTION OF THEIR SELF-CATEGORIZATION.

11 MR. ROTH: THEY DID CHOOSE A CATEGORY?

12 CHAIRMAN KLEIN: YES.

13 MR. ROTH: WAS THAT THEN REVIEWED AND SOME SENT
14 BACK?

15 CHAIRMAN KLEIN: THAT WAS REVIEWED. WE WILL
16 HAVE AN OPPORTUNITY TONIGHT, WHEN WE GO THROUGH THESE
17 CATEGORIES, TO ASK WHETHER THERE ARE ANY APPLICATIONS WHO
18 MAY HAVE APPLIED IN A HIGHER CATEGORY, BUT, IN FACT, GOT
19 A HIGH SCORE OR REASONABLY CLOSE SCORE IN A SINGLE
20 CATEGORY, FOR EXAMPLE, THAT WE COULD, IN FACT, GO INTO
21 THE DISCUSSION OF WHETHER, EVEN THOUGH THEY
22 SELF-CATEGORIZED AS A TWO-PART APPLICATION, WHETHER IT'S
23 APPROPRIATE TO INVITE THEM TO SUBMIT AS A ONE-PART
24 APPLICATION BECAUSE ONE PART HAS A HIGH SCORE.

25 SIMILARLY, IF SOMEONE DOESN'T HAVE HIGH ENOUGH

BARRISTERS' REPORTING SERVICE

1 SCORES IN THE JUDGMENT OF THE BOARD FOR ALL THREE PARTS,
2 THEY COULD BE INVITED TO APPLY IN TWO CATEGORIES AFTER
3 THE DISCUSSION TONIGHT.

4 MR. ROTH: OKAY. AGAIN, I'M WILLING TO GO
5 AHEAD, BUT THIS IS GREAT CONTEXT, TO HAVE THAT DISCUSSION
6 BEFORE WE TAKE THE VOTE.

7 CHAIRMAN KLEIN: THE PURPOSE HERE IS TO CREATE
8 A PRELIMINARY FRAMEWORK ON WHICH WE CAN HAVE THE
9 DISCUSSION. ANY ADDITIONAL COMMENTS?

10 MS. SAMUELSON: I GUESS I'VE GOT A SOMEWHAT
11 MORE GLOBAL QUESTION WHEN IT'S IN THE SAME NEIGHBORHOOD,
12 I THINK, WHICH IS ABOUT THE RELATIVE MERIT OF SPENDING
13 OUR MONEY ON THIS AS OPPOSED TO SOMETHING ELSE. AND IN
14 THE WORKING GROUP WE NEVER REALLY HAD THAT GLOBAL
15 DISCUSSION ABOUT IS THIS THE BEST BANG FOR THE BUCK FOR
16 THIS SUM OF MONEY. AND I GUESS A SUBSET OF THAT IS IS
17 THIS THE BEST MIX OF PROGRAMS WITHIN FACILITIES.

18 AND SO I'M WONDERING IF WE CAN TALK ABOUT THAT
19 OR GET SOME DISCUSSION ABOUT THAT.

20 CHAIRMAN KLEIN: SURE.

21 MS. SAMUELSON: TO UNDERSTAND, FOR ONE THING,
22 TO WHAT EXTENT IS IT ABSOLUTELY VITAL THAT THAT
23 ADDITIONAL SQUARE FOOTAGE BE BUILT NOW. AND THAT ASSUMES
24 THAT THERE ISN'T MONEY ELSEWHERE AVAILABLE AND THAT THE
25 PROGRAM WOULD BE STUNTED OR UNABLE TO GO FORWARD WITHOUT

BARRISTERS' REPORTING SERVICE

1 IT, OR MAYBE SOMETHING LESS DIRE, BUT THAT STILL IT'S THE
2 BEST RETURN ON INVESTMENT FOR OUR MISSION, WHICH IS NOT
3 JUST PILING UP A BUNCH OF RESEARCH OBVIOUSLY, BUT GETTING
4 A NET RESULT AT THE END OF THE DAY.

5 CHAIRMAN KLEIN: SO AT THIS POINT, SINCE WE'RE
6 NOT ALLOCATING ANY DOLLARS, WE'RE SETTING A FRAMEWORK, IT
7 WOULD BE HELPFUL IF WE COULD GO FORWARD ON THIS MOTION.
8 BUT AS WE REVIEW EACH CATEGORY, THE INSTITUTES, THE
9 CENTERS OF EXCELLENCE, AND THE SPECIAL PROGRAMS, THAT'S
10 CERTAINLY AN APPROPRIATE TIME, PARTICULARLY AFTER WE'VE
11 HAD A CHANCE TO DISCUSS THAT CATEGORY, AS TO WHETHER THAT
12 CATEGORY IS REALLY SERVING THE MISSION AND ADVANCING THE
13 SCIENCE. SO IF WE COULD DO THAT PART OF THE DISCUSSION
14 IN THAT CONTEXT.

15 ADDITIONALLY, IN THE PART 2 OF THE APPLICATION,
16 WE'RE GOING TO GET ADDITIONAL INFORMATION ON SPACE NEEDS,
17 WHICH WE DON'T REALLY HAVE COMPLETELY IN PART 1 BECAUSE
18 PART 1 FOCUSED ON THE SCIENCE. SO IN PART 2 WHERE THE
19 CASE IS MADE ON THE SPACE NEEDS, WE'RE GOING TO HAVE A
20 MORE FULLY INFORMED DISCUSSION ON THE CASE THAT WE REALLY
21 CRITICALLY NEED THIS SPACE TO ADVANCE THE RESEARCH.

22 MS. SAMUELSON: THEN PRESUMABLY AT THAT POINT
23 WE COULD REVISIT WHATEVER GLOBAL QUESTIONS WE HAVE.

24 CHAIRMAN KLEIN: ABSOLUTELY.

25 MS. SAMUELSON: THANK YOU.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: ADDITIONAL FROM THE BOARD?

2 MR. ROTH: MR. CHAIRMAN, ONE OTHER

3 CLARIFICATION. THERE'S THIS CATEGORY U, THE UTILITY.

4 CHAIRMAN KLEIN: YES.

5 MR. ROTH: JOAN, I THINK THAT'S ONE WAY YOU

6 COULD LOOK AT WHAT YOU JUST ASKED. THERE WAS AN

7 ASSESSMENT OF THE UTILITY OF THESE FACILITIES AND THEY

8 WERE GIVEN SCORES.

9 CHAIRMAN KLEIN: I THINK THAT WHAT SHE'S

10 FOCUSING ON TOO IS, IN ADDITION TO SCIENTIFIC UTILITY, AS

11 TO THE NECESSITY OF SPACE REQUIREMENTS, THAT'S ALSO GOING

12 TO BE ADDRESSED IN PART 2.

13 ARE THERE POINTS TO BE MADE BY THE AUDIENCE?

14 DR. LUBEN: I'M BERT LUBEN FROM CHILDREN'S

15 HOSPITAL OAKLAND RESEARCH INSTITUTE. I'M SURE YOUR

16 FOLDERS ARE THICKER FROM THE MAIL THAT I SENT YOU.

17 THE REASON I WANTED TO ASK IS IN THE LETTER

18 THAT WE RECEIVED WHEN WE WERE IN THE CATEGORY NOT TO BE

19 CONSIDERED FURTHER, THE COMMENTS WERE MADE THAT THE ICOC

20 WOULD MAKE THE FINAL DECISION ON THAT. I JUST WANTED TO

21 CLARIFY IS THAT STILL WHAT'S ON THE TABLE?

22 CHAIRMAN KLEIN: ICOC MAKES THE FINAL DECISION

23 ON EVERY APPLICATION.

24 MR. SIMPSON: JOHN SIMPSON FROM THE FOUNDATION

25 FOR TAXPAYER AND CONSUMER RIGHTS. AS YOU ALL KNOW, I

BARRISTERS' REPORTING SERVICE

1 HAVE BEEN AN ADVOCATE FOR TRANSPARENCY AND OPENNESS. AND
2 YOU DID, IN FACT, RELEASE THE NAMES OF THE 12 THAT YOU
3 WERE RECOMMENDING GO FORWARD PUBLICLY. YOU DECLINED TO
4 RELEASE THE NAMES OF THE FIVE THAT WERE NOT, ALTHOUGH
5 APPARENTLY SOME OF THEM HAVE HAD THEIR NAMES OUT THERE.
6 IT WOULD SEEM APPROPRIATE TO LEVEL THE PLAYING FIELD AND
7 NAME EVERYONE WHO IS UNDER CONSIDERATION FOR A GRANT, AND
8 I WOULD URGE YOU TO DO THAT.

9 I BELIEVE IT WAS THE CASE THAT THE NAMES WENT
10 OUT WHEN THEY DID TO HELP THEM IN THEIR FUND-RAISING
11 EFFORTS FROM PRIVATE DONORS AT THE END OF THE YEAR. IT
12 WOULD SEEM THAT THAT BLESSING CREATED AN UNLEVEL PLAYING
13 FIELD FOR THE OTHER FIVE INSTITUTIONS THAT WERE PROBABLY
14 TRYING TO RAISE FUNDS AS WELL. I DON'T KNOW HOW YOU CAN
15 FIX THAT FACT, BUT AT THE VERY LEAST, IT SEEMS TO ME, YOU
16 SHOULD IDENTIFY NOW ALL OF THE INSTITUTIONS THAT ARE, IN
17 FACT, UNDER CONSIDERATION. THANK YOU.

18 CHAIRMAN KLEIN: THANK YOU VERY MUCH.
19 ADDITIONAL PUBLIC COMMENT? COULD I HAVE A ROLL CALL
20 VOTE.

21 MS. PACHTER: MR. CHAIR, FOR THE RECORD, I'D
22 JUST LIKE TO RESTATE THE MOTION, IF I MAY.

23 CHAIRMAN KLEIN: YES.

24 MS. PACHTER: THE MOTION IS TO ADOPT THE STAFF
25 RECOMMENDATION FOR ALLOCATION OF MAJOR FACILITIES FUNDS

BARRISTERS' REPORTING SERVICE

1 AS FOLLOWS: TO CIRM INSTITUTES, \$214.9 MILLION; TO CIRM
2 CENTERS OF EXCELLENCE, \$28.7 MILLION; TO CIRM SPECIAL
3 PROGRAMS, \$18.4 MILLION. IT'S UNDERSTOOD THAT THIS IS A
4 PRELIMINARY ALLOCATION, WHICH THE BOARD MAY CHANGE LATER
5 IN THE PROCESS.

6 CHAIRMAN KLEIN: THANK YOU VERY MUCH.

7 MS. SAMUELSON: JUST TO BE REDUNDANT, I GUESS,
8 MR. CHAIRMAN, I THINK IT'S IMPORTANT -- I WOULD LIKE TO
9 BE CLEAR ABOUT MY VOTE, THAT THIS IS NOT SAYING THAT I AM
10 NECESSARILY VOTING TO APPROVE THOSE SUMS OR ANY SUM.

11 CHAIRMAN KLEIN: THAT IS CORRECT. THIS IS A
12 FRAMEWORK FOR THE DISCUSSION.

13 MS. SAMUELSON: OKAY. THANK YOU.

14 MS. KING: I WILL BE CALLING ONLY THE NAMES OF
15 THOSE MEMBERS ELIGIBLE FOR THIS PARTICULAR VOTE.

16 MICHAEL FRIEDMAN.

17 DR. FRIEDMAN: YES.

18 MS. KING: LEEZA GIBBONS. BOB KLEIN.

19 CHAIRMAN KLEIN: YES.

20 MS. KING: TED LOVE.

21 DR. LOVE: YES.

22 MS. KING: TINA NOVA. DUANE ROTH.

23 MR. ROTH: YES.

24 MS. KING: JOAN SAMUELSON.

25 MS. SAMUELSON: YES.

BARRISTERS' REPORTING SERVICE

1 MS. KING: DAVID SERRANO-SEWELL.

2 MR. SERRANO-SEWELL: YES.

3 MS. KING: JANET WRIGHT.

4 DR. WRIGHT: YES.

5 MS. KING: THAT MOTION CARRIES.

6 CHAIRMAN KLEIN: THANK YOU. AT THIS POINT,
7 PRIOR TO PROCEEDING INTO THE DISCUSSION OF EACH OF THE
8 MAJOR FACILITIES CATEGORIES, IT IS APPROPRIATE TO ADJOURN
9 TO THE CONFIDENTIAL SESSION TO REVIEW PROPRIETARY
10 INFORMATION. IF THE COUNSEL COULD STATE THE STATUTE
11 PROVISION TO THE EXTENT THAT THERE IS A STATUTE OTHER
12 THAN 125290.30(D)(3)(B) AND (C). DOES THAT COVER THE
13 STATUTES?

14 MR. HARRISON: THAT IS CORRECT.

15 CHAIRMAN KLEIN: THANK YOU. WE WILL ADJOURN.
16 AND I WOULD LIKE TO MAKE IT CLEAR THAT IN THE EXECUTIVE
17 SESSION, THERE ARE STAFF THAT MAKE CERTAIN THAT THE
18 PROPRIETARY INFORMATION FOR EACH CLASS OR CATEGORY IS
19 ONLY SUBJECT TO REVIEW BY THOSE WHO HAVE NO CONFLICTS
20 WITH THAT CATEGORY.

21 ARE THERE ADDITIONAL STATEMENTS BY COUNSEL THAT
22 ARE APPROPRIATE? THERE ARE NOT. MELISSA KING, COULD YOU
23 ADVISE US ON WHERE WE WILL ADJOURN TO? AND I WOULD
24 EXPECT THAT WE WOULD BE BACK WITHIN APPROXIMATELY 45
25 MINUTES, EXCEPT ARE WE EATING DURING THIS BREAK?

BARRISTERS' REPORTING SERVICE

1 MS. KING: NO, WE ARE NOT.

2 CHAIRMAN KLEIN: SO WE' LL CERTAINLY BE BACK
3 EARLIER.

4 MS. KING: WE' LL JUST BEING GOING RIGHT OUT
5 THAT DOOR AND ACROSS THE HALL, THE BOARD MEMBERS GOING
6 INTO CLOSED SESSION.

7 CHAIRMAN KLEIN: SO ALL BOARD MEMBERS ARE
8 ADJOURNING, BUT WE WILL BE SEQUESTERING GROUPS ACCORDING
9 TO THEIR CONFLICTS.

10 (THE BOARD THEN ADJOURNED INTO CLOSED
11 SESSION, NOT REPORTED NOR HEREIN TRANSCRIBED. THE BOARD
12 THEN RECONVENED IN OPEN SESSION AND WAS HEARD AS
13 FOLLOWS:)

14 MS. SAMUELSON: MR. CHAIRMAN, MAY I ASK A
15 PROCEDURAL QUESTION?

16 CHAIRMAN KLEIN: IF MY MIKE IS ON, YOU CAN.
17 ALL RIGHT. IS MY MIKE NOW ON? CAN YOU HEAR ME WELL NOW?
18 JOAN SAMUELSON.

19 MS. SAMUELSON: QUESTION. WERE WE TO DISCUSS
20 SOMETHING IN THIS PUBLIC SESSION NOW OR LATER AND THEN
21 THAT LEADS TO QUESTIONS THAT END UP BEING OF A
22 PROPRIETARY NATURE, WHICH IS WHAT WE HAVE HAD THE
23 CONFIDENTIAL SESSION TO TALK ABOUT, COULD WE RECONVENE
24 ANOTHER OF THOSE IF THOSE QUESTIONS DON' T ARISE UNTIL
25 WE' RE HAVING THAT LATER DISCUSSION?

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: QUESTION FOR COUNSEL. YES.
2 THE ANSWER IS YES.

3 IF WE COULD, IN BEGINNING OUR REVIEW HERE, SEE
4 AN OVERVIEW OF THESE APPLICATIONS, DR. OLSON.

5 DR. OLSON: CHAIRMAN KLEIN, LET ME JUST
6 CLARIFY. WOULD YOU LIKE TO SEE ALL APPLICATIONS
7 INITIALLY, JUST THE TABLE OF ALL APPLICATIONS INITIALLY?
8 IS THAT WHAT YOU WOULD LIKE TO SEE AT THIS TIME?

9 CHAIRMAN KLEIN: IF WE CAN SEE -- I THINK
10 THERE'S AN OVERALL HISTOGRAM; IS THAT CORRECT?

11 DR. OLSON: IT'S NOT A HISTOGRAM. IT'S A
12 TABLE.

13 CHAIRMAN KLEIN: TABLE, FINE. THAT'S RIGHT.
14 ON THE GRANTS WE HAVE HISTOGRAMS. HERE WE HAVE TABLES.

15 DR. OLSON: OKAY. SO I'D LIKE TO JUST -- FOR
16 EVERYBODY'S INFORMATION, I'D LIKE TO JUST EXPLAIN THIS
17 TABLE TO PROVIDE A BIT OF CONTEXT. YOU CAN SEE THE
18 APPLICATION NUMBER. THE GRANTS WORKING GROUP
19 RECOMMENDATION TO THE ICOC IS INDICATED IN THE NEXT
20 COLUMN; THAT IS, HAS IT BEEN RECOMMENDED FOR FURTHER
21 CONSIDERATION AS A CIRM INSTITUTE, A CIRM CENTER, A CIRM
22 SPECIAL PROGRAM.

23 THE WAY IT'S CURRENTLY SET UP IS THAT, IN FACT,
24 ALL THE APPLICANTS WHO CHOSE TO COMPETE IN THE
25 THREE-ELEMENT CATEGORY ARE ON TOP, AND YOU CAN SEE THE

BARRISTERS' REPORTING SERVICE

1 SCORES ARE SHOWN FOR ELEMENTS X, Y, AND Z, PLUS THE TOTAL
2 SCORE REFLECTS THE TOTAL OF ELEMENTS X, Y, AND Z, AND
3 THEN ON THE FAR RIGHT, YOU HAVE USE AND CONTRIBUTION
4 SCORE, SO HOW THE FACILITY WILL BE USED AND ITS
5 CONTRIBUTION TO THE OVERALL STEM CELL PROGRAM.

6 THE NEXT SET OF APPLICATIONS IS ALL THOSE, AND
7 THERE ARE THREE, ARE ALL OF THOSE THAT CHOSE TO COMPETE
8 IN THE CATEGORY OF A CIRM CENTER OF EXCELLENCE. AND SO
9 WHERE THE SCORE HAS BEEN ESSENTIALLY REDDED OUT, WE'RE
10 JUST NOT SHOWING IT. AND SIMILARLY, WE DID NOT SHOW A
11 TOTAL, AND WE DID NOT SHOW THE USE SCORE.

12 FOLLOWING THAT ARE ALL THOSE INSTITUTIONS THAT
13 CHOSE TO COMPETE IN THE CATEGORY OF SINGLE ELEMENT OR FOR
14 THE CIRM SPECIAL PROGRAM. AND, AGAIN, YOU CAN SEE THE
15 SCORES WHERE THEY HAVE BEEN RECOMMENDED BY THE GRANTS
16 WORKING GROUP FOR FURTHER CONSIDERATION, AND THEN WE HAVE
17 NOT SHOWN THE SCORES WHERE THEY WEREN'T THERE. NOT
18 APPLICABLE, N/A, MEANS THE CATEGORY IN WHICH THEY DID NOT
19 CHOOSE TO COMPETE.

20 CHAIRMAN KLEIN: AND, DR. OLSON, IF WE LOOK AT
21 613, 611, 619 UNDER THE INSTITUTE CATEGORY, WE SEE THAT
22 THEIR USE SCORE IS HIGHER THAN THE AVERAGE OF THE PRIOR
23 THREE SCORES. IS IT A REASONABLE CONCLUSION THAT THE USE
24 SCORE IS REFLECTING THE FAITH OF THE REVIEWERS THAT THIS
25 IS A BUILDING PROGRAM THAT THROUGH THIS GRANT IS GOING

BARRISTERS' REPORTING SERVICE

1 TO, IN FACT, EXPAND THE CAPACITY OF THESE INSTITUTIONS?
2 OR WHAT DOES IN YOUR MIND THE USE SCORE REPRESENT?

3 DR. OLSON: THE REVIEWER -- THE APPLICANTS WERE
4 ASKED TO ADDRESS IN THE USE CATEGORY, IN FACT, HOW THE
5 FACILITY WOULD BE USED. WERE THEY GOING TO HOUSE
6 PREDOMINANTLY X AND Y RESEARCHERS? WHAT WERE THEY GOING
7 TO PUT OUT THERE? WERE THERE GOING TO BE CORES? AND HOW
8 THAT WOULD CONTRIBUTE TO THE OVERALL DEVELOPMENT OF THE
9 STEM CELL PROGRAM. SO IT WAS VERY MUCH AN OPPORTUNITY
10 FOR THE INSTITUTION TO SAY WHAT IS IT THIS INSTITUTE IS
11 GOING TO DO? IS IT GOING TO CONTRIBUTE TO BUILDING
12 CAPACITY IN THE SENSE THAT MY CURRENT MEMBERS OF THIS
13 PROGRAM ARE SCATTERED ALL OVER THE CAMPUS, AND SO WE'RE
14 GOING TO BRING THEM TOGETHER SO THEY CAN INTERACT ON A
15 DAILY BASIS? IS IT GOING TO PROVIDE CORES WHERE THIS
16 GROUP COULD -- SO THAT IS THE PLACE WHERE THE APPLICANT
17 HAD THE OPPORTUNITY TO SPECIFICALLY DISCUSS HOW THE
18 FACILITY WAS GOING TO BE USED AND HOW IT WAS GOING TO
19 CONTRIBUTE TO THE DEVELOPMENT OF THE OVERALL PROGRAM.

20 AND THAT IS WHAT THE REVIEWERS WERE ASKED TO
21 TAKE INTO CONSIDERATION -- ASKED TO LOOK AT DURING THEIR
22 REVIEW.

23 CHAIRMAN KLEIN: OKAY. AND IF I COULD ASK
24 COUNSEL, SINCE FOR EACH CATEGORY HERE, WE HAVE
25 INDIVIDUALS WHO DO NOT HAVE A CONFLICT WITH ANY ELEMENT

BARRISTERS' REPORTING SERVICE

1 OF THE CATEGORY, THE ONLY PEOPLE THAT CAN VOTE OR
2 PARTICIPATE CANNOT HAVE A CONFLICT WITH ANY ITEM IN THE
3 CATEGORY? YOU LOOK CONFUSED. UNDER THE INSTITUTE
4 CATEGORY, ONLY PEOPLE THAT CAN VOTE ARE PEOPLE THAT DO
5 NOT HAVE A CONFLICT WITH ANY OF THE APPLICANTS WITHIN THE
6 CATEGORY.

7 MS. PACHTER: YES, ABSOLUTELY.

8 CHAIRMAN KLEIN: SO UNLIKE THE GRANTS REVIEW OF
9 SCIENTIFIC PROPOSALS, UNDER THIS APPROACH AT THIS TIME,
10 IN TERMS OF MAKING A MOTION FOR MOVING FORWARD WITH A
11 CATEGORY OF GRANTS, SOMEONE COULD MAKE A MOTION TO MOVE
12 ALL THE RECOMMENDATIONS IN THE CATEGORY OR SOME
13 SUBSTANTIAL PART BECAUSE WE DON'T HAVE CONFLICTS WITHIN
14 THE CATEGORY WITH THOSE WHO CAN VOTE ON THE MATTER.

15 MS. PACHTER: THAT'S CORRECT. AND THE SYSTEM
16 THAT JAMES SET UP, MR. CHAIR, WAS THAT WE WOULD ENTERTAIN
17 FIRST MOTIONS, IF THERE ARE ANY, TO MOVE APPLICATIONS ONE
18 BY ONE OUT OF THIS CATEGORY, IF THERE ARE ANY. AND IF
19 THERE AREN'T, WHEN WE HAVE THE CATEGORY SET, TO ADOPT IT
20 AS A WHOLE.

21 CHAIRMAN KLEIN: ALL RIGHT. SO UNDER THE
22 INSTITUTE CATEGORY, DR. OLSON, IS IT APPROPRIATE FOR US
23 TO BEGIN WITH THAT CATEGORY?

24 DR. OLSON: YES. PERHAPS FOR PURPOSES --

25 MS. PACHTER: IF YOU WOULD LIKE, I CAN READ THE

BARRISTERS' REPORTING SERVICE

1 NAMES OF THE MEMBERS WHO ARE QUALIFIED TO PARTICIPATE IN
2 THIS DISCUSSION AND MOTIONS.

3 CHAIRMAN KLEIN: PLEASE DO.

4 MS. PACHTER: THEY ARE PRICE, FRIEDMAN, KLEIN,
5 LOVE, PENHOET, ROTH, SAMUELSON, SERRANO-SEWELL, AND
6 WRIGHT.

7 CHAIRMAN KLEIN: THANK YOU.

8 DR. OLSON: JUST FOR A LITTLE BIT OF EASE OF
9 VIEWING, I THINK WE'VE JUST PUT UP ALL THOSE INSTITUTIONS
10 THAT CHOSE TO COMPETE IN THIS CATEGORY.

11 CHAIRMAN KLEIN: ALL RIGHT. IS THERE ANYONE
12 WHO WOULD LIKE TO CONSIDER MOVING ANY APPLICATION OUT OF
13 THIS CATEGORY?

14 MR. ROTH: MR. CHAIRMAN, I WANT TO EVALUATE
15 GRANT NO. 619 AND HAVE SOME DISCUSSION ON THAT. SO IF IT
16 REQUIRES A MOTION TO MOVE IT OUT, I WOULD MAKE THAT, BUT
17 I REALLY AM LOOKING JUST FOR DISCUSSION PURPOSES.

18 CHAIRMAN KLEIN: WHY DON'T WE PROCEED WITH THE
19 DISCUSSION, AND THEN SEE IF THERE'S A MOTION IN ORDER.

20 MR. ROTH: ONE OTHER COMMENT I WANT TO MAKE
21 JUST TO BE SURE I'M CLEAR ABOUT THIS. THE VOTING WE DID
22 EARLY IN TERMS OF ALLOCATION OF FUNDS PRESUMES THAT THIS
23 RANGE IS 25 TO 50 MILLION?

24 CHAIRMAN KLEIN: THAT'S RIGHT.

25 MR. ROTH: IS THERE A PRESUMPTION IF THEY'RE

BARRISTERS' REPORTING SERVICE

1 APPROVED, THEY GET THE MINIMUM FUNDING?

2 CHAIRMAN KLEIN: THE BOARD, IN THE ULTIMATE
3 VOTE, WOULD HAVE THE ABILITY TO CHANGE THAT FIGURE; BUT
4 IT IS THE GENERAL INTENT TO STAY WITHIN THAT RANGE.

5 MR. ROTH: THE REASON I RAISE THIS QUESTION, IF
6 YOU LOOK AT THIS SEVEN CATEGORIES, IF YOU FUNDED SOME AT
7 THE MAX AND SOME AT THE MINIMUM, THERE'S GOING TO BE A
8 SQUEEZE-DOWN STILL TO COME.

9 CHAIRMAN KLEIN: THAT'S RIGHT.

10 MR. ROTH: SO THE QUESTION IS REALLY I WANT TO
11 BE CLEAR TO THE APPLICANTS THAT 25 IS NOT A BASE. AND
12 THAT'S WHAT I THINK YOU'RE SAYING EVEN THOUGH WE GAVE A
13 RANGE 25 TO 50.

14 CHAIRMAN KLEIN: I THINK WHAT'S VERY IMPORTANT
15 HERE IS THAT IT'S GOING TO BE VERY COMPETITIVE IN THE
16 PART 2, AND THOSE INSTITUTIONS THAT HAVE LOTS OF LEVERAGE
17 AND PRESENT A STRONG STATISTICAL AND OBJECTIVE STATEMENT
18 OF THE UTILITY AND VALUE OF THIS TO THEIR PROGRAM UNDER
19 THE PART 2 CRITERIA, WHICH HAS BEEN POSTED AS AN
20 APPLICATION, THOSE INSTITUTIONS MAY RECEIVE FUNDING THAT
21 IS NOT CONSISTENT WITH THE ORDER OF THESE SCORES BECAUSE
22 PART 2 IS AN INDEPENDENT ELEMENT. BUT DEFINITELY, IF YOU
23 LOOK AT THE DOLLARS AVAILABLE, DUANE, YOU ARE ABSOLUTELY
24 CORRECT. THERE WILL BE A -- WE WILL NOT BE ABLE TO FUND
25 EVERYONE IN THIS CATEGORY AT THE REQUESTED AMOUNT.

BARRISTERS' REPORTING SERVICE

1 MR. ROTH: NOT ONLY AT THE REQUESTED AMOUNTS,
2 BUT I'M TALKING ABOUT SPECIFICALLY WHEN YOU GO TO MAKE
3 THE ALLOCATION, WE TALKED ABOUT A MEDIAN; BUT IF YOU
4 REALLY LOOK AT IT AND YOU SAID YOU DID SOME MAXIMUMS AND
5 SOME MINIMUMS, THERE'S STILL NOT ENOUGH MONEY FOR THE
6 MEDIANS.

7 CHAIRMAN KLEIN: EIGHTY-ONE PERCENT OF THE
8 MEDIAN IS WHAT WE CAN FUND UNDER THE PRELIMINARY
9 ALLOCATION MADE, BUT WE CAN ALSO READJUST DOLLARS BETWEEN
10 CATEGORIES.

11 MR. ROTH: I THINK THE IMPORTANT THING I WANTED
12 TO GET ON THE TABLE AND MAKE SURE THERE'S AGREEMENT ON
13 THIS IS THAT THE MINIMUM OF 25 MILLION MAY NOT HOLD IN
14 THE FINAL ANALYSIS.

15 CHAIRMAN KLEIN: THAT'S RIGHT. COULD BE LOWER.

16 MR. ROTH: COULD BE LOWER.

17 CHAIRMAN KLEIN: OKAY. YOU HAVE A QUESTION
18 BEFORE DR. OLSON PRESENTS IT?

19 DR. PENHOET: IT'S ABOUT CONFLICTS. I'LL TAKE
20 MY CASE. I'M A -- I'M NOT ALLOWED TO PARTICIPATE IN
21 DISCUSSION OF THE CENTER OF EXCELLENCE CATEGORY. IF
22 SOMEONE MAKES A MOTION TO MOVE SOMETHING OUT OF THIS
23 CATEGORY INTO THAT CATEGORY, THEN I'M NOW PRECLUDED FROM
24 DISCUSSING THAT?

25 MS. PACHTER: THAT'S CORRECT.

BARRISTERS' REPORTING SERVICE

1 MR. ROTH: I WON'T DO THAT.

2 CHAIRMAN KLEIN: THAT'S A CORRECT STATEMENT.

3 ALL RIGHT. SO DR. OLSON.

4 DR. OLSON: OKAY. THE PROPOSED CIRM INSTITUTE
5 AT THE LEAD INSTITUTION WILL BE THE HOME FOR A REGIONAL
6 STEM CELL SCIENTIFIC COLLABORATION WHICH WILL ESSENTIALLY
7 FACILITATE SCIENTIFIC COLLABORATIONS AMONG SIX
8 INSTITUTIONS, RESULTING IN A COMPREHENSIVE AND INTEGRATED
9 PROGRAM OF BASIC PRECLINICAL AND CLINICAL STEM CELL
10 RESEARCH.

11 THIS IS ACTUALLY -- THERE IS A MEMORANDUM OF
12 UNDERSTANDING AMONG THE SIX INSTITUTIONS TO COLLABORATE
13 ON THIS STEM CELL PROGRAM. SO OVER HALF OF THE
14 FACILITIES, AND IT'S A NEW FACILITY THAT'S PROPOSED, OVER
15 HALF OF IT WOULD BE DEVOTED TO LABORATORIES FOR A
16 CRITICAL MASS OF 18 STEM CELL INVESTIGATORS AT CAPACITY.
17 AND THESE WOULD ALL BE FROM THE LEAD INSTITUTION. THERE
18 WOULD ALSO BE SPACE FOR FOUR CORE FACILITIES THAT WOULD
19 BE AVAILABLE TO THESE SCIENTISTS AND TO SCIENTISTS FROM
20 THE COLLABORATING INSTITUTIONS.

21 THERE ALSO WOULD BE SPACE FOR THE COLLABORATIVE
22 TRAINING, SO A CIRM TRAINING PROGRAM AS WELL AS THE
23 TRAINING COMPONENT OF A SHARED LAB, AND AS WELL AS A
24 VENUE FOR SEMINARS.

25 THIS IS ACTUALLY A RELATIVELY YOUNG PROGRAM AND

BARRISTERS' REPORTING SERVICE

1 ESSENTIALLY HAS BEEN JUMP STARTED BY THE RECRUITMENT OF
2 AN INTERNATIONALLY RENOWN STEM CELL SCIENTIST WHO WAS
3 RECRUITED RECENTLY, I MEAN ACTUALLY QUITE RECENTLY,
4 WITHIN THE LAST COUPLE OF YEARS, AS THE PROGRAM DIRECTOR.
5 SO THAT PERSON HAS ESSENTIALLY BEEN THE IMPETUS FOR
6 ENABLING THE RECRUITMENT OF RIGHT NOW AN ENERGETIC GROUP
7 OF SEVEN YOUNG INVESTIGATORS STUDYING HUMAN EMBRYONIC
8 STEM CELLS, TISSUE REGENERATION, AND REPAIR. THIS
9 REFLECTS ACTUALLY A SUBSTANTIAL COMMITMENT BY THE HOST
10 INSTITUTION TO THIS PROGRAM IN BRINGING THESE PEOPLE ON
11 AT THIS STAGE BECAUSE BASICALLY THEY PROVIDED THE
12 RECRUITMENT PACKAGES AND ALSO ARE SUPPORTING THE CORE
13 FACILITIES.

14 THE FACILITY WOULD SPECIFICALLY HOUSE STUDIES
15 ON HESC OUTSIDE OF THE FEDERAL GUIDELINES. IT ALSO -- I
16 WANT TO MAKE THE POINT THAT THE SIX INSTITUTIONS ARE
17 LOCATED IN AN AREA THAT WOULD ALLOW THEM TO DEVELOP AND
18 DELIVER REGENERATIVE MEDICINES FOR UNDERSERVED SEGMENTS
19 OF THE POPULATION, AND ALSO THAT THE FACILITY IS PROXIMAL
20 TO AN AREA WHERE THERE ARE PLANS TO BUILD ESSENTIALLY A
21 BIOTECH PARK TO PUT THEM ESSENTIALLY CLOSE TO
22 COMMERCIALIZATION OPPORTUNITIES WHICH COULD CARRY SOME OF
23 THESE THINGS FORWARD OR COULD PROVIDE A VENUE FOR
24 ENTREPRENEURIAL FACULTY MEMBERS TO SORT OF SPIN OUT
25 COMPANIES. SO THAT'S ONE OF THE THINGS.

BARRISTERS' REPORTING SERVICE

1 THE ELEMENT X ACTUALLY COMPRISES FOUR PROGRAMS
2 IN FUNDAMENTAL RESEARCH IN STEM CELL BIOLOGY. THE EIGHT
3 SCIENTISTS THAT HAVE BEEN RECRUITED TO DATE ARE PRIMARILY
4 FOCUSED IN ELEMENT X WITH SOME ACTIVITIES IN ELEMENT Y.
5 IN MANY CASES PEOPLE WHO HAVE A FOCUS IN ELEMENT X CAN
6 ALSO DO SOME ACTIVITIES IN ELEMENT Y, BUT THEY WERE
7 IDENTIFIED AS PRIMARILY ELEMENT X SCIENTISTS. THEY WILL
8 ALL BE HOUSED IN THE PROPOSED FACILITY, SO THEY ARE THE
9 CORE NUCLEUS OF INVESTIGATORS.

10 AND ACTUALLY TO SPEAK TO JOAN'S POINT THAT SHE
11 WAS CONCERNED ABOUT CAPACITY. ALL OF THESE EIGHT
12 RESEARCHERS ARE CURRENTLY IN BORROWED SPACE. THEY'RE IN
13 SPACE THAT HAS BEEN ACTUALLY DEDICATED TO OTHER PROGRAMS
14 ON CAMPUS THAT ARE IN THE PROCESS OF GROWING, AND SO THE
15 SPACE RUNS OUT IN ESSENTIALLY A COUPLE OF YEARS AND THEY
16 WILL NEED ANOTHER HOME. SO THEY'RE CURRENTLY EXISTING IN
17 BORROWED SPACE, AT LEAST IN THIS PARTICULAR INSTANCE.

18 IN ADDITION TO THESE CORE RESEARCHERS FROM THE
19 LEAD INSTITUTION, THESE FOUR RESEARCH PROGRAMS IN ELEMENT
20 X INCLUDE OVER 20 COLLABORATING SCIENTISTS FROM
21 COLLABORATING INSTITUTIONS. AND I SHOULD SAY THAT OF
22 THESE -- WELL, I'LL SAY THAT LATER. SORRY.

23 THE REVIEWERS COMMENTED THAT THE QUALITY OF THE
24 PROGRAMS WAS HIGH AND THE PARTICIPATING INVESTIGATORS
25 WERE HIGH. THEY DID FIND IT A LITTLE BIT DIFFICULT TO

BARRISTERS' REPORTING SERVICE

1 UNDERSTAND HOW INTERACTION WOULD TAKE PLACE AMONG ALL
2 THESE DIFFERENT PROGRAMS, I MEAN WHEN YOU ARE TALKING
3 ABOUT SIX INSTITUTIONS. SO ONE REVIEWER NOTED THAT, AND
4 THAT WAS PERIODICALLY COMMENTED UPON, ALTHOUGH
5 DISCUSSANTS NOTED THAT THERE IS A HISTORY OF FORMAL
6 INSTITUTIONAL COLLABORATION AMONG SEVERAL OF THESE
7 PARTICIPATING INSTITUTIONS. SO ACTUALLY THERE IS WITH AT
8 LEAST SOME OF THEM A FORMAL HISTORY OF INSTITUTIONAL
9 COLLABORATION.

10 THE REVIEWERS AGREED THAT PUTTING THE CORE
11 INVESTIGATORS TOGETHER IN A FACILITY, ESPECIALLY GIVEN
12 SUCH A PROMINENT DIRECTOR, WOULD ACT AS A MAGNET FOR
13 INTERNAL AS WELL AS EXTERNAL COLLABORATION. AND ALSO AT
14 LEAST TWO OF THE CORE SERVICES THAT ARE PLANNED TO BE
15 HOUSED IN THE FACILITY, THAT IS, A HUMAN EMBRYONIC STEM
16 CELL CORE LABORATORY, AS WELL AS A CHEMICAL GENOMICS
17 SCREENING CORE, WOULD ALSO BE A MAGNET FOR ESSENTIALLY
18 COLLABORATING INSTITUTIONS.

19 ELEMENT Y FOCUSES ON SIX RESEARCH AREAS THAT
20 ESSENTIALLY DEVELOP PROCESSES TO EXPAND -- OR THAT
21 ESSENTIALLY MAKE THE TRANSITION FROM BASIC TO THE
22 CLINICAL AND PRECLINICAL DEVELOPMENT. AND THESE INCLUDE
23 DEVELOPING PROCESSES TO EXPAND CELLS, SO CELL CULTURE
24 TECHNOLOGY, WHICH IS ACTUALLY GOING TO BE A CRITICAL
25 FACTOR IF WE'RE GOING TO DO CELL THERAPY WITH EMBRYONIC

BARRISTERS' REPORTING SERVICE

1 OR EVEN ADULT STEM CELLS. DRUG DISCOVERY, SO ACTUALLY
2 DISCOVERING SMALL MOLECULES THAT MIGHT BE ABLE TO HAVE AN
3 IMPACT. MONOCLONAL ANTIBODIES, AND THIS IS ACTUALLY FOR
4 IF YOU ARE GOING TO ISOLATE CELL TYPES, YOU HAVE TO BE
5 ABLE TO CHARACTERIZE THEM, AND THIS IS REQUIRED IN BASIC
6 SCIENCE, AND THIS IS REQUIRED IN ACTUALLY PRODUCTION OF
7 MATERIALS FOR CLINICAL USE AS WELL. YOU HAVE TO KNOW
8 WHAT YOU'RE LOOKING AT. CELL PHENOTYPE AND FUNCTION.
9 AGAIN, THIS IS LIKE A GENOMICS/PROTEOMICS CORE, AGAIN,
10 PART OF A CHARACTERIZATION-TYPE THING. DISEASE MODELS
11 ABSOLUTELY CRITICAL FOR MOVING FORWARD. AND THEN
12 VIROLOGY RESEARCH. THIS IS ACTUALLY AN INTERESTING
13 ADDENDUM BECAUSE WHAT IT IS IS THE THOUGHT IS CAN YOU
14 TAKE HUMAN EMBRYONIC STEM CELLS AND DIFFERENTIATE THEM
15 INTO CELL LINES THAT CAN BE USED PERHAPS MORE APPROPRIATE
16 FOR VACCINE PRODUCTION. SO THEY MIGHT HAVE HIGHER YIELD.
17 THIS, AT LEAST, IS A THOUGHT ALONG THESE LINES.

18 THESE PROGRAMS ACTUALLY BRING TOGETHER
19 RESEARCHERS FROM MOST OF THE PARTNER INSTITUTIONS WHO
20 WORK IN A VARIETY OF DISCIPLINES. EACH OF THE PROJECTS
21 IS LED BY A SENIOR AND ACCOMPLISHED INVESTIGATOR, AND THE
22 REVIEWERS FELT THAT EACH OF THE PROGRAMS THAT WERE
23 HIGHLIGHTED IN THIS AREA IN ELEMENT Y COULD STAND ALONE
24 AS PRESENTED.

25 REVIEWERS IN GENERAL WERE VERY POSITIVE WITH

BARRISTERS' REPORTING SERVICE

1 RESPECT TO THIS ELEMENT. THEY THOUGHT THAT THE
2 SCIENTIFIC PROGRAM IN CELL CULTURE AND DISEASE MODELS AND
3 IN DRUG DISCOVERY WAS OVERALL VERY STRONG, AND THAT THE
4 CELL CULTURE AND DISEASE MODELS WERE GOING TO BE CRITICAL
5 FOR THE FIELD AS A WHOLE.

6 IN ELEMENT Z THE COLLABORATING INSTITUTIONS
7 WILL BE FOCUSING ON FOUR AREAS OF CLINICAL RESEARCH,
8 INCLUDING SENSORY SYSTEMS. AND IN PARTICULAR WHAT WE'RE
9 REFERRING TO HERE IS OCULAR DISEASE WHERE THE RETINA
10 PIGMENT CELLS DEGENERATE, AND ESSENTIALLY THOSE CELLS CAN
11 BE DERIVED FROM HUMAN EMBRYONIC STEM CELLS.
12 CARDIOVASCULAR DISEASE IS A SECONDARY AREA, LIVER DISEASE
13 AND DIABETES, AND THEN HEMATOLOGY-ONCOLOGY. THE
14 REVIEWERS NOTED THAT, IN FACT, IN THE DISCUSSION OF THE
15 CARDIOVASCULAR PROGRAM, THEY HIGHLIGHTED THE FACT THAT
16 THEY HAD A PARALLEL PROGRAM AS PART OF THAT ON
17 ALLOIMMUNITY.

18 I THINK WE'VE HEARD BEFORE THAT ESSENTIALLY
19 ALLOIMMUNITY, IF YOU TALK ABOUT TRANSPLANTING CELLS FROM
20 NOT YOURSELF INTO YOU, THE IMMUNE RESPONSE IS GOING TO BE
21 AN IMPORTANT CONSIDERATION, AND ADDRESSING THAT IS ONE
22 THAT I THINK CIRM, AS WELL AS ALL INSTITUTIONS, ARE GOING
23 TO HAVE TO ADDRESS. SO THIS IS A KEY CONSIDERATION FOR
24 STEM CELL THERAPIES.

25 AMONG THE COLLABORATING INSTITUTIONS THERE'S

BARRISTERS' REPORTING SERVICE

1 EXPERTISE AND EXPERIENCE IN LIVER CELL AND ISLET
2 TRANSPLANTATION AND IN HEMATOPOETIC SYSTEM
3 TRANSPLANTATION, INCLUDING TRANSPLANTATION OF GENETICALLY
4 MODIFIED HSC. THROUGH THE MULTI-INSTITUTIONAL
5 COLLABORATION, RESEARCHERS ALSO, ONE OF THE COLLABORATORS
6 HAS A STATE-OF-THE-ART PRODUCTION FACILITY DESIGNED TO
7 PURIFY AND CHARACTERIZE DNA, PROTEINS, VIRAL VECTORS, AND
8 MODIFIED OR EXPANDED CELL POPULATIONS, AS WELL AS PROCESS
9 DEVELOPMENT CAPABILITIES IN THOSE AREAS AND EXPERTISE IN
10 CELL THERAPY.

11 THE REVIEWERS CONSIDERED THIS TO BE THE WEAKEST
12 ELEMENT AMONG THOSE THREE ELEMENTS DISCUSSED PRIMARILY
13 BECAUSE THE COLLABORATORS HAVE NO CURRENT STEM CELL
14 CLINICAL TRIALS IN THE AREAS OF CLINICAL FOCUS. NOW, I
15 HAVE TO PUT A CAVEAT TO THAT. THEY DEFINITELY HAVE
16 TRIALS WITH HEMATOPOETIC CELLS. I THINK EVERYBODY THINKS
17 THAT'S SUCH A STANDARD NOW, THAT THEY DON'T COUNT THAT.
18 BUT THEY DON'T HAVE TRIALS WITH -- NO ONE HAS TRIALS AT
19 THIS POINT WITH CELLS DERIVED FROM HUMAN EMBRYONIC STEM
20 CELLS OR WITH THE NEWER ADULT CELL POPULATION OUTSIDE OF
21 THE HEMATOPOETIC ONE.

22 BUT THEY DID NOTE THAT, AS ANOTHER REVIEWER
23 COMMENTED, THE LACK OF CURRENT STEM CELL CLINICAL TRIALS
24 WAS A CRITICISM THAT REALLY COULD POTENTIALLY BE LEVELED
25 AGAINST MOST OF THE INSTITUTIONS WHO APPLIED.

BARRISTERS' REPORTING SERVICE

1 THE PROPOSED CIRM INSTITUTE WOULD PROVIDE SPACE
2 FOR RESEARCHERS AT THE LEAD INSTITUTION WHO ARE CURRENTLY
3 LOCATED AT SITES ON CAMPUS THAT ARE ON LOAN TO THE STEM
4 CELL PROGRAM. IT WILL ACT AS A FOCUS. THE CURRENT CADRE
5 OF STEM CELL SCIENTISTS THEY HAVE, SO THAT EIGHT CORE
6 THAT I IDENTIFIED, IS OUTSTANDING, LED BY AN
7 INTERNATIONALLY RECOGNIZED EXPERT, AND PRIMARILY FOCUSED
8 ON BASIC AND EARLIER TRANSLATIONAL RESEARCH. ADDITIONAL
9 RECRUITS ARE PREDOMINANTLY PLANNED IN THE TRANSLATIONAL
10 AND CLINICAL RESEARCH AREAS.

11 IMPLEMENTATION OF THE COLLABORATIONS WAS AGAIN
12 RAISED AS A CONCERN BY AT LEAST ONE REVIEWER. WHEN YOU
13 HAVE SIX INSTITUTIONS, THERE ARE -- YOU CAN TALK
14 COLLABORATION, BUT DOES IT HAPPEN? AS I'VE STATED,
15 HOWEVER, THERE ARE LONG STANDING COLLABORATIVE
16 RELATIONSHIPS BETWEEN AT LEAST SOME OF THIS INSTITUTION,
17 SO THEY HAVE A HISTORY OF COLLABORATION.

18 THE LEAD INSTITUTION IS CLEARLY COMMITTED TO
19 THE PROGRAM. THEY HAVE BROUGHT THESE EIGHT PEOPLE ON
20 BOARD. THEY HAVE FUNDED THEM, AND THEY ARE FUNDING AT
21 LEAST THE START OF THE CORE FACILITIES. THANK YOU.

22 CHAIRMAN KLEIN: THANK YOU, DR. OLSON. AS A
23 FOLLOW-UP TO THAT, THESE FACILITIES ACT AS A CATALYST TO
24 BRING TOGETHER EVEN PART-TIME OR FULL-TIME OTHER
25 INDIVIDUAL RESEARCHERS FROM AROUND THE CAMPUS. I BELIEVE

BARRISTERS' REPORTING SERVICE

1 WE ASKED THE INSTITUTIONS TO GIVE US HOW MANY OTHER PI'S,
2 PARTIALLY OR FULL TIME, WOULD BE UTILIZING THIS FACILITY
3 AT SOME POINT OR WORKING WITH THE PROGRAMS IN THIS
4 FACILITY.

5 DR. OLSON: THE APPLICATION INDICATES THAT
6 CURRENTLY 66 RESEARCHERS ARE INVOLVED IN THE STEM CELL
7 PROGRAM, IN THIS STEM CELL PROGRAM.

8 CHAIRMAN KLEIN: AND HOW MANY ADDITIONAL PI'S
9 WERE THEY PROPOSING TO ADD TO THE PROGRAM THAT WOULD BE
10 INVOLVED WITH THIS FACILITY?

11 DR. OLSON: AS I STATED, CURRENTLY THEY HAVE
12 EIGHT. THEY DON'T SPEAK TO, IN GENERAL, HOW PROGRAMS ON
13 ALL THE DIFFERENT AREAS OUTSIDE THE FACILITY WILL GROW,
14 BUT THE CORE PROGRAM, THE EIGHT SCIENTISTS WHO WILL BE IN
15 THE FACILITY, THAT IS EXPECTED TO GROW TO 18 PI'S AT
16 CAPACITY. SO THEY WILL PUT IN THE FACILITY A TOTAL OF 18
17 PI'S AND THEIR PROGRAMS.

18 THEY INDICATE IN THE APPLICATION, I MEAN, I
19 THINK THAT THERE'S PLANNED GROWTH IN DIFFERENT AREAS OF
20 THE CAMPUS THAT MAY FEED IN TO CONTRIBUTING MORE THAN 66,
21 BUT THEY DON'T SPEAK TO THAT. THEY SPEAK TO THE 66 WHO
22 ARE PART OF THE PROGRAM NOW AND THE GROWTH WITHIN THE
23 CORE STEM CELL PROGRAM THAT WILL --

24 CHAIRMAN KLEIN: IN TRYING TO EVALUATE
25 PROMISES, I'M ALWAYS INTERESTED IS THE INSTITUTION MAKING

BARRISTERS' REPORTING SERVICE

1 A STRONG INSTITUTIONAL COMMITMENT. AND IN THIS
2 PARTICULAR CASE, I THINK THAT THEY SPECIFICALLY INDICATED
3 THE DOLLAR AMOUNT OF INSTITUTIONAL COMMITMENT TO GIVE US
4 THE COMFORT THEY REALLY WERE GOING TO STAND BEHIND THIS
5 FACULTY RECRUITMENT. AND COULD YOU OUTLINE FOR THE
6 COMMITTEE WHAT THEY SAID THERE?

7 DR. OLSON: THE INSTITUTION HAS COMMITTED TO
8 RAISING AN ADDITIONAL 50 MILLION TO SUPPORT THE
9 DEVELOPMENT OF THIS CENTER FOR STEM CELL RESEARCH.

10 MR. ROTH: AGAIN, I THINK THAT'S GOING TO COME
11 IN PART 2. WE'RE DEALING WITH PART 1.

12 CHAIRMAN KLEIN: THAT'S NOT THE FACILITY.

13 MR. ROTH: THAT HAS NOTHING TO DO WITH MATCHING
14 FUNDS.

15 CHAIRMAN KLEIN: THIS IS THE --

16 MR. ROTH: THAT'S INCREMENTAL TO THAT.

17 CHAIRMAN KLEIN: THIS IS THE FACULTY
18 COMMITMENT.

19 DR. OLSON: NO. NO. THIS IS THE COMMITMENT TO
20 RAISING 50 MILLION. I DON'T KNOW HOW MUCH THEY COMMITTED
21 TO DATE ALREADY.

22 CHAIRMAN KLEIN: THIS IS RAISING 50 MILLION,
23 WHICH I BELIEVE THEY COMMITTED TO HIRING FACULTY.

24 DR. OLSON: TO SUPPORT THE DEVELOPMENT -- YEAH.
25 THAT ACTUALLY IS BASED ON AN AVERAGE COST OF SORT OF

BARRISTERS' REPORTING SERVICE

1 START-UP HIRE PACKAGE FOR FACULTY AND TO SUPPORT THE COST
2 OF CORE PROGRAMS. SO FOR START-UP AND GOING SUPPORT OF
3 THE CORE FACULTY.

4 MS. SAMUELSON: DOES THAT INCLUDE COMPETING FOR
5 MORE CIRM MONEY OR NOT?

6 DR. OLSON: I BEG YOUR PARDON?

7 MS. SAMUELSON: DOES THAT INCLUDE COMPETING FOR
8 ADDITIONAL CIRM GRANTS IN THE FUTURE, OR IS THIS --

9 CHAIRMAN KLEIN: NO.

10 MS. SAMUELSON: -- RAISING MONEY FROM OTHER
11 SOURCES?

12 CHAIRMAN KLEIN: DONORS.

13 MR. ROTH: MR. CHAIRMAN, ONE MORE QUESTION. IS
14 THERE A FORMAL AGREEMENT IN PLACE OR AN MOU FOR THIS
15 COLLABORATION?

16 DR. OLSON: THERE IS A FORMAL MOU. THERE IS AN
17 MOU.

18 MR. ROTH: AGAIN, THE SCORES HERE ARE NOT
19 IMPRESSIVE. AND IF YOU READ THE REVIEW, I THINK THAT
20 THERE'S MERIT HERE. ONE REVIEWER SAID THEY'RE HAVING
21 PROBLEMS GETTING THEIR ARMS AROUND THIS, AND I THINK
22 THAT'S BECAUSE IT'S EARLY IN ITS NATURE; HENCE, THE MOU.

23 SO ONE IDEA WOULD BE TO APPROVE THIS
24 CONDITIONALLY ON A FORMAL AGREEMENT BEING IN PLACE BEFORE
25 WE SPEND TIME AND RESOURCES AND FIND THIS DOESN'T COME

BARRISTERS' REPORTING SERVICE

1 TOGETHER.

2 CHAIRMAN KLEIN: THE QUESTION I'LL HAVE TO ASK
3 THE COUNSEL IS WHAT OUR OPTIONS ARE HERE. BUT SOME OF
4 THESE INSTITUTIONS ACTUALLY, FOR EXAMPLE, HAVE FACULTY
5 APPOINTMENTS WITH THIS INSTITUTION. SO THEY HAVE NOT
6 ONLY FORMAL, BUT THEY ACTUALLY SHARE FACULTY
7 APPOINTMENTS. OTHER INSTITUTIONS, AS HAS BEEN
8 REFERENCED, HAVE EXISTING COLLABORATIONS THAT ARE IN
9 PLACE. AND WE HAVE TWO CATEGORIES. IF YOU HAVE A
10 CONSORTIUM, WE REQUIRED, AS A CONDITION OF THE
11 COMPETITION, TO HAVE AN ACTUAL FORMAL AGREEMENT BETWEEN
12 CONSORTIUM MEMBERS, IS MY UNDERSTANDING, AS A CRITERIA
13 FOR A CONSORTIUM; IS THAT A CORRECT, TAMAR?

14 MS. PACTER: YES. THAT WAS A REQUIREMENT FOR
15 A CONSORTIUM OR A FACILITIES COLLABORATION.

16 CHAIRMAN KLEIN: BUT THE MOU AS IN THE REVIEWS
17 BETWEEN A NUMBER OF THESE INSTITUTIONS FOR COLLABORATIONS
18 WAS CONSIDERED TO MEET THE STANDARDS. SO IF WE'RE
19 GOING -- WE HAVE TO BE CONSISTENT IN HOW WE APPLY THOSE.

20 MR. ROTH: THERE ARE OTHER COLLABORATIONS IN
21 CIRM INSTITUTES THAT DO NOT HAVE FORMAL AGREEMENTS IN
22 PLACE?

23 CHAIRMAN KLEIN: THAT'S MY UNDERSTANDING.
24 THERE'S OTHER COLLABORATION.

25 DR. OLSON: THEY MAY HAVE FORMAL AGREEMENTS,

BARRISTERS' REPORTING SERVICE

1 BUT NOT NECESSARILY. SO THIS IS WHERE THE SIX MEMBER
2 INSTITUTIONS HAVE SIGNED AN AGREEMENT SAYING THEY WILL
3 COLLABORATE ON THIS. THEY HAVE AGREED TO ESTABLISH AN
4 OVERSIGHT COMMITTEE THAT WILL HELP DETERMINE HOW CORE
5 SERVICES WILL BE UTILIZED, WILL HELP PRIORITIZE THE
6 SCIENTIFIC PROGRAMS FOR COLLABORATION. SO THEY'VE TRIED
7 TO PUT AN ADMINISTRATIVE STRUCTURE IN PLACE THAT ALLOWS
8 MEMBER INSTITUTIONS TO BRING FORTH PROGRAMS THAT --

9 MR. ROTH: INSTEAD OF ARGUING ABOUT IT, JUST
10 ANSWER THE QUESTION. DO THEY INTEND TO HAVE A FORMAL
11 AGREEMENT AT SOME POINT?

12 CHAIRMAN KLEIN: MY UNDERSTANDING.

13 MR. ROTH: MY SIMPLE REQUEST WOULD BE THAT YOU
14 APPROVE IT CONDITIONAL ON THAT BECAUSE YOU DON'T KNOW.
15 ONE OF THEM MAY DROP OUT. I THINK THAT'S REALLY
16 FUNDAMENTAL TO SAYING LET'S GO FORWARD. THAT IS THE
17 POINT I'M TRYING TO MAKE.

18 CHAIRMAN KLEIN: THE QUESTION THAT I PLEASE
19 DIRECT TO COUNSEL IS COULD WE HAVE A MOTION THAT IS TO
20 INCLUDE THIS INSTITUTION WITH THE REQUIREMENT THAT IN THE
21 FINAL REVIEW THAT THEY WOULD HAVE A FORMAL AGREEMENT?
22 THIS IS A FORMAL MOU THAT IS SIGNED BY ALL THE PARTIES
23 RIGHT NOW. AND SO PART OF THE ISSUE MAY BE, GIVEN THIS
24 IS A FORMAL AGREEMENT THAT'S ALREADY SIGNED, INCLUDING AN
25 ADMINISTRATIVE STRUCTURE, WHAT ELSE DO YOU WANT IN IT TO

BARRISTERS' REPORTING SERVICE

1 CONSIDER IT A FORMAL AGREEMENT?

2 MR. ROTH: I DON'T KNOW. THAT'S THE QUESTION I
3 ASKED. IF IT'S A MEMO OF UNDERSTANDING, IS THAT ALL
4 THERE'S GOING TO BE, AND HAD THAT BEEN REVIEWED? I'M NOT
5 TRYING TO MAKE THIS DIFFICULT. I'M JUST SAYING THAT
6 THERE'S STILL MORE REVIEWS TO GO THROUGH, MORE APPROVALS
7 TO GO THROUGH TO GET THIS -- THIS IS A, QUOTE,
8 CONSORTIUM, SIX INSTITUTIONS.

9 MS. PACTER: THIS IS NOT A CONSORTIUM, AND
10 IT'S NOT A FACILITIES COLLABORATION. WHAT THIS IS IS AN
11 MOU THAT MEMORIALIZES A SCIENTIFIC COLLABORATION.

12 CHAIRMAN KLEIN: THIS DOES NOT QUALIFY THEM TO
13 COMPETE AS A CONSORTIUM. THIS IS A COLLABORATION FOR
14 WHICH THE REVIEWERS GIVE LESS CREDIT THAN A CONSORTIUM.
15 SO ALL OF THE REVIEWS ADJUSTED. IN PARTICULAR, REVIEWERS
16 FROM OUTSIDE OF CALIFORNIA ARE MORE FAMILIAR WITH SOME OF
17 THE LONG ESTABLISHED NATIONAL INSTITUTIONS WE HAVE HERE
18 THAN THE ONES WITH YOUNGER PROGRAMS. AND THE
19 COLLABORATORS HERE, SOME OF THEM HAVE WELL-ESTABLISHED
20 BONE MARROW TRANSPLANT PROGRAMS, BUT THEY DON'T HAVE A
21 PROGRAM FOR EMBRYONIC STEM CELL. NO ONE HAS THAT IN THE
22 CLINICS OBVIOUSLY. THEY DON'T HAVE -- AS I THINK THE
23 REFERENCE IS, THERE WAS NO REFERENCE TO HAVING ANY FETAL
24 CLINICAL PROGRAMS IN THE CLINICS, AND VERY FEW PEOPLE
25 HAVE. BUT THIS IS AN EXISTING FORMAL COLLABORATION, BUT

BARRISTERS' REPORTING SERVICE

1 NOT A CONSORTIUM.

2 MS. PACHTER: IF I COULD CLARIFY, BECAUSE I
3 KNOW THE MEMBERS ARE NOT AS FAMILIAR WITH THIS DAY IN AND
4 DAY OUT AS WE MEMBERS OF STAFF ARE. SO IN A
5 COLLABORATION, IN A CONSORTIUM OR A FACILITIES
6 COLLABORATION, IF YOU APPLIED AS EITHER ONE OF THOSE, THE
7 MONEY WENT TO THE ENTITY THAT WAS CREATED BY THE LEGAL
8 AGREEMENT. AND THIS IS NOT THAT. THIS IS AN AGREEMENT
9 TO COLLABORATE SCIENTIFICALLY, AND THE MONEY WILL ONLY GO
10 TO THE HOST INSTITUTION. IT WILL NOT GO TO ANY OF THE
11 OTHER ASSOCIATED INSTITUTIONS.

12 MR. ROTH: THANK YOU.

13 CHAIRMAN KLEIN: THE HOST INSTITUTION CAN UNDER
14 IT'S AGREEMENT PROVIDE SPACE FOR COLLABORATORS IN THE
15 FACILITY THAT'S BUILT.

16 MR. ROTH: THANKS.

17 DR. OLSON: THERE WILL BE COME SPACE FOR
18 VISITING SCIENTISTS, AND THE CORE'S FACILITIES WOULD BE
19 MADE AVAILABLE, BUT THERE'S NO ASSIGNED LAB SPACE TO ANY
20 FACULTY MEMBER FROM ANOTHER INSTITUTION.

21 CHAIRMAN KLEIN: THANK YOU.

22 MR. SERRANO-SEWELL: THIS IS -- I THOUGHT,
23 ORIGINALLY, DUANE YOU WERE GOING TO SPEAK TO THE MERITS
24 OF THIS PARTICULAR APPLICATION. YOU DID, BUT YOU STARTED
25 OFF BY SAYING THIS IS -- THEY JUST SCORED LOWER,

BARRISTERS' REPORTING SERVICE

1 COMPARATIVELY SPEAKING, THAN THE OTHER INSTITUTIONS. I
2 NOTE THAT AS WELL. IT'S OBVIOUS.

3 AND SO THE QUESTION FOR ME, THEN, IS, AND THANK
4 YOU FOR THAT PRESENTATION, THERE REALLY WAS A VERY
5 STRONG, LONG DISCUSSION IN THE WORKING GROUP ABOUT THIS
6 PARTICULAR ONE AND WHETHER IT SHOULD BE RECOMMENDED FOR
7 FUNDING IN ALL THREE CATEGORIES, AS I RECALL THE
8 CONVERSATION. AND SO THE QUESTION I'M FACED WITH NOW IS,
9 YOU KNOW, GIVEN THAT IN THE ELEMENT Z SCORE, IT ONLY GOT
10 A 72, AND COMPARATIVE TO THE OTHER ELEMENT Z'S FOR THE
11 CIRM INSTITUTE, WHETHER I SHOULD RECOMMEND IT. OR I
12 DON'T KNOW IF DUANE HAD A MOTION. I THINK HE MADE IT
13 JUST FOR THE PURPOSES OF DISCUSSION. YOU KNOW, THAT'S
14 WHAT I'M SORT OF STRUGGLING WITH RIGHT NOW, BOB.

15 CHAIRMAN KLEIN: WE NEED TO REMEMBER TOO THAT
16 THIS IS PART 1. WE DON'T KNOW WHAT'S IN PART 2. AND WE
17 DON'T KNOW THE LEVEL OF REQUESTS THAT ARE GOING TO BE
18 MADE. SOME PEOPLE MAY MAKE REQUESTS WE CAN'T MEET. SO
19 WHEN WE SEE PART 2 --

20 MR. ROTH: I THINK WE CAN COUNT ON THAT.

21 CHAIRMAN KLEIN: WHEN WE SEE PART 2, IT WILL --
22 PERHAPS WE'LL HAVE FEWER REAL CHOICES THAN WE HAVE RIGHT
23 NOW. SO AT THIS POINT THE QUESTION IS DO THEY GET AN
24 INVITATION TO SUBMIT TO COMPETE THROUGH PART 2, WHICH
25 BRINGS A LOT MORE INFORMATION TO THE TABLE.

BARRISTERS' REPORTING SERVICE

1 THE OTHER IMPORTANT ISSUE HERE TOO, AS DR.
2 OLSON COMMENTED, THE CRITICISM THAT WAS LEVELED HERE
3 ABOUT NOT HAVING PROGRAMS OTHER THAN HEMATOPOETIC STEM
4 CELL TRANSPLANTS IN THE CLINIC COULD HAVE BEEN LEVELED
5 AGAINST ALMOST ALL OF THE OTHER INSTITUTIONS. AND, IN
6 FACT, I THINK THE LEAD REVIEWER SAID IF YOU LOOK AT THE
7 78 AND THE 72, THEY GOT THE SAME LEAD REVIEWER WHO SAID
8 HE'D USE A TOTALLY DIFFERENT STANDARD, AND IN LISTENING
9 TO THE OTHER REVIEWERS WHO CAME LATER WHO DIDN'T SAY THAT
10 YOU HAD TO HAVE THESE OTHER TYPES OF STEM CELL PROGRAMS
11 IN THE CLINIC. SO THE PROBLEM IS THAT, AT THIS POINT
12 WITH THE LIMITED INFORMATION WE HAVE, WHICH WILL BE
13 AUGMENTED BY THE PART 2 INFORMATION, THOSE INSTITUTIONS
14 IN THE Z CATEGORY, BY THE REVIEWERS' OWN ACKNOWLEDGEMENT,
15 WERE TESTED BY A HIGHER STANDARD THAN THE OTHER
16 APPLICATIONS.

17 THE ISSUE IS ARE THEY IN A COMPETITIVE RANGE,
18 AND I'D SAY IN THE U SCORE OF 80, THAT CLEARLY THE
19 REVIEWERS THOUGHT THIS HAD A LOT OF PROMISE FOR
20 STRENGTHENING THE INSTITUTION AND THE PROGRAM.

21 DR. OLSON: I JUST WANTED TO MAKE ONE COMMENT,
22 THAT THEY ARE ONE OF THE MEMBERS OF COLLABORATION. ALSO
23 THEY'RE AN ISLET TRANSPLANT CENTER. SO THEY DO ISLET
24 TRANSPLANTATION, THEY DO LIVER TRANSPLANTATION, SO THEY
25 HAVE SOME -- CERTAINLY WITH THE ISLET, IT'S A CELL-TYPE

BARRISTERS' REPORTING SERVICE

1 TRANSPLANT. IT'S NOT A STEM CELL IN THE CLASSIC SENSE,
2 BUT THERE IS THIS -- I WANT TO MAKE SURE IT'S UNDERSTOOD
3 THERE IS THIS CELL TRANSPLANT EXPERIENCE.

4 CHAIRMAN KLEIN: OKAY.

5 MR. SERRANO-SEWELL: THIS IS MY LAST COMMENT.
6 YOU WERE SAYING THAT -- BOB, MY ONLY COMMENT TO YOU AND
7 MY COLLEAGUES IS THE SCIENCE SCORE IS IMPORTANT. WE'RE
8 NOT GOING TO GET THE GRANTS WORKING GROUP ASSEMBLED AGAIN
9 TO COMMENT ON THIS. THEY ALREADY HAVE. AND I'M NOT
10 VIEWING THIS AS WHETHER THEY GAVE US A SCORE AND IT'S
11 COMPETITIVE; THEREFORE, WE SHOULD INVITE THEM FOR PART 2.
12 IT'S PART OF THE BASIS, AT LEAST FOR ME INDIVIDUALLY,
13 INVITING THEM IN PART 2 AND WHAT CATEGORY TO INVITE THEM
14 IN PART 2 IS WHETHER THEY DID WELL ON THE SCIENCE SCORE
15 BECAUSE WE WON'T GET THAT SCIENCE SCORE AGAIN. THIS IS
16 THE ONE TIME WE'RE GOING TO GET IT, THEN WE'RE GOING TO
17 GET A FACILITIES SCORE, THEN WE'LL ALL MEET AGAIN AND
18 MAKE A FINAL DETERMINATION.

19 CHAIRMAN KLEIN: IN THE COMPARISON OF THESE
20 RANGES, FOR EXAMPLE, I DIDN'T UNDERSTAND, LISTENING TO
21 THIS DISCUSSION OF -- I DID UNDERSTAND. YOU HAVE HIGHER
22 Z SCORES THAT COULD WELL HAVE BEEN IN THE SAME -- COULD
23 HAVE BEEN 72 IF THIS REVIEWER HAD BEEN THE LEAD REVIEWER
24 BECAUSE OF THE STANDARD HE WAS APPLYING, WHICH WAS A MUCH
25 MORE ADVANCED REQUIREMENT THAN SOME OF THE LEAD REVIEWERS

BARRISTERS' REPORTING SERVICE

1 AND SECONDARY REVIEWERS MADE IN THE OTHER CATEGORIES.
2 REVIEWS HAVE SOME VARIABILITY IN THEM. QUESTION IS WHO
3 GOES FIRST AND WHO GOES LAST AND WHAT THE REVIEW LEARNS
4 OVER THE PROCESS.

5 DR. PENHOET: IT MUST BE OBVIOUS TO EVERYONE,
6 BUT THIS IS FUNDAMENTALLY DIFFERENT THAN ANY OTHER
7 PROCESS LIKE THIS WE'VE GONE THROUGH BECAUSE OF THE
8 FINITE AND NOT ENOUGH MONEY IN EACH CATEGORY. IF YOU
9 DROP ONE FROM THIS CATEGORY, YOU WOULD ADD AN AVERAGE OF
10 \$5 MILLION A PIECE TO THE REMAINING SIX WHO ARE IN THE
11 CATEGORY. SO THAT, IN A SENSE, IS A STRATEGIC TRADE-OFF.

12 I THINK WHAT YOU HAVE TO START THINKING ABOUT
13 IS WOULD THAT INCREMENTAL \$5 MILLION A PIECE BE SPENT
14 BETTER ON THOSE HIGHER SCORED ONES THAN TO FUND THE LOWER
15 SCORED ONES BECAUSE WE DO HAVE FINITE RESOURCES.

16 MR. SERRANO-SEWELL: IT COULD BE ALLOCATED TO
17 THE LOWER ONES.

18 DR. PENHOET: IT COULD BE ALLOCATED ANYWHERE
19 ELSE.

20 CHAIRMAN KLEIN: YOU ALSO -- YOU WON'T KNOW
21 UNTIL YOU SEE THE PART 2 HOW MUCH YOU NEED IN EACH ONE OF
22 THESE. SO IN PART 2 THIS BOARD MAY MAKE A DECISION THAT
23 THERE'S SOME INSTITUTIONS THAT REALLY HAVEN'T MET THE
24 MATCHING FUNDS CATEGORY, AND WE'RE JUST NOT GOING TO MEET
25 THEIR REQUEST BECAUSE THEY'RE NOT MAKING AN INSTITUTIONAL

BARRISTERS' REPORTING SERVICE

1 COMMITMENT. WE THINK THEY CAN MAKE A HIGHER
2 INSTITUTIONAL COMMITMENT THAN WHAT THEY PROPOSED, AND WE
3 DON'T GIVE THEM AS MUCH, AND WE HAVE MORE FUNDS
4 AVAILABLE. POINT IS AT THIS POINT WE DON'T HAVE ALL OF
5 THE INFORMATION IN TERMS OF HOW WE CAN ALLOCATE FUNDS
6 MOST EFFECTIVELY.

7 MS. SAMUELSON: ON THAT NOTE, I GUESS I HAVE A
8 QUESTION MAYBE FOR THE REST OF THE COMMITTEE AS WELL AS
9 THE AUDIENCE, I SUPPOSE. AND THAT IS, WHAT ARE WE TRYING
10 TO ACCOMPLISH WITH THIS FUNDING PROGRAM? SO MIGHT IT BE
11 THAT THE BEST OF THE BEST IN THE INSTITUTE EXAMPLE OR
12 PERHAPS A CENTER AS WELL, TO THE EXTENT IT'S A
13 COLLABORATION AMONG SEVERAL DIFFERENT INSTITUTIONS, IS
14 THAT THE IDEAL? MIGHT THE IDEAL BE, GIVEN THAT THERE ARE
15 LOTS OF COMPETING DEMANDS FOR THE OVERALL \$3 BILLION, AND
16 WE MIGHT HAVE DESPERATE NEED FOR ADDITIONAL FUNDS IN,
17 LET'S SAY, FIVE YEARS WHEN WE'RE REALLY IN THE MIDST OF
18 APPLYING THE BASIC SCIENCE DATA THAT'S BEEN ACCUMULATED,
19 MIGHT WE WANT TO JUST FUND THE BEST OF THE BEST TO HAVE
20 GEOGRAPHICAL ACCESS TO A CENTER BY ALL OF THE STEM CELL
21 SCIENTISTS IN THAT REGION, OR IS IT A GIVEN THAT WE
22 REALLY NEED TO BUILD A BUILDING FOR EVERY SIGNIFICANT
23 RESEARCH ENTITY IN THE STATE THAT'S GOING TO BE
24 EFFECTIVELY DOING THEIR WORK?

25 AND I DON'T KNOW THE ANSWER TO THAT. BECAUSE

BARRISTERS' REPORTING SERVICE

1 THEN WE COULD SAVE A LOT OF MONEY FOR OTHER USES OR OTHER
2 PARTS OF THIS PROGRAM MAYBE IF THE BEST APPROACH WERE TO
3 HAVE ONE SUPERB GEOGRAPHIC CENTER FOR EACH OF SEVERAL
4 PARTS OF THE STATE.

5 CHAIRMAN KLEIN: AT LEAST THE NIH HAS TREATED
6 IT IS THAT OVER A PORTFOLIO, IF YOU HAVE A BROADER
7 PORTFOLIO THAT YOU CAN DEVELOP, YOUR CHANCES OF SUCCESS
8 ARE GOING TO BE GREATER. AND IF WE HAVE A RECOMMENDATION
9 FROM A SCIENCE GROUP WHO DID RECOMMEND ALL OF THESE FOR
10 FUNDING, THEY BELIEVE IT CONTRIBUTES TO THE PORTFOLIO,
11 AND THE U SCORES, I THINK, SHOW THE FACT THAT THEY THINK
12 THESE ARE 80 TO 95, THAT THERE IS A VERY SOUND VALUE
13 CREATED HERE FOR OUR MISSION IN ALL OF THESE
14 INSTITUTIONS, WHICH I THINK WENT TO THE CORE OF WHY THEY
15 RECOMMENDED THEM ALL. DR. PENHOET.

16 DR. PENHOET: WELL, I APPRECIATE THE WISDOM OF
17 YOUR COMMENTS; BUT WHEN WE DID SURVEY ALL THE PRIMARY
18 INSTITUTIONS EARLY ON, THEY CONSISTENTLY AND ALMOST
19 UNIFORMLY IDENTIFIED DEDICATED SPACE AS THEIR NO. 1 NEED.
20 SO FROM WHAT I KNOW, THIS IS STILL THE CASE.

21 SECOND OF ALL, SCIENTISTS REALLY DON'T TRAVEL
22 VERY FAR TO DO THEIR WORK AS A PRACTICAL MATTER. YOU
23 KNOW, IF YOU HAVE TO DRIVE AN HOUR TO GO DO EXPERIMENTS,
24 THE WAY IT'S DONE IN LABORATORIES, YOU HAVE GRADUATE
25 STUDENTS AND POST DOCS, NOT ALL OF THEM HAVE CARS, IT'S

BARRISTERS' REPORTING SERVICE

1 NOT EASY FOR PEOPLE TO MOVE AROUND AND DO THESE THINGS.
2 SO BEING CLOSE TO THE FACILITY IS A MAJOR ISSUE IN TERMS
3 OF PRODUCTIVITY, I THINK, AS MUCH AS ANYTHING ELSE. I'M
4 NOT ARGUING FOR ANY PARTICULAR GRANT, BUT I THINK THERE
5 ARE SOME REASONS ON THE OTHER SIDE, JOAN, THAT I JUST
6 WANTED TO POINT OUT TO YOU.

7 MS. SAMUELSON: I APPRECIATE THAT. AND THAT'S
8 THE FRUSTRATION FOR ME BECAUSE IT WOULD -- IT'S TOUGH TO
9 JUST ACCEPT AT FACE VALUE A COMMENT FROM AN ENTITY THAT
10 WANTS TO GET \$100 MILLION OR WHATEVER TO BUILD BUILDINGS
11 FROM THIS SOURCE AND THEN NOT HAVE TO GET IT ANYWHERE
12 ELSE. WHO WOULDN'T? IT WOULD BE GREAT TO HAVE SOME
13 OBJECTIVE THIRD-PARTY EVALUATOR.

14 CHAIRMAN KLEIN: AND THAT'S PART OF THE REASON,
15 JOAN, ON THE FACILITIES GROUP THAT I THINK YOU SPOKE TO
16 AND MANY OF THE OTHER MEMBERS HERE SPOKE TO INSTITUTIONAL
17 COMMITMENT. AND IF PEOPLE REALLY WANT TO PARTICIPATE,
18 THEY'RE GOING TO HAVE TO MAKE A SERIOUS COMMITMENT. IN
19 SOME CASES MAYBE IT'S TWO TIMES WHAT WE GIVE, IN SOME
20 CASES IT'S THREE TIMES, SOME CASES OF EXTRAORDINARY
21 CAPACITY, MAYBE IT'S ONE AND A HALF TIMES. BUT THE
22 INSTITUTIONAL COMMITMENT TO REALLY HELP US EXPAND OUR
23 MISSION IS AN IMPORTANT ELEMENT.

24 MS. SAMUELSON: WHICH THAT'S SOMETHING THAT WE
25 LOOK AT IN THE NEXT PHASE.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: EXACTLY. QUESTION? DOES
2 SOMEONE WANT TO MAKE A MOTION HERE OR WHAT IS THE DESIRE
3 OF THE COMMITTEE? WE CAN MAKE A MOTION EITHER TO MOVE
4 ONE OF THESE, OR WE COULD MAKE A MOTION TO RECOMMEND THAT
5 ALL OF THESE GO FORWARD TO THE NEXT PHASE OF FUNDING; IS
6 THAT CORRECT, JAMES?

7 MR. HARRISON: YEAH. I WOULD RECOMMEND THAT
8 YOU FIRST CONSIDER ANY MOTIONS THAT A BOARD MEMBER MIGHT
9 HAVE TO MOVE AN APPLICATION FROM THIS CATEGORY TO
10 ANOTHER. ONCE YOU'RE SURE THAT THERE ARE NO SUCH
11 MOTIONS, YOU CAN TAKE UP A MOTION TO APPROVE.

12 CHAIRMAN KLEIN: ARE THERE ANY MOTIONS TO MOVE
13 ANY OF THESE TO THE NEXT CATEGORY? NO. ARE THERE ANY
14 MOTIONS TO PERMIT ALL OF THE ONES RECOMMENDED BY THE
15 SCIENTIFIC AND MEDICAL WORKING GROUP TO GO FORWARD TO
16 PART B?

17 DR. LOVE: SO MOVED.

18 DR. PRICE: SECOND.

19 CHAIRMAN KLEIN: DR. LOVE, SECOND BY DR. PRICE.
20 I TAKE IT THOSE ARE IN ORDER? YES. COULD YOU PLEASE AT
21 THIS POINT READ THOSE TO REMIND US OF WHO CAN, IN FACT,
22 VOTE ON THIS MOTION? WE WILL TAKE PUBLIC COMMENT, BUT
23 COULD YOU REMIND US OF WHO CAN VOTE?

24 MS. PACHTER: YES. PRICE, FRIEDMAN, KLEIN,
25 LOVE, PENHOET, ROTH, SAMUELSON, SERRANO-SEWELL, AND

BARRISTERS' REPORTING SERVICE

1 WRIGHT.

2 CHAIRMAN KLEIN: OKAY. PUBLIC COMMENT?

3 MR. SIMPSON: JOHN SIMPSON FROM THE FOUNDATION
4 FOR TAXPAYER AND CONSUMER RIGHTS. I'D URGE YOU TO VOTE A
5 NO ON THIS MOTION SO THAT YOU CAN, IN FACT, CONSIDER A
6 MOTION THAT WOULD MOVE THE UNIVERSITY OF SOUTHERN
7 CALIFORNIA'S APPLICATION, AND I HAPPEN TO BE A USC ALUM,
8 DOWN AND ONLY HAVE IT IN THE X AND Y CATEGORIES. IT DOES
9 SEEM TO ME YOU'RE IN AN INTERESTING SITUATION WHERE EVERY
10 INSTITUTION THAT ASKED TO BE A CIRM INSTITUTE IS BEING
11 INVITED TO GO FORWARD. AND I THINK YOU'VE ALREADY
12 REALIZED THAT YOU'VE GOT TO START TO MAKE SOME WINNOWING
13 REMARKS. IF THIS IS ALL ABOUT THE SCIENCE, I HAVE TO
14 THINK THAT A 72 IS A PRETTY DISMAL SCORE COMPARED TO
15 WHAT'S GOING ON IN THE OTHERS. SO TO PRESERVE THE
16 FLEXIBILITY, I WOULD ENCOURAGE YOU TO VOTE THIS MOTION
17 DOWN AND THEN REINTRODUCE A MOTION THAT WOULD MOVE THE
18 UNIVERSITY OF SOUTHERN CALIFORNIA, WHICH IS WHO IT
19 CLEARLY IS, DOWN INTO THE CENTER OF EXCELLENCE CATEGORY.
20 THANK YOU.

21 CHAIRMAN KLEIN: OKAY. ADDITIONAL PUBLIC
22 COMMENT ON THIS CATEGORY?

23 DR. LUBEN: BURT LUBEN, CHILDREN'S HOSPITAL IN
24 OAKLAND. I'D LIKE TO COMMENT ABOUT THE Z CATEGORY AND
25 THE COMMENTS THAT I HEARD ABOUT THAT NOBODY IS DOING Z

BARRISTERS' REPORTING SERVICE

1 WORK NOW. NOW, IF WE'RE SAYING THAT FIVE YEARS FROM NOW
2 THERE WOULD BE A POTENTIAL, THAT'S WONDERFUL. OTHERWISE
3 WE WOULDN'T BE SITTING IN THIS ROOM, THAT ALL OF THIS
4 WILL TRANSLATE INTO SOMETHING THAT CAN GO INTO PATIENTS.
5 BUT THERE ARE PEOPLE THAT ARE DOING THINGS IN PATIENTS
6 RIGHT NOW. AND I'M NOT SURE THE REVIEWERS THAT LOOKED AT
7 THE APPLICATIONS APPRECIATED THAT THERE'S A DIFFERENCE IN
8 THE SCIENCE RELATED TO THAT. AND I WONDER WHETHER THE Z
9 CATEGORIES FOR EACH OF THESE MAJOR INSTITUTIONS REALLY
10 REFLECT WHAT THE INTENTION OF PROPOSITION 71 WAS. AND IF
11 THE ICOC FEELS IT DOES, I APPRECIATE THAT. I'M ASKING
12 THE QUESTION.

13 MR. REED: I CAN SEE ARGUMENTS FOR BOTH SIDES.
14 THERE ARE A SIGNIFICANT NUMBER DIFFERENCE BETWEEN 32
15 POINTS FROM THE TOP SIX AND THEN AN ADDITIONAL 32. BUT
16 SINCE THERE WAS A DIFFERENT STANDARD USED TO DETERMINE
17 THAT SCIENTIFIC SCORE, AT LEAST, I THINK THAT'S NOT QUITE
18 AS SIGNIFICANT.

19 THE REASON I WOULD BE IN FAVOR OF INCLUDING
20 THIS IN THE TOP CATEGORY IS BECAUSE I SEE IT AS 64
21 SCIENTISTS. THAT'S A SMALL ARMY WHICH WE COULD MOBILIZE
22 64 SCIENTISTS IN A GOOD CAUSE. I'M IN FAVOR OF THAT.

23 CHAIRMAN KLEIN: OKAY. ANY ADDITIONAL COMMENTS
24 FROM THE BOARD?

25 MS. SAMUELSON: I'D LIKE TO MAKE ONE, JUST

BARRISTERS' REPORTING SERVICE

1 EXPLAIN MY VOTE, ESPECIALLY IN RESPONSE TO JOHN SIMPSON.
2 I THINK BECAUSE AT OTHER POINTS IT HAS SEEMED THAT WE
3 WILL GET MORE DEPTH OF UNDERSTANDING THROUGH THIS PROCESS
4 AND THEN INTO THE NEXT ONE, THAT I'M GOING TO ERR IN
5 FAVOR OF INCLUSIVITY AT THIS PHASE. AND MY SUPPORT MAY
6 MEAN NOTHING AT THE END.

7 MR. ROTH: MR. CHAIRMAN, I JUST WANT TO MAKE
8 ONE ADDITIONAL COMMENT THAT I MADE PREVIOUSLY AND REMIND
9 THAT THE FUNDING RANGES ARE GUIDELINES ONLY. SO I'M
10 GOING TO VOTE IN FAVOR WITH THAT CAVEAT, THAT EVERYBODY
11 CLEARLY UNDERSTANDS THIS DOESN'T GUARANTEE YOU THE
12 MINIMUM FUNDING. WE'LL LOOK AT THAT.

13 CHAIRMAN KLEIN: I THINK THAT'S ABSOLUTELY
14 CORRECT.

15 MR. ROTH: I THINK THAT'S JUST IMPORTANT
16 BECAUSE I DON'T WANT THE APPLICANTS TO BE MISLED, THAT
17 THEY ARE NOW GOING TO GET AT LEAST 25 MILLION.

18 CHAIRMAN KLEIN: THAT'S RIGHT.

19 DR. FRIEDMAN: JUST TO ELABORATE ON THAT,
20 BECAUSE I STRONGLY AGREE WITH WHAT DUANE IS SAYING. IT
21 DOESN'T MEAN THAT ANYBODY -- IT DOESN'T MEAN THAT A
22 PARTICULAR APPLICATION WILL GET ANY MONEY.

23 CHAIRMAN KLEIN: THAT'S RIGHT.

24 DR. FRIEDMAN: BECAUSE AT THE NEXT ROUND
25 DECISIONS MAY BE SO CLEAR, THAT CERTAIN APPLICATIONS

BARRISTERS' REPORTING SERVICE

1 REQUIRE A CERTAIN AMOUNT OF MONEY FOR SUCCESS, AND THAT
2 MAY EXHAUST ALL THE MONEY IN A RANK ORDER.

3 CHAIRMAN KLEIN: THAT'S RIGHT. OKAY. COUNSEL.

4 MS. PACTER: I'D LIKE TO RESTATE THE MOTION
5 FOR THE RECORD. THE MOTION IS TO MOVE APPLICATIONS NO.
6 607, 609, 612, 618, 613, 611, AND 619 TO INVITE THEM TO
7 PARTICIPATE IN PART 2 OF THE MAJOR FACILITIES AWARDS IN
8 THE INSTITUTE CATEGORY.

9 CHAIRMAN KLEIN: THANK YOU, COUNSEL. MELISSA
10 KING, PLEASE CALL THE ROLL.

11 MS. KING: ROBERT PRICE.

12 DR. PRICE: YES.

13 MS. KING: MICHAEL FRIEDMAN.

14 DR. FRIEDMAN: YES.

15 MS. KING: BOB KLEIN.

16 CHAIRMAN KLEIN: YES.

17 MS. KING: TED LOVE.

18 DR. LOVE: YES.

19 MS. KING: ED PENHOET.

20 DR. PENHOET: YES.

21 MS. KING: DUANE ROTH.

22 MR. ROTH: YES.

23 MS. KING: JOAN SAMUELSON.

24 MS. SAMUELSON: YES.

25 MS. KING: DAVID SERRANO-SEWELL.

BARRISTERS' REPORTING SERVICE

1 MR. SERRANO-SEWELL: YES.

2 MS. KING: JANET WRIGHT.

3 DR. WRIGHT: YES.

4 MS. KING: THAT MOTION CARRIES.

5 CHAIRMAN KLEIN: THANK YOU. IF WE COULD PLEASE
6 SEE THE NUMBERS FOR THE CENTER OF EXCELLENCE CATEGORY.

7 DR. LEVEY: BOB, CAN I ASK A QUESTION? I THINK
8 I CAN ASK A QUESTION NOW.

9 CHAIRMAN KLEIN: YES. DOES THIS PERTAIN TO
10 THIS CATEGORY?

11 DR. LEVEY: YEAH. AS WE'RE BEGINNING TO
12 DISCUSS THE CENTERS OF EXCELLENCE, THERE'S ONE CENTER OF
13 EXCELLENCE THAT WAS SORT OF AWAY FROM THOSE TWO. AND I
14 DON'T UNDERSTAND WHY ARE WE NOT GETTING THE SCORES?

15 CHAIRMAN KLEIN: YOU CAN. THE PROCESS WOULD BE
16 TO ASK FOR A DISCUSSION; AND IF YOU FEEL IT'S APPROPRIATE
17 TO MAKE A MOTION RELATED TO THAT, THEN THE SCORE WOULD BE
18 SHOWN BEFORE THERE WOULD BE ANY ACTION ON THE MOTION. SO
19 YOU CAN IN THIS CATEGORY CERTAINLY ASK. YOU MAY WANT TO
20 ASK WHETHER THE SCORES ARE IN A REASONABLY CLOSE RANGE IN
21 EITHER CATEGORY X OR Y TO THE SCORES OF OTHERS
22 RECOMMENDED WITHIN THIS GROUP.

23 DR. LEVEY: I CERTAINLY WOULD MAKE THAT MOTION,
24 AND I'D CERTAINLY LIKE TO KNOW IT BECAUSE ONE OF THE
25 THINGS, AS WE'VE GONE OVER GRANTS PREVIOUSLY, IT'S BEEN

BARRISTERS' REPORTING SERVICE

1 WE'VE HAD THE ABILITY TO SORT OF IDENTIFY INDIVIDUAL
2 GRANTS THAT SEEM TO LAY OUT OF THE FUNDABLE RANGE AND
3 UPON RECONSIDERATION WE'VE CHANGED THAT. SO I CERTAINLY
4 WOULD LIKE TO HEAR THE SCORES. I WILL PUT THAT IN THE
5 FORM OF A MOTION.

6 DR. PRIETO: SECOND.

7 CHAIRMAN KLEIN: SO THERE IS A MOTION AND A
8 SECOND.

9 MS. PACTER: YOU DON'T NEED A MOTION. IT'S
10 JUST A REQUEST FROM A MEMBER OF THE BOARD. YOU DON'T
11 NEED TO MAKE A MOTION FOR THAT.

12 DR. PRIETO: MR. CHAIRMAN, COULD I REQUEST,
13 THEN, THE SCORES FOR ALL THE REMAINING SPECIAL PROGRAM
14 AND CENTER OF EXCELLENCE?

15 CHAIRMAN KLEIN: THAT'S NOT UNDER CONSIDERATION
16 AT THIS TIME. WE ARE ON CENTERS OF EXCELLENCE. OKAY.

17 SO IS THERE A DISCUSSION ON THIS ITEM? WOULD
18 SOMEONE LIKE A PRESENTATION ON THIS, ON 615? LET ME ASK
19 A QUESTION HERE. THIS HAS TWO SCORES, ONE OF 68 AND ONE
20 OF 27. ON A SINGLE-ELEMENT BASIS, IS THAT SCORE
21 REASONABLY CLOSE TO THE CATEGORY BELOW, TO THE LOWEST ONE
22 AS RECOMMENDED FOR FUNDING IN THE CATEGORY BELOW?

23 MR. ROTH: THERE'S A 70.

24 DR. OLSON: YES. IT IS REASONABLY CLOSE TO A
25 SINGLE ELEMENT THAT IS RECOMMENDED FOR FUNDING.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: IN THAT CONTEXT, WOULD ANYONE
2 ON THE BOARD LIKE TO HEAR A DISCUSSION OF THE SINGLE
3 ELEMENT X IN THIS APPLICATION?

4 DR. PRIETO: I WOULD.

5 CHAIRMAN KLEIN: DR. PRIETO WOULD. DR. OLSON,
6 WHO WOULD BE PRESENTING THAT?

7 DR. OLSON: DR. NIGH.

8 DR. NIGH: SO THIS INSTITUTION PROPOSES TO
9 DEVELOP A CENTER FOR EXCELLENCE IN RESEARCH ELEMENTS X
10 AND Y. THE ADDITIONAL SPACE, WHICH WILL BE ADJACENT TO
11 AN EXISTING CIRM-FUNDED SHARED RESEARCH LAB GRANT, WILL
12 PROVIDE APPROXIMATELY 10,000 SQUARE FEET OF ADDITIONAL
13 LABORATORY, OFFICE, VIVARIUM, AND SUPPORT SPACE. AN
14 EXISTING VIVARIUM WILL BE EXTENDED AND RENOVATED AND WILL
15 INCLUDE SPACE FOR AN ANIMAL IMAGING FACILITY.

16 THERE ARE ALREADY 15 PARTICIPATING FACULTY AS
17 PART OF AN EXISTING STEM CELL CENTER AND FIVE PI'S
18 ACTIVELY WORKING ON STEM CELLS IN RESEARCH PROJECTS.
19 THREE OF THE FIVE PI'S HAVE ACTIVE CIRM GRANTS. THE
20 INSTITUTION HAS ALREADY APPROVED ANOTHER FOUR HIRES OVER
21 THE NEXT THREE TO FIVE YEARS IN STEM CELL SCIENCE, AND
22 ONE OF THESE IS IN THE ELEMENT THAT YOU ARE DISCUSSING,
23 WHICH IS ELEMENT X. THE OTHER TWO WERE IN ELEMENT Y.

24 THE SCIENTIFIC FOCUS OF ELEMENT X IS ON THREE
25 AREAS: HIGH THROUGHPUT ANALYSIS OF STEM CELLS, STUDIES

BARRISTERS' REPORTING SERVICE

1 ON THE STEM CELL NICHE, AND ANALYSIS OF SIGNAL
2 TRANSDUCTION MECHANISMS THAT ARE IMPORTANT FOR RETAINING
3 PLURIPOTENCY VERSUS DIFFERENTIATION.

4 THE STRENGTH OF THIS APPLICATION -- REVIEWERS
5 COMMENTED THAT ELEMENT X OF THE APPLICATION WAS STILL IN
6 ITS INFANCY. THE STRENGTH OF THE APPLICATION IS THAT THE
7 INSTITUTION WILL BUILD ON AN ALREADY GROWING PROGRAM.
8 THREE EXISTING FACULTIES I MENTIONED HAVE CIRM GRANTS,
9 AND THE INSTITUTION WAS AWARDED MONEY FOR A CIRM SHARED
10 RESEARCH LABORATORY. THE RESOURCES PROVIDED BY CIRM
11 WOULD HELP EXPAND THE PHYSICAL SPACE TO HOUSE THE
12 ADDITIONAL THREE RESEARCHERS.

13 WEAKNESSES OUTWEIGH THE STRENGTHS FOR THIS
14 PROPOSAL; HOWEVER, A MAJOR CONCERN IS THAT ALTHOUGH
15 INDIVIDUAL FACULTY HAVE EXCELLENT AND FOCUSED RESEARCH
16 PROGRAMS, THERE IS LITTLE EVIDENCE FOR INTRA AND
17 INTERINSTITUTIONAL COLLABORATION. FURTHERMORE, THIS
18 INSTITUTION HAS ALREADY RECEIVED SUBSTANTIAL FUNDS TO
19 BUILD ONE BUILDING, AND IT IS NOT CLEAR WHAT THE
20 JUSTIFICATION IS FOR THE SECOND BUILDING GIVEN THE SIZE
21 OF THE PROPOSED FACULTY. THESE NEW FUNDS WOULD RENOVATE
22 A NEIGHBORING BUILDING TO HOUSE VERY FEW ADDITIONAL
23 RESEARCHERS.

24 FINALLY, ALTHOUGH TWO OF THE PI'S ARE IN PLACE
25 FOR ELEMENT X, NO ONE IS IN PLACE FOR ELEMENT Y. WE ARE

BARRISTERS' REPORTING SERVICE

1 NOW DISCUSSING ELEMENT Y.

2 IN SUMMARY, THE REVIEWERS FELT THE
3 INSTITUTION'S STEM CELL PROGRAM WAS AT TOO PRELIMINARY A
4 STAGE TO JUSTIFY SUPPORTING THE CURRENT APPLICATION,
5 ESPECIALLY AS THERE IS NO MEDICAL SCHOOL AS YET. UNDER
6 FORMAL INSTITUTIONAL COLLABORATIONS, NO FORMAL
7 COLLABORATIONS ARE DEFINED FOR THE PROPOSAL; HOWEVER,
8 THERE ARE SOME ACTIVE SCIENTIFIC COLLABORATIONS WITH
9 SCIENTISTS AT NEIGHBORING INSTITUTIONS. NO DETAILS ARE
10 PROVIDED IN THIS X ELEMENT, SO THE STRENGTHS AND
11 WEAKNESSES CANNOT BE ENUMERATED.

12 THE PLANS FOR GROWTH, THE INSTITUTION IS
13 COMMITTED TO ADDING FOUR NEW FACULTY FOR THE STEM CELL
14 CENTER, AND THE COMMITMENT IS INCREASED AROUND A PLANNED
15 NEW MEDICAL SCHOOL FOR 2012 WITH A STRONG INTEREST IN
16 REGENERATIVE MEDICINE. THIS WAS VIEWED AS A STRENGTH OF
17 THIS PROPOSAL IN THE X ELEMENT. THERE ARE ALSO A NUMBER
18 OF RESEARCHERS USING STEM CELLS THAT ARE OUTSIDE OF THE
19 PROPOSED STEM CELL CENTER AND WHICH WOULD POTENTIALLY
20 CONTINUE TO GROW AS INDIVIDUAL DEPARTMENTS RECRUIT NEW
21 FACULTY SUPPORTING MORE INTERDISCIPLINARY INTERACTIONS.

22 OVERALL THE DISCUSSION CENTERED AROUND THE
23 FEELING THAT, ALTHOUGH THE INSTITUTION DOES HAVE 15 STEM
24 CELL BIOLOGISTS, ONLY FIVE OF THEM ARE LISTED IN THE CORE
25 AND SOME OF THEM ARE OUTSTANDING. THE PROGRAM IS STILL

BARRISTERS' REPORTING SERVICE

1 IN ITS INFANCY AND SUFFERS FROM A LACK OF COHERENCE.
2 REVIEWERS WERE NOT OF THE OPINION THAT THIS CORE GROUP OF
3 FIVE CONSTITUTED A CRITICAL MASS TO ENSURE A SUCCESSFUL
4 STEM CELL SCIENCE PROGRAM.

5 IF THERE ARE ANY OTHER SPECIFIC QUESTIONS?

6 CHAIRMAN KLEIN: THANK YOU VERY MUCH.

7 MS. PACTER: MR. CHAIR, BEFORE WE GO FORWARD,
8 IF I MAY, I JUST WANTED TO IDENTIFY THOSE MEMBERS OF THE
9 BOARD WHO CANNOT PARTICIPATE IN THIS DISCUSSION. IT'S A
10 SMALL NUMBER WHO ARE HERE. PENHOET, POMEROY, AND PRICE
11 MAY NOT PARTICIPATE IN THIS DISCUSSION. IN ADDITION, IF
12 THERE'S DISCUSSION ABOUT MOVING THIS APPLICATION TO THE
13 NEXT CATEGORY AS A SPECIAL PROGRAM, DR. BRENNER MAY NOT
14 PARTICIPATE IN THAT DISCUSSION.

15 DR. NIGH: THERE WAS A PROGRAMMATIC DISCUSSION
16 OF THIS ELEMENT WITHIN THE REVIEW. AND A MOTION WAS MADE
17 TO DROP THE APPLICATION FROM A TWO-ELEMENT CIRM CENTER OF
18 EXCELLENCE TO A SINGLE-ELEMENT CIRM INSTITUTE
19 APPLICATION. HOWEVER, REVIEWERS COMMENTED THAT EVEN
20 ELEMENT X HAS A LOWER SCORE THAN THE PROGRAMS THAT WERE
21 FUNDED IN THE SINGLE-ELEMENT SECTION. PANELISTS
22 COMMENTED THAT CIRM HAS LIMITED FUNDS FOR FACILITIES, AND
23 THERE ARE MANY APPLICATIONS IN THE POOL THAT ARE MUCH
24 MORE MERITORIOUS THAN THIS ONE. IT IS HARD TO POINT TO A
25 UNIQUE FEATURE IN THE APPLICATION THAT WOULD JUSTIFY

BARRISTERS' REPORTING SERVICE

1 FUNDING IT, AND PANELISTS DID NOT SEE A PROGRAMMATIC
2 REASON FOR KEEPING IT. THE MOTION TO RECOMMEND FOR
3 CONSIDERATION AS A CIRM SPECIAL PROGRAM DID NOT PASS.

4 CHAIRMAN KLEIN: THANK YOU. ADDITIONAL
5 QUESTIONS?

6 DR. PRIETO: I'M QUESTIONING THAT ASSESSMENT
7 WHEN THE DIFFERENCE IN THE ELEMENT X SCORE BETWEEN 68,
8 70, AND 72 HARDLY SEEMS OVERWHELMING.

9 CHAIRMAN KLEIN: ONE POSSIBILITY, DR. PRIETO,
10 IS, AND, COUNSEL, CORRECT ME IF I'M WRONG, IS TO MOVE --
11 HAVE A MOTION TO CONDITIONALLY MOVE IT TO THE LOWER TIER
12 AND THEN CONSIDER IN THE CONSIDERATION OF THE LOWER TIER,
13 COME BACK TO THAT AT THE END OF THE LOWER TIER AND DECIDE
14 WHETHER YOU WANT TO KEEP IT IN THE LOWER TIER OR IT IS
15 NOT COMPETITIVE.

16 DR. PRIETO: OKAY. I'LL MAKE THAT MOTION.

17 CHAIRMAN KLEIN: IS THERE A SECOND FOR THAT
18 MOTION?

19 DR. WRIGHT: SECOND.

20 CHAIRMAN KLEIN: DR. WRIGHT. IS THERE
21 ADDITIONAL QUESTIONS FROM THE BOARD?

22 MS. SAMUELSON: YEAH. I'D LIKE TO MAKE A
23 COMMENT. IT'S RELEVANT TO ME IN TERMS OF NOT WANTING TO
24 PUT IT IN A LOWER CATEGORY OR KICK IT OUT AT THIS STAGE,
25 THAT MY UNDERSTANDING IS THAT THIS PROGRAM WOULD BE IN A

BARRISTERS' REPORTING SERVICE

1 GEOGRAPHIC AREA THAT WOULDN' T OTHERWISE BE SERVED BY ANY
2 OF THE OTHER APPLICANTS, AND THAT THE PROGRAM IS, IN
3 FACT, IN ITS INFANCY AND ESPECIALLY SO AT THIS
4 INSTITUTION. AND THAT IF ONE AIM OF OUR EFFORT IS TO
5 BUILD THEM AND THEN THEY WILL COME, THIS IS WHEN WE'RE
6 BUILDING THEM, AND IT'S THE ONLY SHOT IN WHICH TO DO
7 THAT. IT MIGHT BE THAT SOME BRILLIANT PERSON IS GOING TO
8 ARRIVE ON THE DOORSTEP OF THIS LOCATION NEXT YEAR AND
9 THEN REALLY LEAD A WONDERFULLY PRODUCTIVE PROGRAM THAT
10 WON'T HAVE ANOTHER OPPORTUNITY TO BUILD A BUILDING WITH
11 OUR MONEY, THE PEOPLE'S MONEY.

12 MR. ROTH: CAN I ASK A QUESTION ON THE REVIEW?

13 CHAIRMAN KLEIN: JEFF SHEEHY AND THEN I'LL GO
14 TO YOU, DUANE.

15 MR. SHEEHY: I JUST -- WE'RE REDOING WHAT WE
16 DID IN THE PROGRAMMATIC REVIEW. AND IF YOU WANT TO DO
17 THAT, THAT'S FINE. BUT EVEN THOUGH THE SCORES ARE KIND
18 OF CLUMPED, THERE WAS A QUALITATIVELY DIFFERENT FEELING
19 ABOUT THE OTHER SCORES. AND I THINK THAT THERE IS THIS
20 ELEMENT OF COHERENCE THAT'S IMPORTANT IN WHAT PEOPLE WERE
21 TRYING TO DO IN TERMS OF THE PROGRAM. AND ONE OF THE
22 ONES THAT SUCCEEDED IN THE ONE ELEMENT -- I THINK I CAN
23 SPEAK TO THAT SAFELY, YES -- SCORED FAIRLY CLOSE TO THIS
24 AND IS IN A GEOGRAPHICALLY EXOTIC, I WON'T SAY EXOTIC.
25 REMEMBER I'M FROM SAN FRANCISCO. I'M ACTUALLY IN THE

BARRISTERS' REPORTING SERVICE

1 GEOGRAPHI CALLY EXOTI C AREA.

2 BUT, YOU KNOW, THERE WAS A TIGHTNESS TO THAT
3 PROPOSAL AND A RATIONALE AND COHERENCE, AND THIS WAS JUST
4 NOT SO IN THIS ONE. AND THE SCIENTISTS -- IT JUST WASN' T
5 THERE. AND I WOULD NOT PERSONALLY SUPPORT MOVING IT
6 MYSELF. I JUST DON' T THINK THEY MADE THE MARK MYSELF.

7 MR. ROTH: JUST A QUICK QUESTION. DID THIS
8 FACI LITY RECEIVE A SHARED FACI LITY GRANT PREVIOUSLY?

9 DR. NIGH: YES, IT DID.

10 MR. ROTH: DO YOU KNOW THE AMOUNT?

11 DR. NIGH: DO WE KNOW THE AMOUNT?

12 CHAIRMAN KLEIN: WE DO KNOW THE AMOUNT. WHILE
13 THE STAFF IS LOOKING FOR IT, MAYBE WE CAN TAKE DR. LOVE' S
14 QUESTION.

15 DR. LOVE: I WAS JUST GOING TO AGREE WITH JEFF
16 WITH THE EXCEPTION OF THE EXOTI C AREA COMMENT BECAUSE I
17 DO THINK, AS I READ THROUGH THIS, YOU GOT TO SENSE THAT
18 THERE WAS SOMETHING ABOUT HOW THE GRANT IN TOTALITY WAS
19 BEING REVIEWED THAT DIDN' T MAKE PEOPLE FEEL THAT GOOD.
20 AND I THINK IT CAN BE POTENTIALLY DANGEROUS FOR US TO
21 TAKE A SINGLE SCORE ARGUABLY OUT OF CONTEXT AND THEN TRY
22 TO COMPARE IT ACROSS. WE DID DELEGATE TO THE GROUP TO DO
23 IT, AND I THINK THEY, AT LEAST IF YOU READ THROUGH THE
24 MATERIALS, DID NOT GIVE US A LOT OF COMFORT ABOUT FUNDING
25 THIS. AT LEAST I DIDN' T FEEL MUCH COMFORT ABOUT FUNDING

BARRISTERS' REPORTING SERVICE

1 IT.

2 CHAIRMAN KLEIN: ALL RIGHT. ADDITIONAL
3 QUESTIONS FROM THE BOARD?

4 DR. WRIGHT: JUST A CLARIFICATION. THE MOTION,
5 THOUGH, WAS TO MOVE THIS TO THE SINGLE-ELEMENT CATEGORY,
6 NOT TO COMMENT ON FUNDING. WE WILL DISCUSS FUNDING FOR
7 THE SINGLE-ELEMENT CATEGORY AT SOME POINT LATER TONIGHT,
8 RIGHT?

9 CHAIRMAN KLEIN: WELL, THE RECOMMENDATION TO GO
10 FORWARD TO PART 2. I THINK YOU'RE REFERRING TO THE FACT
11 IT WAS A CONDITIONAL MOTION TO MOVE IT TO THE LOWER
12 CATEGORY IN TERMS OF CONDITIONALLY CONSIDERING IT AFTER
13 WE REVIEWED THE OTHERS IN THAT CATEGORY TO SEE WHETHER IT
14 WOULD BE RECOMMENDED TO GO FORWARD TO PART B.

15 DR. LOVE: I READ THROUGH THE MATERIALS. MY
16 IMPRESSION WAS THAT THE WORKING GROUP ACTUALLY DID THAT
17 FOR US. THEY ACTUALLY LOOKED AT LET'S STRIKE IT DOWN TO
18 BEING EVALUATED IN THAT CATEGORY, AND THEIR REVIEW THERE
19 WAS WE WOULD NOT FUND IT. THE WAY I READ IT ANYWAY, THEY
20 KIND OF ALREADY DID THAT AND ALREADY CAME UP NEGATIVE, AT
21 LEAST IN THE RECOMMENDATION.

22 CHAIRMAN KLEIN: I THINK DR. PRIETO IS TAKING
23 THE POSITION THAT SINCE WE HAVE THE ULTIMATE DECISION ON
24 ALL OF THESE REVIEWS, THAT HE WOULD LIKE TO LOOK AT IT IN
25 CONTEXT OF THE OTHERS IN THAT SINGLE-ELEMENT COMPETITION.

BARRISTERS' REPORTING SERVICE

1 OKAY. ADDITIONAL COMMENTS FROM THE PUBLIC?

2 MR. SIMPSON: JOHN SIMPSON, FOUNDATION FOR
3 TAXPAYER AND CONSUMER RIGHTS. I WOULD URGE YOU TO VOTE
4 FOR THE MOTION OR TO MOVE IT DOWN TO THE SINGLE ELEMENT
5 AND CONSIDER IT IN THAT CONTEXT. IT DOES SEEM TO ME THAT
6 A 68 AND 70 ARE VIRTUALLY THE SAME. AND YOU CAN, OF
7 COURSE, REJECT IT IN THAT CONTEXT.

8 I WOULD ACTUALLY REMIND YOU THAT ALL THE
9 DECISIONS ARE MADE HERE, AND THE WORKING GROUPS ARE, IN
10 FACT, ADVISORY. SO YOU SHOULD BE -- AT LEAST THAT'S WHAT
11 YOU TELL US. SO YOU SHOULD ACT THAT WAY IF IT'S, IN
12 FACT, THE CASE. AND I WOULD DEFINITELY MOVE IT DOWN AND
13 CONSIDER INVITING THEM TO GO FOR ONE ELEMENT.

14 CHAIRMAN KLEIN: OKAY. JEFF.

15 MR. SHEEHY: I JUST WANT TO MAKE A COMMENT.
16 EVERYONE SEEMS TO BE FOCUSING ON THE 68 AND THE 70, AND
17 THE U ELEMENT IS IMPORTANT. AND THEY DIDN'T TAKE THE TWO
18 OTHER ONES AND AVERAGE THEM. THAT'S NOT WHAT THEY DID.
19 THE U IS A SEPARATE SCORE, AND THE U IS A 42, AND THAT
20 SPEAKS TO THE COHERENCE OF THE PROPOSAL.

21 AND, YOU KNOW, SO I LOOK AT THE 42 COMPARED TO
22 A 70 AND 71, AND THEN I LOOK AT THE 68, AND I JUST -- I
23 DON'T FEEL COMFORTABLE MYSELF.

24 DR. NIGH: MR. CHAIRMAN, WE HAVE THE NUMBER ON
25 THE SHARED LAB AMOUNT THAT WAS BESTOWED TO THIS

BARRISTERS' REPORTING SERVICE

1 INSTITUTION THAT WAS REQUESTED, 2.795 MILLION.

2 CHAIRMAN KLEIN: 2,750,000.

3 DR. NIGH: 2.8 MILLION.

4 CHAIRMAN KLEIN: AND I BELIEVE YOU MENTIONED
5 THAT THERE WERE -- THIS INSTITUTION IN THE Y CATEGORY HAD
6 RECEIVED A GRANT FROM US; IS THAT CORRECT?

7 DR. NIGH: THERE ARE THREE SEED -- THERE ARE
8 TWO SEED GRANTS, AND I BELIEVE BOTH OF THE SEED GRANTS
9 WERE IN THE X ELEMENT. THERE ARE NO -- WE HAVE NOT
10 AWARDED IN THE Y ELEMENT.

11 CHAIRMAN KLEIN: THANK YOU FOR THE
12 CLARIFICATION.

13 DR. PRIETO: JUST TO ADDRESS SOME OF JEFF'S
14 COMMENTS IN LIGHT OF MY MOTION. I'M NOT -- THIS IS NOT A
15 MOTION TO FUND THIS GRANT OBVIOUSLY, AND WE'RE NOT AT
16 THAT POINT YET. BUT I THINK THAT THE SCORES ARE CLOSE
17 ENOUGH, AND SOME OF THE COMMENTS OF THE REVIEWERS MAKE ME
18 WANT TO TAKE A CLOSER LOOK AT THIS. IT SEEMS OBVIOUS
19 THAT THIS IS A NEWER, YOUNGER INSTITUTION, YET ONE THAT
20 HAS ALREADY ATTRACTED 15 STEM CELL BIOLOGISTS, SOME OF
21 THEM OUTSTANDING. AND I WANT TO CONSIDER THIS IN LIGHT
22 OF THE POINTS THAT JOAN MADE.

23 IS THIS A NEW INSTITUTION TRYING TO ADVANCE OUR
24 CAPACITY IN STEM CELL RESEARCH IN THE STATE, AND SHOULD
25 WE BE ENCOURAGING AND FUNDING THAT? I THINK WE SHOULD

BARRISTERS' REPORTING SERVICE

1 LOOK AT THAT MORE SERIOUSLY.

2 CHAIRMAN KLEIN: DAVID SERRANO-SEWELL.

3 MR. SERRANO-SEWELL: IN ALL DEFERENCE TO THE
4 GRANTS WORKING GROUP, AND I DO RECALL THIS APPLICATION,
5 WHEN WE HAD THE DISCUSSION ON A PROGRAMMATIC BASIS, I
6 DON'T THINK IT RESONATED AS MUCH WITH THE OUT-OF-STATE
7 SCIENTISTS, THE GEOGRAPHIC IMPLICATIONS, BECAUSE
8 CALIFORNIA IS SO LARGE. IT'S LIKE ONE LOCATION IN
9 COMPARISON TO ANOTHER, ONE INSTITUTION COMPARED TO
10 ANOTHER INSTITUTION. THE SENSE THAT I HAD FROM THOSE
11 MEMBERS OF THE WORKING GROUP IS THEY DIDN'T HAVE THE
12 APPRECIATION THAT THIS WAS A NEW -- THEY UNDERSTOOD THAT
13 IT'S A NEW INSTITUTION THAT HAS CHALLENGES. BUT IN TERMS
14 OF FOSTERING A NEW INSTITUTION AND GIVING IT AN
15 OPPORTUNITY AND SOME LIFE AND IT'S AT ITS EARLY STAGES
16 AND IT'S AT A GEOGRAPHIC LOCATION THAT ISN'T SERVED, SO I
17 JUST WANTED TO ADD THAT ALSO BECAUSE, AS FRANCISCO IS
18 SAYING THAT, I SPECIFICALLY REMEMBER THAT WAS SOMETHING
19 THAT LEFT AN IMPRESSION WITH ME.

20 CHAIRMAN KLEIN: OF COURSE, THAT WOULD ONLY BE
21 RELEVANT IN THE CONTEXT IF THERE ARE 15 GREAT SCIENTISTS
22 THERE, WHICH I HAVEN'T REALLY INDEPENDENTLY EVALUATED,
23 BUT GEOGRAPHICALLY THEY HAVE THE SHARED LAB, WHICH IS
24 IMPORTANT FOR US TO CONSIDER, I THINK, IF, IN FACT, THIS
25 MOTION PASSES BECAUSE THEY DO HAVE THE ABILITY TO ADVANCE

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1 THEIR RESEARCH, BUT IT IS NOT AS IF THEY COULD
2 PARTICIPATE IN BUILDING THEIR INSTITUTION WITH A
3 NEIGHBORING INSTITUTION.

4 DR. NIGH: MR. CHAIRMAN, IF I MAY SPEAK TO A
5 COUPLE OF THOSE ISSUES. FIFTEEN WAS CITED BY THE
6 APPLICANT INSTITUTION AS THE NUMBER OF PEOPLE WHO ARE
7 INTERESTED IN STEM CELL RESEARCH AND WHO WILL ENGAGE IN
8 STEM CELL RESEARCH IN THE NEXT TWO TO FIVE YEARS. THE
9 CORE OF RESEARCHERS WHO CURRENTLY ENGAGES -- WHO DOES
10 RESEARCH ON PLURIPOTENT STEM CELLS IS ONLY FIVE. AND ONE
11 OF THE CRITICISMS OF THE BUILDING WAS THAT IT WOULD ONLY
12 HOUSE A TOTAL OF FOUR TO FIVE RESEARCHERS.

13 CHAIRMAN KLEIN: VERY HELPFUL. THANK YOU. SO
14 WE HAVE HAD DISCUSSION. I THINK IT IS IN ORDER TO CALL
15 THE QUESTION. AND COULD YOU REMIND US WHO CAN VOTE,
16 COUNSEL.

17 DR. FRIEDMAN: AND RESTATE THE MOTION, PLEASE.

18 MS. PACTER: I WILL RESTATE THE MOTION.
19 ABSOLUTELY. THE MOTION IS TO MOVE APPLICATION NO. 615 TO
20 THE SPECIAL PROGRAM CATEGORY FOR FURTHER CONSIDERATION.

21 MS. KING: DONALD DAFOE.

22 DR. DAFOE: NO.

23 MS. KING: FLOYD BLOOM.

24 DR. BLOOM: NO.

25 MS. KING: SUSAN BRYANT.

BARRISTERS' REPORTING SERVICE

1 DR. BRYANT: YES.

2 MS. KING: MICHAEL FRIEDMAN.

3 DR. FRIEDMAN: NO.

4 MS. KING: LEEZA GIBBONS. MICHAEL GOLDBERG.

5 MR. GOLDBERG: NO.

6 MS. KING: BRIAN HENDERSON. BOB KLEIN.

7 CHAIRMAN KLEIN: YES.

8 MS. KING: GERALD LEVEY.

9 DR. LEVEY: YES.

10 MS. KING: TED LOVE.

11 DR. LOVE: NO.

12 MS. KING: PHIL PIZZO. FRANCISCO PRIETO.

13 DR. PRIETO: YES.

14 MS. KING: DUANE ROTH.

15 MR. ROTH: NO.

16 MS. KING: JOAN SAMUELSON.

17 MS. SAMUELSON: NO.

18 MS. KING: DAVID SERRANO-SEWELL.

19 MR. SERRANO-SEWELL: YES.

20 MS. KING: JEFF SHEEHY.

21 MR. SHEEHY: NO.

22 MS. KING: OSWALD STEWARD.

23 DR. STEWARD: NO.

24 MS. KING: JANET WRIGHT.

25 DR. WRIGHT: YES.

BARRISTERS' REPORTING SERVICE

1 MS. PACHTER: MOTION DOES NOT CARRY.

2 CHAIRMAN KLEIN: THANK YOU. AT THIS POINT IT'S
3 VERY IMPORTANT TO HAVE ACUITY AND BRAIN POWER, SO WE WILL
4 ADJOURN FOR DINNER. IT ISN'T IN THE CATEGORY AT THIS
5 POINT, BUT WE'RE GOING -- WE DO NEED A MOTION, WHICH DR.
6 PENHOET -- WE DO NEED A MOTION TO ADDRESS WHETHER THIS
7 CATEGORY IS GOING TO BE RECOMMENDED TO PROCEED TO PART B.
8 IS THAT A CORRECT STATEMENT?

9 MS. PACHTER: WE NEED AN APPLICATION TO MOVE
10 THESE APPLICATIONS IF WE'RE GOING TO MOVE ALL OF THEM OR
11 SOME OF THEM ON TO PART 2.

12 CHAIRMAN KLEIN: TO BE INVITED TO SUBMIT TO
13 PART B. IS THERE A MOTION?

14 DR. LEVEY: I'LL MAKE THAT MOTION.

15 CHAIRMAN KLEIN: TO MOVE THE REMAINING TWO
16 APPLICATIONS, WHICH ARE 600-1 AND 610-1.

17 DR. LEVEY: SO MOVED.

18 MR. ROTH: SECOND.

19 CHAIRMAN KLEIN: THAT WAS MOVED AND SECONDED.
20 IS THERE DISCUSSION ON THIS ITEM? IS THERE DISCUSSION
21 FROM THE PUBLIC ON THIS ITEM. CAN WE HAVE THE ROLL CALL,
22 PLEASE? RESTATE THE MOTION.

23 MS. PACHTER: THE MOTION IS TO MOVE
24 APPLICATIONS TO INVITE APPLICANTS NO. 600 AND 610 TO
25 APPLY IN PART 2 FOR A CIRM CENTER OF EXCELLENCE.

BARRISTERS' REPORTING SERVICE

1 MS. KING: JUST TO CLARIFY, COUNSEL, DR.
2 BRENNER CAN VOTE ON THIS MOTION, CORRECT?
3 MS. PACHTER: THAT IS CORRECT.
4 MS. KING: DONALD DAFOE.
5 DR. DAFOE: YES.
6 MS. KING: FLOYD BLOOM.
7 DR. BLOOM: YES.
8 MS. KING: DAVID BRENNER.
9 DR. BRENNER: YES.
10 MS. KING: SUSAN BRYANT.
11 DR. BRYANT: YES.
12 MS. KING: MICHAEL FRIEDMAN.
13 DR. FRIEDMAN: YES.
14 MS. KING: MICHAEL GOLDBERG.
15 MR. GOLDBERG: YES.
16 MS. KING: BOB KLEIN.
17 CHAIRMAN KLEIN: YES.
18 MS. KING: GERALD LEVEY.
19 DR. LEVEY: YES.
20 MS. KING: TED LOVE.
21 DR. LOVE: YES.
22 MS. KING: FRANCISCO PRIETO.
23 DR. PRIETO: YES.
24 MS. KING: DUANE ROTH.
25 MR. ROTH: YES.

BARRISTERS' REPORTING SERVICE

1 MS. KING: JOAN SAMUELSON.

2 MS. SAMUELSON: YES.

3 MS. KING: DAVID SERRANO-SEWELL.

4 MR. SERRANO-SEWELL: YES.

5 MS. KING: JEFF SHEEHY.

6 MR. SHEEHY: YES.

7 MS. KING: OSWALD STEWARD.

8 DR. STEWARD: YES.

9 MS. KING: JANET WRIGHT.

10 DR. WRIGHT: YES.

11 MS. KING: THAT MOTION CARRIES.

12 CHAIRMAN KLEIN: THANK YOU. WE NOW HAVE THE
13 OPTION OF FUEL. MELISSA, COULD YOU PLEASE INDICATE WHERE
14 WE WILL ADJOURN TO?

15 MS. KING: DINNER FOR THE BOARD AND THE STAFF
16 WILL ACTUALLY BE IN THE RESTAURANT LOCATED BACK THROUGH
17 THE LOBBY AT THE OTHER END OF THE HOTEL. THERE'S A
18 SPECIAL --

19 CHAIRMAN KLEIN: COUNSEL, WILL WE BE USING THIS
20 TIME FOR AN EXECUTIVE SESSION?

21 MS. KING: THE LOCATION WHERE DINNER IS BEING
22 SERVED DOESN'T LEND ITSELF TO THAT.

23 CHAIRMAN KLEIN: THAT'S THE ANSWER. THANK YOU
24 VERY MUCH. SO WE WILL ADJOURN, 45 MINUTES. WE WILL
25 RETURN AND WE WILL TRY AND MOVE THROUGH THE NEXT ELEMENT

BARRISTERS' REPORTING SERVICE

1 EXPEDITIOUSLY.

2 (A RECESS WAS TAKEN.)

3 CHAIRMAN KLEIN: ALL RIGHT. IF WE COULD
4 RECONVENE. IF WE COULD RECONVENE HERE. I BELIEVE THAT
5 WE MAYBE NEED A COUPLE MORE MEMBERS FOR A QUORUM; IS THAT
6 CORRECT, COUNSEL?

7 MR. HARRISON: I BELIEVE THAT WITH THE MEMBERS
8 MAKING THEIR WAY BACK IN, WE'RE STILL ONE SHY.

9 CHAIRMAN KLEIN: THIRTY SECONDS, WE CAN DO
10 THAT. OKAY. DO WE HAVE --

11 MR. HARRISON: WE HAVE A QUORUM NOW.

12 CHAIRMAN KLEIN: WE'RE LIVE. ALL RIGHT. MY
13 EMINENT DISTINGUISHED COLLEAGUE TO MY LEFT, DR. LOVE, HAS
14 SUGGESTED THAT WE CAN PICK UP THE CONSENT ITEMS, IF
15 THAT'S APPROPRIATE, COUNSEL. SO, DR. LOVE, IS THAT A
16 MOTION? IS THERE A SECOND?

17 DR. BLOOM: SECOND.

18 CHAIRMAN KLEIN: MOTION AND SECOND.
19 DISCUSSION? DISCUSSION FROM THE AUDIENCE? ALL IN FAVOR.
20 OPPOSED? THANK YOU FOR YOUR LEADERSHIP, DR. LOVE.

21 WE WILL MOVE TO THE THIRD CATEGORY FOR
22 CONSIDERATION. AND, DR. OLSON, WOULD IT BE APPROPRIATE
23 TO HAVE THE SCORES AND THE APPLICATION NUMBERS DISPLAYED
24 FOR THAT CATEGORY?

25 MS. SAMUELSON: MR. CHAIRMAN, AS THEY'RE DOING

BARRISTERS' REPORTING SERVICE

1 THAT, I JUST WANTED TO NOTE FOR THE RECORD THAT I
2 INTENDED TO VOTE YES INSTEAD OF NO ON THE LAST VOTE
3 BEFORE THE BREAK. AND I'D LIKE TO JUST MAKE THAT POINT.
4 DOESN'T CHANGE ANYTHING.

5 CHAIRMAN KLEIN: I THINK IT'S THE VOTE BEFORE
6 LAST YOU'RE REFERRING TO.

7 MS. SAMUELSON: NOT THE ONE THAT WE JUST TOOK.

8 MS. PACHTER: THE RECORD SHOWS THAT YOU VOTED
9 IN FAVOR.

10 CHAIRMAN KLEIN: THE VOTE BEFORE THAT, TAMAR.

11 MS. SAMUELSON: ALL RIGHT.

12 MR. HARRISON: IT DOES NOT AFFECT THE OUTCOME.

13 CHAIRMAN KLEIN: DOES NOT AFFECT THE OUTCOME.

14 THANK YOU.

15 WE ARE TECHNICALLY STRUGGLING WITH THE DISPLAY;
16 BUT GIVEN THE QUALITY OF THE STAFF, WE KNOW THAT WE WILL
17 SEE IT. THANK YOU VERY MUCH.

18 SO, DR. OLSON, WOULD YOU LIKE TO INTRODUCE THIS
19 SECTION WITH ANY PARTICULAR COMMENTS, OR WOULD YOU LIKE
20 QUESTIONS FROM THE BOARD?

21 DR. OLSON: I WILL JUST REMIND YOU THAT THESE
22 ARE ALL THE INSTITUTIONS THAT APPLIED IN THE CATEGORY OF
23 A CIRM SPECIAL PROGRAM. SO SINGLE-ELEMENT CATEGORY.
24 DOES THIS ALSO -- SO IT'S EVERYBODY WHO APPLIED IN THE
25 CATEGORY OF A SINGLE ELEMENT. I'LL LEAVE IT TO THE BOARD

BARRISTERS' REPORTING SERVICE

1 TO TAKE IT FROM THERE.

2 MS. PACHTER: MR. CHAIR, IF I MAY, I'D REMIND
3 THE BOARD WHO IS NOT ELIGIBLE TO PARTICIPATE IN THE
4 DISCUSSION MOTIONS OR VOTING: BRENNER, POMEROY, AND
5 PRICE. EVERYONE ELSE MAY PARTICIPATE.

6 CHAIRMAN KLEIN: ALL RIGHT. AND JUST FOR
7 GENERAL CONTEXT, ARE ANY OF THESE CANDIDATES WHOSE SCORES
8 WE DON'T SEE WITHIN 15 POINTS?

9 DR. OLSON: WITHIN 15 POINTS OF ONE OF THE --
10 OF THE FUNDED ONES; IS THAT CORRECT?

11 CHAIRMAN KLEIN: ONE OF THE ONES RECOMMENDED
12 FOR FUNDING.

13 MR. GOLDBERG: 55 OR --

14 CHAIRMAN KLEIN: OR GREATER.

15 DR. OLSON: NONE OF THESE INSTITUTIONS HAVE
16 SCORES THAT ARE 55 OR GREATER.

17 CHAIRMAN KLEIN: NONE OF THOSE WHERE SCORES ARE
18 NOT SHOWN?

19 DR. OLSON: THAT IS CORRECT.

20 CHAIRMAN KLEIN: THAT GIVES US A FRAMEWORK.
21 WOULD ANY OF THE BOARD MEMBERS LIKE TO DISCUSS EITHER
22 ONES THAT HAVE SCORES SHOWN OR ONES THAT DO NOT HAVE
23 SCORES SHOWN?

24 MR. GOLDBERG: I'D LIKE TO RAISE A QUESTION
25 WITH RESPECT TO ONES WITH NO SCORE SHOWN. AND I WAS

BARRISTERS' REPORTING SERVICE

1 WONDERING IF YOU COULD, WITHOUT REVEALING THE ABSOLUTE
2 SCORES, ALTHOUGH OTHERS MAY CHOOSE TO HAVE THEM REVEALED,
3 STACK RANK THEM IN TERMS OF HIGHEST TO LOWEST. 605, 603,
4 608, AND 620 SEQUENTIALLY.

5 DR. OLSON: I'VE JUST CHECKED. WE DO HAVE THE
6 OPTION OF DOING A SORT. IT IS SORTED THAT WAY NOW
7 ACTUALLY.

8 MR. GOLDBERG: THANK YOU.

9 CHAIRMAN KLEIN: AND THE STATEMENT IS THAT THE
10 CLOSEST ONE IS NOT WITHIN 15 POINTS.

11 DR. OLSON: SORRY. CORRECTION. HERE, LET ME
12 SEE IF I CAN DO THIS -- IT IS. SORRY. OKAY. WE AGREE
13 IT IS AS SHOWN IS SORTED.

14 MR. GOLDBERG: THANK YOU.

15 CHAIRMAN KLEIN: ARE THERE BOARD MEMBERS WHO
16 WOULD LIKE TO EXAMINE ANY OF THOSE THAT ARE RECOMMENDED
17 FOR FUNDING? I KNOW THERE HAVE BEEN COMMENTS BY JEFF
18 SHEEHY ALREADY IN THE CONTEXT OF THE LAST REVIEW ABOUT
19 THERE BEING A QUALITATIVE DIFFERENCE OF THE 70S SHOWN
20 HERE. AND HE NOTED, I THINK, THAT IT HAD A 70 U SCORE,
21 WHICH WAS DIFFERENT THAN THE LAST ITEM CONSIDERED IN THE
22 PRIOR CATEGORY OR THE LAST APPLICANT CONSIDERED.

23 MR. SHEEHY: WELL, THE ONLY -- THE ONES -- WHAT
24 I WOULD NOTE IS I THINK 614 AND 617 ARE REALLY AWFULLY
25 GOOD APPLICATIONS THAT WERE DRAWN TO REALLY ALMOST BE

BARRISTERS' REPORTING SERVICE

1 LIKE A CORE. AND I THOUGHT -- ACTUALLY I THINK 614 IS
2 PROBABLY UNDERSCORED EXCEPT FOR THE NEWNESS OF THE ENTITY
3 THAT HAS SUBMITTED THE APPLICATION. I THINK THEY WOULD
4 HAVE BEEN BETTER. I THINK IT'S AN OUTSTANDING
5 APPLICATION, AND I THOUGHT THE REVIEWERS WERE VERY
6 POSITIVE ON IT. AND 617 IS A REALLY STRONG NICHE PROGRAM
7 IN BIOINFORMATICS AMONG OTHER THINGS.

8 I JUST THINK THAT THOSE TWO WERE EXAMPLES OF
9 PEOPLE REALLY MATCHING THEIR AMBITIONS TO THEIR ABILITIES
10 ALMOST PERFECTLY. I WOULD HOPE THAT WE WOULD MOVE THOSE
11 FORWARD.

12 CHAIRMAN KLEIN: AND YOU PREVIOUSLY MADE A
13 STRONG SUPPORTIVE STATEMENT ON 616.

14 MR. SHEEHY: I DIDN'T. I JUST NOTED THE
15 DIFFERENCE IN THE SCORES BETWEEN THAT. THE ONES -- YOU
16 KNOW 616 IS A DIFFERENT -- WE ACTUALLY -- I THINK THAT
17 WAS ONE OF THE ONES WE TALKED ABOUT IN CLOSED SESSION.
18 AND I DON'T KNOW IF SOME OF THE PEOPLE WHO ARE INTERESTED
19 IN LOOKING AT 616 HAVE ANY FEELINGS ABOUT IT. I WAS AT
20 THE TABLE WHEN WE TALKED ABOUT THAT IN CLOSED SESSION.
21 LOOKING AT IT IN CLOSED SESSION, THERE WERE SOME
22 QUESTIONS ASKED ABOUT THE CONFIDENTIAL PROPRIETY.

23 YOU KNOW, I THINK 616 WAS AN APPLICATION THAT
24 HAD A LOT TO DO WITH A RECRUITMENT OF A SCIENTIST. SO
25 THAT'S INTERESTING IN AND OF ITSELF AND WHAT THAT

BARRISTERS' REPORTING SERVICE

1 SCIENTIST HAS DONE AND INTENDS TO DO WITHIN THIS
2 FRAMEWORK. IT'S NOT QUITE THE SAME AS 614 AND 617, WHICH
3 ARE VERY COHERENT, WELL INTEGRATED, TARGETED CORE
4 PROGRAMS THAT THE REVIEWERS, I THINK, FELT STRONGLY
5 ABOUT.

6 CHAIRMAN KLEIN: SO I'M CONFUSED. I THOUGHT
7 YOUR COMPARISON WITH THE 68 IN THE PRIOR CATEGORY WAS
8 THAT THIS 70 WAS QUALITATIVELY DIFFERENT BECAUSE THIS WAS
9 A TIGHT, COHERENT PROPOSAL.

10 MR. SHEEHY: THE ACTUAL TRUER ANALOGY, IF YOU
11 WANTED TO MAKE AN ANALOGY, WAS BETWEEN 614 AND THE
12 PVIOUS ONE. 614 IS A RELATIVELY NEW ENTITY THAT'S NOT
13 IN ONE OF THE WELL-TRAVELED PLACES IN CALIFORNIA. IT'S
14 NOT A PLACE WHERE PEOPLE NATURALLY THINK THAT GREAT
15 SCIENCE IS BEING DONE, THAT ARE RAPIDLY SCALING UP, THAT
16 HAVE COME TO US, AND WE'VE MADE A COUPLE GRANTS HERE AND
17 THERE, AND THAT THEY FOUND A PARTICULAR STRENGTH AND A
18 PARTICULAR NICHE THAT MADE THEM VERY COMPETITIVE IN THIS
19 PROCESS. WHEREAS, IN COMPARISON TO THIS OTHER ONE WHERE
20 I THINK THAT THEY WERE OVERLY AMBITIOUS AND WERE UNABLE
21 TO FIND THEIR FOCUS FOR A RELATIVELY NEW PROGRAM, THEY
22 DIDN'T DO AS WELL AS THE REALLY TARGETED 614.

23 I THINK 616 IS KIND OF UNIQUE BECAUSE 616 IS
24 REALLY AN ISSUE ABOUT A SUPERSTAR RECRUITMENT, IN MY
25 MIND. AND I THINK THAT THAT CARRIES A BIG CHUNK OF THAT

BARRISTERS' REPORTING SERVICE

1 SCORE. SO I DON'T THINK THAT REALLY IS THE ONE -- THE
2 METRIC ON WHICH TO COMPARE IT BECAUSE NEITHER 614 OR THE
3 PREVIOUS ONE WE WERE DISCUSSING HAS A SUPERSTAR
4 RECRUITMENT.

5 CHAIRMAN KLEIN: I APPRECIATE THE CLARIFICATION
6 BECAUSE I HAD BEEN CONFUSED. SO IT'S 614 YOU WERE
7 COMPARING TO PREVIOUSLY?

8 MR. SHEEHY: YEAH. SCORE DIFFERENTIAL IS MAYBE
9 FOUR POINTS, AND SOME OF THE THINGS THAT WE WERE TALKING
10 ABOUT, GEOGRAPHY AND A MORE DIVERSE STUDENT POPULATION
11 AND SERVING ANOTHER PIECE OF CALIFORNIA AND A REALLY
12 INFANT PROGRAM THAT WE COULD PLAY A ROLE IN HELPING TO
13 GROW AND DEVELOP, THEY CAME UP WITH AN APPLICATION THAT
14 WAS WELL PUT TOGETHER AND WAS REALLY FAVORABLY LOOKED AT
15 BY THE SCIENTISTS.

16 CHAIRMAN KLEIN: DR. PENHOET.

17 DR. PENHOET: JEFF, THE OTHER DIFFERENCE THAT
18 YOU ARTICULATED PREVIOUSLY WAS THE DIFFERENCE IN THE U
19 SCORE BETWEEN 616 AND THE GRANT WE WERE DISCUSSING
20 PREVIOUSLY, WHICH HAD A U SCORE OF 42, IF I REMEMBER
21 CORRECTLY, AND THIS ONE WAS 70. CAN YOU ELABORATE ON THE
22 U SCORE PROCESS?

23 MR. SHEEHY: I'M NOT FLUENT IN 616. I'M NOT AS
24 FLUENT IN 616 AS I AM IN 614. AND I THINK THAT -- I'M
25 HAVING TROUBLE REMEMBERING THE DISCUSSION, SO I MAY HAVE

BARRISTERS' REPORTING SERVICE

1 BEEN PULLED OUT FOR THAT PARTICULAR GRANT. I DO REMEMBER
2 DISTINCTLY 614, AND THE U SCORE IS DIRECTLY RELEVANT TO
3 HOW WELL INTEGRATED AND HOW WELL FOCUSED THAT PARTICULAR
4 APPLICATION IS IN COMPARISON TO THE OTHER ONE, WHICH THEY
5 TRIED TO DO A LOT OF DIFFERENT THINGS AND COULDN'T REALLY
6 FIND THEIR STRENGTH AND ELABORATE THAT. I REALLY DO
7 THINK 616 HAS TO A LOT TO DO WITH THEIR RECRUITMENT
8 MYSELF.

9 CHAIRMAN KLEIN: DR. OLSON, MAYBE YOU COULD
10 REMIND US OF THE MEANING OF THE U SCORE.

11 DR. OLSON: THE U SCORE ADDRESSES -- IN THE
12 CASE OF SINGLE-ELEMENT APPLICATIONS, BASICALLY THERE IS
13 SOME OVERLAP, BUT IT'S BASICALLY HOW THE FACILITY IS
14 GOING TO BE USED, HOW IT'S GOING TO CONTRIBUTE TO THE
15 DEVELOPMENT OF THE INSTITUTION'S STEM CELL PROGRAM. I'D
16 SAY THOSE ARE THE PRIMARY DRIVERS OF THAT.

17 CHAIRMAN KLEIN: OKAY. IN THIS CATEGORY WE DO
18 HAVE -- WELL, FIRST OF ALL, ARE THERE ANY OTHER QUESTIONS
19 AS TO THOSE THAT ARE RECOMMENDED FOR FUNDING? NO. OKAY.

20 IN THIS CATEGORY WE HAVE SOME INDIVIDUALS
21 PRESENT REPRESENTING CHILDREN'S HOSPITAL OAKLAND THAT
22 WOULD LIKE TO COMMENT SPECIFICALLY. AND AS A MEMBER OF
23 THE PUBLIC, I THINK IT IS APPROPRIATE AND EQUITABLE TO
24 GIVE THEM THE FLOOR PRIOR TO MOVING ON A MOTION ON THIS
25 ITEM.

BARRISTERS' REPORTING SERVICE

1 DR. LUBEN: THANK YOU VERY MUCH. I REALLY
2 APPRECIATE THE OPPORTUNITY TO TALK TO THE ICOC. AND AS
3 YOU KNOW, WE SUBMITTED A DOCUMENT TO YOU IMMEDIATELY
4 AFTER WE RECEIVED THE LETTER THAT OUR PROPOSAL WAS NOT
5 GOING TO BE APPROVED TO GO TO THE NEXT PHASE OF THE
6 APPLICATION. WE WERE DEVASTATED BY THAT ACTUALLY AND
7 WROTE AN IMMEDIATE LETTER REQUESTING WHY WE THOUGHT THIS
8 SHOULD BE RECONSIDERED. AND THEN ONCE WE GOT THE
9 CRITIQUE AND THE SCORE, WE WROTE ANOTHER LETTER. AND YOU
10 HAVE COPIES OF THESE LETTERS.

11 OUR PLAN WAS TO HAVE DR. MARK WALTERS, WHO'S A
12 BONE MARROW TRANSPLANT EXPERT AND THE HEAD OF OUR
13 CELLULAR THERAPY PROGRAM, PRESENT TO YOU THE RATIONALE
14 FOR WHY WE WOULD LIKE YOU TO CONSIDER LETTING US SUBMIT
15 THE NEXT PHASE OF AN APPLICATION AND NOT EXCLUDING US.
16 UNFORTUNATELY DR. WALTERS IS CURRENTLY ON A PLANE COMING
17 BACK FROM A MULTICENTER CLINICAL RESEARCH STUDY OF STEM
18 CELLS THAT WOULD BE WHAT WE'RE TALKING ABOUT IN THIS
19 APPLICATION. AND WE HAD HOPED THAT WE WOULD HAVE SOME
20 TIME TOMORROW MORNING FOR DR. WALTERS TO GIVE A
21 TEN-MINUTE PRESENTATION ON WHY WE'RE REQUESTING THIS
22 CONSIDERATION TO GO TO THE NEXT PHASE.

23 SO MY FIRST QUESTION, BEFORE I GET INTO ANY
24 DETAIL, IS WOULD THE ICOC GIVE PERMISSION THAT, RATHER
25 THAN VOTE ON OUR APPLICATION, WHICH IS THE NEXT TO THE

BARRISTERS' REPORTING SERVICE

1 LAST IN THE RANKING HERE, AND THE ONLY APPLICATION, I
2 SHOULD MENTION, THAT HAS A CLINICAL RESEARCH PROPOSAL IN
3 IT IN ALL THE APPLICATIONS YOU'VE TALKED TO AND THE ONLY
4 ONE THAT, IN MY OPINION, WITHIN THIS NEXT YEAR WILL
5 RESULT IN CURE OF PATIENTS WITH SICKLE CELL DISEASE AND
6 PERHAPS OTHER DISEASES, AT LEAST THE OPPORTUNITY TO MAKE
7 A PRESENTATION BEFORE YOU MAKE THE FINAL DECISION.

8 SO MY QUESTION IS WOULD YOU PERMIT THAT, OR
9 WOULD SOMEBODY MAKE A MOTION TO LET THAT HAPPEN BEFORE
10 YOU DISCUSS WHAT YOU ARE GOING TO DO WITH THAT
11 APPLICATION?

12 CHAIRMAN KLEIN: DR. LUBEN, ARE YOU ASKING US
13 NOT TO ACT ON THE OTHERS, OR ARE YOU ASKING US TO GIVE
14 YOU TIME FOR THAT APPLICATION TOMORROW?

15 DR. LUBEN: I'M ASKING THE SECOND. YOU CAN
16 DECIDE WHAT YOU WANT TO DO ON THE OTHERS, BUT I'D LIKE TO
17 HAVE THE OPPORTUNITY TO PRESENT WHY WE BELIEVE THIS IS AN
18 IMPORTANT THING FOR THE CITIZENS OF THIS STATE AND FOR
19 ICOC TO APPRECIATE THE OPPORTUNITY THAT EXISTS WITH THE
20 APPLICATION WE'VE SUBMITTED, AND THAT THE REVIEWERS
21 REALLY DIDN'T APPRECIATE A CLINICAL RESEARCH STUDY AND
22 WHAT THE OPPORTUNITIES BOTH WITH CORD BLOOD AND WITH
23 PLACENTAL CELLS WILL BE OFFERED BY THE APPLICATION WE'RE
24 PROVIDING. AND THAT WE ARE A CORE FOR THE ENTIRE STATE
25 OF CALIFORNIA IN THIS REGARD, AND ALL ACADEMIC CENTERS,

BARRISTERS' REPORTING SERVICE

1 HOSPITALS, AND PHYSICIANS UTILIZE US. AND WE'D LIKE TO
2 PRESENT THAT BEFORE YOU MAKE A FINAL DECISION.

3 CHAIRMAN KLEIN: QUESTION FOR YOU. WHEN YOU
4 SAY YOU ARE A CORE FOR THE ENTIRE STATE OF CALIFORNIA,
5 ARE THERE OTHER CORES FOR THIS THERAPEUTIC APPLICATION IN
6 CALIFORNIA?

7 DR. LUBEN: NOT FOR THE SPECIFICS OF WHAT WE'RE
8 COMMENTING ON IN THIS APPLICATION RELATED TO SICKLE CELL
9 DISEASE AND TO THE OTHER GENETIC DISEASES THAT WE ARE
10 KNOWN AS EXPERTS IN.

11 CHAIRMAN KLEIN: OKAY. WELL, DO YOU HAVE
12 ANYONE ELSE WHO WOULD LIKE TO MAKE ANY OTHER COMMENTS
13 TONIGHT?

14 DR. LUBEN: FROM OUR PROGRAM, NO.

15 MS. SAMUELSON: MR. CHAIRMAN, I'D BE HAPPY TO
16 MAKE THAT MOTION IF THIS IS THE APPROPRIATE TIME. I
17 THINK DR. LUBEN RAISES IMPORTANT ISSUES ABOUT BOTH THE
18 MERITS OF THE CHILDREN'S HOSPITAL PROGRAMS AND THE
19 DIFFICULTY OF DEVELOPING A RATING SYSTEM THAT EQUALLY
20 VALUES CLINICAL STRENGTHS AS APPLIED TO THE STEM CELL
21 RESEARCH FUNDING PROGRAM THAT WE DO. I THINK WE'RE
22 FINDING OUR WAY TO DOING THAT, AND IT'S AWFULLY IMPORTANT
23 THAT, ESPECIALLY IN THIS KIND OF CASE WHERE IT'S ABOUT
24 BUILDINGS THAT ARE NOT GOING TO BE AVAILABLE EVER AGAIN.
25 THIS IS THE BALL GAME, THIS KIND OF WORK, THESE CLINICAL

BARRISTERS' REPORTING SERVICE

1 APPLICATIONS, FOR US TO MEET OUR MISSION, AND WE BETTER
2 BE SURE THAT WE COMPLETELY CONSIDER THE AVAILABLE MERITS
3 OF ANY PROGRAM THAT WILL BE DOING THAT BECAUSE THERE
4 AREN'T MANY THAT ARE.

5 CHAIRMAN KLEIN: SO TO UNDERSTAND, YOUR MOTION
6 IS TO --

7 MS. SAMUELSON: TO PROVIDE THE OPPORTUNITY FOR
8 FURTHER DISCUSSION TOMORROW.

9 CHAIRMAN KLEIN: ON THAT PARTICULAR
10 APPLICATION?

11 MS. SAMUELSON: YES.

12 CHAIRMAN KLEIN: WITHOUT PREJUDICE TO THE
13 ACTION ON THE OTHERS.

14 MS. SAMUELSON: SURE. AS LONG AS THAT'S A
15 COHERENT WAY OF DECISION-MAKING THAT DOESN'T JUST
16 TRUNCATE THAT ONE OFF.

17 MR. GOLDBERG: IF ANY OF THE OTHER APPLICANTS
18 WHOM DID NOT GET RECOMMENDED BY THE WORKING GROUP STOOD
19 IN LINE BEHIND DR. LUBEN, SHOULD WE AFFORD THEM THE VERY
20 SAME OPPORTUNITY? AND IF SO, DON'T WE OWE THEM THE
21 OBLIGATION OF NOTIFYING THEM?

22 DR. PRIETO: HAVEN'T THEY BEEN NOTIFIED?

23 MS. SAMUELSON: YOU MEAN AS OPPOSED TO THOSE
24 THAT CAME TONIGHT? MY UNDERSTANDING IS THIS IS A SPECIAL
25 CASE WHERE HE WAS -- THE PRESENTER WOULD HAVE BEEN

BARRISTERS' REPORTING SERVICE

1 AVAILABLE TONIGHT BUT FOR THIS MEETING, AND HE'S COMING
2 BACK TONIGHT AND WILL BE AVAILABLE TOMORROW.

3 DR. LUBEN: THAT'S TRUE.

4 MS. SAMUELSON: AND WILL BE HERE, RIGHT?

5 DR. LUBEN: THAT'S TRUE.

6 DR. PRIETO: BUT ALSO IN A SENSE I THINK IT'S
7 NOT REALLY A SPECIAL CASE IN THAT CHILDREN'S MADE THE
8 EFFORT, UPON BEING NOTIFIED THAT THE WORKING GROUP HAD
9 NOT RECOMMENDED THEIR APPLICATION, TO CONTACT US, AND
10 NONE OF THE OTHERS HAVE DONE SO, AS FAR AS I KNOW. I
11 WOULD SECOND THAT MOTION.

12 CHAIRMAN KLEIN: OKAY. MOTION IS MADE AND
13 SECONDED. JEFF SHEEHY.

14 MR. SHEEHY: I JUST -- IN LINE WITH WHAT
15 MICHAEL HAS SAID, WHAT HAS BEEN THE POSTURE OF STAFF TO
16 INQUIRIES TO COME TO PRESENT TO THE ICOC? HAVE WE
17 GENERALLY ENCOURAGED OR DISCOURAGED FOLKS FROM COMING
18 FORWARD AND DEBATING? I'M NOT SAYING THAT I'M OPPOSED TO
19 DOING THIS, BUT I THINK WE NEED TO BE -- NOT EVERYBODY
20 MAY BE AWARE THAT THIS IS A POTENTIAL THING.

21 DR. MURPHY: MR. CHAIRMAN, PERHAPS I CAN ANSWER
22 JEFF'S COMMENTS. WITHIN THE CIRM'S POLICY THERE IS NO
23 OPPORTUNITY FOR QUESTIONING A JUDGMENT OF THE ICOC EXCEPT
24 FOR A CASE WHERE THERE IS A CLEAR CONFLICT OF INTEREST
25 EITHER IN FINANCES OR IN SCIENCE. AND, JEFF, WE HAVE

BARRISTERS' REPORTING SERVICE

1 NEVER, TO MY KNOWLEDGE, AT LEAST SINCE I'VE BEEN HERE, WE
2 HAVE NEVER HAD ANYONE REQUEST APPEARING BEFORE THE ICOC
3 TO PLEAD THEIR CASE EITHER BECAUSE OF A CONFLICT OF
4 INTEREST BY THAT DEFINITION OR FOR ANY OTHER REASON.

5 DR. OLSON: I JUST WANT TO MAKE ONE CORRECTION
6 TO WHAT DR. MURPHY SAID. HE STATED ICOC. IT'S TO
7 QUESTION THE RECOMMENDATION OF THE WORKING GROUP OF THE
8 GRANTS WORKING GROUP.

9 CHAIRMAN KLEIN: THE RECOMMENDATIONS OF THE
10 WORKING GROUP HAVE VARIED SIGNIFICANTLY OVER TIME. DR.
11 MURPHY, IN THE SHARED LABS, FOR EXAMPLE, THERE WERE
12 APPLICANTS WHO CAME FORWARD AND TOOK POSITIONS ON THOSE
13 SHARED LABS, MADE THEIR OWN PERSONAL PRESENTATIONS. I
14 BELIEVE THAT THERE WAS A MINORITY REPORT, FOR EXAMPLE, ON
15 ONE OF THE SHARED LABS, AND THERE WAS A PARTICULAR
16 PRESENTATION RELATED TO THAT MINORITY REPORT.

17 SO IN THE PAST WE HAVE, IN FACT, HAD
18 PRESENTATIONS BY APPLICANTS. ON THAT PARTICULAR DATE
19 THERE MAY HAVE EVEN BEEN TWO DIFFERENT PRESENTATIONS
20 MADE.

21 DR. OLSON: A MINORITY REPORT, AS YOU WELL
22 KNOW, COMES FROM THE GRANTS WORKING GROUP THEMSELVES. SO
23 THAT WOULD HAVE BEEN INCLUDED IN THE PRESENTATION BY THE
24 SCIENTIFIC OFFICER ON THAT PARTICULAR APPLICATION.

25 CHAIRMAN KLEIN: RIGHT. THE QUESTION, THOUGH,

BARRISTERS' REPORTING SERVICE

1 IS WHETHER INDIVIDUAL INSTITUTIONS MADE THEIR OWN
2 PRESENTATION, WHICH, IN FACT, THEY DID.

3 MR. SERRANO-SEWELL: JUST FOR SAKE OF CLARITY,
4 FOR MY OWN CLARITY, WHEN THE LETTER IS ISSUED TO THE
5 APPLICANTS, WHAT DOES THE LETTER STATE? WHAT DID THE
6 LETTER STATE TO COREY, IF YOU COULD SHARE IT?

7 DR. OLSON: THE LETTER WAS SENT BY THE
8 PRESIDENT'S OFFICE.

9 DR. MURPHY: THE LETTER SAID, DAVID, THAT THE
10 ORGANIZATION IN QUESTION HAD NOT BEEN RECOMMENDED TO GO
11 FORWARD TO THE ICOC FOR PASSAGE TO THE SECOND PHASE;
12 HOWEVER, THE FINAL DECISION ON WHETHER AN APPLICANT
13 SHOULD MOVE ON TO THE SECOND PHASE WOULD BE AT THE
14 DISCRETION OF THE ICOC.

15 MR. SERRANO-SEWELL: SO IN MY MIND THAT LET'S
16 THE RECEIVER OF THAT LETTER KNOW THAT THEY CAN PETITION
17 THE ICOC AND MAKE, IF YOU WANT TO CALL IT, A SPECIAL
18 PRESENTATION OR WHATEVER YOU WANT TO CALL IT. BUT IF
19 THEY NOTIFY US IN SOME MEANINGFUL WAY, AS COREY HAS, AND
20 THEY'RE MAKING THEIR ARGUMENT, THEN THEY OUGHT TO BE
21 PROVIDED THE OPPORTUNITY TO MAKE A PRESENTATION WITHOUT
22 PREJUDICING HOW I'M GOING TO VOTE ON IT ONE WAY OR THE
23 OTHER, BUT TO MAKE A PRESENTATION. WHILE THE ICOC, WHILE
24 WE HAVEN'T ADOPTED FORMAL PROCEDURES FOR IT, PERHAPS WE
25 SHOULD, BUT THAT WOULDN'T PRECLUDE COREY FROM MAKING HIS

BARRISTERS' REPORTING SERVICE

1 PRESENTATION.

2 CHAIRMAN KLEIN: IT WON'T PRECLUDE THEM FROM
3 MAKING THE PRESENTATION. AND I WOULD SAY JUST
4 PERSONALLY, GIVEN A SUBSTANTIAL DIFFERENCE IN THE
5 SCIENTIFIC EVALUATION, I HAVE REAL RESERVATIONS ABOUT
6 CHANGING THIS RECOMMENDATION AS TO THE APPLICATION, NOT
7 BECAUSE I DON'T BELIEVE IT'S A GREAT CLINICAL PROGRAM,
8 BUT BECAUSE THE DIVERGENCE IN THIS PARTICULAR CASE IS SO
9 LARGE, IT MAY WELL BE THAT THE ADVOCACY OF THE SCIENCE
10 JUST WASN'T UNDERSTOOD, BUT WE CAN'T TAKE IN
11 SUBSTANTIALLY NEW INFORMATION IN THIS PROCESS AT THIS
12 POINT.

13 SO WHILE I HAVE TREMENDOUS RESPECT FOR THE WORK
14 THAT'S BEING DONE THERE, I THINK IT'S VERY POWERFUL WORK,
15 AND HOPEFULLY HE'S GOING TO GET FUNDED IN A CLINICAL
16 GRANT, THE ISSUE HERE IS DO THEY HAVE THE OPPORTUNITY FOR
17 A PRESENTATION. AND I THINK THAT ON GIVING THEM THE
18 OPPORTUNITY FOR PRESENTATION, THERE'S A VERY IMPORTANT
19 POINT HERE THAT IS CERTAINLY IN ORDER.

20 DR. OLSON: IF I MAY JUST MAKE ONE POINT, AND I
21 THINK ACTUALLY YOU HIGHLIGHTED IT TO A CERTAIN EXTENT.
22 IF APPLICANTS HAVE THE OPPORTUNITY TO, IN ESSENCE, GIVE
23 MORE INFORMATION, YOU MAY HAVE A RESPONSIBILITY TO MAKE
24 THAT OPPORTUNITY AVAILABLE TO ALL. SO YOU HAVE TO THINK
25 ABOUT WHAT THAT MEANS IN THE CONTEXT OF THE REVIEW

BARRISTERS' REPORTING SERVICE

1 PROCESS. SO I THANK YOU FOR NOTING IT YOURSELF AND JUST
2 WANTED TO ELABORATE A BIT.

3 CHAIRMAN KLEIN: I'M JUST CONCERNED, DR. LUBEN,
4 WITH THE EQUITY HERE BECAUSE WE TRY AND CONSIDER ALL
5 APPLICATIONS BASED UPON THE INFORMATION THAT'S PRESENTED.
6 TO THE EXTENT THAT THE INFORMATION WAS PRESENTED AND WAS
7 MISSED OR SOMETHING OF THAT KIND, THE BOARD HAS TO MAKE
8 ITS OWN DECISION. BUT WE DO NEED TO BE FAIR AND
9 EQUITABLE TO ALL PRESENTERS, ALL APPLICANTS, AND WE ASK
10 THEM TO BE JUDGED ON THEIR APPLICATION THAT THEY MAKE IN
11 THE FIRST INSTANCE. SO THAT THE PRESENTATION TOMORROW
12 WOULD HAVE TO BE FOCUSED ON WHAT WAS ACTUALLY PRESENTED.

13 DR. LUBEN: THE PRESENTATION TOMORROW WILL NOT
14 CONTAIN NEW INFORMATION. IT WILL BE A REBUTTAL OF THE
15 COMMENTS MADE BY THE REVIEWERS THAT WE DON'T THINK WERE
16 ACCURATE AND DIDN'T TAKE IN A FULL DESCRIPTION OF WHAT WE
17 HAD IN THE APPLICATION. IT WILL NOT BE NEW INFORMATION.

18 DR. PRIETO: WITH RESPECT TO THE OTHER
19 APPLICATIONS THAT WEREN'T RECOMMENDED AND THEIR
20 OPPORTUNITY IN TERMS OF EQUITY TO PRESENT THEIR CASE IN
21 THIS MANNER, I THINK ANYONE WHO DOESN'T REALIZE THAT THE
22 ICOC ALLOWS PUBLIC COMMENT BEFORE MAKING ITS DECISIONS
23 HASN'T BEEN PAYING ATTENTION.

24 CHAIRMAN KLEIN: RIGHT. I THINK THAT'S
25 CORRECT.

BARRISTERS' REPORTING SERVICE

1 MR. SHEEHY: I'M AGNOSTIC ON WHETHER WE SHOULD
2 DO THIS OR NOT, BUT I THINK IF WE DO DECIDE TO DO THIS, I
3 THINK IN ALL FAIRNESS, THE SCORE SHOULD BE REVEALED. AND
4 ALSO, IF THE REBUTTAL TO CRITIQUE ITEMS THAT ARE NOT
5 INCLUDED IN THE CRITIQUES THAT WE HAVE, THEN CAN EITHER
6 STAFF OR COREY PROVIDE THAT CRITIQUE TO US BECAUSE IT'S
7 HARD FOR ME TO HAVE SOMETHING REBUTTED WHERE I DON'T HAVE
8 THE ORIGINAL STATEMENT. SO I THINK IT PROBABLY WOULD BE
9 IDEAL IF THE APPLICANT WANTED TO MAKE THAT AVAILABLE,
10 THEY COULD MAKE THE CRITIQUE -- THEY COULD MAKE THE
11 CRITIQUE AVAILABLE AND THEN REBUT IT. OF COURSE, THIS
12 WOULD BE TO THE PUBLIC.

13 IN THE INTEREST OF TOTAL TRANSPARENCY, IT'S
14 GOING TO BE VERY HARD BECAUSE I FEEL EMOTIONALLY PULLED,
15 AS I READ THESE LETTERS; BUT WITHOUT THE CONTEXT OF WHAT
16 THE REVIEWERS ACTUALLY SAID AND THE ACTUAL SCORE, I JUST
17 THINK I'D FEEL A LITTLE BIT BETTER IF ALL THE INFORMATION
18 WAS OUT THERE FOR EVERYBODY.

19 CHAIRMAN KLEIN: DR. OLSON, MAYBE YOU CAN HELP
20 US RESPOND TO JEFF SHEEHY, THEN I'M GOING TO GO TO DR.
21 LEVEY.

22 DR. OLSON: IF I UNDERSTOOD MR. SHEEHY'S
23 QUESTION CORRECTLY, THE CRITIQUE THAT WAS SENT TO COREY
24 IS THE SAME CRITIQUE THAT YOU HAVE.

25 CHAIRMAN KLEIN: OKAY. AND THEIR REBUTTAL, DID

BARRISTERS' REPORTING SERVICE

1 IT, IN FACT, INCLUDE -- WAS IT PROVIDING -- WAS IT
2 FOCUSING YOU ON INFORMATION THAT WAS ALREADY INCLUDED IN
3 THE APPLICATION, OR WAS IT PRESENTING NEW INFORMATION?

4 DR. OLSON: THE REBUTTAL WAS NOT SENT TO US.
5 STAFF NEVER SAW IT.

6 CHAIRMAN KLEIN: IT WAS SENT TO BOARD MEMBERS
7 DIRECTLY?

8 DR. OLSON: THAT IS A CORRECT STATEMENT. I
9 WOULD REMIND YOU IN THE APPLICATION, YOU KNOW, THERE ARE
10 A COUPLE OF THINGS. THERE'S THE INFORMATION AND THERE'S
11 HOW IT'S PRESENTED AND HOW THE REVIEWERS ADDRESS IT. SO
12 I, FOR ONE, MIGHT TEND TO SUGGEST THAT THE OPPORTUNITY
13 FOR REBUTTAL, IN FACT, IS NEW INFORMATION BECAUSE IT
14 PROVIDES -- BECAUSE IT COULD BE SAID TO PROVIDE A
15 CLARIFICATION. SO THAT'S JUST ONE CONSIDERATION.

16 CHAIRMAN KLEIN: OKAY. DR. BRYANT.

17 DR. BRYANT: JUST A SMALL POINT. I THINK THAT
18 IF THIS OPPORTUNITY IS GIVEN TO ANYBODY, IT SHOULD BE
19 KEPT TO THE THREE MINUTES THAT EVERYBODY ELSE GETS.
20 OTHERWISE WE'LL GET INTO A REALLY DIFFICULT SITUATION
21 WITH FUTURE TESTIMONY.

22 CHAIRMAN KLEIN: THAT IS OUR STANDARD UNLESS
23 THERE'S A VARIATION IN THE PROCEDURE.

24 DR. LEVEY: YES. I DON'T THINK WE CAN RUN A
25 BOARD THIS WAY BECAUSE IF YOU DO, IT'S TOTAL CHAOS. WITH

BARRISTERS' REPORTING SERVICE

1 NO DISRESPECT TO DR. LUBEN OR THE WORK, IT DOESN'T AFFORD
2 OPPORTUNITY. IF I FOUND OUT ABOUT IT AND I WAS FROM ONE
3 OF THE OTHER INSTITUTIONS, I WOULD ACCUSE THIS BOARD OF
4 BEING NEGLIGENT.

5 MR. SERRANO-SEWELL: HOW?

6 DR. LEVEY: BECAUSE YOU CAN'T JUST ALL OF A
7 SUDDEN INVENT A WAY FOR DR. LUBEN AND HIS COLLEAGUES TO
8 PRESENT HERE AND CHANGE THE OUTCOME OF HIS GRANT.

9 THERE'S --

10 MR. SERRANO-SEWELL: THAT'S WHAT THIS PROCESS
11 IS ABOUT.

12 DR. LEVEY: WELL, WE'RE SO ORGANIZED, WE HAVE A
13 VERY COMPLEX CHARTER, AND WE'RE ALWAYS WALKING A VERY
14 THIN LINE OF HOW WE RUN OUR BUSINESS HERE. EVEN WITNESS
15 TODAY WHEN WE BEND OVER BACKWARDS SO THAT THERE ISN'T A
16 WHIFF OF CONFLICT OF INTEREST, AND NOW ALL OF A SUDDEN
17 WE'RE GOING TO GIVE A GROUP WHO WROTE DIRECTLY TO THE
18 BOARD. I THINK WE'LL HAVE 50 PEOPLE WHO WEREN'T FUNDED
19 IN ONE RESEARCH PROPOSAL OR ANOTHER OR ANY OF THESE
20 PEOPLE COME HERE AND WANT TO PRESENT. AND THEY SHOULD
21 BECAUSE YOU CAN'T BE A BOARD THAT EVERY ONCE IN A WHILE
22 SOMEBODY WRITES YOU A LETTER IN PROTEST, AND YOU HAVE A
23 FORMAL PRESENTATION.

24 AND WITH MY COLLEAGUE HERE ON MY LEFT,
25 FRANCISCO PRIETO, YOU CAN DO PUBLIC COMMENT, BUT PUBLIC

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1 COMMENT, LIKE WITH THE UC SYSTEM, IS DONE WHEN YOU GET A
2 MINUTE OR TWO MINUTES OR THREE MINUTES AND YOU'RE NOT
3 THERE SHOWING DATA. SO I WOULD FEEL VERY STRONGLY THAT
4 WE SHOULD NOT MAKE THIS KIND OF AN EXCEPTION OTHER THAN
5 IT JUST WILL -- IT WILL HAVE A TREMENDOUS IMPACT ON THIS
6 BOARD, AND IT'S NOT THE RIGHT THING TO DO.

7 CHAIRMAN KLEIN: FIRST OF ALL, WHILE DAVID
8 SERRANO-SEWELL IS MAKING A COMMENT, WOULD COUNSEL PLEASE
9 CHECK MY RECOLLECTION, THAT, IN FACT, THAT THE SHARED
10 LABS AT UCLA, THAT THERE WAS PRESENTATION MADE BY
11 APPLICANTS WITH APPLICATIONS PENDING IN THAT GRANT CYCLE?
12 AGAIN, WE DID USE A THREE-MINUTE RULE, WHICH IS STANDARD,
13 WHICH IS PROVIDED TO EVERYONE. AND THERE IS NO PRECEDENT
14 FOR VARYING FROM THAT THREE MINUTES.

15 MR. SERRANO-SEWELL: SURE THERE IS. YOU
16 GRANTED PEOPLE MORE THAN THREE MINUTES IN THE PAST.

17 CHAIRMAN KLEIN: IN TERMS OF THE PRESENTATION
18 FOR INDIVIDUAL GRANTS?

19 MR. SERRANO-SEWELL: YOU'RE SPEAKING ON THE
20 RULE IN THE ABSTRACT, AND THAT IS -- I DON'T WANT TO --
21 THE OFFLINE CONVERSATION I WAS HAVING WITH BOB IS I WAS
22 SAYING OUR CHAIRMAN HAS ON OCCASION GRANTED SPEAKERS MORE
23 THAN THREE MINUTES TO SPEAK. NOW, TECHNICALLY, ARGUABLY
24 THEY ARE MEMBERS OF THE PUBLIC. THEY HAVE NO SPECIAL
25 STANDING, YET THEY WERE GRANTED MORE THAN THREE MINUTES

BARRISTERS' REPORTING SERVICE

1 TO SPEAK. IF WE WOULD HAVE HELD THEM TO YOUR
2 MEMBER-OF-THE-PUBLIC STANDARD, THEY WOULD HAVE ONLY BEEN
3 ALLOWED THREE MINUTES TO SPEAK. BUT IN OUR GENEROSITY,
4 IN OUR SENSE OF EQUITY AND FAIRNESS, WE'VE GIVEN PEOPLE
5 MORE THAN THREE MINUTES.

6 CHAIRMAN KLEIN: ABSOLUTELY. HE'S ABSOLUTELY
7 CORRECT ON IP REGULATIONS, FOR EXAMPLE, BUT THERE IT'S
8 NOT AN INDIVIDUAL APPLICANT SPEAKING. SO THE QUESTION IS
9 IS THIS AN APPROPRIATE DISTINCTION? THE POINT I WAS
10 TRYING TO MAKE WAS THAT ON APPLICANTS WHO HAVE SPOKEN,
11 I'M NOT AWARE OF THEM HAVING MORE THAN THREE MINUTES.

12 MS. PACTER: MAYBE I CAN MAKE A PROCEDURAL
13 SUGGESTION THAT MIGHT SATISFY EVERYONE. AND THAT IS THAT
14 WE CAN ENTERTAIN A MOTION TONIGHT TO MOVE ON TO PART 2
15 THOSE APPLICATIONS THE BOARD WANTS TO MOVE ON TO PART 2.
16 AT THE END OF THIS PROCESS, THE LAST MOTION NEEDS TO BE
17 NOT TO MOVE ON TO PART 2 EVERYONE WE HAVEN'T MOVED ON TO
18 PART 2. AND AT THIS POINT THAT IS WHERE THE COREY
19 APPLICATION WILL LAY. SO WE CAN MAKE THE DECISION TO
20 MOVE ON WHOEVER WE WANT TO MOVE ON AT THIS POINT, AND
21 THEN COREY CAN MAKE ITS PRESENTATION TOMORROW FOLLOWING A
22 MOTION NOT TO MOVE ON THE REMAINING APPLICATIONS, AND
23 THAT CAN BE A THREE-MINUTE PUBLIC COMMENT. THAT MAY BE
24 ONE PROCEDURAL WAY OF DEALING WITH THE ISSUE.

25 MR. SERRANO-SEWELL: THAT'S A REALLY GOOD

BARRISTERS' REPORTING SERVICE

1 SUGGESTION. MY LAST COMMENT TO ED WAS YOU MADE SOME VERY
2 GOOD POINTS. MY ONLY POINT IS I THINK THAT OUR LETTER,
3 OUR REJECTION LETTER, BECAUSE THAT'S WHAT IT IS,
4 INVITES -- ARGUABLY INVITES PEOPLE TO PETITION THE ICOC
5 BECAUSE WE SAY IN THAT LETTER YOU'RE REJECTED, BUT THE
6 FINAL ARBITER IS THE ICOC. I THINK A REASONABLE READER
7 CAN TAKE THAT TO MEAN, HEY, IF I PETITION THE ICOC AND
8 MAKE AN ARGUMENT, I MIGHT HAVE A SHOT TO CHANGING THEIR
9 MINDS BECAUSE THEY'RE THE FINAL DECISION MAKERS.

10 SO, AGAIN, THIS COULD BE A LEARNING EXPERIENCE.
11 OUR LETTERS COULD BE BETTER WRITTEN OR WE COULD PROVIDE
12 PROCEDURES OR SOMETHING, BUT TO OFFHAND SAY WE'RE NOT
13 GOING TO LISTEN AND WE'RE ACTING NEGLIGENT, I DON'T THINK
14 THAT'S THE CASE. I RESPECTFULLY DISAGREE.

15 CHAIRMAN KLEIN: SO WE'VE HAD A GOOD
16 DISCUSSION. DR. TROUNSON.

17 DR. TROUNSON: MR. CHAIRMAN, I THINK IN REAL
18 FAIRNESS HERE, THAT IF WE GO THAT ROUTE, I THINK IT WOULD
19 BE WISE TO ADVISE THOSE OTHER GROUPS THAT HAVE NOT BEEN
20 RECOMMENDED FOR FUNDING, THAT THEY COULD AT LEAST MAKE
21 SOME STATEMENTS TO US VIA TELEPHONE OR IN SOME WAY. I'M
22 JUST A LITTLE CONCERNED THAT SOME GROUPS THAT MIGHT BE
23 RANKED HIGHER HAVE NOT BEEN MADE AWARE SUFFICIENTLY, AND
24 THAT MIGHT NOT BE THOUGHT TO BE ABSOLUTELY REASONABLE.

25 CHAIRMAN KLEIN: DR. TROUNSON, I THINK WE

BARRISTERS' REPORTING SERVICE

1 CERTAINLY NEED TO LOOK AT HOW WE CLARIFY FOR EVERYONE
2 WHAT OUR POLICY IS SO THAT WE'RE COMPLETELY EQUITABLE.
3 IN THIS PARTICULAR CASE, BASED UPON THE HISTORY, I THINK
4 THAT WE HAVE IN THE PAST HAD A NUMBER OF APPLICANTS IN
5 THE AUDIENCE WHO REALIZED THAT THROUGH THE PUBLIC THAT
6 THEY COULD MAKE A THREE-MINUTE STATEMENT.

7 BUT WITH DUE REGARD FOR MY ESTEEMED COLLEAGUE
8 TO MY RIGHT, I HAVE TRIED TO BE EQUITABLY ADDRESSING THIS
9 IN THREE-MINUTE INCREMENTS EXCEPT WHEN WE HAD MATTERS OF
10 GENERAL POLICY, SUCH AS THE IP POLICY, WHERE WE HAD SOME
11 LONGER STATEMENTS THAT I PERMITTED. BUT IT IS THE
12 BOARD'S DISCRETION, AND WE NEED TO GET A CLARIFICATION ON
13 THE MOTION TO SEE WHETHER THEY'RE ASKING FOR THREE
14 MINUTES OR TEN MINUTES OR WHAT THEY'RE ASKING FOR. AND I
15 THINK WE NEED TO SEE WHAT THE BOARD'S DECISION IS AS A
16 BOARD.

17 I HAVE HUMAN LIMITATIONS HERE. IF WE COULD
18 HAVE JEFF SHEEHY AND THEN DR. BRYANT.

19 MR. SHEEHY: I JUST WANT TO MAKE A COUPLE OF
20 POINTS THAT ARE UNIQUE TO THIS SITUATION THAT I THINK ARE
21 INCREDIBLY INAPPROPRIATE PRECEDENTS. IT IS ONE THING FOR
22 SOMEONE TO COME AND BE IN THE AUDIENCE WHEN THE ITEM IS
23 AGENDAD. IT IS ANOTHER TO REQUEST A SPECIAL HEARING,
24 WHICH IS WHAT YOU'RE GRANTING. SO ANY APPLICANT IS AWARE
25 THAT WE WERE CONSIDERING THIS TODAY. THEY GOT THE

BARRISTERS' REPORTING SERVICE

1 REVIEWS. IF THEY WERE NOT HAPPY WITH THE REVIEWS, THEY
2 HAD THE OPPORTUNITY, AS OTHERS AS YOU'VE NOTED HAVE COME
3 IN THE PAST, AND WHEN THE ITEMS WERE HEARD, TOOK
4 ADVANTAGE OF STATE LAW AND OPEN SUNSHINE TO GET UP AND
5 MAKE PUBLIC COMMENT AND SPEAK TO THE ISSUE.

6 IF PEOPLE CAN COME AND SAY, "I WOULD LIKE THE
7 OPPORTUNITY TO MAKE A SPECIAL PRESENTATION," THEN I THINK
8 WE HAVE TO NOTIFY, PER DR. TROUNSON'S SUGGESTION, ALL
9 APPLICANTS AND AFFORD THEM THE OPPORTUNITY AT THEIR
10 CONVENIENCE FOR THEM TO MAKE THEIR PRESENTATION. THAT'S
11 POINT NO. 1.

12 POINT NO. 2, WE HAVE GOTTEN THREE LETTERS ON
13 BEHALF OF THIS APPLICANT, RIGHT. YOU KNOW, I'M NOT SURE
14 WHAT SPECIAL INFORMATION THIS PARTICULAR PERSON CAN BRING
15 TO THE TABLE THAT WAS NOT IN THE APPLICATION, THAT WAS
16 NOT IN THE LETTER, THAT WOULD NOT BE SO NEW AS TO OPEN UP
17 A WHOLE NEW APPLICATION PROCESS. SO THAT'S THE SECOND
18 POINT.

19 SO FROM MY POINT OF VIEW, I WOULD BE HAPPY TO
20 HEAR DR. LUBEN. I THINK WE SHOULD REVEAL THE SCORE, HEAR
21 DR. LUBEN, AND ACT ON THIS TONIGHT AS WE'VE AGENDAD IT.
22 THAT'S JUST MY PERSPECTIVE. I ALSO HAVE TO SAY I'M NOT
23 SURE I UNDERSTAND WHY DR. LUBEN IS NOT QUALIFIED TO MAKE
24 HIS CASE.

25 CHAIRMAN KLEIN: I THINK THAT THERE IS

BARRISTERS' REPORTING SERVICE

1 CERTAINLY A PERSUASIVE POINT THAT YOU MAKE, THAT WE AS A
2 BOARD HAVE TO OPERATE IN A CONSISTENT MANNER IN TERMS OF
3 THE BOARD'S OWN EFFICIENCY. AND IT WOULD BE A PROBLEM
4 SETTING A PRECEDENT WHERE WE ALLOWED TIME ON A DIFFERENT
5 DAY DETACHED FROM THE MAIN BODY OF THE REVIEW. SO WHILE
6 I WOULD VERY MUCH LIKE TO SEE THEM HAVE THE CHANCE TO
7 MAKE THIS DISCUSSION, I AM AFRAID THAT IT IS A
8 TROUBLESOME PRECEDENT. ACTING AS A BOARD, WE HAVE TO
9 HAVE EVERYONE AVAILABLE WHEN WE'RE PREPARED TO ACT.
10 OTHERWISE WE'RE GOING TO HAVE A VERY DISORGANIZED AGENDA
11 THAT IS FRAGMENTED AND DIFFICULT TO DO CONSISTENT
12 REVIEWS, AND I THINK THAT IS A VERY PERSUASIVE POINT.
13 DR. MURPHY.

14 DR. MURPHY: MR. CHAIRMAN, I THINK IN SPEAKING
15 TO JEFF'S POINT OF CONSISTENCY, WE HAVE NOT YET GONE
16 THROUGH THIS LAST GROUP OF FOUR GRANTS THAT HAS NOT BEEN
17 RECOMMENDED. AND THE POLICY OF THE COMMITTEE HAS BEEN
18 FOR MEMBERS OF THE COMMITTEE TO SAY I WOULD LIKE TO SEE
19 OR LEARN MORE ABOUT 603. I WOULD LIKE TO SEE THE SCORE
20 IN THAT. I WOULD LIKE TO SEE THE STAFF GIVE US A REVIEW
21 ON THAT. NONE OF THAT HAS YET BEEN DONE. I THINK FOR
22 CONSISTENCY AND POLICY, WE SHOULD DO THAT AND THEN DECIDE
23 AND THEN GIVE DR. LUBEN THE OPPORTUNITY TO MAKE HIS
24 PRESENTATION AS WE WOULD NORMALLY. I THINK PRECEDENT IS
25 PROTECTED UNDER THOSE CIRCUMSTANCES.

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1 CHAIRMAN KLEIN: I THINK THAT'S REASONABLE
2 ADVICE. WE HAVE A MOTION PENDING. WOULD THE MAKERS OF
3 THE MOTION CARE TO GO FORWARD WITH THE MOTION OR CARE TO
4 WITHDRAW THE MOTION?

5 MS. SAMUELSON: I'M ABSOLUTELY INTENT ON GOING
6 FORWARD WITH THE MOTION. I THINK THIS IS AN IMPORTANT
7 MOMENT IN THE LIFE OF US FINDING OUR WAY TO PROCEDURES
8 THAT ARE GOING TO BE EVENHANDED AND FAIR AND OPEN. AND
9 WE'RE STRUGGLING WITH THIS, BUT I DON'T THINK WE NEED TO,
10 IN FORMING THOSE, BE TERRIFIED OF THE WORST CASE OR THERE
11 ARE GOING TO BE HUNDREDS OF PEOPLE STRETCHING OUT THE
12 DOOR. IF THAT HAPPENS SOMEDAY, SO BE IT. THAT WILL BE
13 MORE INTEREST IN OUR ENTERPRISE THAN WE'VE HAD AT ANY
14 OTHER MEETING AND MIGHT HAVE SOME GOOD POINTS TO IT.

15 BUT WHAT WE HAVE BEFORE US RIGHT NOW IS ONE
16 REQUEST TO DEFER THIS DISCUSSION TO TOMORROW MORNING,
17 WHICH IT ALMOST IS THE MORE WE TALK ABOUT IT, AND IT'S AN
18 IMPORTANT INSTANCE, I THINK. IT'S NOT JUST ANY PROPOSAL.
19 IT'S ONE THAT IS CLINICALLY ORIENTED. AND I SIT ON THE
20 GRANTS WORKING GROUP, AND I'M CERTAIN OF TWO THINGS. ONE
21 IS THAT THERE ARE VERY FEW, ALMOST NO SUCH PROPOSALS, IN
22 FACILITIES AND ELSEWHERE. THERE ARE MANY FEWER THAN WE
23 GET FOR BASIC SCIENCE. AND WE HAVE YET TO REALLY COME UP
24 WITH CRITERIA AND EVALUATION PROCESSES THAT I THINK DO
25 JUSTICE TO THOSE MORE INNOVATIVE AND RISKY, BY

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1 DEFINITION, AND DIFFICULT, INCREDIBLY DIFFICULT,
2 PROPOSALS. AND I THINK IT'S AWFULLY IMPORTANT THAT WE
3 EXTEND OURSELVES TO BE SURE THAT WE'RE FUNDING THEM IN
4 ANY CASE WHERE THERE'S A GOOD OPPORTUNITY. THAT'S WHAT
5 THE PROGRAMMATIC REVIEW IS FOR. THAT COMES AFTER THE
6 SCORING.

7 SO I THINK IT'S IMPORTANT THAT WE HEAR FROM
8 THEM. AND I ALSO CAN'T SEE WHY IT'S SUCH A BIG DEAL TO
9 WAIT UNTIL TOMORROW MORNING TO DO IT.

10 DR. LOVE: I WAS GOING TO SAY I THINK THAT THE
11 MOTION IS ON THE FLOOR, IT'S BEEN SECONDED. I THINK IT'D
12 BE PERFECTLY COMPATIBLE WITH FOLLOWING THAT PROTOCOL TO
13 DO EXACTLY WHAT RICHARD SUGGESTS, WHICH IS REVEAL THE
14 SCORE, DISCUSS THIS GRANT. AND IN THAT CONTEXT WE CAN
15 MAKE A DECISION ABOUT WHETHER OR NOT WE WANT TO DO THIS
16 SPECIAL SESSION OR WHETHER WE THINK IT'S NOT MERITED
17 BASED ON WHAT WE'VE LEARNED.

18 CHAIRMAN KLEIN: I THINK THE SEQUENCE, THOUGH,
19 WOULD BE TO CONSIDER THE OTHER APPLICATIONS AND THEN
20 DISCUSS THIS ITEM. PUBLIC COMMENT?

21 MR. REED: EVERYTHING THAT YOU DO IS FOR THE
22 FIRST TIME. YOU ARE THE BOARD. YOU DO HAVE THE POWER.
23 BUT IF YOU DO MAKE A TEN-MINUTE EXCEPTION FOR THIS
24 PERSON, THEN I DO THINK, AS DR. TROUNSON SAID, YOU'RE
25 OBLIGATED TO OFFER THE SAME FAIRNESS TO THE OTHER PEOPLE

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1 WHO WERE REJECTED. SO I THINK THAT WHATEVER POLICY YOU
2 DECIDE, THAT'S GOOD, BUT IT SHOULD BE FAIR FOR EVERYONE.

3 CHAIRMAN KLEIN: THANK YOU.

4 MS. DALEY: AMY DALEY, AMERICANS FOR CURES
5 FOUNDATION. I FIRST WANT TO SAY YOU ALL ARE DOING
6 EXCELLENT WORK, AND WE ARE GOING TO MAKE SOME FIRST-TIME
7 DECISIONS AND STEP INTO SITUATIONS THAT HAVEN'T BEEN
8 HEARD BEFORE. BUT I THINK THAT GIVEN THAT THE LETTER WAS
9 CLEAR THAT THE FINAL DECISION IS BY THE ICOC, AND GIVEN
10 THE FACT THAT THE WORKING GROUP IS AN ADVISORY GROUP, I
11 DON'T THINK IT'S -- I THINK THAT ANYBODY REASONABLE
12 READING THAT WOULD THINK THAT THEY CAN COME MAKE THEIR
13 CASE AT THE MEETING.

14 MOSTLY WHAT I WANT TO SAY IS WHAT WE'RE ABOUT
15 IS FUNDING CURES AND THERAPIES. AND IF THIS IS A GRANT
16 THAT ACTUALLY COULD BRING US TO THAT, I THINK WE HAVE TO
17 STAY FOCUSED ON THE GOAL AND WORK THROUGH IT. SO I
18 REALLY WOULD ENCOURAGE YOU TO TAKE THE TIME, THE EXTRA
19 TEN MINUTES, MAYBE MAKE THE LETTERS MORE CLEAR IN THE
20 FUTURE, BUT I REALLY THINK THAT IT'S IMPORTANT TO HEAR
21 EVERY OPPORTUNITY WE HAVE TO MOVE THE SCIENCE FORWARD.
22 THANK YOU.

23 CHAIRMAN KLEIN: THANK YOU.

24 DR. BRYANT: I'M JUST GOING TO SAY THAT I THINK
25 FROM A POINT OF VIEW OF AN ACTIVE SCIENTIST, IT'S NOT

BARRISTERS' REPORTING SERVICE

1 AUTOMATICALLY CLEAR THAT YOU COULD GO TO THIS MEETING AND
2 MAKE YOUR CASE. IT JUST DOESN'T HAPPEN. THIS IS A VERY
3 UNUSUAL SITUATION. NO ONE EVER GOES AND CONFRONTS THE
4 BOARD ABOUT THEIR GRANT SCORES OR ANYTHING. SO THIS IS
5 NOT SOMETHING ANYONE WOULD THINK OF, NO ONE.

6 MR. SHEEHY: I JUST WANT TO -- I THINK IN A WAY
7 WE'RE MIXING APPLES AND ORANGES. WE HAVE PROCEDURES,
8 WHICH I THINK WE NEED TO BE CAREFUL ABOUT WHAT WE DO.
9 NOW, IF THE ISSUE IS WHETHER OR NOT TO VOTE FOR THIS
10 GRANT, I WOULD AGREE WITH JOAN, THAT CLINICAL
11 APPLICATIONS HAVE NOT DONE WELL. I MIGHT EVEN BE
12 PERSUADED TO VOTE FOR THIS APPLICATION EVEN WITH A LOWER
13 SCORE. I COULD SEE US HAVING A VIGOROUS DEBATE AND EVEN
14 NOTWITHSTANDING WHATEVER NEGATIVE COMMENTS ARE IN THE
15 CRITIQUE, WHATEVER THE SCORE IS BECAUSE I BELIEVE THAT,
16 AS AMY HAS SAID, AMY DALEY, THAT CURES ARE POSSIBLE IN
17 THIS IN THE NEAR TERM, BUT THAT'S DIFFERENT FROM LIKE
18 MANIPULATING OUR PROCESS.

19 SO IF WE WANT TO VOTE -- WHAT I HATE IS THAT WE
20 SPLIT THE BABY. SAY, WELL, WE'LL LET HIM COME TALK AND
21 MAKE THE CASE. WE'RE STILL GOING TO VOTE AGAINST THEM,
22 YOU KNOW, WHICH MUCKS UP OUR PROCESS. I'D LIKE TO HEAR
23 THE CASE WHEN IT'S SCHEDULED AND MAKE THE DECISION. YOU
24 KNOW, I READ THE LETTERS. I'VE GOT TO TELL YOU I WAS --
25 I AM VERY TEMPTED TO SUPPORT. I DIDN'T KNOW WHAT THE

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1 SCORE WAS. I DIDN'T HAVE IT IN FRONT OF ME. I STILL
2 DON'T KNOW WHAT THE SCORE IS, BUT I'M VERY TEMPTED TO
3 VOTE TO MOVE THIS FORWARD. THIS IS A VERY COMPELLING
4 ARGUMENT THAT DR. LUBEN HAS MADE, AND I HOPE THAT HE IS
5 ABLE TO MAKE IT VOCALLY WITHIN THE CONTEXT OF OUR RULES.

6 BUT TO SIT HERE AND PLAY WITH OUR RULES BECAUSE
7 WE WANT -- AND THEN NOT VOTE FOR THE APPLICATION IS JUST
8 MAKING A HASH OF THE WHOLE THING.

9 CHAIRMAN KLEIN: SO I THINK WE'VE HEARD --

10 MR. SERRANO-SEWELL: FOR THE RECORD, DR. LUBEN
11 DIDN'T ASK TO PLAY WITH OUR RULES. HE MADE A REQUEST.
12 THIS WAS MY UNDERSTANDING OF WHAT HE ASKED. HIS REQUEST
13 WAS MAY I HAVE OR MAY HIS COLLEAGUE HAVE OR BE GRANTED
14 TEN MINUTES. I WOULDN'T CHARACTERIZE THAT AS PLAYING
15 WITH OUR RULES. IT WAS A REQUEST AND WE'RE CONSIDERING
16 THAT REQUEST RIGHT NOW.

17 CHAIRMAN KLEIN: I THINK IT'S A VERY
18 RESPONSIBLE REQUEST IN TERMS OF THE FACT THAT WE'RE
19 TRYING TO HAVE A REFINED UNDERSTANDING. THERE'S BEEN A
20 VERY SUCCESSFUL DISCUSSION TO BRING OUT THE ISSUES. YOU
21 MADE SOME EXCELLENT POINTS ABOUT CONSISTENCY AND
22 PRECEDENT AND EFFICIENT BOARD OPERATION, WHICH I THINK
23 WERE THE SAME POINTS THAT DR. LEVEY WAS ALLUDING TO. IN
24 ANY CASE, WE NOW SHOULD, IN FACT -- DO WE NEED TO CALL
25 THE ROLL ON THIS ITEM?

BARRISTERS' REPORTING SERVICE

1 MS. PACHTER: I WOULD ADVISE IT, YES.

2 DR. FRIEDMAN: RESTATE IT.

3 MS. PACHTER: I WILL RESTATE THE MOTION.

4 DR. STEWARD: I THINK I REALLY NEED TO ASK FOR
5 SPECIFICITY HERE OF EXACTLY WHAT WE ARE VOTING FOR. IS
6 IT THREE MINUTES OR TEN MINUTES? AND WHAT DO WE MEAN BY
7 A SPECIAL PRESENTATION? DO WE MEAN WITH SLIDES BECAUSE
8 THAT ALMOST AUTOMATICALLY MEANS THAT THERE WILL BE
9 ADDITIONAL FACTUAL MATERIAL THAT IS PRESENTED. AND SO I
10 REALLY -- I NEED TO UNDERSTAND WHAT WE'RE VOTING ON.

11 CHAIRMAN KLEIN: IS THIS A THREE-MINUTE
12 PRESENTATION?

13 MS. SAMUELSON: MY PREFERENCE IS THAT IT'S
14 WITHIN REASONABLE LIMITS, AS LONG AS IT NEEDS TO BE TO DO
15 A DECENT JOB OF IT. AND TEN MINUTES IS PROBABLY MORE
16 REASONABLE THAN THREE.

17 CHAIRMAN KLEIN: YOUR MOTION IS TEN MINUTES?

18 MS. SAMUELSON: YES.

19 CHAIRMAN KLEIN: IS THAT THE SECOND'S POSITION?

20 DR. PRIETO: I'M FINE WITH THAT. MY IMPRESSION
21 OF OUR OPERATIONS OVER THESE YEARS HAS BEEN THAT WE DON'T
22 WATCH THE CLOCK THAT CLOSELY.

23 MS. SAMUELSON: WE'VE BEEN TALKING ABOUT THIS
24 FOR AN HOUR.

25 CHAIRMAN KLEIN: THIS IS A VERBAL PRESENTATION;

BARRISTERS' REPORTING SERVICE

1 IS THAT CORRECT?

2 DR. PRIETO: THAT'S MY UNDERSTANDING.

3 MS. SAMUELSON: AND I'M NOT WEDDED TO ANY
4 PARTICULAR PROCESS. I THINK THE MOST IMPORTANT THING IS
5 THAT WE ACT INDEPENDENTLY WITH REASONABLE KNOWLEDGE WHEN
6 WE VOTE ON THIS APPLICATION. THAT'S OUR CHARGE. AND SO
7 WE CAN BE INFORMED ABOUT WHAT EXACTLY WILL DO THAT, AND
8 I'M NOT WEDDED TO ONE OR ANOTHER.

9 CHAIRMAN KLEIN: THIS IS FOR TOMORROW MORNING?
10 IS THAT THE MOTION?

11 MS. SAMUELSON: IT STRIKES ME THAT IT'S A
12 REASONABLE THING TO ACCEPT THE REQUEST THAT WE WAIT UNTIL
13 DOCTOR WHOEVER IT IS, I FORGOT HIS NAME, IS AVAILABLE.
14 IT JUST DOESN'T MAKE A BIG DIFFERENCE.

15 CHAIRMAN KLEIN: SO IT'S FOR TOMORROW MORNING.
16 I WOULD SAY, AS THE CHAIR, THAT AS A MEMBER OF THE
17 PUBLIC, THEY CAN HAVE A THREE-MINUTE PRESENTATION. THAT
18 IS OUR POLICY IF THEY HAVE IT TONIGHT AT THIS TIME.

19 SO THE MOTION, AS I UNDERSTAND IT, COUNSEL, IS
20 A TEN-MINUTE ALLOWANCE FOR TOMORROW MORNING FOR
21 CONSIDERATION OF THIS ITEM. IS THAT YOUR UNDERSTANDING,
22 COUNSEL?

23 MS. PACTER: MY UNDERSTANDING IS THE MOTION IS
24 TO POSTPONE ACTION ON APPLICATION NO. 603 UNTIL TOMORROW
25 MORNING TO ALLOW COREY TO MAKE A PRESENTATION OF TEN

BARRISTERS' REPORTING SERVICE

1 MINUTES TO THE BOARD.

2 CHAIRMAN KLEIN: COULD YOU CALL THE ROLL.

3 MS. KING: DONALD DAFOE.

4 DR. DAFOE: NO.

5 MS. KING: FLOYD BLOOM.

6 DR. BLOOM: NO.

7 MS. KING: SUSAN BRYANT.

8 DR. BRYANT: NO.

9 MS. KING: MICHAEL FRIEDMAN.

10 DR. FRIEDMAN: NO.

11 MS. KING: MICHAEL GOLDBERG.

12 MR. GOLDBERG: NO.

13 MS. KING: BOB KLEIN.

14 CHAIRMAN KLEIN: NO.

15 MS. KING: GERALD LEVEY.

16 DR. LEVEY: NO.

17 MS. KING: TED LOVE.

18 DR. LOVE: NO.

19 MS. KING: ED PENHOET.

20 DR. PENHOET: ABSTAIN.

21 MS. KING: FRANCISCO PRIETO.

22 DR. PRIETO: YES.

23 MS. KING: DUANE ROTH.

24 MR. ROTH: NO.

25 MS. KING: JOAN SAMUELSON.

BARRISTERS' REPORTING SERVICE

1 MS. SAMUELSON: YES.

2 MS. KING: DAVID SERRANO-SEWELL.

3 MR. SERRANO-SEWELL: YES.

4 MS. KING: JEFF SHEEHY.

5 MR. SHEEHY: NO.

6 MS. KING: OSWALD STEWARD.

7 DR. STEWARD: NO.

8 MS. KING: JANET WRIGHT.

9 DR. WRIGHT: NO.

10 MS. KING: THAT MOTION FAILS.

11 CHAIRMAN KLEIN: OKAY. THAT MOTION FAILS.

12 I'M GOING TO FOLLOW THE ADVICE OF OUR

13 PRESIDENT. OUR INTERIM PRESIDENT, I BELIEVE, MADE THE
14 SUGGESTION THAT WE GO THROUGH THE ISSUE OF WHETHER WE'RE
15 GOING TO MOVE FORWARD ON THOSE THAT ARE RECOMMENDED OR
16 WHETHER SOMEONE HAS A MOTION TO PULL ONE OF THEM OUT.

17 MS. SAMUELSON: MR. CHAIRMAN, THERE WAS ANOTHER
18 OPTION, WHICH WAS SUGGESTED BY STAFF, THAT WE GO AHEAD
19 AND HEAR WHAT WE CAN AS BEST WE CAN FROM DR. LUBEN NOW.

20 CHAIRMAN KLEIN: AND I THINK DR. MURPHY'S
21 RECOMMENDATION WAS GO THROUGH THE RECOMMENDATIONS ABOVE
22 IT; AND THEN WHEN WE GET TO THAT ITEM, ALLOW THE
23 PRESENTATION AT THREE MINUTES.

24 DR. MURPHY: I THINK, MR. CHAIRMAN, THE
25 RECOMMENDATION WAS WHEN WE GET TO 603, TO GO THROUGH THE

BARRISTERS' REPORTING SERVICE

1 ESTABLISHED PROCEDURE, WHICH WAS FOR THE BOARD TO ASK
2 STAFF FOR A REVIEW OF THE GRANT, AND THEN TO OPEN IT UP
3 TO PUBLIC COMMENT.

4 CHAIRMAN KLEIN: THAT'S WHAT WE WILL DO. SO IS
5 THERE ANYONE WOULD LIKE TO MAKE A MOTION EITHER TO
6 WITHDRAW ANY OF THOSE FROM CONSIDERATION OR TO APPROVE
7 ALL THREE THAT HAVE BEEN RECOMMENDED BY THE SCIENTIFIC
8 AND MEDICAL WORKING GROUP?

9 MR. SHEEHY: I MOVE TO APPROVE -- TO MOVE
10 FORWARD ALL THREE.

11 DR. WRIGHT: SECOND.

12 CHAIRMAN KLEIN: MOTION IS MADE AND SECONDED.
13 DISCUSSION?

14 MS. SAMUELSON: WHERE IS THE APPROPRIATE POINT
15 TO INCLUDE --

16 CHAIRMAN KLEIN: IT WOULD BE AFTER THIS.
17 PUBLIC COMMENT?

18 MR. SIMPSON: IT WOULD SIMPLIFY YOUR PROCEDURES
19 IF YOU WOULD SIMPLY HAVE SAID THAT YOU WERE TALKING ABOUT
20 THOSE THREE AS BEING UC MERCED, UC SANTA BARBARA, AND UC
21 SANTA CRUZ, AND THAT THE EMINENT SCIENTISTS THAT MERITED
22 70 SCORE, I GUESS, WOULD BE JAMIE THOMPSON, AND WE ALL
23 WELCOME HIM TO THE STATE. I DON'T SEE WHY WE CAN'T JUST
24 GET THAT ON THE RECORD.

25 CHAIRMAN KLEIN: OKAY. THANK YOU. ANY

BARRISTERS' REPORTING SERVICE

1 ADDITIONAL PUBLIC COMMENT? SEEING NONE, CAN WE HAVE A
2 ROLL CALL AFTER THE MOTION IS RESTATED.

3 MS. PACTHER: THE MOTION IS TO MOVE APPLICATION
4 617, 614, AND 616 FORWARD TO PART 2 CONSIDERATION IN THE
5 CLASS OF SPECIAL PROGRAMS.

6 MS. KING: DONALD DAFOE.

7 DR. DAFOE: YES.

8 MS. KING: FLOYD BLOOM.

9 DR. BLOOM: YES.

10 MS. KING: SUSAN BRYANT.

11 DR. BRYANT: YES.

12 MS. KING: MICHAEL FRIEDMAN.

13 DR. FRIEDMAN: YES.

14 MS. KING: MICHAEL GOLDBERG.

15 MR. GOLDBERG: YES.

16 MS. KING: BOB KLEIN.

17 CHAIRMAN KLEIN: YES.

18 MS. KING: GERALD LEVEY.

19 DR. LEVEY: YES.

20 MS. KING: TED LOVE.

21 DR. LOVE: YES.

22 MS. KING: ED PENHOET.

23 DR. PENHOET: YES.

24 MS. KING: FRANCISCO PRIETO.

25 DR. PRIETO: YES.

BARRISTERS' REPORTING SERVICE

1 MS. KING: DUANE ROTH.

2 MR. ROTH: YES.

3 MS. KING: JOAN SAMUELSON.

4 MS. SAMUELSON: YES.

5 MS. KING: DAVID SERRANO-SEWELL.

6 MR. SERRANO-SEWELL: YES.

7 MS. KING: JEFF SHEEHY.

8 MR. SHEEHY: YES.

9 MS. KING: OSWALD STEWARD.

10 DR. STEWARD: YES.

11 MS. KING: JANET WRIGHT.

12 DR. WRIGHT: YES.

13 MS. KING: THAT MOTION CARRIES.

14 CHAIRMAN KLEIN: THANK YOU. IS THERE ANY BOARD
15 MEMBER THAT WANTS TO CONSIDER ANY ITEM ABOVE 603? SEEING
16 NONE --

17 MS. SAMUELSON: EXCUSE ME. I HAVEN'T GOT THE
18 PAPERS RIGHT IN FRONT OF ME AND CAN'T GET AT THE
19 MOMENT. SO I'D APPRECIATE THE CHAIR'S HELP IN GIVING ME
20 A HEADS UP.

21 CHAIRMAN KLEIN: SURE. 603 IS THE ITEM THAT
22 DR. LUBEN WANTS TO ADDRESS.

23 MS. SAMUELSON: SO THIS IS THE APPROPRIATE TIME
24 TO SAY WHAT?

25 CHAIRMAN KLEIN: IF YOU WOULD LIKE TO HAVE THAT

BARRISTERS' REPORTING SERVICE

1 DISCUSSED, THIS IS THE APPROPRIATE -- IT IS APPROPRIATE
2 FOR STAFF TO PROVIDE A PRESENTATION. AND THEN AFTER THE
3 PRESENTATION, OUR NORMAL PROCEDURE WOULD BE TO ASK
4 WHETHER YOU WANT TO HAVE THE SCORE DISPLAYED AND MOVE
5 FORWARD ON A MOTION. AND AT THAT TIME WE WILL PERMIT A
6 THREE-MINUTE PRESENTATION BY THE APPLICANT.

7 MR. SHEEHY: I WONDER IF IT'S NOT MORE
8 APPROPRIATE TO MAKE THE MOTION. ISN'T THAT HOW WE
9 USUALLY DO IT? AND I WOULD BE MORE THAN HAPPY TO MAKE
10 THE MOTION TO MOVE 603 INTO THE SECOND TO ALLOW THEM TO
11 COMPETE IN PHASE 2 OR PART B OR WHATEVER WE'RE
12 CATEGORIZING, IF THERE'S SECOND TO DO THAT. I'D LIKE TO
13 DO THIS IN THE CONTEXT OF TRYING TO ACCOMPLISH WHAT DR.
14 LUBEN HAS ASKED US TO DO.

15 AND LIKE I SAID, I ACTUALLY READ THE MATERIALS.
16 I THINK THAT THIS IS A HIGH IMPACT CLINICAL PROGRAM THAT
17 HAS SOME SUCCESS, AND I AM NOT, NO MATTER WHAT THE SCORE
18 IS, AND I SAT THROUGH THE REVIEWS, I WOULD NOT THINK THAT
19 WE'D BE AMISS IN MOVING FORWARD WITH THIS. I DON'T KNOW
20 IF I HAVE A SECOND.

21 CHAIRMAN KLEIN: IS THERE A SECOND?

22 MS. SAMUELSON: SECOND UNLESS DR. PRIETO WANTS
23 TO.

24 CHAIRMAN KLEIN: THE MOTION HAS BEEN MADE AND
25 SECONDED. AND AT THIS POINT I BELIEVE IT'S APPROPRIATE

BARRISTERS' REPORTING SERVICE

1 TO DISPLAY THE SCORE. AND, STAFF, COULD YOU PLEASE DO
2 YOUR PRESENTATION?

3 DR. OLSON: DR. STEFFEN WILL PRESENT THIS
4 APPLICATION.

5 DR. STEFFEN: THE APPLICANTS PROPOSE TO BUILD A
6 NEW FACILITY FOCUSED ON CLINICAL AND PRECLINICAL RESEARCH
7 INTO THE USE OF STEM CELLS DERIVED FROM UMBILICAL CORD
8 BLOOD AND EVENTUALLY ALSO PLACENTA TO TREAT PATIENTS WITH
9 INHERITED HEMAGLOBINOPATHIES.

10 THE INVESTIGATORS HAVE PREVIOUSLY DEMONSTRATED
11 THAT UMBILICAL CORD BLOOD TRANSPLANTATION FROM MATCHED
12 RELATED SIBLINGS HAS A VERY HIGH SUCCESS RATE IN
13 AMELIORATING THE SIGNS AND SYMPTOMS OF THESE DISEASES.
14 THEY HAVE ALSO ESTABLISHED A PROTOTYPE FOR A SIBLING CORD
15 BANK WHICH WAS USED TO DEMONSTRATE EFFICACY OF RELATED
16 CORD BLOOD TRANSPLANTATION IN THIS SITTING.

17 THEY NOW PROPOSE TO EXTEND THEIR PRIOR
18 EXPERIENCE ON BY CONTINUING CLINICAL INVESTIGATIONS
19 THROUGH ADDITIONAL UMBILICAL BLOOD CORD BLOOD
20 TRANSPLANTATION STUDIES. NO. 2, ESTABLISHMENT OF A NEW
21 SIBLING CORD AND PLACENTAL BANKING FACILITY. THREE,
22 PERFORMING PRECLINICAL STUDIES TO INVESTIGATE METHODS TO
23 OVERCOME HISTOCOMPATIBILITY BARRIERS. AND, FOUR, TO
24 DEVELOP PROCESSES TO INCREASE THE YIELD OF STEM AND
25 PROGENITOR CELLS HARVESTED FROM CORD BLOOD AND PLACENTAL

BARRISTERS' REPORTING SERVICE

1 BLOOD AND TO FURTHER CHARACTERIZE THE CELLS IN VITRO.

2 TWO CORE LABS ARE PROPOSED, ONE FOR CLINICAL
3 CRYOPRESERVATION AND A SECOND FOR HLA LABORATORY
4 SERVICES. PLANS FOR GROWTH INCLUDE RECRUITMENT OF
5 ADDITIONAL CLINICAL AND BASIC INVESTIGATORS, UP TO THREE,
6 WHO WOULD UTILIZE THIS RESEARCH SPACE FOR THEIR WORK AND
7 WHO WOULD CONTRIBUTE TO THE ONGOING DEVELOPMENT OF
8 APPLICATIONS FOR CORD BLOOD AND PLACENTAL STEM CELLS.

9 SPECIFIC DETAILS FOR THESE PLANS WERE NOT
10 PROVIDED. REVIEWERS ALSO NOTED THAT ONE OF THE
11 INVESTIGATORS HAS BEEN SUCCESSFUL IN CREATING A STRONG
12 UMBILICAL CORD BLOOD TRANSPLANT PROGRAM, AND THERE IS
13 EVERY EXPECTATION THAT HE OR SHE WILL BE ABLE TO CONTINUE
14 THAT SUCCESS RATE IN FUTURE CLINICAL STUDIES.

15 REVIEWERS ALSO NOTED THAT THE APPLICATION DID
16 NOT HAVE MUCH ADDITIONAL INFORMATION REGARDING THE
17 OVERALL SUCCESS OF THE OTHER PRINCIPAL INVESTIGATORS TO
18 BE HOUSED IN THE FACILITY OR IN THE REST OF THE
19 INSTITUTION; AND, THEREFORE, THE TRACK RECORD AND
20 LIKELIHOOD OF SUCCESS COULD NOT BE ASSESSED BY THE
21 REVIEWERS.

22 REVIEWERS FELT THERE WAS MINIMAL EVIDENCE FOR
23 INTERDISCIPLINARY COLLABORATION IN THE APPLICATION. IN
24 SUMMARY, REVIEWERS FELT THAT THE FOUR PROGRAMS ARE ALL
25 REASONABLE, BUT THEY DO NOT MAKE A COHESIVE ELEMENT

BARRISTERS' REPORTING SERVICE

1 PROGRAM GIVEN THAT TWO OF THE PROPOSED PROJECTS ARE
2 PRECLINICAL EFFORTS. THE CLINICAL PROGRAM WAS REVIEWED
3 AS ONLY INCREMENTALLY ADVANCING THE FIELD, AND THE
4 SIBLING CORD BLOOD BANK OBJECTIVE WAS FELT TO BE MET BY
5 THE HRSA MANDATED INITIATIVE. REVIEWERS FELT THAT THE
6 TWO PRECLINICAL INVESTIGATIVE PROGRAMS WERE EARLY STAGE
7 AND WERE NOT SUFFICIENTLY DETAILED TO CONVINCING REVIEWERS
8 THAT OBJECTIVES COULD BE MET.

9 PANELISTS QUERIED WHETHER PLANS WERE IN PLACE
10 TO EXPAND THE RESEARCH INTO HUMAN EMBRYONIC STEM CELLS
11 AND ASKED WHETHER INVESTIGATORS HAD ANY PREVIOUS CIRM
12 FUNDING. REVIEWERS RESPONDED THAT THERE WAS NO EVIDENCE
13 OF CURRENT USE OR PLANNED EXPANSION INTO THE USE OF HUMAN
14 EMBRYONIC STEM CELLS. PLACENTAL CELLS WERE DISCUSSED,
15 BUT IT WAS FELT THAT THE PROGRAM WAS NOT AT A COMPARABLE
16 LEVEL COMPARED TO THE STATE-OF-THE-ART EFFORTS OF OTHER
17 INVESTIGATIVE GROUPS. THEREFORE, REVIEWERS COULD NOT
18 JUSTIFY DEDICATION OF A FACILITY TO THIS EFFORT.

19 IN SUMMARY, REVIEWERS FELT THESE PROPOSALS
20 WOULD BE MORE APPROPRIATE FOR INDIVIDUAL TRANSLATIONAL OR
21 CLINICAL RESEARCH PROGRAMS. THAT CONCLUDES THE EXECUTIVE
22 SUMMARY OF THE REPORT ON THIS APPLICATION.

23 CHAIRMAN KLEIN: THANK YOU. QUESTIONS FROM THE
24 BOARD?

25 MR. GOLDBERG: COMMENT. I PARTICIPATED IN A

BARRISTERS' REPORTING SERVICE

1 GROUP THAT LOOKED AT THE PROPRIETARY INFORMATION IN
2 CONNECTION WITH THE BOARD'S CONFIDENTIAL REVIEW OF
3 GRANTS. AND I WON'T SPEAK FOR THE OTHERS WHO ALSO
4 PARTICIPATED IN THAT, BUT I JUST WANTED FOR THE RECORD TO
5 KNOW THAT WE DID LOOK AT SOME OF THE PROPRIETARY
6 INFORMATION, AND THERE'S NOTHING THAT WE DISCOVERED WHICH
7 WOULD CAUSE ME TO VIEW THIS PROPOSAL ANY DIFFERENTLY IN
8 LIGHT OF THE FACTS THAT WERE MADE AVAILABLE TO THE
9 REVIEWERS AT THE TIME.

10 MR. ROTH: SO MY BIGGEST PROBLEM WITH THIS
11 PARTICULAR PROPOSAL IS THE CONNECTION TO A FACILITY.
12 WHEN YOU THINK ABOUT CLINICAL RESEARCH, WHICH IS THE
13 ELEMENT THAT WAS APPLIED FOR, I HAVE TROUBLE
14 UNDERSTANDING WHAT TYPE OF FACILITY WOULD BE NECESSARY
15 FOR US TO SUPPORT. THIS WOULD YOU BE A LOVELY DISEASE
16 TEAM GRANT OR OTHER GRANT, BUT TO BUILD A BUILDING AND TO
17 PUT MONEY INTO BRICKS AND MORTAR FOR A CLINICAL PROGRAM
18 ALONE I THINK IS WHAT -- IT'S NOT THE MERITS OF THE
19 PROGRAM. IT JUST DOESN'T -- IT ISN'T THIS PROGRAM.

20 CHAIRMAN KLEIN: THIS WAS, I THINK, RENOVATION
21 OF A PORTION OF A FACILITY AS VERSUS BUILDING A NEW
22 BUILDING. I'D JUST LIKE TO SAY, AS MUCH AS -- FIRST OF
23 ALL, I THINK THAT THIS WORK IS UNDERVALUED, BUT, HAVING
24 SAT THROUGH THE GRANT REVIEW, BELIEVE THAT THE REAL
25 PROBLEM WAS THAT THE CUTTING EDGE SCIENCE WASN'T

BARRISTERS' REPORTING SERVICE

1 ADEQUATELY DISCUSSED IN DEPTH. AND WE HAVE TO GO ON WHAT
2 IS SUBMITTED IN THE APPLICATIONS. PARTICULARLY WHEN I
3 REVIEWED THIS MATERIAL AND REVIEWED THE INADEQUACIES OF
4 REALLY THE EXPLANATION OF THE CUTTING EDGE WORK THAT I
5 THINK IS ACTUALLY DONE THERE, WE DON'T HAVE A SITUATION,
6 FROM MY PERSPECTIVE, WHERE I CAN SUPPORT SOMETHING FOR
7 THIS ROUND, SOMETHING THAT I REALLY WOULD LIKE TO SEE
8 HAPPEN. BUT I THINK THE COMMENT IS APPROPRIATE AS A
9 DISEASE TEAM PROPOSAL OR SOME OTHER TYPE OF CLINICAL
10 PROPOSAL.

11 THE QUALITY OF THE PEOPLE AND THEIR EXPERTISE
12 IS THERE, AND THE RESOURCE FOR ALL OF CALIFORNIA IS VERY
13 IMPORTANT. SO IT'S SOMETHING THAT IN THE FUTURE, IF
14 THOSE ISSUES ARE FULLY DISCUSSED AND THE INFORMATION IS
15 AVAILABLE TO US, I THINK IT MAY BE A VERY DIFFERENT
16 OUTCOME. ANY OTHER COMMENTS?

17 DR. FRIEDMAN: COULD I JUST ASK THE STAFF TO
18 GIVE US A LITTLE MORE PERSPECTIVE ON THE U COMPONENT?

19 DR. STEFFEN: THIS IS RENOVATION OF A SPACE.
20 IT WOULD HOUSE THREE INVESTIGATORS WHO ARE ALL PRESENT AT
21 THE FACILITY RIGHT NOW. THERE IS A PLAN TO RECRUIT UP TO
22 THREE MORE CLINICAL AND BASIC INVESTIGATORS WHO WOULD
23 UTILIZE THE RESEARCH SPACE FOR THEIR WORK. IT IS ALSO
24 PLANNED TO HOLD A CLINICAL CRYOPRESERVATION LABORATORY IN
25 THE FACILITY, WHICH IS CURRENTLY LOCATED AT ANOTHER

BARRISTERS' REPORTING SERVICE

1 LOCATION NEARBY.

2 AND SPECIFICALLY, THE REVIEWERS' COMMENTS ARE
3 THAT THIS IS A RELATIVELY SMALL PROGRAM, BUT THESE
4 RESEARCH PROJECTS REPRESENT THE BREADTH OF THE CURRENT
5 EFFORTS AT THE APPLICANT INSTITUTION. AND THE PROPOSED
6 PRECLINICAL PROJECTS WERE CHOSEN SPECIFICALLY BECAUSE OF
7 THEIR HIGH LIKELIHOOD OF RAPID AND SUCCESSFUL TRANSLATION
8 INTO THE CLINICAL TRIAL EVALUATION.

9 ONE STRENGTH IS THE PROVEN TRACK RECORD OF ONE
10 OF THE APPLICANT PI'S TO ORGANIZE AND CARRY OUT COMPLEX
11 CLINICAL TRIALS. AND THIS WOULD ALLOW -- GUARANTEE THAT
12 CLINICAL APPLICATIONS AND STUDIES USING CORD BLOOD STEM
13 CELLS WOULD PROGRESS RAPIDLY, AND THE PROPOSED FACILITY
14 WOULD HELP TO ENSURE THE GROWTH THAT THAT PROGRAM
15 CONTINUES.

16 THE PROPOSED FACILITY WILL ALLOW FOR THE
17 DEVELOPMENT OF A CRYOPRESERVATION LABORATORY ON-SITE,
18 WHICH WE MENTIONED, ADDITIONAL LAB SPACE, AND ROOM FOR
19 RECRUITMENT OF CLINICAL AND RESEARCH FACULTY THAT WOULD
20 ALLOW THE APPLICANT INSTITUTION TO BRING TOGETHER THE
21 PRIMARY INVESTIGATORS INVOLVED IN EXISTING PRECLINICAL
22 RESEARCH AND THE CLINICAL CORD BLOOD TRANSPLANT PROGRAM
23 UNDER ONE ROOF AND PERMIT CLOSER COOPERATION. HOWEVER,
24 IT IS NOT POSSIBLE TO ENVISION FROM THE INFORMATION
25 PRESENTED IN THIS APPLICATION HOW THE SPACE TO BE

BARRISTERS' REPORTING SERVICE

1 DEVELOPED WILL ALLOW FOR DEVELOPMENT OF A FOCUSED
2 RESEARCH PROGRAM.

3 DR. FRIEDMAN: THAT'S THE SENTENCE THAT I --
4 CAN YOU GIVE US ANY MORE INSIGHT INTO THAT, PLEASE?

5 DR. STEFFEN: I THINK THAT THE ISSUE FOR THE
6 REVIEWERS WAS THAT THERE WAS ACKNOWLEDGEMENT OF THE
7 CLINICAL PROGRAM; BUT COMING IN AS A FOCUSED Z ELEMENT
8 RESEARCH PROPOSAL, SOME OF THE PANELISTS HAD DIFFICULTY
9 THAT THERE WERE TWO PRECLINICAL ELEMENTS PROPOSED AND
10 THIS SINGLE CLINICAL RESEARCH PROGRAM. AND I THINK IT'S
11 THE COMMENT FROM THE EXECUTIVE SUMMARY THAT ALL FOUR
12 PROGRAMS SEEMED REASONABLE, BUT THAT THEY DID NOT COME
13 TOGETHER IN A COHESIVE CLINICAL RESEARCH STRATEGY
14 PROGRAM.

15 DR. FRIEDMAN: THANK YOU.

16 CHAIRMAN KLEIN: ADDITIONAL COMMENTS? JEFF
17 SHEEHY.

18 MR. SHEEHY: IT'S BEEN MY OBSERVATION WITHIN
19 THE CONTEXT OF THE WORKING GROUP THAT CLINICAL WORK IS
20 NOT REVIEWED AT THE SAME WAY AS BASIC SCIENCE, THAT WE
21 HAVE A CERTAIN SKEW TOWARDS BASIC SCIENCE IN OUR REVIEW
22 PROCESS. I TALKED TO ONE OF THE REVIEWERS. HE SAYS IT'S
23 ALMOST THE NATURE OF THE BEAST. YOU KNOW, ONE OF THE
24 COMMENTS THAT WAS MADE IS THAT, YOU KNOW, THAT THEY'RE
25 BUILDING ON SOMETHING, BUT THEY'RE NOT DOING ANYTHING

BARRISTERS' REPORTING SERVICE

1 PARTICULARLY INNOVATIVE. BUT THESE INCREMENTAL STATES
2 ARE WHAT HAPPENS, ACCORDING TO THE REVIEWER I WAS TALKING
3 TO, WHO WAS THE EXPERT ON TRANSLATIONAL RESEARCH, IS WHAT
4 YOU TYPICALLY FIND IN A CLINICAL PROGRAM.

5 IF WE LOOK AT THE NEW FACULTY AWARDS, AND IF
6 YOU WERE TO ACTUALLY HAVE SEPARATED OUT THE BASIC
7 SCIENTISTS AND THE CLINICAL SCIENTISTS, THERE'S A VAST
8 GAP IN THE SCORES EXCEPT FOR ONE EXCEPTION. AND THIS IS
9 BECAUSE CLINICAL SCIENCE IS NOT REVIEWED AS HIGHLY WITHIN
10 THE CONTEXT OF HOW WE DO OUR WORK AS BASIC SCIENCE.
11 BASIC SCIENCE IS NEW SCIENCE BY DEFINITION. CLINICAL
12 SCIENCE IS INCREMENTAL STEPS.

13 I THINK IT'S INTERESTING THAT EVERYONE SEEMS TO
14 KIND OF JUST GLOSS OVER THIS NOVEL BLOOD COLLECTION
15 TECHNIQUE FOR UMBILICAL CORD. THIS IS THE KIND OF THINGS
16 THAT ARE IMPORTANT FOR MOVING THE SCIENCE FORWARD. THIS
17 IS A LITTLE THING, BUT IT ACTUALLY IS A VERY BIG THING.

18 AND I THINK THAT THE OTHER THING, IF YOU HEARD
19 THE REVIEWS, THEY KEPT SAYING THERE'S NO PLAN TO DO HUMAN
20 EMBRYONIC STEM CELLS. OUR REVIEWERS THINK THAT THEY'RE
21 COMING HERE TO FUND, EVEN THOUGH WE TELL THEM EVERYTHING,
22 THEY REALLY THINK THEY'RE DOING EMBRYONIC STEM CELL
23 SCIENCE. AND, YOU KNOW, THIS GUY STARTS OFF -- THIS
24 APPLICATION STARTED OFF IN THE NEGATIVE BECAUSE THERE WAS
25 NO HUMAN EMBRYONIC STEM CELL STUFF THERE. PEOPLE SEE

BARRISTERS' REPORTING SERVICE

1 THIS STUFF ALL THE TIME.

2 AND EVERYTHING I'VE HEARD ABOUT THIS PROGRAM
3 HAS ALWAYS BEEN THAT IT'S OUTSTANDING. THERE SEEMS TO BE
4 SOMETHING HERE THAT WILL MAKE A DIFFERENCE IN PEOPLE'S
5 LIVES. I JUST -- I THINK WE'RE MAKING A REAL MISTAKE BY
6 NOT GIVING THIS AN OPPORTUNITY TO GO FORWARD. THIS IS
7 THE ONLY THING LIKE THIS WE'VE SEEN. YOU LOOK AT ALL THE
8 Z ELEMENTS, NOBODY ELSE IS TALKING ABOUT PUTTING
9 SOMETHING INTO A PATIENT NOW. NONE OF THEM. YET THIS
10 ONE DOESN'T GET -- THE SCORES ON THIS ONE ARE WRETCHED.
11 SO WE PAY THE POTENTIAL, BUT WE DON'T PAY THE PRESENT.
12 AND, YOU KNOW, I THINK THEY'RE DOING GOOD WORK.

13 I WOULD BE INTERESTED -- DR. TROUNSON HAS
14 TALKED ABOUT PLACENTAL -- DOING PLACENTAL -- DOING SOME
15 OF THESE THINGS. WHAT DOES THIS LOOK LIKE TO YOU? I
16 MEAN LOOK AT OUR PORTFOLIO. IS THIS THE ONE THING WE
17 MIGHT NEED IN THIS ONE AREA? WE HAVEN'T GOTTEN A LOT OF
18 STUFF LIKE THIS. IS THIS THE ONE THING WE WANT TO PUT
19 THE BET ON? IS THIS AN IMPORTANT FEATURE OF OUR OVERALL
20 PORTFOLIO? WE FUNDED A TON OF BASIC SCIENCE SO FAR.

21 CHAIRMAN KLEIN: WE HAVE DR. LOVE AND THEN DR.
22 STEWARD.

23 DR. LOVE: WELL, I WAS JUST GOING TO MAKE THE
24 POINT THAT, AND I KNOW WE'RE TRYING TO BE FAIR AND WE'RE
25 TRYING TO BE BALANCED, BUT THE REALITY IS WE CAN'T FUND

BARRISTERS' REPORTING SERVICE

1 EVERYTHING AND WE WON'T FUND EVERYTHING. AND WE'LL
2 PROBABLY OCCASIONALLY MAKE DECISIONS TO FUND THINGS IN
3 RETROSPECT THAT WERE NOT VERY SUCCESSFUL, AND WE'LL
4 PROBABLY PASS SOME THINGS THAT COULD HAVE BEEN VERY
5 SUCCESSFUL.

6 I THINK THAT, JEFF, WHAT YOU ARE SAYING MAKES A
7 LOT OF SENSE; BUT IN REALITY IF WHAT THEY'RE DOING IS
8 REALLY GOOD, THERE WILL BE OTHER OPPORTUNITIES FOR
9 FUNDING AS WELL. WE'RE NOT THE ONLY FUNDING AGENCY
10 AROUND. IN FACT, IF IT'S NOT A HUMAN EMBRYONIC STEM CELL
11 RESEARCH, THE RANGE OF OPPORTUNITIES FOR FUNDING WOULD
12 LIKELY BE BROADER IN THE BEGINNING.

13 SO I JUST WANTED TO PUT IN THE CONTEXT AT THE
14 END OF THE DAY, IF THE RESEARCH IS GOOD, AND I DON'T
15 THINK WE'RE IN THE BEST POSITION, AT LEAST I DON'T FEEL
16 IN THE BEST POSITION TO DIVE IN AND EXAMINE THAT, IF THE
17 RESEARCH IS GOOD, I THINK IT ULTIMATELY WILL BE FUNDED,
18 AND SHOULDN'T FEEL AT THE END OF THE DAY LIKE WE NEED TO
19 TURN OUR PROCESS, WHICH REALLY HAS NOT GIVEN, AT LEAST ON
20 THE SURFACE, A LOT OF COMFORT TO FUND IT, AT LEAST FROM
21 MY PERSPECTIVE.

22 DR. STEWARD: I APPRECIATE EVERYTHING THAT JEFF
23 SAID, BUT EVERYTHING THAT YOU'VE SAID ALSO REALLY APPLIES
24 TO THE CLINICAL APPLICATION. I GUESS THIS IS A MAJOR
25 FACILITIES GRANT. ONE OF THE THINGS I HAVEN'T HEARD YET

BARRISTERS' REPORTING SERVICE

1 IN ANY OF THE DISCUSSION IS WHY DOES THIS NEED A
2 BUILDING? WHAT ABOUT THIS CLINICAL AND TO SOME DEGREE
3 PRECLINICAL EFFORT REQUIRES A NEW FACILITY RATHER THAN
4 THE USE OF EXISTING FACILITIES IN WHICH THE SCIENCE COULD
5 BE FUNDED, FOR EXAMPLE, BY A DISEASE TEAM PROPOSAL OR ANY
6 OF THE OTHER INITIATIVES THAT WE'VE GOT GOING. IS THERE
7 SOMETHING THAT YOU COULD ADD TO HELP ME OUT HERE?

8 DR. STEFFEN: I THINK THAT THE REVIEWERS'
9 COMMENTS ARE CONSISTENT WITH YOUR OBSERVATION, THAT THE
10 PROJECTS WERE MORE APPROPRIATE FOR TRANSLATIONAL OR
11 CLINICAL ORIENTED PROJECTS.

12 DR. STEWARD: THANK YOU.

13 CHAIRMAN KLEIN: OKAY. ADDITIONAL BOARD
14 COMMENTS?

15 DR. PRIETO: I WOULD JUST ECHO SOME OF WHAT
16 JEFF SAID, THAT MY OWN IMPRESSION FROM THE WORKING GROUP
17 MEETINGS THAT I ATTENDED IS THAT CLINICAL WORK IS NOT
18 VALUED AS HIGHLY. AND, INDEED, SOME OF IT DOES NOT MAKE
19 THE KIND OF LEAP THAT SOME OF THE BASIC SCIENCE WORK
20 MADE. AND PERHAPS THIS -- I'VE NOT YET DECIDED HOW I'M
21 GOING TO VOTE ON THIS. BUT IF WE DON'T MOVE THIS ONE
22 FORWARD FOR FURTHER CONSIDERATION, THAT'S ALL WE'RE
23 DOING, THEN I HOPE WE WILL SERIOUSLY LOOK AT AN RFA IN
24 THE NOT TOO DISTANT FUTURE THAT EXPLICITLY VALUES THIS
25 KIND OF TRANSLATIONAL AND CLINICAL WORK BECAUSE I THINK

BARRISTERS' REPORTING SERVICE

1 THAT'S AN ESSENTIAL PART OF OUR MISSION.

2 DR. STEFFEN: CHAIRMAN KLEIN, WOULD IT BE
3 APPROPRIATE TO PROVIDE MORE DETAIL FROM THE REVIEWERS ON
4 THE COMMENTS THAT THEY MADE ON THE SCIENTIFIC PROGRAMS
5 AND THE ACTUAL CLINICAL PROGRAMS, THEIR EVALUATIVE
6 STATEMENTS OF THOSE SPECIFIC PROGRAMS?

7 CHAIRMAN KLEIN: LET ME ASK WHETHER THE BOARD
8 HAS HAD ENOUGH DISCUSSION OR WHETHER WE WANT ADDITIONAL
9 COMMENT AT THIS TIME. WE'VE GOT A FAIRLY GOOD MEASURE OF
10 THE INFORMATION, AND WE HAVE HAD THE ABILITY TO LOOK AT
11 PROPRIETARY INFORMATION, WHICH I THINK YOU ARE REFERRING
12 TO, IN AN EXECUTIVE SESSION. I THINK IT'S -- APPRECIATE
13 THE OFFER. I THINK, UNLESS SOMEONE ELSE SPECIFICALLY
14 REQUESTS IT, WE'RE ALL RIGHT ON THAT. WAS THERE A
15 QUESTION, DR. STEWARD? OR, DR. FRIEDMAN, DID YOU WANT TO
16 MAKE A COMMENT?

17 DR. FRIEDMAN: NO. THAT'S OKAY. THANK YOU.

18 CHAIRMAN KLEIN: IN TERMS OF DR. TROUNSON --

19 DR. TROUNSON: WITHOUT MAKING ANY
20 REPRESENTATIONS WHATSOEVER ON THIS PROJECT, I THINK THE
21 BOARD OUGHT TO UNDERSTAND THAT WE ARE LISTENING TO WHAT
22 YOU'RE SAYING AND WE HEAR WHAT YOU ARE SAYING. WHETHER
23 THIS PROJECT FITTED THE RFA WELL ENOUGH I THINK IS A
24 QUESTION. I DON'T THINK THERE'S ANY DOUBT, IF YOU'VE
25 READ WHAT I'VE SAID IN THE MEDIA AND WHAT I'VE SAID IN

BARRISTERS' REPORTING SERVICE

1 INTERVIEW, THAT I DO BELIEVE THAT THESE KIND OF
2 COMPONENTS ARE NECESSARY FOR US TO DELIVER OUR MISSION.
3 AND SO WE WILL BE DOING THE KIND OF THINGS, I THINK, THAT
4 OUGHT TO BRING THIS KIND OF APPLICATION INTO A MORE, LET
5 ME SAY, A MORE APPROPRIATE FIT, ONE HOPES, AND THAT'S
6 WITHOUT PREJUDICE BECAUSE THE BOARD WILL HAVE TO MAKE
7 THEIR FINAL DECISION ON WHETHER THAT'S VALUED OR NOT.
8 BUT WE ARE LISTENING TO YOU, AS WE DO LISTEN TO THE
9 PUBLIC AND TO THE RESEARCH ORGANIZATIONS, AND WE'VE HEARD
10 WHAT YOU'RE SAYING VERY LOUD AND CLEAR.

11 CHAIRMAN KLEIN: THANK YOU, DR. TROUNSON.
12 COMMENTS FROM THE PUBLIC?

13 MR. REED: THE PASSION OF DR. LEVEY FOR HIS
14 BELIEFS IS WONDERFUL -- DR. LUBEN, SORRY, IS WONDERFUL.
15 WHEN STRUCK BY LANGUAGE IN OUR BILL, WHICH IS THAT
16 PREFERENCE WILL BE GIVEN TO THAT RESEARCH WHICH IS
17 UNLIKELY TO BE FUNDED BY THE FEDERAL LEVEL, THIS IS ADULT
18 STEM CELLS. THIS IS HEAVILY FAVORED BY THE BUSH
19 ADMINISTRATION. THIS ABSOLUTELY DOES NOT FIT WITH WHAT
20 OUR LANGUAGE SAYS.

21 MS. SAMUELSON: BUT IT'S TRANSLATIONAL WORK
22 WHICH NEVER GETS ADEQUATE FUNDING FROM THE FEDERAL
23 GOVERNMENT.

24 MR. CASHMAN: I'M JOHN CASHMAN FROM THE HUMAN
25 BIOMOLECULAR RESEARCH INSTITUTE, AND I'M AFRAID I'M GOING

BARRISTERS' REPORTING SERVICE

1 TO BE THE FLY IN THE OINTMENT TONIGHT. OUR INSTITUTE HAS
2 A GRANT UP THERE IN RED, AND I'M NOT EXACTLY SURE WHAT TO
3 DO ABOUT THIS BECAUSE --

4 CHAIRMAN KLEIN: IN TERMS OF THE COMMENTS AT
5 THIS TIME, WE HAVE A MOTION ON THE FLOOR ON THIS ONE, BUT
6 IT IS PERFECTLY CONSISTENT THAT IF YOU HAD THREE MINUTES
7 THAT YOU WANTED TO THEN ADDRESS THAT GRANT, EQUAL
8 TREATMENT WOULD BE APPROPRIATE.

9 MR. CASHMAN: OKAY. I'LL JUST MAKE TWO QUICK
10 POINTS. FIRST OF ALL, I THINK WHAT CIRM IS DOING IS
11 FANTASTIC, AND I REALLY ADMIRE EVERYBODY THAT'S HERE,
12 ESPECIALLY THE CIRM WORKERS.

13 I THINK THERE ARE TWO ISSUES. FIRST OF ALL,
14 ONE INVOLVING PRACTICAL RESEARCH, WHICH IS WHAT WE'RE
15 TALKING ABOUT BECAUSE -- OR TRANSLATIONAL RESEARCH.
16 THAT'S A GAP THAT'S NOT FUNDED BY NIH AND IT'S HIGHLY
17 NEEDED.

18 AND THE SECOND POINT THAT I WANT TO QUICKLY
19 MAKE IS TO SAY THAT I THINK, JUST LIKE FOLLOWING THE NIH
20 FORMAT, I THINK WE NEED TO DEVELOP SOME SORT OF A WAY IN
21 WHICH A GRANTEE OR A PROPOSER CAN RESPOND TO THE CRITIQUE
22 VIA WRITTEN FORM, LIKE BURT DID, AND HAVE THAT AVAILABLE
23 SO THAT -- WE'VE SPENT AN HOUR, HOUR AND A HALF TALKING
24 ABOUT THAT. IF YOU FORMALIZE THAT AND HAD A PROCESS TO
25 CONSIDER WHERE THE REVIEWER OR THE PROPOSER MIGHT

BARRISTERS' REPORTING SERVICE

1 DISAGREE WITH THE CRITIQUE, THAT SHOULD BE QUITE
2 BENEFICIAL TO ALL PARTIES.

3 CHAIRMAN KLEIN: YOU'RE SAYING WHEN THE
4 APPLICANT CHOSE TO MAKE THAT PUBLIC?

5 MR. CASHMAN: NO. PROBABLY AFTER RECEIVING THE
6 CRITIQUE.

7 CHAIRMAN KLEIN: DR. TROUNSON AND DR. MURPHY, I
8 THINK, CAN CONSIDER HOW TO FORMALIZE THIS PROCESS. WE'LL
9 TRY, IN FACT, TO COME BACK TO THE BOARD, I THINK, WITH
10 MAKING SURE THAT WE HAVE DEVELOPED SOMETHING HERE TONIGHT
11 IN DISCUSSION THAT IS CONSISTENT SO THAT WE MAKE SURE
12 WE'RE PROVIDING EVERYONE AN EQUITABLE CHANCE IN THE
13 PROCESS. BUT AT THE MOMENT, DO YOU HAVE ANY OTHER
14 COMMENTS YOU WANT TO MAKE ON THIS APPLICATION?

15 MR. CASHMAN: NO.

16 CHAIRMAN KLEIN: THANK YOU VERY MUCH. DR.
17 LUBEN, YOUR THREE MINUTES. THE MOST FAMOUS THREE MINUTES
18 IN HISTORY AT THIS POINT.

19 DR. LUBEN: THANK YOU AGAIN. SO I'D LIKE THE
20 ICOC TO RECOGNIZE THIS WAS A FACILITIES GRANT. THE
21 FACILITY WAS TO CREATE A GMP FACILITY TO ISOLATE STEM
22 CELLS FROM PLACENTA, WHICH NO ONE IS DOING, TO APPLY FOR
23 AN FDA IND, WHICH WE ARE DOING, TO BRING THESE TO THE
24 CURE OF PATIENTS WITH DISEASE IN THIS STATE.

25 FACILITIES GRANTS DO NOT EXIST AT THE NIH ANY

BARRISTERS' REPORTING SERVICE

1 LONGER. THE BUDGET IS FLAT. THIS IS THE ONLY RESOURCE
2 FOR US TO HAVE A FACILITY. WE CURRENTLY USE A FACILITY
3 FOR CORD BLOOD PROCESSING THAT WILL SOON CLOSE. WE NEED
4 THIS TO CONTINUE THIS ACTIVITY. WE SERVE THE CITIZENS OF
5 THIS STATE. IN THE LETTERS WE'VE WRITTEN, WE ADDRESS
6 SPECIFIC CRITICISMS THAT WERE MADE IN THE GRANT WHICH IN
7 OUR OPINION REFLECT THAT THE REVIEWERS DID NOT APPRECIATE
8 CLINICAL OR TRANSLATIONAL RESEARCH NOR THE VALUE OF
9 BRINGING THIS WORK OF ISOLATING STEM CELLS FROM THE
10 PLACENTA FOR THERAPIES TO THE FOREFRONT. AND I THINK YOU
11 HAVE AN OPPORTUNITY NOW TO GIVE US A CHANCE TO COME IN
12 FOR THE NEXT PHASE OF THE APPLICATION AND PROVE THAT
13 POINT.

14 SO WE'RE NOT ASKING, OBVIOUSLY NO ONE IS ASKING
15 FOR FUNDING TONIGHT, BUT WE'RE ASKING YOU TO CONSIDER
16 GIVING US PERMISSION TO GO TO THE NEXT PHASE OF THE
17 APPLICATION. THANK YOU.

18 MS. SAMUELSON: I HAVE A QUESTION FOR DR.
19 LUBEN. DR. LUBEN, COULD YOU EXPLAIN, BECAUSE I HAVEN'T
20 HEARD. THERE WAS A QUESTION FROM THE COMMITTEE ABOUT WHY
21 A PROGRAM WITH YOUR FOCUS NEEDS A FACILITY. CAN YOU
22 EXPLAIN THAT?

23 DR. LUBEN: FIRST OF ALL, WE DON'T HAVE A GMP
24 FACILITY AT ALL. IN ORDER TO BRING THE PLACENTAL WORK TO
25 CLINICAL TRIALS, IT WILL NEED TO BE DONE IN A GMP

BARRISTERS' REPORTING SERVICE

1 FACILITY TO GET AN IND AND FDA APPROVAL. THERE ISN'T
2 ANOTHER FACILITY THAT WILL DO THIS THAT WE KNOW OF IN THE
3 BAY AREA, AT BERKELEY, OR AT UCSF. BOTH OF THOSE PLACES
4 WANT TO COLLABORATE WITH US, BUT THE WAY THE RFA WAS
5 WRITTEN, WE COULDN'T BE PART OF THEIR APPLICATIONS. SO
6 WE DECIDED WE WOULD TRY SEPARATELY WITH A FOCUS ON THE
7 HEMOGLOBIN DISORDERS, BUT NOT RESTRICTING IT TO THAT. SO
8 WE NEED THIS FACILITY TO DO THIS WORK, AND THIS IS HIGHLY
9 INNOVATIVE. AND WE WOULD BE THE STATE THAT DOES THIS,
10 AND IT WOULD BRING CURES TO PATIENTS IN THIS STATE WITHIN
11 THE FIRST YEAR AND TWO. AND SO WHEN YOU REPORT ON WHAT
12 CIRM HAS DONE, THIS WILL BE A MAJOR ACCOMPLISHMENT.

13 CHAIRMAN KLEIN: DR. LUBEN, I WOULD POINT OUT
14 THAT WE HAVE 35 MILLION WE'VE SET ASIDE TO LOOK AT A GMP
15 FACILITY ROUND AND CELL LINE BANKING, BUT THAT 35 MILLION
16 IS BUILDING, SUCH AS RENOVATION COSTS, AND, OF COURSE,
17 EQUIPMENT CAN BE SEPARATE. BUT THERE IS A SEPARATE
18 OPPORTUNITY TO COMPETE SPECIFICALLY FOR GMP FACILITIES.
19 SO I WOULD LIKE TO BRING THAT TO YOUR ATTENTION.

20 DR. LUBEN: SO OUR FACILITY HAD A GMP COMPONENT
21 RESEARCH -- THAT HAD A RESEARCH COMPONENT AND HAD
22 PRECLINICAL AND CLINICAL RESEARCH TRIALS AS PART OF IT.

23 MS. SAMUELSON: CAN YOU EXPLAIN WHY IT'S
24 IMPORTANT TO HAVE THOSE SEVERAL COMPONENTS HOUSED IN ONE
25 PLACE?

BARRISTERS' REPORTING SERVICE

1 DR. LUBEN: WELL, WE'RE A SMALL PLACE. WE
2 CAN'T HAVE THEM IN DIFFERENT PLACES. WE ALREADY HEARD
3 FROM DR. PENHOET ABOUT JUST DRIVING FROM ONE PLACE TO
4 ANOTHER. THIS IS REALLY WHAT WE DO. AND WE HAVE -- I
5 RESENTED THE REVIEWER'S COMMENTS THAT WE DIDN'T HAVE
6 ESTABLISHED INVESTIGATORS. WE'RE NO. 6 IN THE UNITED
7 STATES IN TERMS OF NIH GRANTS. EVERYONE ON THAT
8 APPLICATION HAD A RESUME WITH MANY NIH GRANTS AND
9 EXTREMELY WELL ESTABLISHED. I THINK THE REVIEWERS DID
10 NOT APPRECIATE CLINICAL TRANSLATIONAL RESEARCH.

11 CHAIRMAN KLEIN: OKAY.

12 MS. SAMUELSON: I'D JUST LIKE TO MAKE ONE
13 EDITORIAL COMMENT BECAUSE I'VE SPOKEN ENOUGH OBVIOUSLY.
14 BUT THIS COMES CLOSE TO MY HEART BECAUSE I DON'T KNOW
15 MUCH ABOUT SICKLE CELL RESEARCH, BUT I'VE BEEN WATCHING
16 PARKINSON'S RESEARCH 20 YEARS. AND OVER AND OVER, AND
17 IT'S MOVED AT A STUTTER START, JUST PAINFULLY SLOWLY, AND
18 THE TRANSLATIONAL, PRECLINICAL, AND CLINICAL
19 INVESTIGATORS THAT I'VE COME TO KNOW WELL AND WORKED WITH
20 OVER THE LAST 20 YEARS HAVE SAID OVER AND OVER AND OVER
21 THAT THEIR WORK ISN'T UNDERSTOOD BY THE NIH REVIEWERS WHO
22 REVIEW GRANTS AND THAT THEY ALWAYS SCORE LOWER, AND THEY
23 ALWAYS GET LESS MONEY, AND THEY'RE ALWAYS PENALIZED FOR
24 HAVING A RISKY PROPOSITION AND TOLD, WELL, YOU DON'T KNOW
25 HOW YOUR HYPOTHESIS IS GOING TO BE RESOLVED YET, AND THAT

BARRISTERS' REPORTING SERVICE

1 I HAVE SEEN A DIRECT RELATIONSHIP BETWEEN THAT AND THE
2 PAINFULLY SLOW PROGRESS TOWARD A PARKINSON'S CURE.

3 I THINK IT'S PART OF OUR OBLIGATION TO BE
4 HELPING IN THOSE SITUATIONS AND TO BE GIVING IT A HAND
5 UP. AND I'M PROBABLY HURTING DR. LUBEN'S CASE, SO I
6 THINK THAT'S ALL I'LL SAY. I'M TOO EMOTIONAL.

7 DR. FRIEDMAN: BOB, MAY I JUST MAKE ONE ALSO
8 FINAL EDITORIAL COMMENT TO DR. TROUNSON AND OTHERS
9 BECAUSE YOU'RE LISTENING TO THIS. I THINK THE COMMITTEE
10 AND CERTAINLY THE STAFF ARE AWARE THAT THIS IS AN ISSUE,
11 THE FUNDING OF CLINICAL INVESTIGATION, WHICH HAS BEEN AT
12 THE VERY TOP OF THE NIH'S CONCERNS FOR THREE DECADES AND
13 MORE, AND IT'S NOT BEEN VERY WELL MANAGED. IT'S MUCH
14 TALKED ABOUT. THERE HAVE BEEN SPECIFIC STUDY SECTIONS
15 STRUCTURED WITH SPECIFIC MANDATES RECOGNIZING ALL THE
16 CONCERNS THAT ARE BEING RAISED HERE THIS EVENING, WHICH I
17 THINK ARE REALLY VALID CONCERNS. AND NO MATTER WHAT
18 INSTITUTE YOU LOOK AT, YOU FIND THAT THIS IS A VERY
19 DIFFICULT PROBLEM WHICH HAS NOT BEEN WELL MANAGED OVER
20 TIME.

21 AND SO WHAT I WOULD ASK US TO THINK ABOUT THIS
22 EVENING AS WE TAKE THIS VOTE IS NOT TO MAKE THIS GRANT
23 THE MANDATE FOR CLINICAL INVESTIGATION OR THE NEED FOR
24 THOUGHTFUL, EVEN RISKY CLINICAL INVESTIGATION AND
25 AMBITIOUS TRANSLATIONAL RESEARCH, ALL OF WHICH I THINK IS

BARRISTERS' REPORTING SERVICE

1 VALID AND ALL OF WHICH I THINK WE SHOULD STAND FOR, BUT
2 TO LOOK AT THIS APPLICATION FROM A FINE SET OF
3 INVESTIGATORS ON ITS OWN MERITS AS IT FITS INTO A
4 FACILITIES PROPOSAL AND MAKE THE DECISION THERE, BUT NOT
5 TURN THIS INTO A LARGER QUESTION. I DO LOOK FORWARD TO
6 THAT DISCUSSION, AND I'M GLAD THAT THE STAFF ARE THINKING
7 ABOUT HOW TO ADDRESS THIS BETTER IN THE FUTURE. AND WE
8 CERTAINLY WANT TO HELP YOU COME UP WITH PROGRAMS THAT
9 WILL BE REALLY INNOVATIVE IN THAT REGARD. THANK YOU.

10 CHAIRMAN KLEIN: IF WE CAN HAVE -- HOPEFULLY,
11 JEFF, YOU ARE THE FINAL COMMENT ON THE FLOOR.

12 MR. SHEEHY: I JUST HAVE TO SAY AS A PATIENT I
13 DON'T WANT TO STUDY HOW TO DO TRANSLATIONAL RESEARCH
14 ANOTHER DAY AND SAY, "OH, YEAH, WE'LL KICK IT DOWN. YOU
15 GUYS COME BACK WITH A PROPOSAL." I HEARD FROM DR.
16 TROUNSON THAT PLACENTAL -- THE CELLS IN THE PLACENTA HAVE
17 ENORMOUS POTENTIAL. I DID NOT HEAR THAT THE PEOPLE IN
18 THE WORKING GROUP REALLY WERE WELL AWARE OF THAT.
19 THERE'S NOT A GMP FACILITY FOR PLACENTAL STEM CELLS.
20 THIS IS A NO-BRAINER. THESE ARE CELLS THAT ARE ABUNDANT,
21 HAVE SOME SORT OF MULTIPOTENTIALITY. AS I HEARD IN THE
22 INTERVIEW PROCESS FOR OUR PRESIDENT, THIS IS A VERY
23 PROMISING AREA OF RESEARCH. THERE'S NOT THE WHOLE --
24 SOME OF THE IMMUNE REJECTION ISSUES ARE NOT RELEVANT IN
25 THESE CELLS, AM I CORRECT? IN REMEMBERING THAT, MY

BARRISTERS' REPORTING SERVICE

1 MEMORY, IT'S LATE.

2 DR. PRICE: PRETTY GOOD, JEFF. I WAS THERE
3 TOO. I REMEMBER THAT.

4 MR. SHEEHY: WE DO NOT HAVE A GMP FACILITY IN
5 THIS STATE PRODUCING THESE CELLS, AND THIS MAN WANTS TO
6 DO IT. AND WE SAY, "OH, LET US STUDY IT. LET ANOTHER
7 PERSON DIE." WHY ARE WE HERE? WHY ARE WE HERE? WHY
8 DON'T WE TAKE IT BACK? WE'VE JUST MADE -- WE'RE GOING TO
9 MAKE A LOT OF RICH PEOPLE RICHER. WHY DON'T WE CURE
10 SOMEBODY? BECAUSE WE'RE GOING TO HAVE A LOT OF BIG
11 INSTITUTIONS WITH BIG DONORS AND WE'RE GOING TO GIVE THEM
12 SOME MONEY, AND THEY'RE GOING TO BUILD BIG PLACES. TWO
13 OR THREE YEARS DOWN THE ROAD WE'LL SEE SOMETHING COME
14 OUT. THIS GUY WANTS TO GO MAKE CELLS TO PUT INTO PEOPLE
15 THIS YEAR. WHY NOT? IS THAT SO SCARY?

16 DR. MURPHY: MR. CHAIRMAN, MAY I JUST MAKE ONE
17 COMMENT? THE STAFF HAS GIVEN ME A SUMMARY OF THE AVERAGE
18 SCORES OF GRANTS.

19 MR. SHEEHY: I'M SORRY. I DO NOT THINK THAT'S
20 APPROPRIATE. THIS IS NOT ABOUT THE SCORES.

21 DR. MURPHY: I'M TALKING ABOUT ACROSS
22 COMPETITIONS. THIS IS INDEPENDENT OF WHAT YOU ARE
23 SAYING.

24 MR. SHEEHY: WE'RE DEBATING AS A BOARD.

25 DR. FRIEDMAN: I WOULD LIKE TO HEAR IT.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: JUST A SECOND. I THINK DR.
2 MURPHY HAS THE FLOOR.

3 MR. SERRANO-SEWELL: WHY IS THIS HELPFUL, DR.
4 MURPHY?

5 CHAIRMAN KLEIN: EXCUSE ME.

6 MR. SERRANO-SEWELL: AS YOU'RE GIVING US OUR
7 ANSWER, WHICH YOU WILL GIVE, WHY ON YOUR OWN DID YOU
8 DECIDE --

9 DR. MURPHY: BECAUSE I THINK THERE WERE SOME
10 STATEMENTS MADE --

11 MR. SERRANO-SEWELL: AND NOT EARLIER?

12 DR. MURPHY: BECAUSE I'M JUST RAISING --
13 RESPONDING TO AN ISSUE THAT HAS JUST BEEN RAISED. AND
14 THE ISSUE WAS, NO. 1, THAT THE REVIEWERS DO NOT
15 APPRECIATE THE CLINICAL OR TRANSLATIONAL WORK AS MUCH AS
16 BASIC SCIENCE. JUST TO REFRESH, RECALL FOR THE BOARD
17 THAT IN THE CIRM INSTITUTES, THERE WERE RATINGS FOR Z
18 ELEMENTS IN THE NINETIES. SO I THINK THAT THE REVIEWERS
19 DO HAVE THE CAPACITY TO IDENTIFY GOOD CLINICAL WORK.

20 AND THE STAFF HAS GIVEN ME A SUMMARY OF OUR
21 COMPETITIONS BETWEEN THE SEEDS, THE COMPREHENSIVE, NEW
22 FACULTY AWARDS, AND M.D.'S HAVE DONE EITHER JUST AS WELL
23 OR BETTER THAN THE PH.D.'S. SO I THINK THERE IS A GREAT
24 SENSITIVITY TO THIS ISSUE OF FUNDING GOOD CLINICAL
25 PEOPLE.

BARRISTERS' REPORTING SERVICE

1 AND I THINK, DESPITE THE FACT THAT WHAT WAS
2 SAID ABOUT NIH IS TRUE, I THINK ONE OF THE EXCITING
3 THINGS ABOUT CIRM IS CIRM HAS TAKEN THE TIME TO REALLY
4 GIVE GOOD CLINICIAN SCIENTISTS THE OPPORTUNITY FOR GOOD
5 FUNDING.

6 DR. PENHOET: IF I MIGHT, I THINK AN M.D.
7 DOESN'T MEAN A PERSON THAT'S PRACTICING MEDICINE. THERE
8 ARE A LOT OF M.D.'S WHO WOULDN'T KNOW A PATIENT IF THEY
9 SAW ONE. I DON'T THINK THAT'S A CORRECT COMPARISON,
10 FRANKLY.

11 MR. SHEEHY: I ALSO OBJECT TO MY EXPERIENCE
12 BEING REBUTTED BY STAFF. I REALLY DO. I'VE SAT IN EVERY
13 ONE OF THESE REVIEWS, AND I HAVE JUST AS MUCH RIGHT TO BE
14 THERE AS THE SCIENTIST AND TO TAKE MY PERCEPTIONS. I
15 GREATLY RESENT THAT IN ORDER TO HAVE A MATERIAL EFFECT ON
16 AN ARGUMENT THAT I'M MAKING IN A DEBATE OVER A GRANT THAT
17 I AM CONSTITUTIONALLY EMPOWERED TO DO. THEY DON'T REBUT
18 YOU. THEY DID NOT REBUT DR. LEVEY. THEY DON'T REBUT DR.
19 FRIEDMAN.

20 CHAIRMAN KLEIN: JEFF, I THINK I'VE HAD THE
21 ADVANTAGE OF BEING REBUTTED BY EVERYONE.

22 DR. FRIEDMAN: THAT'S A REBUTTABLE PRESUMPTION.

23 CHAIRMAN KLEIN: PLEASE RECOGNIZE THAT WE HAVE
24 VERY DEDICATED STAFF, AND THE CHAIR BELIEVES THAT THE
25 STAFF WILL, WHEN THEY FEEL IT IS APPROPRIATE, BRING UP

BARRISTERS' REPORTING SERVICE

1 MATERIAL INFORMATION. THIS BOARD HAS THE ABILITY TO
2 ACCEPT THAT INFORMATION OR, IN FACT, TO GET DIFFERENT
3 POSITIONS. WE HAVE IN THE PAST TAKEN DIFFERENT
4 POSITIONS, AND WE HAVE IN THE PAST ACCEPTED IT. BUT I
5 THINK WE HAVE TO RECOGNIZE THE DEDICATION AND THE INTENT,
6 THAT WE'RE ALL IN THE SAME MISSION, WE'RE ALL DEEPLY
7 DEDICATED, WE'RE ALL DEEPLY PASSIONATE. AND, JEFF, I
8 PERSONALLY BELIEVE, HOPEFULLY AS STRONGLY AS YOU DO, THAT
9 WE'VE GOT TO GET TO TRANSLATIONAL MEDICINE.

10 THE QUESTION HERE IS THAT WE'VE HAD A LOT OF
11 TRANSLATIONAL MEDICINE OR PRECLINICAL WORK THAT HAD LOWER
12 SCORES WHICH WE HAVE ELEVATED PREVIOUSLY EVEN IN THE PEER
13 REVIEW GROUP ON A PROGRAMMATIC BASIS. THAT'S NOT ENOUGH.
14 WE NEED TO DO BETTER. DR. TROUNSON MADE A VERY, VERY
15 SPECIFIC STATEMENT ABOUT HIS INTENT OF WHERE WE NEED TO
16 GO. AND I THINK THAT IT IS APPROPRIATE AT THIS POINT IF
17 WE CAN VOTE IF EVERYONE IS PREPARED.

18 PLEASE, IF WE CAN HAVE THE MOTION RESTATED,
19 THEN CALL THE ROLL.

20 MS. PACHTER: THE MOTION IS TO MOVE APPLICATION
21 604 FORWARD -- I'M SORRY -- 603, MY APOLOGIES, TO MOVE
22 APPLICATION NO. 603 FORWARD TO PART 2 AS A SPECIAL
23 PROGRAM.

24 MS. KING: DONALD DAFOE.

25 DR. DAFOE: NO.

BARRISTERS' REPORTING SERVICE

1 MS. KING: FLOYD BLOOM.

2 DR. BLOOM: NO.

3 MS. KING: SUSAN BRYANT.

4 DR. BRYANT: YES.

5 MS. KING: MICHAEL FRIEDMAN.

6 DR. FRIEDMAN: NO.

7 MS. KING: MICHAEL GOLDBERG.

8 MR. GOLDBERG: NO.

9 MS. KING: BOB KLEIN.

10 CHAIRMAN KLEIN: NO.

11 MS. KING: GERALD LEVEY.

12 DR. LEVEY: NO.

13 MS. KING: TED LOVE.

14 DR. LOVE: NO.

15 MS. KING: ED PENHOET.

16 DR. PENHOET: I ABSTAIN BECAUSE DR. LUBEN IS A

17 PERSONAL FRIEND, BUT I HAVE TO SAY I HAVE GREAT RESPECT

18 FOR THEIR CORD BLOOD PROGRAM. I AM NOT FAMILIAR MYSELF

19 WITH THE PLACENTAL PROGRAM, SO I WOULD HAVE A HARD TIME

20 REACHING A JUDGMENT BASED ON THAT PROGRAM. BUT I ABSTAIN

21 ON THE BASIS OF MY FRIENDSHIP WITH DR. LUBEN.

22 MS. KING: THANK YOU, DR. PENHOET. FRANCISCO

23 PRIETO.

24 DR. PRIETO: YES.

25 MS. KING: DUANE ROTH.

BARRISTERS' REPORTING SERVICE

1 MR. ROTH: NO.

2 MS. KING: JOAN SAMUELSON.

3 MS. SAMUELSON: YES.

4 MS. KING: DAVID SERRANO-SEWELL.

5 MR. SERRANO-SEWELL: OH, YES.

6 MS. KING: JEFF SHEEHY.

7 MR. SHEEHY: YES.

8 MS. KING: OSWALD STEWARD.

9 DR. STEWARD: NO.

10 MS. KING: JANET WRIGHT.

11 DR. WRIGHT: NO.

12 MS. KING: I'M AFRAID THAT MOTION FAILS.

13 CHAIRMAN KLEIN: THANK YOU. COUNSEL, WE HAVE
14 ANOTHER INDIVIDUAL WHO INDICATED THAT THEY HAD ONE OF THE
15 GRANTS. DID THAT INDIVIDUAL WISH TO ADDRESS THAT GRANT
16 WHICH IS ALSO NOT RECOMMENDED FOR FUNDING? THE QUESTION
17 IS DID YOU WANT TO SPEAK?

18 MR. CASHMAN: YES.

19 CHAIRMAN KLEIN: THREE MINUTES. LET'S TAKE
20 THIS ONE STEP AT A TIME. IT'S BEEN SUGGESTED TO ME THAT
21 WE SHOULD JUST FOLLOW THE SAME PROCESS WE HAD BEFORE.
22 AND SO WOULD ANYONE LIKE TO HEAR FROM -- WHICH ITEM IS
23 IT?

24 DR. OLSON: APPLICATION NO. 605.

25 CHAIRMAN KLEIN: 605. AND WOULD ANYONE LIKE TO

BARRISTERS' REPORTING SERVICE

1 HAVE A DISCUSSION OF THIS ITEM?

2 DR. PENHOET: I MOVE THAT WE MOVE 605 TO THE
3 CATEGORY OF BEING CONSIDERED FOR FURTHER FUNDING.

4 DR. WRIGHT: SECOND.

5 CHAIRMAN KLEIN: MOVED AND SECOND. DISCUSSION
6 IS IN ORDER. DR. OLSON, COULD WE PLEASE DISCLOSE THE
7 SCORE, PLEASE?

8 DR. OLSON: DR. SAMBRANO WILL PRESENT THE
9 APPLICATION.

10 DR. SAMBRANO: THIS APPLICATION IS IN SUPPORT
11 OF A CIRM SPECIAL PROGRAM TO FOCUS ON THE CREATION OF A
12 DRUG DISCOVERY AND DEVELOPMENT FACILITY THAT WILL PERFORM
13 LARGE-SCALE SCREENING OF DIVERSE CHEMICALS ON HUMAN STEM
14 CELLS AND THEIR SUBSEQUENT CHARACTERIZATION OF SELECTED
15 COMPOUNDS. THOSE COMPOUNDS THAT DISPLAY AN ABILITY TO
16 DIRECT STEM CELL DEVELOPMENT AND DIFFERENTIATION, FOR
17 EXAMPLE, WOULD THEN BE TAKEN THROUGH A SERIES OF STEPS TO
18 MAKE THEM MORE DRUGABLE.

19 AND SO THE PROPOSED FACILITY WOULD BE ORGANIZED
20 INTO SIX DIFFERENT UNITS WHICH WOULD INCLUDE CHEMISTRY,
21 BIOANALYTICAL CHEMISTRY, PHARMACOKINETICS, AND
22 PHARMACOLOGY, CELL BIOLOGY, ANIMAL PRECLINICAL STUDIES,
23 AND AN ADMINISTRATIVE COMPONENT.

24 THE FACILITY WOULD CONDUCT ITS OWN STEM CELL
25 RESEARCH BY THE FIVE PI'S WHO WOULD DIRECT EACH OF THESE

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1 DIFFERENT UNITS, AS WELL AS BE A SERVICE PROVIDER TO
2 OTHER COLLABORATORS AND INSTITUTIONS.

3 THE REVIEWERS AGREED IN GENERAL THAT AFTER A
4 DRUG CANDIDATE, IT IS FOUND A LOT OF WORK STILL NEEDS TO
5 BE DONE IN ORDER TO OPTIMIZE THE TREATMENT AND
6 DEMONSTRATE SAFETY OF THAT TREATMENT. THE FACILITY IN
7 MANY WAYS WOULD DO WHAT A PHARMACEUTICAL COMPANY DOES.
8 ONE REVIEWER FELT THAT PERHAPS THIS IS SOMETHING THAT
9 SHOULD BE DONE BY A PHARMACEUTICAL COMPANY AS THEY ARE
10 GENERALLY MORE FOCUSED ON A SPECIFIC THERAPEUTIC AIM.
11 THEY HAVE MUCH MORE IN TERMS OF RESOURCES, ACCESS TO
12 ANALYSIS, AND PRECLINICAL STUDIES OF DRUGS.

13 OTHER REVIEWERS, HOWEVER, FELT THAT SUCH A
14 FACILITY MIGHT BE IN NEED IN AN ACADEMIC CENTER AS IT
15 MIGHT BE ABLE TO PROVIDE OFTEN NEEDED SMALL-SCALE
16 MEDICINAL CHEMISTRY AND WOULD ALLOW PRECLINICAL WORK THAT
17 COULD GARNER THE INTEREST OF PHARMACEUTICAL COMPANIES AND
18 MOVE THERAPIES FORWARD.

19 THE APPLICANTS JUSTIFIED THEIR FACILITY THROUGH
20 ITS PROPOSED COLLABORATIONS WITH OTHER CIRM INVESTIGATORS
21 TO AID THEM IN DELIVERING THOSE VALIDATED TARGETS DERIVED
22 FROM STEM CELL RESEARCH. HOWEVER, THE REVIEWERS FELT
23 THAT THE CENTER WAS NOT NECESSARILY WELL JUSTIFIED IN
24 THIS MANNER, AS LITTLE COLLABORATION WAS ACTUALLY
25 DEMONSTRATED. THEY FELT THAT THERE WAS ACTUALLY JUST ONE

BARRISTERS' REPORTING SERVICE

1 IN WHICH THEY DEMONSTRATED THIS AND OTHERS WERE PROPOSED
2 COLLABORATIONS IN WHICH IT WAS NOT.

3 THE CENTER WOULD BE LOCATED ADJACENT TO AN
4 EXISTING BUILDING AND WOULD INCORPORATE 8500 SQUARE FEET
5 AND WOULD BE RENOVATED FOR LABORATORY, OFFICE, AND
6 ADMINISTRATIVE SPACE. THEY SUGGESTED OVERSIGHT BY A
7 STEERING COMMITTEE IN A SERIES OF CORE MEETINGS, BUT THE
8 REVIEWERS FELT THAT NOT ENOUGH DETAIL WAS PROVIDED ON HOW
9 NEW PROJECTS WOULD BE SELECTED, WHERE THEY WOULD COME
10 FROM, AND THE CRITERIA FOR THE PROGRESSION OF SUCH
11 PROJECTS. SO THAT IS THE EXECUTIVE SUMMARY REVIEW. IF
12 YOU HAVE ADDITIONAL QUESTIONS?

13 CHAIRMAN KLEIN: ARE THERE ADDITIONAL
14 QUESTIONS? MOBILE CHAIR. ARE THERE ADDITIONAL QUESTIONS
15 FROM THE BOARD? AT THIS POINT PUBLIC COMMENT WOULD BE
16 APPROPRIATE.

17 MR. CASHMAN: WELL, THANK YOU VERY MUCH. AND,
18 MR. CHAIRMAN, THANK YOU FOR THE TIME. FIRST OF ALL,
19 THERE'S A HUGE GAP, AS A NUMBER OF PEOPLE HAVE POINTED
20 OUT, IN THE AREA OF PRACTICAL RESEARCH. AND THAT IS,
21 TAKING BRICK DUST AND TURNING THEM INTO DRUGS. AND MANY
22 PEOPLE, INCLUDING ED, HAVE GOT INTENSE EXPERIENCE, IN
23 FACT, IN THIS AREA.

24 I PREPARED A FEW DOCUMENTS, BUT THIS
25 ILLUSTRATES THE DRUG DEVELOPMENT PARADIGM, AND THE ONLY

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1 WORDS ON HERE, IT SAYS A PRECLINICAL CANDIDATE HAS A
2 VERY, VERY POOR CHANCE OF BECOMING A DRUG. THAT'S
3 BECAUSE OF ALL THE HURDLES. THAT'S BECAUSE YOU
4 OFTENTIMES START WITH BRICK DUST.

5 IN THE PROPOSAL WE OUTLINED 14 OR 15
6 COLLABORATORS THAT ARE CURRENTLY FUNDED CIRM
7 INVESTIGATORS THAT ALL HAD ENTITIES WHICH MAY BE BRICK
8 DUST OR THEY MAY BE MORE BONA FIDE HITS OR MATERIALS THAT
9 MAY LEAD TO DRUGS, BUT THEY'RE A LONG WAYS FROM DRUGS.
10 TAKES A LOT OF WORK. AND CURRENTLY THERE IS NO ACADEMIC
11 UNIT THAT IS COHESIVE, NIMBLE, AND INTEGRATED LIKE OURS
12 TO DEVELOP THESE ENTITIES.

13 WHEN I APPROACHED SOME OF THESE INVESTIGATORS
14 AND SAID WE HAVE THIS CAPABILITY, CAN WE TAKE YOUR BRICK
15 DUST AND MAKE THEM A LOT MORE DRUGLIKE, THEY VIRTUALLY
16 WOULD BE SCREAMING ON THE OTHER END OF THE PHONE BECAUSE
17 THERE'S NOTHING LIKE THIS REALLY THAT EXISTS IN AN
18 ACADEMIC UNIT.

19 SO WE HAVE PROPOSED TO DO THIS WORK, AND THIS
20 WORK IS NOT GOING TO BE PICKED UP BY PHARMACEUTICAL
21 COMPANIES. PHARMACEUTICAL COMPANIES WILL ONLY PICK UP
22 COMPOUNDS THAT ARE AT LEAST CLOSE TO MAN, IF NOT ALREADY
23 IN MAN. THESE ARE BEFORE HUMAN STUDIES. THESE ARE
24 PRECLINICAL STUDIES TO DETERMINE WHAT, IF ANYTHING, CAN
25 GO FORWARD AS A DRUG CANDIDATE.

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1 SO WE SUSPECT THOSE 15 ENTITIES THAT CURRENTLY
2 EXIST BY THE CIRM INVESTIGATORS, WHICH YOU'VE ALREADY
3 FUNDED, AND THAT WORK IS BEAUTIFULLY FUNDED AND BEAUTIFUL
4 WORK, BUT THOSE MATERIALS ARE NOT GOING TO BE TURNED INTO
5 DRUGS UNTIL THERE'S AN ENORMOUS AMOUNT OF WORK DONE ON
6 THEM. AND THAT'S THE MISSION OF THIS GROUP IS DRUG
7 DEVELOPMENT, THERAPEUTICS, AND HELPING PATIENTS.

8 CHAIRMAN KLEIN: OKAY. THANK YOU VERY MUCH.

9 MR. CASHMAN: MY FINAL POINT IS I THINK THAT
10 THOSE 15 CIRM INVESTIGATORS ARE NOT ONLY GOING TO HAVE
11 ONE OR TWO ENTITIES. THEY'RE GOING TO HAVE FIVE IN A
12 COUPLE YEARS. WE HAVE TO ANTICIPATE PROVIDING RESOURCES
13 TO THAT FIVE, WHICH NOW WE'VE MOVED FROM 15 ENTITIES TO
14 75 ENTITIES. THE BOTTLENECK IS NOT IN THE CELL BIOLOGY
15 END OF THE PROGRAM, BUT IT'S IN THE DRUG DEVELOPMENT END
16 OF THE PROGRAM.

17 CHAIRMAN KLEIN: THANK YOU VERY MUCH.

18 DR. LEVEY: I'D JUST LIKE TO ASK A QUESTION.
19 WHO DO YOU REPRESENT? I DON'T KNOW ANYTHING ABOUT THE
20 INSTITUTE YOU WORK FOR.

21 MR. CASHMAN: WE'RE A SMALL NONPROFIT RESEARCH
22 INSTITUTE CALLED HUMAN BIOMOLECULAR RESEARCH. WE'RE IN
23 SAN DIEGO. WE COLLABORATE WITH THE SAN DIEGO FOR-PROFIT
24 AND NONPROFIT COMMUNITY. OUR SPECIALTY IS DRUG
25 DEVELOPMENT, MEDICATIONS DEVELOPMENT. WE'RE LARGELY NIH

BARRISTERS' REPORTING SERVICE

1 SUPPORTED, BUT THAT'S EXTREMELY DIFFICULT TO GET BECAUSE,
2 AGAIN, THAT FALLS IN THAT NO-MAN'S OR NO-PERSON'S LAND, I
3 GUESS, BETWEEN THE BEAUTIFUL BASIC RESEARCH, WHICH
4 EVERYBODY -- THERE'S NO QUESTION SHOULD BE FUNDED, AND
5 THE TRANSLATIONAL RESEARCH THAT BURT AND JEFF HAVE BEEN
6 TALKING ABOUT, WHICH HAVE DIFFICULTIES GETTING FUNDED AS
7 WELL.

8 CHAIRMAN KLEIN: OKAY. SO THANK YOU VERY MUCH.
9 WE HAVE A COUPLE OF OPTIONS AT THIS MOMENT. SINCE WE
10 LIVE IN A WORLD WITH MEDICAL REALITIES THAT ARE
11 UNFORTUNATELY CLOSE TO THE MEMBERS OF THE BOARD, WE DON'T
12 HAVE A QUORUM AT THE MOMENT. SO THE QUESTION BEFORE US
13 IS -- WE DON'T HAVE A QUORUM OF QUALIFIED VOTERS FOR THIS
14 SUBCATEGORY. SO WE HAVE TWO POSSIBILITIES. ONE IS,
15 HAVING HEARD THE INFORMATION, IF THE MAKERS OF THE MOTION
16 REALLY WANT TO VOTE, THEN IT WILL BE TOMORROW. IF THEY
17 HAVE DECIDED THAT THERE'S NOT ADEQUATE INFORMATION TO
18 MOVE THEM OR WANT TO HAVE A VOTE ON THIS ITEM, THEY COULD
19 WITHDRAW THEIR MOTION. IT'S UP TO THE MAKERS OF THE
20 MOTION.

21 DR. PENHOET: I MADE THE MOTION.

22 DR. POMEROY: ARE YOU STICKING TO IT OR ARE YOU
23 WITHDRAWING IT?

24 DR. FRIEDMAN: YOU CAN'T ABSTAIN ON THIS ONE.

25 DR. PENHOET: I MADE THE MOTION. I'LL STICK TO

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1 IT. LET' S VOTE ON IT TOMORROW.

2 CHAIRMAN KLEIN: AND THE SECOND?

3 DR. WRIGHT: I' M STICKING WITH IT.

4 CHAIRMAN KLEIN: OKAY. SO WITH THAT, I BELIEVE
5 THAT WE HAVE COMPLETED OUR WORK TONIGHT, WHICH HAS BEEN A
6 VERY SERIOUS COMMITMENT TO THIS PROCESS. AND I' D LIKE TO
7 THANK THE STAFF WHICH DID TREMENDOUS AMOUNT OF WORK ON
8 THIS.

9 (APPLAUSE.)

10 CHAIRMAN KLEIN: AND PLEASE UNDERSTAND THAT THE
11 PASSION OF THE INDIVIDUAL MEMBERS OF THE BOARD IS OUT OF
12 A COMMITMENT TO THE MISSION, BUT CERTAINLY WE HAVE DEEP
13 APPRECIATION FOR EVERYONE' S CONTRIBUTION TO THIS PROCESS,
14 AND HOPEFULLY THAT' S WELL UNDERSTOOD.

15 IF THERE ARE ANY COMMENTS ANY OTHER BOARD
16 MEMBERS WOULD LIKE TO MAKE IN ADJOURNING? WE ARE
17 ADJOURNED. AND THANK YOU VERY MUCH.

18 (THE MEETING WAS THEN RECESSED AT 09:47
19 P.M. TO RECONVENE AT 8:30 A.M. ON THURSDAY.)

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BARRISTERS' REPORTING SERVICE

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REPORTER' S CERTIFICATE

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

CROWNE PLAZA HOTEL
1177 AIRPORT BOULEVARD
BURLINGAME, CALI FORNIA
ON
JANUARY 16, 2008

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



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