

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

LOCATION: AS INDICATED ON THE AGENDA

DATE: JUNE 20, 2008
2 P.M.

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

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BARRISTERS' REPORTING SERVICE

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BARRISTERS' REPORTING SERVICE

1 COSTA MESA, CALIFORNIA; FRIDAY, JUNE 20, 2008

2 2 P. M.

3
4 CHAIRMAN KLEIN: MAYBE WE COULD START ON
5 MR. MULLIN'S BILL 2381 AFTER YOU GO THROUGH A ROLL
6 CALL.

7 MS. KING: SURE. SUSAN BRYANT.

8 DR. BRYANT: HERE.

9 MS. KING: MICHAEL GOLDBERG. BOB KLEIN.

10 CHAIRMAN KLEIN: HERE.

11 MS. KING: SHERRY LANSING. TINA NOVA.

12 DR. NOVA: HERE.

13 MS. KING: CLAIRE POMEROY. FRANCISCO
14 PRIETO. JOHN REED. JOAN SAMUELSON. JEFF SHEEHY.

15 SO SO FAR WE HAVE THREE OF YOU HERE, BOB,
16 AND WE NEED FOUR MORE FOR A QUORUM. WE KNOW THAT
17 JEFF IS COMING HERE. DR. POMEROY WILL BE JOINING
18 FROM SACRAMENTO AS WILL DR. PRIETO, SO IT LOOKS LIKE
19 WE ACTUALLY MIGHT NOT HAVE A QUORUM.

20 CHAIRMAN KLEIN: OKAY.

21 MS. NORTH: THIS IS SUE. I JUST JOINED.
22 I'M NOW HERE IN SACRAMENTO.

23 MS. KING: GREAT. WHO JUST JOINED?

24 DR. PRIETO: FRANCISCO PRIETO.

25 MS. KING: HI, DR. PRIETO. THANK YOU.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: OKAY. SO WHAT WE'RE
2 DOING, FRANCISCO, IS WHILE WE'RE WAITING FOR A
3 COUPLE OF OTHERS, WE'RE GOING TO DISCUSS ASSEMBLY
4 BILL 2381, WHICH IS MR. MULLIN'S BILL, AND GET AN
5 UPDATE FROM SUE NORTH ON THAT.

6 DR. PRIETO: THAT'S THE CALIFORNIA
7 SUPPLIER?

8 CHAIRMAN KLEIN: YES, EXACTLY. SUE, WOULD
9 YOU LEAD US THROUGH AN ANALYSIS OF THE STATUS OF
10 THAT BILL? IF THE COMMITTEE MEMBERS RECALL,
11 INVITROGEN INTRODUCED THIS CONCEPT THAT WE HAD TO
12 GET THE SUPPLIER DEFINITION IN PLACE. MR. MULLIN
13 HAS INDICATED AS A HISTORICAL REFERENCE POINT THAT
14 IF WE PROCEEDED TO ADOPT A REASONABLE DEFINITION,
15 THAT HE WOULD EVENTUALLY DROP THIS BILL. BUT IN THE
16 INTERIM, THERE'S SOME INTERESTING DYNAMICS THAT HAVE
17 DEVELOPED AS MR. MULLIN HAS TRIED, AS WE HAVE, TO
18 DEAL WITH THE CONFLICTING INTEREST OF A NUMBER OF
19 COMPANIES IN THE STATE TRYING TO MAKE SURE THAT
20 THEIR CONTRIBUTION TO THE RESEARCH IS RESPECTED AND
21 UNDERSTOOD.

22 DR. PRIETO: AND THAT THEY'RE TREATED AS A
23 CALIFORNIA SUPPLIER, YOU MEAN.

24 CHAIRMAN KLEIN: THAT'S EXACTLY RIGHT.

25 DR. PRIETO: NOW, WASN'T THERE SOME

BARRISTERS' REPORTING SERVICE

1 DISCUSSION THAT HE WAS INTERESTED IF WE CAME UP WITH
2 AN ACCEPTABLE MODEL OF LEGISLATION THAT WOULD MAKE
3 THIS BROADER THAT WOULD COVER OTHER STATE-FUNDED
4 PROJECTS SO THAT OUR DEFINITION WOULD BECOME SORT OF
5 THE DE FACTO DEFINITION?

6 CHAIRMAN KLEIN: THE LATEST THING WE KNOW
7 FROM HIM WAS THAT HE WAS LOOKING TO POTENTIALLY DROP
8 HIS IF HE FELT THAT WE HAD COME UP WITH A FUNCTIONAL
9 DEFINITION THAT APPROPRIATELY SERVED THE WHOLE
10 CONSTITUENCIES.

11 THE INFORMATION WE'VE HAD TO DATE IS THAT
12 THE OTHER DEFINITIONS HAVE BEEN TAILORED TO SPECIFIC
13 PROGRAMS AND HAVE SO MUCH LANGUAGE IN THEM RELATING
14 TO THE SPECIFIC PROGRAMS THAT IT DOESN'T APPEAR YOU
15 CAN HARMONIZE THE DEFINITION.

16 DR. PRIETO: IT DOES NOT APPEAR THAT YOU
17 CAN.

18 CHAIRMAN KLEIN: DOES NOT. THAT DOESN'T
19 MEAN THAT WE CAN'T. IT'S JUST THAT'S THE APPEARANCE
20 AT THIS TIME.

21 MS. NORTH: COULD I JUMP IN NOW?

22 CHAIRMAN KLEIN: YEAH. GO AHEAD, SUE.

23 MS. NORTH: AS EVERYBODY RECALLS, WE
24 VETTED OR USED A DEFINITION OUT OF THE LAST ICOC
25 MEETING THAT MR. MULLIN'S OFFICE AT ONE POINT TOOK

BARRISTERS' REPORTING SERVICE

1 HOLD OF AS A BASELINE FOR NEGOTIATING LANGUAGE. AND
2 THEY'VE MADE SOME CHANGES TO IT, AND I HOPE
3 EVERYBODY HAS SEEN THE LATEST AMENDMENT. IT'S NOT
4 IN MOCK-UP FORM, WHICH MEANS IT'S MORE DIFFICULT TO
5 READ. HOWEVER, I'VE GOT JOHN VALENCIA SITTING HERE
6 WITH ME WHO'S BEEN STEEPED IN NOTHING BUT THIS STUFF
7 FOR THE LAST SEVERAL DAYS, SO I'M SURE HE CAN HELP
8 WALK US THROUGH.

9 SUFFICE IT TO SAY, MR. MULLIN HAS MADE THE
10 POINT, AND I TALKED TO HIS STAFF BEFORE I CAME HERE
11 TODAY, HIS INTEREST IS IN THE LIFE SCIENCES
12 COMPANIES. SO HE'S NOT -- HE DOESN'T PURPORT TO
13 HAVE AN INTEREST OR TO UNDERSTAND HOW THIS MIGHT OR
14 MIGHT NOT CREATE OTHER PROBLEMS FOR OTHER TYPES OF
15 SUPPLIERS.

16 DR. PRIETO: HE'S NOT LOOKING AT THAT
17 RIGHT NOW.

18 MS. NORTH: NO. ALL HE'S FOCUSED ON IS
19 THE LIFE SCIENCES COMPANIES, THE PEOPLE WHO
20 MANUFACTURE AND SELL PRODUCTS THAT ARE DIRECTLY
21 INVOLVED IN THE RESEARCH ITSELF. OKAY.

22 SO HAVING SAID THAT, OUR ATTEMPT WAS WE
23 HAD A MINIMUM NUMBER OF EMPLOYEES WITH OUR
24 DEFINITION. THEY'VE SEGUED AND PUT A FIVE-YEAR BEEN
25 IN BUSINESS DOING THIS ENTERPRISE FOR FIVE YEARS OR

BARRISTERS' REPORTING SERVICE

1 MORE AS KIND OF THEIR VARIATION ON THE THEME. IN
2 MR. MULLIN'S VIEW, HE THINKS THAT ENCOMPASSES MORE
3 COMPANIES.

4 THIS IS VERY CONFUSING, AS YOU MIGHT
5 IMAGINE, BECAUSE THERE HAVE BEEN SO MANY DIFFERENT
6 VARIATIONS ON THE THEME.

7 DR. PRIETO: COULDN'T THAT BE A PROBLEM
8 FOR US HAVING A FIVE-YEAR THRESHOLD WITH SUCH A NEW
9 FIELD?

10 CHAIRMAN KLEIN: THAT'S DEFINITELY AN
11 ISSUE.

12 MS. NORTH: THAT'S ONE OF THE OBVIOUS
13 QUESTIONS.

14 CHAIRMAN KLEIN: WHAT WE'RE HOPING TO DO,
15 DR. PRIETO, IS IF WE CAN LET SUE GO THROUGH THE FULL
16 ANALYSIS, THEN I'LL GO FOR COMMENTS FROM EACH
17 DIFFERENT LOCATION, BUT IT CERTAINLY IS AN ISSUE.

18 MS. NORTH: SO THE OTHER POINT THAT I
19 THINK IS IMPORTANT TO AGAIN REEMPHASIZE IS THAT MR.
20 MULLIN HAS BEEN VERY COOPERATIVE AND OPEN AND
21 AVAILABLE TO LISTEN TO OUR VIEWS. AND HE HAS SAID
22 ALL ALONG IF BELIEVES THAT WE COME UP WITH SOMETHING
23 THAT'S A WORKABLE SOLUTION, THAT HE WILL SERIOUSLY
24 CONSIDER DROPPING THE BILL.

25 ON THE OTHER HAND, HE TOO WAS CONCERNED

BARRISTERS' REPORTING SERVICE

1 THAT WE NEEDED TO MOVE AND ADOPT A DEFINITION. SO
2 HE'S BEEN UNWILLING TO DROP THE BILL UNTIL WE
3 ACTUALLY ACT.

4 SO ALL OF THIS MAY WELL CULMINATE NEXT
5 WEEK IN THE ICOC MEETING WHERE WE'RE GOING TO TANGLE
6 WITH THIS SOME MORE BECAUSE IT SOUNDS AS IF THE
7 LATEST AMENDMENTS THAT MR. MULLIN HAS PUT INTO HIS
8 BILL MAY NOT REACH OUR COMFORT LEVEL BECAUSE OF THE
9 VERY ISSUE THAT YOU JUST RAISED ABOUT THIS BEING A
10 DYNAMIC FIELD, THERE'S SO MANY BIOTECH COMPANIES
11 THAT ARE GOING INTO BUSINESS ALL THE TIME.

12 AND THE QUESTION THEN BECOMES DOES
13 CALIFORNIA WANT TO BE CHARACTERIZED AS WE'RE DIGGING
14 IN AND MASSAGING THE OLD-TIMERS, BUT WE'RE NOT
15 OPENING OUR DOOR IN A WELCOME WAY TO ANY OF THE
16 NEWER PLAYERS IN THE FIELD.

17 CHAIRMAN KLEIN: SUE, WITH THAT AS A
18 SUMMARY STATEMENT, I'M WONDERING, SO THAT THE BOARD
19 IS FULLY INFORMED FOR THEIR COMMENTS, MAYBE, JOHN
20 VALENCIA, WE CAN INVITE HIM TO MAKE A FEW-MINUTE
21 STATEMENT. AND THEN WE WILL WITH THE GENERAL PUBLIC
22 AFTER THE BOARD'S COMMENTS GET GENERAL PUBLIC
23 COMMENTS AS WELL.

24 MR. VALENCIA: I'M HAPPY TO, MR. CHAIRMAN.
25 FOR ALL IN ATTENDANCE, THIS IS JOHN VALENCIA IN

BARRISTERS' REPORTING SERVICE

1 SACRAMENTO, OUTSIDE COUNSEL FOR INVITROGEN
2 CORPORATION, HEADQUARTERED IN CARLSBAD. JOINING ME
3 AND JOINING THE COMPANY IN SAN FRANCISCO IS KATHY
4 LYNCH, NEW SENIOR MANAGER FOR GOVERNMENT RELATIONS
5 FOR INVITROGEN, WORKING WITH JANET LAMBERT IN
6 WASHINGTON, D. C.

7 MS. KING: SHE IS HERE.

8 MR. VALENCIA: EXCELLENT. VERY BRIEFLY,
9 MR. CHAIRMAN AND MEMBERS, I THINK THE HISTORY HAS
10 BEEN ACCURATELY SUMMARIZED. OBVIOUSLY WE ARE THE
11 ORIGINATORS OF THE PETITION PENDING BEFORE THE
12 ORGANIZATION, AND WE'VE BEEN VERY APPRECIATIVE OF
13 THE RESPONSIVENESS AS OF THE MARCH 2008 ICOC MEETING
14 IN SACRAMENTO AT THE CREST THEATER, AT WHICH THE
15 AGENCY ACCEPTED OUR PETITION TO COMMENCE DISCUSSIONS
16 AND DEVELOPMENT OF A REGULATION THAT DEFINES
17 CALIFORNIA SUPPLIER. IT IS A NECESSARY TERM FOR
18 YOUR GRANTEES, AND WE DISCUSSED IN DEPTH AT THAT
19 HEARING HOW PRECISE THE EXPECTATIONS ARE OF THE
20 AGENCY IN THE FOR-PROFIT AND NONPROFIT GRANT
21 POLICIES, NOW REGULATIONS, AND THE MORE GENERAL
22 EXPECTATION THAT YOU HAVE IN THE MAJOR FACILITIES
23 POLICIES THAT HAVE BEEN ADOPTED.

24 WE HAVE RELINQUISHED OUR SPONSORSHIP OF
25 AB 2381 AS A CONSEQUENCE OF THE PENDING AMENDMENT.

BARRISTERS' REPORTING SERVICE

1 WE HAD HOPED TO, AS MUCH AS POSSIBLE, CONFORM TO THE
2 DEVELOPMENTS AT CIRM AND BEFORE THE ICOC. WE THINK
3 THAT YOU'VE ALREADY TOUCHED ON ONE ASPECT OF ONE OF
4 SEVERAL PROBLEMS CREATED BY THE REGULATORY LANGUAGE,
5 WHICH, CANDIDLY, AS A CALIFORNIA COMPANY, WE'RE
6 UNABASHED IN SAYING IS SOURCED WITH COMPANIES THAT
7 HAVE ADMITTEDLY AND BENEFICIALLY A SUBSTANTIAL
8 PRESENCE IN CALIFORNIA, BUT FUNDAMENTALLY THEIR
9 CORPORATE CENTERS ARE BOTH OUT OF STATE AND IN CASES
10 OUT OF COUNTRY.

11 I'LL STOP THERE AND SIMPLY SAY THAT AT
12 THIS POINT WE'RE LOOKING FORWARD TO THE PROGRESS
13 MADE BEFORE CIRM AND BEFORE THE ICOC NEXT FRIDAY IN
14 SAN FRANCISCO, AND WE WILL BE THERE TO PARTICIPATE.
15 AT PRESENT, WE THINK THE GAINS THAT WOULD BE
16 ACCOMPLISHED BY THE PUBLISHED DRAFT PROPOSAL ON
17 WHICH THERE'S BEEN PUBLIC COMMENT NOW AND WILL
18 EMERGE AGAIN IN DRAFT FORM BEFORE YOU NEXT FRIDAY IS
19 EASIER TO FOLLOW. THE THRESHOLDS ARE BRIGHTER,
20 CLEARER, AND INCLUSIVE. AND I THINK THE KEY THERE
21 REALLY IS THE ACKNOWLEDGEMENT OF THE CONTRIBUTION OF
22 ENTITIES, WHEREVER THEY MAY BE FROM, AND THAT THEY
23 REPRESENT NO BARRIER TO THE ACQUISITION OF SUPPLIES
24 FOR RESEARCH. THANK YOU.

25 CHAIRMAN KLEIN: ALL RIGHT. THANK YOU

BARRISTERS' REPORTING SERVICE

1 VERY MUCH. KNOWING THAT WE HAVE SPECIFIC COMMENT
2 FROM SACRAMENTO, DR. PRIETO, WOULD YOU LIKE TO MAKE
3 YOUR COMMENTS TO LEAD THE BOARD COMMENTS?

4 DR. PRIETO: I GUESS IT'S REALLY A
5 QUESTION FOR SUE NORTH. HOW MUCH FLEXIBILITY SHE
6 FEELS THAT MR. MULLIN HAS WITH REGARDS TO THAT
7 FIVE-YEAR THRESHOLD IF WE COME UP WITH SOMETHING
8 DIFFERENT.

9 MS. NORTH: IT'S PURELY OBVIOUSLY
10 SPECULATIVE ON MY PART TO PREGUESS WHAT MR. MULLIN
11 WILL SAY OR THINK. HOWEVER, IN GENERAL, FROM HIS
12 STATED OBJECTIVE, HE'S TRYING TO ACKNOWLEDGE THAT
13 THERE ARE COMPANIES THAT MAY NOT BE HEADQUARTERED IN
14 CALIFORNIA OR MAY HAVE BEEN PURCHASED BY AN
15 INTERNATIONAL CORPORATION, BUT WHOSE ROOTS WERE IN
16 CALIFORNIA AND THEY STILL CONTINUE TO PARTICIPATE IN
17 THE CALIFORNIA ECONOMY IN AN APPRECIABLE WAY.

18 SO HIS BASIC THRUST HERE IS THAT HE WAS
19 TRYING NOT TO DRAW THE LINE SO TIGHTLY THAT IT WOULD
20 CREATE, IN ESSENCE, AN ADVANTAGE IN THE MARKETPLACE
21 FOR SOME GROUP OF COMPANIES OVER ANOTHER. AND GIVEN
22 THE FACT THAT MANY OF THESE COMPANIES ARE MOVING,
23 NOT ONLY ARE THEY NEW COMPANIES, BUT PEOPLE GET
24 PURCHASED, THEY GET -- THEY ACQUIRE OTHER COMPANIES
25 AS THEY GROW THEMSELVES THAT MAY BE OUTSIDE

BARRISTERS' REPORTING SERVICE

1 CALI FORNIA.

2 WHAT I THINK HE WAS ATTEMPTING TO DO WAS
3 TRYING TO GET TO A STANDARD THAT RECOGNIZES IN
4 ESSENCE WHAT LONGEVITY GIVES YOU IS A DEMONSTRATION
5 THAT THE COMPANY HAS CALI FORNIA ROOTS.

6 DR. PRIETO: I UNDERSTAND THAT, BUT I
7 THINK MY CONCERN WOULD BE WHAT ABOUT A COMPANY THAT
8 WAS ESTABLISHED IN CALI FORNIA TWO YEARS AGO AND IS,
9 YOU KNOW, MOVING INTO THIS FIELD AND POTENTIALLY AN
10 ABSOLUTELY VALID AND APPROPRIATE AND MAYBE NECESSARY
11 CALI FORNIA SUPPLIER, YET THEY WOULDN' T BE CAPTURED
12 BY THAT PART OF THE DEFINITION ANYWAYS UNLESS
13 THERE' S LANGUAGE ELSEWHERE THAT WOULD PULL THEM IN.

14 CHAIRMAN KLEIN: YOU' RE ABSOLUTELY
15 CORRECT, DR. PRIETO. SOMEONE LIKE JACKSON LABS,
16 WHICH IS A VERY HIGHLY RESPECTED NONPROFIT COMPANY
17 THAT MOVED TO CALI FORNIA, HAS NOT BEEN HERE FOR FIVE
18 YEARS, THEY MAY BE -- THEY HAVEN' T BEEN HERE FOR
19 FIVE YEARS AT THIS POINT AT LEAST, AND YET THEY' RE
20 DOING A 200,000 SQUARE FOOT FACILITY IN THE
21 SACRAMENTO AREA, HAVING STARTED WITH A 10,000 SQUARE
22 FOOT FACILITY IN WEST SACRAMENTO IN ABOUT 2005.

23 THE POINT IS WE' RE TRYING TO ATTRACT HIGH
24 QUALITY BUSINESSES AND JOBS TO CALI FORNIA WHILE
25 WE' RE TRYING TO DEAL WITH CALI FORNIA SUPPLIERS AND

BARRISTERS' REPORTING SERVICE

1 ENCOURAGE THAT. THIS WOULD DISCOURAGE NEW COMPANIES
2 FROM MOVING TO CALIFORNIA BECAUSE IT'S FIVE YEARS
3 BEFORE THEY GET ANY CREDIT FOR BEING A CALIFORNIA
4 SUPPLIER.

5 MS. NORTH: BOB, IF I MIGHT QUICKLY
6 INTERJECT, THE IRONY IS THAT WE KNOW AFTER WE PASSED
7 PROPOSITION 71, WE HAD AN EFFECT ON WHERE PEOPLE
8 LOCATED. SO WE'VE HAD LOTS AND LOTS OF EXAMPLES OF
9 COMPANIES THAT MAY HAVE STARTED IN MASSACHUSETTS WHO
10 NOW HAVE A MAJOR PRESENCE IN CALIFORNIA.

11 DR. PRIETO: COMPANIES AND RESEARCHERS.

12 MS. NORTH: AS A DIRECT RESULT OF PROP 71.
13 THE QUESTION BECOMES DO YOU NOW WANT TO PULL THE
14 GANGPLANK UP BEHIND THEM AND SAY THEY DON'T GET
15 COUNTED AS A CALIFORNIA SUPPLIER?

16 CHAIRMAN KLEIN: SO LET'S GO. IS THERE
17 ANY OTHER BOARD MEMBERS THAT HAVE DISCUSSION POINTS
18 TO ADDRESS THIS SUBJECT?

19 DR. BRYANT: I HAVE A QUESTION, AND THAT
20 IS THE UNIVERSITY OF CALIFORNIA HAS PRODUCED A
21 REVISED VERSION OF THIS FOR CONSIDERATION. AND I
22 JUST WONDERED IF THAT NEW LANGUAGE GETS AROUND SOME
23 OF THIS.

24 MS. NORTH: DO WE HAVE THAT LANGUAGE?

25 DR. BRYANT: I THINK IT WAS SUBMITTED TO

BARRISTERS' REPORTING SERVICE

1 SCOTT TOCHER ON JUNE THE 9TH. AND IT'S GOT A LOT
2 OF -- IT'S GOT THREE -- I CAN READ IT TO YOU. IT'S
3 VERY SHORT.

4 CHAIRMAN KLEIN: THAT WOULD BE GREAT.

5 DR. BRYANT: IT SAYS AS YOU'VE IN SECTION
6 BLAH, BLAH AND CIRM POLICIES AND REGULATIONS,
7 CALIFORNIA SUPPLIER MEANS ANY SOLE PROPRIETORSHIP,
8 PARTNERSHIP, JOINT VENTURE, CORPORATION, OR OTHER
9 BUSINESS ENTITY: ONE, WHOSE OWNERS OR POLICYMAKING
10 OFFICERS ARE DOMICILED IN CALIFORNIA, OR, INSTEAD OF
11 AND, OR WHOSE PERMANENT PRINCIPAL OFFICE OR PLACE OF
12 BUSINESS FROM WHICH THE SUPPLIER'S TRADE IS DIRECTED
13 AND MANAGED IS LOCATED IN CALIFORNIA; OR, TWO, THAT
14 EMPLOYS AT LEAST ONE-THIRD OR A MINIMUM OF A HUNDRED
15 OF ITS TOTAL EMPLOYEES IN CALIFORNIA; OR, THREE,
16 THAT PRODUCES, BUILDS, AND THEN "OR" IS TAKEN OUT,
17 MANUFACTURES OR HAS DISTRIBUTION FACILITIES FOR A
18 PRODUCT OR PRODUCTS IN CALIFORNIA FOR THE SPECIFIC
19 PRODUCT OR PRODUCTS WHICH ARE USED BY CIRM GRANTEES.

20 CHAIRMAN KLEIN: WELL, THAT'S VERY
21 HELPFUL. HAVING SEEN THAT LANGUAGE, I DON'T
22 BELIEVE, DR. BRYANT, THAT THAT LANGUAGE HAS BEEN
23 ANALYZED AT THIS POINT. INTERESTINGLY, THE HUNDRED,
24 MINIMUM OF A HUNDRED HAS ALSO BEEN QUESTIONED BY A
25 NUMBER OF PEOPLE WHO ARE ASSOCIATED WITH START-UPS

BARRISTERS' REPORTING SERVICE

1 BECAUSE THEIR POINT IS -- WELL, LET ME ASK THE
2 QUESTION.

3 THE HUNDRED MINIMUM, HAS THERE BEEN ANY
4 LANGUAGE SUBMITTED THAT WOULD PUT IT IN THE
5 ALTERNATIVE, WHICH IS A MINIMUM OF A HUNDRED
6 EMPLOYEES --

7 DR. BRYANT: IT SAYS AT LEAST A THIRD OR A
8 MINIMUM OF A HUNDRED.

9 DR. PRIETO: THAT WAS FROM -- IF I WAS
10 HEARING THAT CORRECTLY, IT SOUNDS LIKE THERE WERE A
11 COUPLE OF OTHER WAYS TO REACH THAT THRESHOLD.

12 DR. BRYANT: YES. THESE ARE ALL ORS.

13 CHAIRMAN KLEIN: SUE, DOES THAT LANGUAGE
14 IN YOUR MIND COVER SCIENTIFIC CONSOLIDATORS LIKE
15 FISHER SCIENTIFIC?

16 DR. BRYANT: LET ME SEE.

17 DR. TROUNSON: BOB, IT'S ALAN TROUNSON.
18 THAT WOULD COVER FISHER SCIENTIFIC THEMSELVES. I'M
19 NOT SURE IT WOULD NECESSARILY COVER EVERYBODY, BUT
20 THERE WOULD BE SOME PEOPLE WHO PERHAPS FALL THROUGH
21 THE CRACK BETWEEN THE ONE-THIRD AND A MINIMUM OF A
22 HUNDRED, BUT IT WOULD COVER FISHER SCIENTIFIC.

23 CHAIRMAN KLEIN: OKAY.

24 DR. BRYANT: DO YOU HAVE A FAX NUMBER
25 THERE? I COULD HAVE THIS SENT TO YOU IF YOU WANT.

BARRISTERS' REPORTING SERVICE

1 MS. NORTH: IS SCOTT IN THE SAN FRANCISCO
2 MEETING?

3 MS. KING: HE IS. WE CAN GIVE YOU OUR FAX
4 NUMBER. IT'S 415-396-9141.

5 CHAIRMAN KLEIN, JUST ONE THING I JUST
6 WANTED ASK YOU BECAUSE WE DO HAVE A SOMEWHAT LIMITED
7 SCHEDULE WITH DR. BRYANT NEEDING TO LEAVE BY THREE.
8 I'M NOT EXACTLY SURE WHAT THE INTENT IS WITH THE
9 MULLIN BILL. WE DO HAVE THE CALIFORNIA SUPPLIER
10 ISSUE ON THE ICOC AGENDA FOR NEXT WEEK BASED ON THE
11 WORK OF ICOC MEMBERS TED LOVE AND DUANE ROTH WITH
12 SCOTT. SO WE CAN SPEND MORE TIME TALKING ABOUT IT
13 HERE IF THE SUBCOMMITTEE FINDS IT HELPFUL, BUT JUST
14 WANTED TO MAKE SURE WE'RE BEING MINDFUL OF THE FACT
15 THAT THAT ISSUE IS BEING DEALT WITH AT THE ICOC
16 MEETING AS A SEPARATE ITEM.

17 CHAIRMAN KLEIN: THE MOST IMPORTANT THING,
18 MELISSA, IS TO MAKE SURE THAT WE HAVE ALL THE
19 INFORMATION. TODAY FOR THIS BILL, IT'S MORE OF AN
20 INFORMATIONAL COLLECTION. OBVIOUSLY IT'S WELL
21 ADVISED, SINCE WE EVIDENTLY DID NOT HAVE ALL OF THE
22 INPUT, INCLUDING UC'S INPUT, INTO THIS CONSIDERATION
23 AS WE PREPARE FOR THAT BOARD MEETING.

24 MY UNDERSTANDING, SUE, IS THAT YOUR
25 RECOMMENDATION IS THAT SINCE MR. MULLIN IS

BARRISTERS' REPORTING SERVICE

1 ATTEMPTING TO REALLY WORK WITH THIS COMMITTEE, YOUR
2 RECOMMENDATION IS THAT WE CONTINUE TO WORK WITH HIM,
3 DON'T TAKE A POSITION YET BECAUSE THIS LANGUAGE
4 CONTINUES TO MOVE. IS THAT YOUR RECOMMENDATION?

5 MS. NORTH: MY RECOMMENDATION IS TO REMAIN
6 IN A WATCH POSITION WITH ONE VARIABLE. AND THAT IS,
7 IF NEXT WEEK AT THE ICOC MEETING WE CONCLUDE WITH
8 OUR -- IF IT'S CLEAR WHATEVER OUR BASIC PRINCIPLES
9 ARE ABOUT WHAT HAS TO BE IN THE DEFINITION AND WHY,
10 THEN THAT OUGHT TO BECOME THE DRIVING FORCE FOR WHAT
11 WE ULTIMATELY DO IN TERMS OF A POSITION ON HIS BILL.

12 RIGHT NOW THE DIFFICULTY IS THAT IT'S A
13 MOVING TARGET. THESE AMENDMENTS WERE JUST GIVEN TO
14 US YESTERDAY. WE HAVEN'T HAD THE OPPORTUNITY TO
15 REALLY VET THIS LANGUAGE WITH PEOPLE THAT WE'VE
16 OTHERWISE BEEN WORKING WITH. WE HAVEN'T HAD THE
17 OPPORTUNITY TO LISTEN TO BOTH UC'S VARIATIONS ON THE
18 THEME AS WELL AS ANY OTHERS THAT MAY HAVE COME TO
19 SCOTT DURING THE FORMAL COMMENT PERIOD THAT WE'VE
20 HAD SINCE THE LAST ICOC MEETING.

21 SO I'M SAYING WATCH; HOWEVER, IF WE COME
22 DOWN ON THE SIDE AT THE END OF THE ICOC MEETING NEXT
23 WEEK WHERE WE HAVE THREE OR FOUR MAJOR PRINCIPLES
24 THAT HAVE TO BE IN A DEFINITION, AND IF MR. MULLIN
25 REFUSES TO GO THROUGH, THEN WE TAKE AN OPPOSED

BARRISTERS' REPORTING SERVICE

1 POSITION. WE DON'T HAVE TO COME BACK AND WAIT
2 AGAIN.

3 CHAIRMAN KLEIN: I UNDERSTAND. HE'S BEEN
4 QUITE SUPPORTIVE. WE WANT TO CONTINUE TO WORK WITH
5 HIM.

6 MS. NORTH: ABSOLUTELY.

7 CHAIRMAN KLEIN: BUT AT THIS POINT, I
8 WOULD LIKE TO HEAR. ARE THERE ANY OTHER BOARD
9 MEMBERS WHO WOULD LIKE TO MAKE A COMMENT? WITH THE
10 TIME WE HAVE WITH DR. BRYANT BEING AVAILABLE, I'M
11 GOING TO NEED TO MOVE RELATIVELY QUICKLY TO SB 1565
12 WHERE WE REALLY DO NEED TO TAKE A POSITION QUICKLY
13 IF THE COMMITTEE SO DESIRES, BUT I WANT TO MAKE SURE
14 THAT I GET ADDITIONAL BOARD COMMENTS AND PUBLIC
15 COMMENTS ON THIS ITEM.

16 SO ARE THERE ADDITIONAL BOARD MEMBERS WHO
17 WOULD LIKE TO COMMENT ON THIS ITEM? HEARING NO
18 ADDITIONAL BOARD COMMENTS, ARE THERE PUBLIC COMMENTS
19 ON THIS ITEM?

20 MR. HARRISON: BOB, IT'S JAMES HARRISON.
21 I WANTED TO JUST RAISE ONE OTHER POTENTIAL ISSUE
22 ABOUT THIS DEFINITION, IF I COULD. THE DEFINITION
23 ITSELF IN SUBPART B(1) IS LIMITED TO LIFE SCIENCE
24 COMMERCIAL ENTITIES. AND, OF COURSE, THERE ARE
25 OTHER SUPPLIERS WHO PROVIDE GOODS TO CIRM GRANTEES.

BARRISTERS' REPORTING SERVICE

1 SO THE DEFINITION IS VERY NARROW IN THAT RESPECT AS
2 WELL.

3 CHAIRMAN KLEIN: AND WE CERTAINLY HAVE A
4 MAJOR CONSTRUCTION PROJECT GOING ON TOO, AND WE WANT
5 TO RECOGNIZE THE ROLE OF CALIFORNIA SUPPLIERS.
6 JAMES, YOU AND I HAVE DISCUSSED THE FACT THAT WE'RE
7 GOING TO HAVE TO SEPARATELY COME UP WITH SOME
8 LANGUAGE THAT ADDRESSES THAT WHOLE ACTIVITY BASE.

9 DR. BRYANT: BOB, ARE WE ALSO INTENDING
10 THAT THIS COVER THE BUILDING SUPPLIES FOR THE
11 CONSTRUCTION THAT'S GOING TO BE STARTING SOON?

12 CHAIRMAN KLEIN: THAT'S WHAT I WAS JUST
13 REFERRING TO, DR. BRYANT. WE'RE GOING TO NEED A
14 DIFFERENT DEFINITION TO ADDRESS THAT MAJOR ACTIVITY.

15 DR. BRYANT: OKAY.

16 CHAIRMAN KLEIN: SO ARE THERE PUBLIC
17 COMMENTS ON THIS ITEM, ADDITIONAL PUBLIC COMMENTS?

18 MS. KING: NONE IN SAN FRANCISCO.

19 CHAIRMAN KLEIN: HOW ABOUT IN ORANGE
20 COUNTY?

21 DR. BRYANT: NONE HERE.

22 CHAIRMAN KLEIN: IN SACRAMENTO?

23 DR. PRIETO: NOT HERE.

24 CHAIRMAN KLEIN: TINA NOVA, WITH YOU?

25 DR. NOVA: NO PUBLIC.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: OKAY. SO UNLESS THERE'S
2 A MOTION BY A MEMBER, I WOULD SUGGEST THAT WE
3 PROCEED WITH SUE NORTH'S RECOMMENDATION, A WATCH
4 POSITION, CONTINUING TO WORK WITH THE SPONSOR WHO IS
5 HIGHLY COOPERATIVE, AND CONTINUING TO CONSOLIDATE
6 THIS INFORMATION WITH JAMES HARRISON WORKING ON
7 SOMETHING TO ADDRESS VERY SPECIFICALLY MAJOR
8 FACILITIES-TYPE DEFINITIONS AND MAKING SURE THAT WE
9 CAPTURE SUPPLIERS THAT ARE OUTSIDE THE LIFE SCIENCES
10 AREA, BUT WHO PROVIDE SUPPLIES TO THE GENERAL
11 OPERATIONS THAT ARE SUPPORTED THROUGH THESE GRANTS.

12 DR. TROUNSON: BOB, IT'S ALAN TROUNSON. I
13 THINK THE OTHER IMPORTANT MATTER IS THAT IT NEEDS TO
14 BE ABLE TO FIT IN A LOGICAL CAPACITY FOR US TO BE
15 ABLE TO IDENTIFY THESE ENTITIES IN A WAY WHICH
16 DOESN'T CREATE A LOT OF MONEY FOR EITHER THE
17 INSTITUTIONS OR FOR CIRM. AND THAT NEEDS TO BE A
18 CONSIDERATION IN THIS MATTER IN ORDER NOT TO REQUIRE
19 ADDITIONAL MONIES TO BE SPENT IN, SUBSTANTIAL MONIES
20 AT LEAST, TO BE SPENT IN ENSURING CONFORMITY.

21 CHAIRMAN KLEIN: RIGHT. AND I THINK, DR.
22 TROUNSON, THAT'S A POINT THAT IS A PRINCIPLE THAT
23 WAS PUT ON THE DECK IN THE ORIGINAL DISCUSSION ON
24 THIS. BUT IN PREPARATION FOR THE BOARD MEETING,
25 PERHAPS YOU COULD ASSIGN SOME PERSON OR PERSONS TO

BARRISTERS' REPORTING SERVICE

1 TRY AND DEVELOP FOUR OR FIVE BASIC PRINCIPLES WE'RE
2 TRYING TO ACHIEVE WITH THIS DEFINITION THAT MINIMIZE
3 THE ADMINISTRATIVE COST BOTH IN THE PRIVATE SECTOR
4 AND INTERNALLY WITH OUR STAFF BEING ONE OF THEM
5 THAT'S CERTAINLY IMPORTANT.

6 MS. NORTH: WE'VE JUST BEEN JOINED BY DR.
7 POMEROY.

8 DR. POMEROY: HI, EVERYBODY.

9 CHAIRMAN KLEIN: DR. POMEROY, ON THE
10 CALIFORNIA SUPPLIER DEFINITION, WE JUST FINISHED A
11 DISCUSSION THERE, BUT WE'RE IN A WATCH POSITION
12 BECAUSE MR. MULLIN IS HIGHLY COOPERATIVE. HE'S JUST
13 LOOKING FOR WHAT'S BEST FOR THE PUBLIC. WE'RE
14 LOOKING FOR WHAT'S BEST FOR THE PUBLIC. SO WE'RE
15 WORKING WITH HIM, AND WE'RE ABOUT TO GO TO SENATE
16 BILL 1565 UNLESS YOU HAVE A COMMENT YOU WANT TO MAKE
17 ON CALIFORNIA SUPPLIER.

18 DR. POMEROY: NO. I'M GLAD WE'RE ALL
19 ALIGNED. I APOLOGIZE FOR BEING LATE.

20 CHAIRMAN KLEIN: NOT A PROBLEM. GLAD TO
21 HAVE YOU HERE.

22 WITH THAT, IF WE CAN MOVE TO SENATE BILL
23 1565. AND SUE NORTH, VERY TERSELY, IF YOU COULD
24 JUST BRING US UP TO DATE ON THE PROCESS. AND THEN
25 ONCE BEING UP TO DATE ON THE PROCESS, WE WILL GO

BARRISTERS' REPORTING SERVICE

1 THROUGH A DISCUSSION ON THE MERITS ITSELF.

2 MS. NORTH: THE BILL CONSISTS OF THREE
3 SPECIFIC PROVISIONS. THE FIRST IS THAT IT STRIKES A
4 PARAGRAPH OUT OF PROP 71 THAT CREATES A TWO-THIRDS
5 VOTE REQUIREMENT IN THE GRANTS WORKING GROUP FOR ANY
6 RESEARCH THAT IS NOT PLURIPOTENT OR PROGENITOR-BASED
7 CELL RESEARCH. AND THE THEORY THERE IS, AT LEAST
8 THE ARGUABLE THEORY FROM SENATOR RUNNER AND SENATOR
9 KUEHL, IS THAT THEY'RE TRYING TO RECOGNIZE THAT
10 THERE ARE LOTS OF DIFFERENT AVENUES TO MEDICAL
11 RESEARCH KNOWLEDGE IN THIS FIELD. AND THEY SEE NO
12 COMPELLING REASON TO REMAIN -- TO CONTINUE A
13 SECOND-CLASS CITIZENSHIP FOR OTHER TYPES OF
14 RESEARCH. THAT'S THEIR ARGUMENT.

15 THE SECOND COMPONENT, WHICH IS THE ONE
16 THAT HAS PROVOKED SO MUCH TIME AND ATTENTION ON OUR
17 PART, IS THE HANDPICKING OF A COUPLE OF ELEMENTS OF
18 OUR IP POLICIES, WHICH ARE CURRENTLY IN THEIR 14TH
19 OR 15TH ITERATION IN TERMS OF OFFICE OF
20 ADMINISTRATIVE LAW REGULATORY REVIEW AND AMENDMENT.
21 AND THE MOST PROBLEMATIC COMPONENT IS THAT IT WOULD
22 PUT IN STATUTE THAT ACCESS PLANS AND THE PRICING OF
23 PRODUCTS THAT MAY RESULT IN WHOLE OR IN PART FROM
24 ANY RESEARCH THAT CIRM HAS FUNDED WOULD HAVE TO
25 ALWAYS BE PRICED AT THE LOWEST AMONG THE BENCHMARKS

BARRISTERS' REPORTING SERVICE

1 THAT ARE OTHERWISE IDENTIFIED IN THE CALRX PROGRAM.

2 SEVERAL REASONS WHY THAT BECOMES

3 PROBLEMATIC. I'LL JUST VERY QUICKLY GO THROUGH.

4 ONE IS THAT CALRX HAS NEVER BEEN IMPLEMENTED. WE

5 HAVE YET TO COMMERCIALIZE A PRODUCT, SO ALL OF THE

6 ELEMENTS HERE ARE KIND OF A SOLUTION IN SEARCH OF A

7 PROBLEM. WE'RE NOT EXACTLY SURE WHAT WE'RE SOLVING.

8 AND THE CONSTRAINT THAT IT PUTS ON US IS THAT WE

9 WOULD HAVE TO GO BACK TO THE LEGISLATURE ON ANY

10 ACCESS PLAN THAT DEVIATES FROM THE LOWEST PRICE

11 AMONG THE BENCHMARKS.

12 AND BECAUSE THE BROAD MISSION OF CIRM IS

13 TO BRING THERAPEUTICS AND CURES TO PATIENTS, THERE

14 ARE MANY DIFFERENT CIRCUMSTANCES WHERE WE WOULD WANT

15 TO HAVE THE FLEXIBILITY TO WORK WITH A PARTICULAR

16 COMPANY OR VENDOR OR RESEARCH ENTITY IN ORDER TO

17 HELP ADVANTAGE BRINGING MORE THERAPEUTICS,

18 PARTICULARLY FOR THINGS LIKE ORPHAN DISEASES WHERE,

19 UNLESS THEY GET THAT KIND OF SHEPHERDING AND

20 PROTECTION AND ASSISTANCE, OUR CHANCES OF EVER

21 BRINGING THOSE KINDS OF PRODUCTS TO THE MARKETPLACE

22 OR TO CLINICS FOR PATIENTS IS GOING TO BE EXTREMELY

23 CONSTRAINED.

24 SO THAT'S THE HEART OF WHAT THEY'RE

25 PROPOSING IN 1565 TO BE PUT INTO STATUTE. WE

BARRISTERS' REPORTING SERVICE

1 BROUGHT THIS TO THE AUTHOR'S ATTENTION BACK IN MARCH
2 AND APRIL OF THIS YEAR. WE HAVE MADE ZERO HEADWAY
3 WITH HER IN WILLINGNESS TO LOOK FOR ANY AMENDMENTS
4 OR TO DO ANYTHING DIFFERENTLY.

5 THE THIRD COMPONENT, THE BILL STARTED WITH
6 A MANDATE FOR THE LITTLE HOOVER COMMISSION TO DO A
7 STUDY OF THE GOVERNANCE OF CIRM; NAMELY, THE ICOC.
8 AND IT WAS IN THE LAST SET OF AMENDMENTS CHANGED TO
9 A REQUEST, AND THEY DID THAT AFTER THE LITTLE HOOVER
10 COMMISSION INDICATED THAT THEY COULD DO THE STUDY
11 AND ABSORB IT WITHIN THEIR EXISTING RESOURCES. SO A
12 MANDATE PUTS MORE OF A POTENTIAL COST ON THE BILL
13 THAN APPEARS TO BE NECESSARY BECAUSE IT LOOKS LIKE
14 LITTLE HOOVER IS GOING TO DO THE STUDY WITH OR
15 WITHOUT A BILL.

16 SO THOSE ARE THE THREE. THE ONE THAT, AS
17 I SAID, TO REITERATE, IS THE IP POLICY THAT IS THE
18 REAL STICKING POINT IN THIS BILL. THE OTHER
19 COMPONENTS ARE KIND OF UNNECESSARY.

20 CHAIRMAN KLEIN: SUE, I THINK WE HAVE THE
21 KEY ELEMENTS. AND AS BACKGROUND, THE COMMITTEE
22 MEMBERS SHOULD KNOW THAT IT DOESN'T TAKE A BILL FOR
23 THE LITTLE HOOVER COMMISSION TO REVIEW SOMETHING.
24 THE LEGISLATOR COULD JUST AS WELL WRITE A LETTER TO
25 LITTLE HOOVER COMMISSION AND REQUEST A REVIEW.

BARRISTERS' REPORTING SERVICE

1 DR. PRIETO: AND, BOB, LITTLE HOOVER
2 COMMISSION HAS THE AUTHORITY TO DO THAT ALREADY.

3 CHAIRMAN KLEIN: THEY HAVE THE AUTHORITY
4 TO REVIEW US AND PROVIDE A RECOMMENDATION ALREADY.
5 SO THE REAL FOCUS HERE IS THAT IN TERMS OF THE CALRX
6 PROGRAM, ONE OF THE FUNDAMENTAL ISSUES OR OBJECTIVES
7 THAT WE HAVE HAD THUS FAR AND ARTICULATED MANY TIMES
8 IN OUR PUBLIC SESSIONS IS THE NEED TO HAVE THE
9 PRIVATE SECTOR AVAILABLE TO WORK WITH US IN THIS
10 PROGRAM. THE KEY HERE IS THAT -- EXCUSE ME FOR A
11 SECOND AND GET A GLASS OF WATER.

12 DR. PRIETO: SUE, CAN I ASK A QUESTION
13 WHILE WE WAIT?

14 CHAIRMAN KLEIN: GO AHEAD.

15 DR. PRIETO: MY UNDERSTANDING HERE, THEN,
16 IS THE TWO-THIRDS REQUIREMENT, I THINK, IS JUST NOT
17 MUCH OF AN ISSUE FROM MY TIME ON GRANTS. AND THE
18 LITTLE HOOVER COMMISSION SOUNDS LIKE ALSO PRETTY
19 MUCH A NONISSUE. AND IF THEY WANT TO PASS A BILL ON
20 THOSE MATTERS, I DON'T KNOW WHY WE WOULD EVEN BE
21 CONCERNED.

22 I WONDERED ABOUT THE PRICING LANGUAGE IN
23 THE CURRENT VERSION OF OUR IP POLICY AND HOW YOU --
24 HOW CALRX WOULD DEFINE OR HOW IT WOULD REACH A
25 BENCHMARK PRICE FOR A NEW PRODUCT OR TREATMENT THAT

BARRISTERS' REPORTING SERVICE

1 WAS JUST COMING TO MARKET THAT WAS JUST BEING
2 COMMERCIALIZED.

3 MS. NORTH: YES. I WOULD HOPE THAT SCOTT
4 TOCHER CAN CHIME IN BECAUSE HE'S BEEN CARRYING THE
5 MAJOR WORKLOAD OF THE REGULATORY DEVELOPMENT OF THE
6 IP POLICIES OVER THE LAST YEAR AND A HALF TO TWO
7 YEARS.

8 DR. PRIETO: IS SCOTT THERE WITH YOU?

9 MR. TOCHER: THE WAY CALRX WORKS IS THAT
10 THE AGENCY THAT IS CHARGED WITH IMPLEMENTING IT SITS
11 DOWN WITH THE MANUFACTURERS AND NEGOTIATES WITH THEM
12 ONE OF THE THREE BENCHMARKS THAT THE PROGRAM
13 PROVIDES FOR FOR PARTICIPANTS IN THE CALRX PROGRAM.
14 SO THAT'S DETERMINED IN NEGOTIATIONS BETWEEN
15 MANUFACTURER AND THE STATE AT THE TIME THAT THEY ARE
16 READY TO COMMERCIALIZE HERE IN CALIFORNIA.

17 DR. PRIETO: IS THAT DONE AS A ROUTINE NOW
18 FOR --

19 MS. NORTH: NO, BECAUSE THE CALRX HAS
20 NEVER BEEN IMPLEMENTED. REMEMBER, THIS WAS SIGNED
21 INTO LAW AT A POINT IN TIME WHERE THE STATE'S
22 DEFICITS BEGAN BEING FAIRLY SUBSTANTIAL AND
23 RECURRING YEAR AFTER YEAR. SO THE GOVERNOR SIGNED
24 THE BILL, AND IT'S UNDER THE AUSPICES OF THE
25 DEPARTMENT OF HEALTH SERVICES, BUT IT DOESN'T HAVE

BARRISTERS' REPORTING SERVICE

1 ANY STAFF. THEY HAVEN' T DEVELOPED ANY REGULATIONS.
2 THEY' RE NOT A PRESENCE.

3 MR. TOCHER: LET ME JUST JUMP IN FOR A
4 SECOND. THE PROGRAM HAS DONE SOME OF THE
5 PRELIMINARY WORK AND HAS ACTUALLY STARTED SOME OF
6 THE CONVERSATIONS IN ITS FIRST YEAR WITH
7 MANUFACTURERS SO THAT THEY COULD TRY TO LAY AS MUCH
8 GROUNDWORK DOWN AS POSSIBLE IN THE EVENT THAT
9 FUNDING WERE TO COME THROUGH. NOW, I DON' T BELIEVE
10 THAT THAT ACTIVITY HAS BEEN GOING ON IN THE LAST SIX
11 MONTHS PROBABLY SINCE I LAST SPOKE WITH AN
12 INDIVIDUAL OVER THERE WHO IS IMPLEMENTING THE
13 PROGRAM. BUT THEY HAVE GONE DOWN THE ROAD WITH
14 MANUFACTURERS.

15 CHAIRMAN KLEIN: THE KEY HERE, DR. PRIETO,
16 IS THAT THE GOVERNOR, THE LEGISLATURE, AND THE
17 BIOTECH INDUSTRY WORKED OUT A PROCESS THAT NO ONE
18 REALLY GOT EVERYTHING THEY WANTED, BUT IT WAS A
19 PROCESS THAT WOULD GIVE US ESSENTIALLY A MEDICARE
20 EQUIVALENT PRICE IN CALIFORNIA AND HAD DIFFERENT
21 PRICES TO ADJUST FOR DIFFERENT FACT PATTERNS,
22 DIFFERENT KIND OF THERAPIES.

23 AND WHAT IS HAPPENING IN THIS BILL IS
24 THEY' RE PREEMPTING THE ENTIRE AGREEMENT WITH BIOTECH
25 AND THE GOVERNOR BY SAYING, NO, THERE IS CHOICE

BARRISTERS' REPORTING SERVICE

1 BETWEEN THE THREE DIFFERENT PRICINGS. IT WOULD BE
2 WHATEVER THE LOWEST PRICE WOULD BE, SO THEY'RE
3 ABROGATING THE ENTIRE INDUSTRY AGREEMENT WITH THE
4 GOVERNOR BY THIS.

5 DR. PRIETO: WELL, IF THIS REALLY BECAME A
6 MAJOR ISSUE, THEN I THINK IT WOULD MEAN A
7 MANUFACTURER -- ONLY INCENTIVE A MANUFACTURER WOULD
8 HAVE WOULD BE TO SET ONE PRICE. IT WOULD BE A --

9 CHAIRMAN KLEIN: THE KEY HERE IS THAT
10 THERE ARE APPROPRIATE PRICES THAT MIGHT ADDRESS AN
11 ORPHAN DRUG THAT WOULD BE VERY DIFFERENT FROM A
12 BLOCKBUSTER. AND TO STIPULATE THAT YOU WOULD
13 CALCULATE THE LOWEST THREE PRICES, REGARDLESS OF
14 WHAT THE FACT PATTERN AND WHAT THE THERAPY WAS, IS
15 COMPLETELY INCONSISTENT WITH THE FRAMEWORK OF THE
16 PRIOR AGREEMENT.

17 DR. PRIETO: ARE YOU TALKING ABOUT TWO
18 DIFFERENT TREATMENTS OR ONE TREATMENT THAT HAS A
19 CERTAIN APPLICATION FOR A MORE COMMON CONDITION AND
20 ANOTHER APPLICATION FOR WHAT YOU MIGHT CALL AN
21 ORPHAN CONDITION?

22 CHAIRMAN KLEIN: SCOTT, COULD YOU COMMENT
23 ON THAT?

24 MR. TOCHER: YOU'RE TALKING ABOUT THE
25 APPLICABILITY OF CALRX IN THAT CONTEXT?

BARRISTERS' REPORTING SERVICE

1 DR. PRIETO: YES.

2 MR. TOCHER: I THINK IT'S CONTEMPLATED
3 THAT IT WOULD APPLY UNDER EITHER OF THOSE.

4 CHAIRMAN KLEIN: LET ME ADD ANOTHER LEVEL
5 OF COMPLICATION TO THAT. THERE ARE NO -- ON THE
6 HORIZON, THERE ARE NO IMMEDIATE SOURCES OF SUBSIDIES
7 AS WE GO FORWARD. AND I'VE BEEN TALKING WITH THE
8 ALZHEIMER'S ASSOCIATION'S REPRESENTATIVES, FOR
9 EXAMPLE, ABOUT THE ISSUE OF HOW DO YOU DEAL WITH THE
10 SUBCLASS OF ALZHEIMER'S PATIENTS WHO DEVELOP EARLY
11 ONSET ALZHEIMER'S DISEASE IN THEIR LATE 50S.
12 THEY'RE NOT OF THE AGE THAT IF THEY NEED THE
13 RESOURCES, THAT MEDICARE IS AVAILABLE.

14 MS. NORTH: MEDICARE HAS A TWO-YEAR
15 WAITING PERIOD FOR ALZHEIMER'S DISEASE.

16 CHAIRMAN KLEIN: SO WHAT WE MIGHT DO TO
17 RESPOND TO THOSE NEEDS, FOR EXAMPLE, IS WE MIGHT SAY
18 WE'LL SET THE CALRX PRICE A LITTLE HIGHER THAN WE
19 NORMALLY WOULD, BUT ALL OF THE EXTRA REVENUE CREATED
20 HAS TO GO TO CREATE A SUBSIDY SO THESE PEOPLE THAT
21 HAVE EARLY ONSET WHO MAY LOSE THEIR JOBS AND BE IN
22 PARTICULAR NEED HAVE A SOURCE OF SUBSIDY WHERE THEY
23 CAN ACTUALLY GET ACCESS FINANCIALLY TO THIS NEW
24 THERAPY.

25 THIS KIND OF CREATIVITY IS TAKEN AWAY FROM

BARRISTERS' REPORTING SERVICE

1 US BY THIS FORMULA OF MANDATING THAT YOU TAKE THE
2 LOWEST OF THESE THREE PRICES WHEN WE ACTUALLY MAY
3 NEED TO SET A HIGHER PRICE TO BE ABLE TO CREATE THIS
4 FUND TO ADDRESS THIS PARTICULAR CLASS OF PATIENTS.

5 DR. PRIETO: A HIGHER PRICE THAT WOULD
6 APPLY FOR PEOPLE WHO HAVE A PREEXISTING SUBSIDY LIKE
7 MEDICARE, FOR EXAMPLE. THIS WOULD BE PART OF THE
8 KIND OF ACCESS PLAN THAT WE REQUIRED IN THE IP
9 POLICY THAT THE MANUFACTURER COME UP WITH AT THE
10 TIME OF COMMERCIALIZATION.

11 CHAIRMAN KLEIN: THAT'S RIGHT, BUT WE
12 WOULD NOT HAVE THE ABILITY AUGMENT THAT ACCESS PLAN
13 BECAUSE THERE'S A PARTICULARLY LARGE BENEFIT GROUP
14 THAT WE'RE NOT BEING ABLE TO SERVE.

15 SO ANOTHER SITUATION, FOR EXAMPLE, MIGHT
16 BE THAT A COMPANY HAS A PATENT THAT COVERS DIABETES
17 AND IT ALSO COVERS ALS. AND IT'S NOT ECONOMIC TO
18 SERVE THE ORPHAN MARKET FOR ALS. IT JUST ISN'T.
19 YOU SET A SLIGHTLY HIGHER CALRX PRICE FOR DIABETES
20 AND TELL THEM THAT THEY NEED TO TAKE THAT REVENUE
21 STREAM AND SUBSIDIZE THE ALS TREATMENT. THAT'S A
22 PUBLIC POLICY ISSUE.

23 I'M NOT PREJUDGING WHAT OUR DECISION WOULD
24 BE, BUT THE ISSUE IS BY HAVING THE CREATIVE ABILITY
25 TO ADDRESS THESE PRICES BASED ON THE THERAPY, THE

BARRISTERS' REPORTING SERVICE

1 FACT PATTERN, THE COST, WHETHER IT'S ORPHAN DISEASE
2 OR NOT, WE HAVE AN ABILITY TO POTENTIALLY REACH
3 PATIENTS, WHICH IS OUR CRITICAL GOAL, AND WE'RE
4 LOSING THAT FLEXIBILITY UNDER THIS BILL.

5 MS. NORTH: IF I CAN JUMP IN, I THINK IT'S
6 IMPORTANT TO SAY THIS. AGAIN, I GET BACK TO CALRX
7 IS A BIG, BROAD PROGRAM THAT AFFECTS ALL OF
8 HEALTHCARE DELIVERY. THIS ASPECT IS WHAT -- THE
9 ARGUMENT THAT SENATOR KUEHL WOULD COME BACK TO YOU
10 WITH IS TO SAY YOU'D HAVE THAT FLEXIBILITY, BUT YOU
11 HAVE TO COME TO THE LEGISLATURE TO GET IT.

12 DR. PRIETO: FOR EACH PRODUCT?

13 MS. NORTH: FOR EVERY -- UNLESS IT'S THE
14 LOWEST BENCHMARK PRICE, ANY VARIATION ON THE THEME
15 WOULD NEED LEGISLATION, WOULD NEED THE LEGISLATURE
16 TO AGREE, AND 70 PERCENT VOTE OF BOTH HOUSES AND
17 SIGNATURE OF THE GOVERNOR. SO IF THERE'S ANY DEGREE
18 OF CONTROVERSY. IT'S AN HIV APPLICATION, AS AN
19 EXAMPLE, WE CAN THINK OF LOTS OF -- IF IT'S BASED ON
20 EMBRYONIC STEM CELL RESEARCH THAT WASN'T PART OF THE
21 PRESIDENTIAL LINES. THERE ARE MANY REASONS WHY
22 MEMBERS OF THE LEGISLATURE WOULD CHOOSE NOT TO VOTE
23 FOR SOMETHING EVEN IF IT WAS MERITORIOUS. AT A
24 MINIMUM, IT WOULD TAKE US A YEAR BECAUSE IT WOULD
25 REQUIRE THAT THE LEGISLATURE, UNLESS WE GOT SUCH A

BARRISTERS' REPORTING SERVICE

1 HIGH DEGREE OF APPROVAL THAT THEY AGREED TO AN
2 URGENCY BILL.

3 CHAIRMAN KLEIN: DR. PRIETO, WITH THE TIME
4 WE HAVE AVAILABLE, IF I COULD, LET ME ASK IF THERE'S
5 OTHER MEMBERS THAT WOULD LIKE TO COMMENT ON THIS.
6 AND THEN LET ME GET THE PUBLIC AND COME BACK TO ANY
7 OTHER ADDITIONAL QUESTIONS YOU MIGHT HAVE.

8 DR. PRIETO: OKAY.

9 CHAIRMAN KLEIN: SO IS THERE ANY
10 ADDITIONAL COMMENT FROM THE BOARD FROM ORANGE
11 COUNTY?

12 DR. BRYANT: NO.

13 CHAIRMAN KLEIN: ANY ADDITIONAL COMMENT
14 FROM TINA NOVA?

15 DR. NOVA: NO.

16 CHAIRMAN KLEIN: ANY ADDITIONAL COMMENT
17 FROM SACRAMENTO?

18 DR. POMEROY: THIS IS CLAIRE. I'D JUST
19 LIKE TO MAKE A COUPLE OF COMMENTS ON THIS BECAUSE I
20 HAVE BEEN ONE OF THE STRONGEST VOICES IN FAVOR OF
21 MAKING SURE THAT ALL CALIFORNIANS BENEFIT FROM THE
22 IMPORTANT WORK THAT'S BEING DONE AT CIRM. BUT JUST
23 TO RESTATE SOME OF THE POINTS THAT WE MADE WHEN WE
24 WENT THROUGH THE LONG, ARDUOUS PROCESS OF COMING TO
25 AN IP POLICY, AN IP POLICY CANNOT OVERCOME THE

BARRISTERS' REPORTING SERVICE

1 DYSFUNCTION OF OUR CURRENT HEALTHCARE DELIVERY
2 SYSTEM. I WOULD SUBMIT THAT THERE IS NO DRUG THAT
3 ALL UNINSURED CALIFORNIANS HAVE ACCESS TO AT THIS
4 POINT. AND SO TO PUT INTO LAW THAT LANGUAGE
5 CONCERNS ME GREATLY.

6 SECOND POINT, I DO THINK WE HAVE HAD A
7 VERY OPEN PROCESS TO COME TO OUR IP POLICIES AND OUR
8 ACCESS POLICIES. AS YOU SAID, BOB, WE CAME UP WITH
9 AN APPROACH THAT NOBODY COMPLETELY LIKED, WHICH
10 PROBABLY MEANS THAT YOU'RE GETTING CLOSE TO THE
11 RIGHT PLACE.

12 AND THE THIRD POINT IS THAT THE UNIVERSITY
13 OF CALIFORNIA HAS OFFICIALLY WEIGHED IN ON THIS WITH
14 A LETTER REQUESTING THAT THE LEGISLATURE CONSIDER
15 ALLOWING THE CIRM TO USE THE EXISTING -- THE CURRENT
16 EXISTING IP POLICY AND SEE HOW IT WORKS, AND THAT
17 LEGISLATION TO CHANGE THAT IS PREMATURE. AND I
18 THINK I WOULD HAVE TO SUPPORT THAT POSITION. WE
19 WILL BE WATCHED VERY CLOSELY WHEN WE DO HAVE AN
20 INNOVATION AND A BREAKTHROUGH, AND IT WILL BE
21 INCUMBENT UPON US AT THAT POINT TO MAKE SURE THAT WE
22 REALLY DO ADDRESS THE ACCESS ISSUES. AND I THINK
23 OUR POSITION SHOULD BE TO ASK THE LEGISLATURE TO
24 GIVE US THAT OPPORTUNITY TO DO THE RIGHT THING.

25 CHAIRMAN KLEIN: THANK YOU VERY MUCH.

BARRISTERS' REPORTING SERVICE

1 JEFF SHEEHY, YOU'RE IN SAN FRANCISCO. DO YOU HAVE
2 ANY COMMENTS?

3 MR. SHEEHY: YES. I WOULD AGREE WITH DR.
4 POMEROY ALMOST WORD FOR WORD. I THINK SHE PUT THE
5 CASE VERY ARTICULATEDLY. I THINK WE WENT THROUGH A
6 VERY ARDUOUS PROCESS, AND I WAS ONE IN THAT PROCESS
7 THAT WAS FIGHTING HARD FOR ACCESS AND FOR A PRICING
8 SCHEME FOR PUBLIC AGENCIES. AND I THINK THAT THE
9 LEGISLATURE PLAYED AN IMPORTANT ROLE IN HOLDING OUR
10 FEET TO THE FIRE, BUT I THINK WE'VE COME UP WITH A
11 POLICY THAT IS A FAIR COMPROMISE.

12 AND I THINK WE HAVE TWO PARTS THAT HAVE
13 YET TO REALLY COME INTO PLAY YET. TO GO BACK TO SUE
14 NORTH'S POINT, CALRX HASN'T REALLY COME INTO EFFECT,
15 AND WE REALLY DON'T HAVE A THERAPY YET. SO I THINK
16 IT'S REALLY PREMATURE TO PUT OUR POLICIES INTO STONE
17 AND TO MAKE THEM SO RIGID BEFORE WE'VE HAD AN
18 OPPORTUNITY TO TEST THEM AND SEE IF THEY WORK. AND
19 I THINK IT'S PREMATURE I THINK IS THE BEST WAY TO
20 EXPRESS IT. DOING SOMETHING RIGHT NOW IS PREMATURE.

21 CHAIRMAN KLEIN: OKAY. ANY ADDITIONAL
22 BOARD MEMBERS THAT I'VE MISSED? ANY MEMBERS OF THE
23 PUBLIC? I'D LIKE TO START WITH, DR. PRIETO, IS
24 THERE ANY PUBLIC MEMBER WITH YOU?

25 DR. PRIETO: NO PUBLIC HERE.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN KLEIN: WITH TINA NOVA?

2 DR. NOVA: NO PUBLIC HERE.

3 CHAIRMAN KLEIN: IN SAN FRANCISCO WITH
4 JEFF SHEEHY?

5 MR. REED: YES. I REGARD THIS AS A SUBTLE
6 AND DANGEROUS BILL. I THINK THAT IT HAS TO BE
7 FOUGHT, HAS TO BE FOUGHT ENTHUSIASTICALLY. I'VE
8 BEEN TO FOUR HEARINGS THAT HAVE BEEN SO FAR.
9 THERE'S NOT BEEN A SINGLE VOTE IN OPPOSITION TO IT.
10 THE LEGISLATORS ARE NOT AWARE THAT THERE IS A CASE
11 TO BE MADE AGAINST IT. THANK YOU.

12 CHAIRMAN KLEIN: OKAY. DR. BRYANT, IS
13 THERE PUBLIC?

14 MS. KING: CHAIRMAN KLEIN, WE ACTUALLY
15 HAVE A DISTINGUISHED MEMBER OF OUR STAFF THAT WOULD
16 LIKE TO MAKE A COMMENT, DR. TROUNSON.

17 CHAIRMAN KLEIN: ABSOLUTELY. DR.
18 TROUNSON.

19 DR. TROUNSON: I THINK IT'S VERY IMPORTANT
20 FOR EVERYONE TO UNDERSTAND THAT I THINK CEMENTING
21 THIS IN LAW AT THE PRESENT TIME IS A POTENTIAL VERY
22 STRONG DISADVANTAGE FOR THE CITIZENS OF CALIFORNIA.

23 THE WAY I WOULD EXPECT THESE DEVELOPMENTS
24 TO OCCUR WOULD BE PRIMARILY WITH THOSE CONDITIONS
25 WHICH YOU MAY CALL BLOCKBUSTER, BUT THEY HAVE A VERY

BARRISTERS' REPORTING SERVICE

1 WIDE OPPORTUNITY FOR THERAPIES, AND THERE WILL BE
2 VERY MANY CONDITIONS THAT AFFECT RELATIVELY FEW
3 PEOPLE, RELATIVELY FEW PEOPLE FOR WHICH IT WILL NOT
4 BE COST EFFECTIVE TO GO THROUGH THE PHASE I, PHASE
5 II, PHASE III CLINICAL TRIALS.

6 IT IS INCUMBENT ON THE CIRM TO MAKE SURE
7 THAT WE GET CONSIDERATION OF ALL THE CITIZENS IN
8 CALIFORNIA. AND THE ONLY WAY WE CAN DO THAT IS TO
9 ENABLE US TO NEGOTIATE WITH THE PRIMARY CARRIERS OF
10 THIS TECHNOLOGY AS THEY GO THROUGH THE CLINICAL
11 TRIALS TO ENSURE THAT REASONABLE COSTS ARE MADE --
12 ARE ARRIVED AT FOR THE CITIZENS THAT ARE NOT IN
13 THOSE BLOCKBUSTER OR THOSE VERY MAJOR AREAS OF
14 DISEASE REPRESENTATION.

15 IF YOU TAKE THIS AWAY FROM OUR ABILITY TO
16 NEGOTIATE, THE COMPANIES WILL NOT NEGOTIATE. THEY
17 WILL ONLY WORK TOWARDS THE LARGELY FINANCIALLY
18 REWARDING BLOCKBUSTER CONDITIONS, AND THEY WILL
19 PERHAPS MAKE THOSE OTHER DEVELOPMENTS IN OTHER
20 COUNTRIES OR OTHER PLACES WHERE THEY'RE SUPPORTED,
21 BUT IT WON'T HAPPEN IN CALIFORNIA.

22 I DON'T THINK THAT'S IN THE INTEREST OF
23 THE CALIFORNIA PEOPLE, AND I THINK THE BOARD SHOULD
24 MAKE SURE THAT THE WHOLE CITIZENRY OF CALIFORNIA
25 RECOGNIZES THIS COULD BE A VERY SEVERE DISADVANTAGE

BARRISTERS' REPORTING SERVICE

1 WHEN IT COMES TO ENABLING US TO NEGOTIATE FOR
2 COST-EFFECTIVE THERAPIES FOR THOSE LARGE RAFT OF
3 CONDITIONS WHICH DON'T AFFECT SPECIFICALLY LARGE
4 NUMBERS OF PEOPLE IN THIS STATE.

5 CHAIRMAN KLEIN: THANK YOU, DR. TROUNSON.
6 ALAN, IS IT ALSO YOUR UNDERSTANDING OR THE FEEDBACK
7 THAT YOU'VE HEARD THAT WITH THE LEGISLATURE SETTING
8 RIGID REQUIREMENTS HERE AND THE BOARD BEING UNABLE
9 TO RESPOND TO SPECIAL CONDITIONS, THAT THERE IS SOME
10 CONCERN THAT THE PRIVATE SECTOR WILL, IN FACT,
11 DISENGAGE, FEELING THAT LEGISLATIVE INTERVENTION IS
12 CREATING TOO MUCH UNCERTAINTY AND NOT CREATING A
13 STRUCTURE WHERE WE CAN PROPERLY RESPOND TO THE NEEDS
14 OF INDUSTRY TO GET THESE THERAPIES TO THE PATIENTS?
15 IS THAT PART OF THE ISSUE?

16 DR. TROUNSON: THESE ARE THE DISCUSSIONS
17 WE'VE BEEN HAVING WITH THE PRIMARY BIOTECH
18 COMPANIES, AND ALSO THE CURRENT ENGAGEMENT WITH THE
19 BIG PHARMA COMPANIES, THAT THEIR PRIMARY INTEREST
20 LOGICALLY IS WITH THE BROADLY SCOPED CONDITIONS,
21 SUCH AS CARDIAC DISEASE, BUT THEY WOULD NOT BE
22 PARTICULARLY INTERESTED IN TAKING THE DEVELOPMENT OF
23 SMALLER ITEMS WHICH MIGHT WELL BE CONDITIONS LIKE
24 PARKINSON'S DISEASE THROUGH THIS PHASE. NOW, YOU
25 MAY THINK THAT PARKINSON'S IS ONE OF THE CONDITIONS

BARRISTERS' REPORTING SERVICE

1 THAT THEY THINK IS WORTHWHILE, BUT THE VERY MAJOR
2 DEVELOPMENTS WHICH WILL HAVE TO HAPPEN IN THAT AREA
3 WILL REQUIRE THAT THEY, I THINK, BE ENGAGED IN
4 COMPANIES THAT ARE PROBABLY IN THAT BROADER SECTOR
5 OF THE DEVELOPMENT.

6 SO IF YOU TAKE THAT ABILITY FOR US TO
7 NEGOTIATE FOR A BILL OF PRICE FOR SOME OF THESE
8 CONDITIONS WHICH ARE EITHER GOING TO COST A FAIR BIT
9 TO LARGE -- GOING TO COST MORE TO DEVELOP OR AFFECT
10 A SMALLER NUMBER OF PATIENTS THAN, SAY, THESE VERY
11 LARGE BLOCKBUSTER CONDITIONS, THEN, INDEED, THEY
12 WILL DISENGAGE, OR IT WILL TAKE SOME OTHER
13 INDUCEMENT FOR US TO GET THEM ENGAGED. AND THAT'S
14 NOT CLEAR TO ME AT THIS POINT IN TIME WHAT THAT
15 OTHER INDUCEMENT COULD BE.

16 CHAIRMAN KLEIN: THANK YOU VERY MUCH,
17 ALAN. ARE THERE OTHER COMMENTS FROM THE PUBLIC?
18 AND, ALAN, SINCE I CAN'T SEE YOU, SINCE I'M AT A
19 DIFFERENT LOCATION, PLEASE, AS THE PRESIDENT, FEEL
20 FREE TO INTERVENE AT ANY APPROPRIATE TIME TO PROVIDE
21 YOUR ADVICE.

22 MR. SHEEHY: BOB, COULD I MAKE ANOTHER
23 COMMENT? I'M PUTTING ON MY PR HAT. I THINK THAT
24 THERE IS SOMETHING, AND WHEN DON WAS TALKING, IT
25 KIND OF BROUGHT IT TO FORE, ABOUT THIS CHANGE IN

BARRISTERS' REPORTING SERVICE

1 QUORUM AT THE GRANTS WORKING GROUP. AND IT MATTERS
2 LESS FOR EFFECT BECAUSE I THINK, AS FRANCISCO NOTED,
3 AS DR. PRIETO NOTED, GOOD SCIENCE GENERALLY RECEIVES
4 THE SUPPORT OF THE BULK OF THE MEMBERS AND BAD
5 SCIENCE DOESN'T GET THE SUPPORT. SO THE QUALITY IS
6 THE ULTIMATE DETERMINANT.

7 BUT I THINK WHAT IT DOES IS IT SUPPORTS A
8 MORE SUBTLE, BUT DANGEROUS CONCEPT, THAT HUMAN
9 EMBRYONIC STEM CELLS ARE NOT NECESSARILY THE WAY TO
10 THERAPY, THAT THERE'S THE IPF CELLS AND THESE OTHER
11 MODALITIES. AND I THINK THAT THAT IS REALLY
12 DANGEROUS, ESPECIALLY FOR SOMEONE, AS A GREAT
13 SUPPORTER OF SENATOR KUEHL, WHO IS TRYING TO GET
14 THESE THERAPIES TO EVERYBODY, THE CELLS IN THE
15 BOTTLE RIGHT NOW THAT GERON AND NOVOCELL ARE WORKING
16 ON ARE HUMAN EMBRYONIC STEM CELL DERIVED CELLS. THE
17 ABILITY TO CONTROL THE TUMOROGENICITY OR TO GET THE
18 IMMUNE SYSTEM TO ACCEPT THESE CELLS, THAT WORK IS
19 VERY FAR ADVANCED FOR THOSE CELLS AND THOSE CELL
20 LINES THAT THEY HAVE BEEN WORKING WITH. AND TO
21 SOMEHOW SUGGEST THAT ALL THIS WORK IS NOW ON PAR,
22 WHICH IS VERY IMPORTANT, WITH VERY NASCENT WORK
23 THAT'S GOING ON WITH IPF, I THINK SENDS A VERY, VERY
24 DANGEROUS SIGNAL. THE IPF CELLS THAT COME OUT WILL
25 MOST LIKELY, I THINK IN THE FIRST APPLICATIONS BE

BARRISTERS' REPORTING SERVICE

1 PATIENT SPECIFIC AND WILL NOT BE BROADLY AVAILABLE
2 TO MOST CALIFORNIANS IN THE WAY THAT SENATOR KUEHL
3 ENVISIONS THESE KINDS OF THERAPIES AND WE ENVISION
4 THESE THERAPIES ROLLING OUT.

5 YOU KNOW, I DON'T THINK THAT THAT IS QUITE
6 AS INNOCUOUS AS IT SOUNDS. I HOPE THE SENATOR WILL
7 RECONSIDER HER SUPPORT FOR THAT MEASURE, AT LEAST
8 SOMEHOW CLARIFY THE INTENT BEHIND IT BECAUSE I THINK
9 WE'RE GETTING PRETTY CLOSE TO SOME CLINICAL TRIALS.
10 MAYBE ALAN HAS SOME THOUGHTS ON THAT AND THIS WHOLE
11 ISSUE; BUT FROM HOW I'VE SEEN THE SCIENCE AT THIS
12 POINT, WE'RE REALLY RIGHT THERE AT THE BRINK WITH
13 EVEN EMBRYONIC STEM CELLS, AND THAT'S AN IMPORTANT
14 REASON WHY WE EXIST. AND WE SHOULDN'T SUDDENLY ROLL
15 THAT BACK JUST BECAUSE IPF, THANK GOD, IS SUCH A
16 GREAT THING.

17 DR. BRYANT: COULD I JUST INSERT ONE
18 THING? SORRY. I HAVE TO LEAVE, BUT I JUST WANT TO
19 SAY I COMPLETELY AGREE WITH YOU, JEFF. I THINK WE
20 SHOULD RESIST THAT BECAUSE I THINK IT'S A MISTAKEN
21 BELIEF THAT IPF CELLS ARE GOING TO REPLACE EMBRYONIC
22 STEM CELLS BECAUSE THEY'RE NOT, NOT IN ANY TIME
23 SOON. THEY'RE A GOOD RESEARCH TOOL, BUT NOT FOR
24 GOING INTO PEOPLE.

25 CHAIRMAN KLEIN: DR. BRYANT, AS YOU'RE

BARRISTERS' REPORTING SERVICE

1 LEAVING, WE DON'T HAVE A QUORUM; IS THAT RIGHT,
2 JAMES?

3 MS. KING: CORRECT.

4 CHAIRMAN KLEIN: WHAT I'D LIKE TO DO IS
5 JUST FORMALLY POLL THE MEMBERS. MY UNDERSTANDING IS
6 FROM LISTENING TO EVERYONE, WITHOUT A FORMAL MOTION,
7 THAT OUR POSITION WOULD BE TO OPPOSE THIS BILL, BUT
8 CONTINUE TO TRY AND WORK WITH SENATOR KUEHL AND
9 HOPEFULLY BE ABLE TO COMMUNICATE TO THE BOARD A
10 SENSE OF THIS COMMITTEE THAT THIS BILL REALLY
11 CREATES UNNECESSARY AND SUBSTANTIAL OBSTACLES TO OUR
12 MISSION. IF THAT WERE OUR RECOMMENDATION AS THE
13 SENSE OF THIS COMMITTEE, DR. BRYANT, MY
14 UNDERSTANDING IS YOU WOULD AGREE WITH THAT POSITION?

15 DR. BRYANT: I DEFINITELY WOULD, YES.
16 THANK YOU.

17 CHAIRMAN KLEIN: THANK YOU VERY MUCH. DR.
18 POMEROY?

19 DR. POMEROY: YES. IF THIS IS AN INFORMAL
20 POLL, IT'S A LITTLE BIT DIFFICULT TO SAY EXACTLY THE
21 WORDING, BUT I WOULD SUPPORT JEFF'S STATEMENTS AS WE
22 POSITION THIS AS PREMATURE AT THIS TIME.

23 CHAIRMAN KLEIN: OKAY. SO WE'RE OPPOSED
24 BECAUSE IT IS PREMATURE, AND GIVE US THE TIME, AS
25 YOU STATED, TO RESPOND AND DEMONSTRATE THAT WE CAN

BARRISTERS' REPORTING SERVICE

1 TAKE THE RESPONSIBILITY GIVEN TO US BY THE
2 INITIATIVE.

3 DR. POMEROY: RIGHT. AND THAT THE OTHER
4 ASPECTS ARE UNNECESSARY.

5 CHAIRMAN KLEIN: TINA NOVA?

6 DR. NOVA: I AGREE WITH THE OVERALL
7 FEELING OF THE COMMITTEE.

8 CHAIRMAN KLEIN: JEFF SHEEHY?

9 MR. SHEEHY: ABSOLUTELY.

10 CHAIRMAN KLEIN: DR. PRIETO?

11 DR. PRIETO: YES. I THINK I WOULD SAY
12 THAT WE OPPOSE IT AS CURRENTLY WRITTEN, AND WE FEEL
13 ELEMENTS OF IT ARE PREMATURE AND SOME ELEMENTS ARE,
14 I WOULD SAY, BEYOND UNNECESSARY. MY CONCERN ABOUT
15 SOME OF THIS ACCESS LANGUAGE IS THAT IT WOULD
16 DISCOURAGE COMMERCIALIZATION OF GOOD IDEAS COMING
17 OUT OF CIRM-FUNDED RESEARCH, AND THAT'S GOING TO
18 DELAY ACCESS.

19 CHAIRMAN KLEIN: OKAY. WELL, I THINK --

20 DR. TROUNSON: JUST ONE OTHER THING THAT
21 LIKELY CONCERNS ME ABOUT THE 70 PERCENT, AND IT'S I
22 AGREE WITH WHAT JEFF SAID, BUT I ALSO -- WHAT IT
23 ALSO DOES, PERHAPS, IT MIGHT INDICATE THAT OUR WORK
24 IN SOLID ORGAN TRANSPLANTS SHOULD BE THE SAME
25 INTEREST FOR US AS CELLS COMING FROM WHATEVER

BARRISTERS' REPORTING SERVICE

1 SOURCE, WHETHER THEY BE PLURIPOTENTIAL OR
2 PROGENITOR. YOU THINK OF BONE MARROW OR LIVER OR
3 ORGAN TRANSPLANTS WHICH COULD CONTAIN STEM CELLS,
4 RIGHT? I JUST DON'T THINK, YOU KNOW, THE WORDING
5 SUCH AS THIS WOULD BE APPROPRIATE. IT'S NOT --
6 THAT'S NOT THE INTENTION OF PROPOSITION 71 FOR US TO
7 GO INTO THOSE KIND OF AREAS.

8 AND SO, YOU KNOW, I THINK THAT KIND OF
9 ABILITY TO SAY, WELL, LOOK, IT'S A GOOD STUDY, OF
10 COURSE, AND IT WOULD BE CLINICALLY INTERESTING, BUT
11 THAT'S NOT OUR REAL PURPOSE, THE TRANSPLANTATION OF
12 WHOLE BONE MARROW FOR CERTAIN CONDITIONS OR LIVER
13 FOR CERTAIN CONDITIONS. I THINK THAT'S OUTSIDE THE
14 INTENTION OF PROPOSITION 71, AND THAT WOULD
15 OTHERWISE -- THIS LANGUAGE WOULD BRING IT BACK TO
16 PAR WITH ALL THOSE OTHER THINGS. I JUST THINK THAT
17 WHILE THE REVIEWERS MAY NEVER DO THAT, I THINK IT'S
18 NOT REALLY THE INTENTION OF THE PROPOSITION.

19 CHAIRMAN KLEIN: OKAY. THANK YOU. VERY
20 IMPORTANT POINT. I'D LIKE TO ALSO SUGGEST THAT SUE
21 NORTH'S POINT IS VERY IMPORTANT, THAT IF THE
22 LEGISLATIVE POSITION IS YOU CAN RETURN EVERY TIME
23 YOU NEED A PARTICULAR ADJUSTMENT, THAT BEYOND THE
24 FACT THAT FOR THESE CRITICAL THERAPIES, WHETHER IT'S
25 ALS OR SOMETHING IN CANCER OR SOMETHING IN HEART

BARRISTERS' REPORTING SERVICE

1 DI SEASE, HAVING AN EXTRA YEAR THAT WE HAVE TO WAIT
2 TO GET THROUGH THE LEGISLATURE AND GET IT APPROVED
3 AND GET THE GOVERNOR'S VOTE IS UNNECESSARY BURDEN
4 AND DEFERS THE TIME WHEN CLINICAL TRIALS MIGHT, FOR
5 EXAMPLE, MOVE FORWARD BECAUSE WE MIGHT HAVE TO GET A
6 MODIFICATION OF THIS LANGUAGE TO EVEN INDUCE
7 PEOPLE -- INDUCE COMPANIES TO GO INTO PHASE III
8 CLINICAL TRIALS. THEY MIGHT WANT CLARITY ON HOW
9 THEY'RE GOING TO BE TREATED BEFORE AND HOW WE'RE
10 GOING TO HANDLE SOME OF THESE CHALLENGES BEFORE
11 THEY'RE WILLING TO PUT OUT THOSE KINDS OF FUNDS.

12 TO BE ABLE TO -- GOING BACK AND TRYING TO
13 GET A 70-PERCENT VOTE ON AN EMBRYONIC THERAPY IS
14 PROBABLY VERY DIFFICULT IN THE LEGISLATURE OR ON
15 SOMETHING LIKE HIV WHERE YOU HAVE SOME INDIVIDUALS
16 THAT HOLD POSITIONS NOT RELATED TO MEDICINE AT ALL.

17 DR. PRIETO: NOT RELATED TO SCIENCE OR
18 FACT.

19 CHAIRMAN KLEIN: RIGHT. SO WE NEED TO
20 MAKE SURE THAT WE'RE MEETING THE NEEDS OF THE PUBLIC
21 AND THE PATIENTS, AND WE NEED TO COMMUNICATE TO THE
22 LEGISLATURE, WHICH I'M SURE IT WANTS US TO BE ABLE
23 TO MEET OUR MISSION, THAT THE MECHANISM FOR
24 ADJUSTMENT JUST HAS A NUMBER OF OBSTACLES FOR PROPER
25 SCIENTIFIC AND MEDICAL RESPONSIVENESS TO THE NEEDS

BARRISTERS' REPORTING SERVICE

1 OF A PARTICULAR THERAPY.

2 WITH THAT, GIVEN TIME REQUIREMENTS OF THE
3 MEMBERS OF THIS COMMITTEE, SUE, I'D LIKE TO MOVE ON
4 TO AB 2296.

5 MS. NORTH: BOB, BEFORE YOU DO, I JUST
6 WANT TO WRAP UP WITH ONE SENTENCE TO YOU. THAT IS
7 WHAT I'M HEARING, GIVEN WHAT'S IN THIS BILL, IS THAT
8 WE NEED TO RECOMMEND THE SENSE OF THIS COMMITTEE TO
9 THE ICOC THAT THIS IS AN OPPOSE POSITION, PERIOD.
10 THIS BILL HAS THREE PIECES. WE DON'T LIKE TWO OF
11 THE THREE, AND THE THIRD CAN BE ACCOMPLISHED IN A
12 LETTER. THERE'S NO NEED FOR A BILL.

13 SO I WANT TO MAKE ABSOLUTELY CLEAR TO
14 PEOPLE WE HAVE BEEN ATTEMPTING TO WORK WITH THE
15 AUTHORS HERE SINCE JANUARY, AND WE'VE MADE ZERO
16 HEADWAY. WE'RE MOVING TO THE TOUGHEST TIME OF THE
17 LEGISLATIVE SESSION. I THINK WE NEED TO BE CRYSTAL
18 CLEAR WHAT OUR POSITION IS ON THIS BILL.

19 DR. POMEROY: CAN I JUST COMMENT ON THAT
20 TOO BECAUSE, AND TO PICK UP ON DON REED'S COMMENT,
21 THAT THERE HAVE NOT BEEN VOICES AT THE PUBLIC
22 HEARINGS. IN DEVELOPING A STRATEGY OF HOW TO
23 EXPRESS OUR POSITION ON THIS, IT APPARENTLY IS NOT
24 WORKING FOR STAFF TO WORK ON A STAFF-TO-STAFF LEVEL.
25 SO DO WE HAVE A STRATEGY THAT WE'RE PROPOSING THAT

BARRISTERS' REPORTING SERVICE

1 GOES BEYOND THAT?

2 CHAIRMAN KLEIN: DR. POMEROY, WE DO. AND
3 WE ORIGINALLY MET WITH SENATOR KUEHL, WHO DIRECTLY
4 STATED TO US THAT SHE WASN'T SURE THAT THIS BILL WAS
5 NECESSARY IN THE FIRST PLACE. IT SEEMS THAT THIS
6 BILL IS MORE DRIVEN AT THE STAFF LEVEL THAN THROUGH
7 THE PRINCIPALS, ALTHOUGH SENATOR RUNNER, AS A
8 PRINCIPAL, HAS TAKEN THE POSITION THAT IS VERY
9 IMPORTANT TO HIS CAUCUS TO HAVE THIS LEGISLATIVE
10 CHANGE TO ELIMINATE THE TWO-THIRDS VOTE REQUIREMENT
11 IF SOMETHING ISN'T EITHER PLURIPOTENT OR PROGENITOR
12 STEM CELL.

13 WE IN A FOLLOW-UP TO THIS MEETING, I CAN
14 GIVE YOU A CALL AND DISCUSS SOME OF THE ORIGINAL
15 DISCUSSIONS THAT WE PROPOSE TO HAVE WITH MEMBERS OF
16 THE LEGISLATURE SO THAT THEY REALLY CAN UNDERSTAND
17 IN-DEPTH WHY WE FEEL THESE ISSUES ARE IMPORTANT.

18 HAVING TWO MINUTES BEFORE A COMMITTEE
19 DOESN'T GIVE US THE ABILITY TO HAVE A REALLY
20 INFORMED CONVERSATION FOR THE COMMITTEE OR THE
21 PUBLIC.

22 DR. POMEROY: SO I THINK THERE ARE TWO
23 PIECES TO THIS, AND I APPRECIATE THAT WE CAN HAVE
24 DIRECT CONVERSATIONS WITH THE LEGISLATORS, AND THAT
25 WOULD BE A STEP FORWARD. BUT I ALSO WONDER ABOUT

BARRISTERS' REPORTING SERVICE

1 WHETHER PATIENTS, PATIENT ADVOCATES COULD BE A MORE
2 EFFECTIVE VOICE THAN US.

3 CHAIRMAN KLEIN: WE HAVE RESPONDED TO
4 INQUIRIES FROM A NUMBER OF PATIENT GROUPS. AS YOU
5 KNOW, DR. POMEROY, THERE ARE CONSTRAINTS ON WHAT WE
6 CAN DO BEYOND PROVIDING INFORMATION TO THOSE GROUPS.
7 BUT CERTAINLY THE ALZHEIMER'S GROUP, THE ALS GROUP,
8 THE SPINAL CORD INJURY GROUPS, AND THE DIABETES
9 ORGANIZATIONS ARE TRYING AT THIS POINT, AND WE'RE
10 AWARE THAT THEY'RE TRYING, TO COMMUNICATE WITH
11 LEGISLATORS BECAUSE THEY HOLD THE SAME MISSION VERY
12 DEARLY THAT WE DO, AND THEY ARE TRYING TO
13 COMMUNICATE, BUT WE HAVE TO STAY IN A STATE AGENCY
14 ROLE OF PROVIDING INFORMATION TO THOSE GROUPS WHEN
15 ASKED BECAUSE WE ARE A STATE AGENCY.

16 DR. POMEROY: OKAY.

17 DR. PRIETO: I WANTED TO ASK PARTICULARLY
18 JEFF AND, I GUESS, DON REED, IF HE'S STILL IN THE
19 AUDIENCE THERE ALSO, IF THEY HAVE SPOKEN PERSONALLY
20 TO ANY LEGISLATORS. I PUT IN A CALL TO DAVE JONES
21 WHOSE COMMITTEE HEARD IT LAST WEEK. I DIDN'T
22 REALIZE THAT UNTIL I READ DON'S PIECE THE DAY AFTER.

23 MS. NORTH: DAVE JONES' COMMITTEE IS
24 HEARING THIS NEXT TUESDAY.

25 DR. PRIETO: HEARING IT NEXT TUESDAY.

BARRISTERS' REPORTING SERVICE

1 UNI DENTI FIED SPEAKER: DR. PRI ETO, HE SITS
2 ON THE ASSEMBLY HEALTH COMMI TTEE AND WAS ACTIVE IN
3 THE DEBATE ON THE MEASURE. THAT MAY BE WHERE THE
4 CONFUSION STEMS FROM.

5 DR. PRI ETO: OKAY. HE' S CHAIRING THE
6 HEALTH COMMI TTEE.

7 MS. NORTH: NEXT YEAR.

8 CHAIRMAN KLEIN: HE' S CHAIRING THE
9 JUDI CIARY COMMI TTEE.

10 DR. PRI ETO: NOW. BUT THIS WON' T BE HEARD
11 IN JUDI CIARY.

12 MS. NORTH: YES. IT' S DOUBLE REFERRED, SO
13 IT MOVED OUT OF HEALTH COMMI TTEE LAST TUESDAY. IT
14 WILL BE HEARD IN ASSEMBLY JUDI CIARY THIS COMING
15 TUESDAY MORNING.

16 DR. PRI ETO: BECAUSE I PUT IN A CALL,
17 SINCE WE HAD NOT TAKEN A POSI TION AND THE ICOC HAS
18 NOT TAKEN A POSI TION. I HAVE NOT SPOKEN TO HIM YET,
19 BUT I PUT IN A CALL ASKING TO SPEAK TO HIM OR TO HIS
20 HEALTH LA BECAUSE I KNOW DAVE, AND THOUGHT I COULD
21 POSSI BLY MAKE SOME HEADWAY.

22 SUE, PERHAPS -- SUE NORTH, PERHAPS IF I
23 HAVE TIME, I COULD SEND YOU AN E-MAIL WITH SOME OF
24 THE TALKING POINTS OF POINTS I WANTED TO MAKE TO
25 HIM.

BARRISTERS' REPORTING SERVICE

1 MS. NORTH: ABSOLUTELY.

2 DR. PRIETO: BUT I'M CALLING HIM, AND I'LL
3 MAKE THAT CLEAR, THAT AS A DIABETES PATIENT ADVOCATE
4 SITTING ON THE BOARD, NOT ON BEHALF OF THE BOARD,
5 BUT, YOU KNOW, FROM OUR POINT OF VIEW OF WHAT AS
6 PATIENT ADVOCATES. AND I WANTED TO KNOW IF JEFF OR
7 ANY OF THE OTHER ADVOCATES HAD CALLED ANY OF THE
8 PEOPLE THEY KNOW.

9 CHAIRMAN KLEIN: LET ME DO THIS, DR.
10 PRIETO. MAYBE JEFF COULD GIVE YOU A CALL AFTER
11 THIS. WE NEED TO MOVE THROUGH THE REST OF THE
12 AGENDA, BUT WE ABSOLUTELY PUBLICLY ENCOURAGE
13 EVERYONE TO TOUCH BASES WITH LEGISLATORS THEY KNOW
14 SO THAT WE CAN HAVE A GOOD SUBSTANTIVE DISCUSSION ON
15 THIS. IT'S CLEAR WHAT THE SENSE OF THIS
16 SUBCOMMITTEE IS.

17 MR. SHEEHY: DON DID HAVE A QUICK COMMENT.

18 MR. REED: TWO THINGS. FIRST OF ALL, I
19 MET WITH DAVE JONES' CHIEF LEGISLATIVE AIDE, AND HE
20 LITERALLY LAUGHED. HE SAID AS FAR AS HE KNEW I WAS
21 THE ONLY PERSON IN CALIFORNIA WHO OBJECTED TO THE
22 BILL.

23 SECONDLY, AT THE LAST COMMITTEE HEARING,
24 ASSEMBLY HEALTH COMMITTEE CHAIR, MERVYN DYMALLY,
25 SAID, QUOTE, "I FEEL DISRESPECTED THAT NOBODY FROM

BARRISTERS' REPORTING SERVICE

1 THE CIRM CONTACTED ME ABOUT THIS BILL. "

2 CHAIRMAN KLEIN: JUST SO EVERYONE IS
3 AWARE, WE MET WITH MERVE DYMALLY ABOUT THIS BILL SIX
4 OR SEVEN, EIGHT WEEKS AGO, SUE.

5 MS. NORTH: YES.

6 CHAIRMAN KLEIN: AND MET WITH HIS STAFF
7 ABOUT THIS BILL. SO IT'S VERY DIFFICULT TO
8 UNDERSTAND. AT THE TIME WE MET WITH HIM, MERVE
9 DYMALLY WAS PRETTY OPEN TO THE DISCUSSION. I THINK
10 HE'S FACING A HUGE VOLUME OF LEGISLATION MOVING
11 THROUGH AND MAY NOT HAVE CONNECTED THAT, BUT HIS
12 STAFF WAS SO WELL BRIEFED ON THIS, IT'S
13 DIFFICULT -- HE PROBABLY DIDN'T HAVE THE TIME TO GET
14 A FULL BRIEFING FROM HIS STAFF, BUT WE HAD AT LEAST
15 AN HOUR WITH HIM WHEN WE MET WITH HIM.

16 MR. REED: ASK ED PENHOET HIS FEELINGS
17 WHEN HE WAS TOLD ABOUT FOUR TIMES THAT SAME THING
18 WHICH I JUST REPEATED.

19 CHAIRMAN KLEIN: I UNDERSTAND. BUT WHAT
20 I'M SAYING TO YOU IS THERE WERE ABOUT FOUR OR FIVE
21 OF US IN THE ROOM WITH ASSEMBLYMAN DYMALLY IN THAT
22 MEETING, AND WHY HE DIDN'T REMEMBER WHAT THAT
23 DISCUSSION WAS I CAN ONLY ASSUME IS BECAUSE HE'S
24 FACING SUCH A LARGE VOLUME OF LEGISLATION.

25 MR. REED: HE ALSO SAID HE ASSUMED THAT

BARRISTERS' REPORTING SERVICE

1 THERE WAS NO OPPOSITION, AND HE WAS SURPRISED TO SEE
2 THAT THERE WAS A LINE OF PATIENT ADVOCATES ALONG THE
3 WALL. ONE PERSON ON THE COMMITTEE ALSO SAID THAT --
4 ASKED SENATOR KUEHL WAS SHE AWARE THAT THERE WAS
5 OPPOSITION TO THIS BILL. ANYWAY, I DO THINK -- I
6 KNOW YOU GUYS ALWAYS WORK HARD TO MAKE THE
7 COMMUNICATION, BUT MORE NEEDS TO BE DONE.

8 CHAIRMAN KLEIN: RIGHT. YEAH. THAT'S
9 ALWAYS TRUE.

10 SO AB 2296 IS THE NEXT BILL WE NEED TO
11 ADDRESS.

12 MS. NORTH: VERY QUICKLY, THIS IS A BILL
13 THAT IS SPONSORED BY THE UNIVERSITY OF CALIFORNIA,
14 AND IT WOULD PUT ON THE SAME FOOTING THE KINDS OF
15 TERRORIST ACTS THAT HAVE OCCURRED AGAINST PLANNED
16 PARENTHOOD-TYPE REPRODUCTIVE HEALTH SERVICES AND
17 EXTEND THOSE KINDS OF CIVIL AS WELL AS CRIMINAL
18 PROTECTIONS FOR MEDICAL RESEARCHERS, PEOPLE WHO ARE
19 DOING RESEARCH WITH ANIMALS.

20 CHAIRMAN KLEIN: IT PROTECTS THEM FROM
21 TERRORIST ACTS AGAINST THEIR RESEARCH; IS THAT
22 CORRECT?

23 MS. NORTH: EXACTLY. AND THERE'S
24 OPPOSITION FROM THE NEWSPAPER PUBLISHERS BECAUSE
25 THEY WANT TO BE ABLE TO GET THE INFORMATION BECAUSE

BARRISTERS' REPORTING SERVICE

1 THIS PROVIDES SOME KIND OF PERSONAL INFORMATION
2 PROTECTION FOR THE EMPLOYEES. AND THERE ARE OTHER
3 FOLKS IN OPPOSITION TO THE BILL.

4 MR. MULLIN ASKED US WAY BACK AT THE
5 BEGINNING IN MARCH WHEN WE WERE IN SACRAMENTO IF
6 WE'D TAKE A LOOK AT THE BILL BECAUSE HE THOUGHT CIRM
7 WOULD BE A NATURAL ALLY FOR THIS. SIMPLY BECAUSE
8 THIS IS THE FIRST LEGISLATIVE SUBCOMMITTEE MEETING
9 WE'VE HAD, I PUT IT ON HERE IN THE EVENT THAT YOU
10 FEEL IT DOESN'T DEAL WITH US DIRECTLY, BUT IF WE
11 WANT TO SUPPORT MEDICAL RESEARCHERS WHO HAVE BEEN IN
12 THESE CIRCUMSTANCES.

13 DR. PRIETO: I THINK IT COULD DIRECTLY
14 AFFECT RESEARCHERS AND THEIR STAFF WHO ARE DOING
15 CIRM-FUNDED RESEARCH.

16 MS. NORTH: YES. YES.

17 DR. POMEROY: I THINK IF YOU TOOK A POLL
18 OF THE COMMITTEE, BOB, ON THIS ONE, WE COULD
19 PROBABLY ASCERTAIN THE FEELINGS QUICKLY.

20 CHAIRMAN KLEIN: OKAY, DR. POMEROY, WHAT
21 WOULD YOUR POSITION BE?

22 DR. POMEROY: SUPPORT.

23 CHAIRMAN KLEIN: OKAY. TINA NOVA?

24 DR. NOVA: SUPPORT.

25 CHAIRMAN KLEIN: SUE BRYANT IS NOT WITH

BARRISTERS' REPORTING SERVICE

1 US. JEFF SHEEHY.

2 MR. SHEEHY: STRONGLY SUPPORT.

3 CHAIRMAN KLEIN: OKAY. IN TERMS OF THOSE
4 MEMBERS THAT ARE STILL WITH US, DR. PRIETO.

5 DR. PRIETO: STRONGLY SUPPORT.

6 CHAIRMAN KLEIN: OKAY. SO DO WE HAVE ANY
7 OTHER MEMBER STILL WITH US? SUE BRYANT HAS LEFT; IS
8 THAT CORRECT?

9 MS. KING: CORRECT.

10 CHAIRMAN KLEIN: OKAY. SO I'D LIKE TO,
11 THOUGH, BEFORE MOVING FORWARD ON THIS, ASK FOR ANY
12 PUBLIC COMMENT. WE'RE NOT GOING TO DO MOTIONS, BUT
13 I'D LIKE PUBLIC COMMENT ON THIS.

14 MS. KING: WE DO HAVE A PUBLIC COMMENT
15 HERE IN SAN FRANCISCO.

16 MR. JENSON: THIS IS DAVE JENSON WITH THE
17 CALIFORNIA STEM CELL REPORT. I ENTERED A SERIES
18 CALLED THE "MONKEY WARS" IN 1992 THAT DEALT WITH
19 ANIMAL RIGHTS ACTIVISM AND DESTRUCTION OF RESEARCH
20 AND PROPERTY AND ALL OF THE RAMIFICATIONS OF THAT.
21 AND THIS PROBLEM WITH THE ANIMAL RIGHTS ACTIVISTS
22 HAS PERSISTED. THEY ARE VERY DIFFICULT TO DEAL
23 WITH. PEOPLE ARE HARMED, FRIGHTENED; RESEARCH IS
24 DESTROYED. MANY MANY YEARS OF WORK, AND IT'S A VERY
25 SERIOUS PROBLEM.

BARRISTERS' REPORTING SERVICE

1 THIS BILL DOES HAVE SOME FLAWS BECAUSE IT
2 DEALS WITH SOME PUBLIC RECORDS ACT SITUATIONS, BUT I
3 THINK IT IS IMPORTANT THAT RESEARCHERS BE PROTECTED
4 AND THAT THIS AGENCY PROVIDE SUPPORT FOR THEM IN
5 DEALING WITH THIS VERY FRIGHTENING PHENOMENA OF
6 ANIMAL RIGHTS ACTIVISM.

7 CHAIRMAN KLEIN: THANK YOU VERY MUCH,
8 DAVID. ANY ADDITIONAL PUBLIC COMMENT FROM ANY SITE?
9 OKAY. DR. TROUNSON, DO YOU HAVE ANY COMMENT?

10 DR. TROUNSON: NO. JUST, OF COURSE, WITH
11 MY BACKGROUND, YOU KNOW, I SUPPORT ANYTHING THAT
12 WOULD ASSIST SCIENTISTS AND ANIMALS IN PARTICULAR.
13 AND I THINK THIS BILL MOVES IN THAT DIRECTION. I
14 WOULD ACTUALLY SAY THAT I BELIEVE STEM CELLS AND
15 THEIR DERIVATIVES WILL OFFER SOME ALTERNATIVES IN
16 DUE COURSE FOR TOXICITY TESTING AND DRUG SCREENING,
17 BUT WE ACTUALLY HAVE TO DO THE WORK TO DEMONSTRATE
18 THAT THESE CELLS DO THE SAME OR BETTER JOB THAN THE
19 ANIMALS THAT ARE CURRENTLY UNDER RESEARCH. SO I
20 THINK INEVITABLY WE WILL MOVE AWAY FROM AT LEAST
21 SOME OF THE LARGE-SCALE STUDIES WITH ANIMALS FOR
22 TOXICITY AND DRUG TESTING, AND I THINK THE WORK WILL
23 REQUIRE ANIMALS TO DO THAT. AND, OF COURSE, YOU
24 KNOW, I STRONGLY SUPPORT THAT.

25 CHAIRMAN KLEIN: ALL RIGHT. I THANK YOU

BARRISTERS' REPORTING SERVICE

1 VERY MUCH. I'D LIKE TO MOVE FORWARD TO SENATE BILL
2 5 AND HOUSE BILL 3. IT'S MY UNDERSTANDING THAT
3 THESE MAY BE BROUGHT UP YET AGAIN IN THE FEDERAL
4 CONGRESS. EVIDENTLY THERE'S SOME INDIVIDUALS AROUND
5 THE COUNTRY THAT ARE THINKING THEY MAY HAVE
6 SUPPORTED THESE ACTS AND THAT THEY MAY WANT TO
7 SUPPORT THEM. WE'LL ONLY KNOW IF, IN FACT, THEY ARE
8 BROUGHT UP AGAIN FOR VOTE, BUT WE NEED TO DECIDE
9 WHETHER WE'RE GOING TO TAKE A FORMAL POSITION IN
10 SUPPORT OF PREVIOUSLY --

11 DR. PRIETO: IS THIS THE MATERIAL WE JUST
12 GOT THIS MORNING?

13 CHAIRMAN KLEIN: THESE ARE THE -- THIS
14 IS -- I DON'T KNOW WHEN YOU RECEIVED IT, DR. PRIETO.

15 DR. PRIETO: THESE ARE FEDERAL BILLS?

16 CHAIRMAN KLEIN: THESE ARE THE FEDERAL
17 BILLS THAT WE PREVIOUSLY SUPPORTED, HOUSE BILL 3 AND
18 SENATE BILL 5. THE HOUSE BILL IS THE DIANA DE GETTE
19 BILL, FOR EXAMPLE. THESE ARE THE SAME BILLS WE'VE
20 PREVIOUSLY SUPPORTED. SO THIS IS A POINT OF
21 REITERATING OUR SUPPORT.

22 DR. PRIETO: OKAY.

23 MS. KING: CHAIRMAN KLEIN, IS THERE A
24 SPECIFIC REASON WHY WE'RE NOT COVERING AB 2663, THE
25 DYMALLY BILL AS AGENDIZED, OR MAYBE I MISSED IT WHEN

BARRISTERS' REPORTING SERVICE

1 I WAS OUT OF THE ROOM.

2 CHAIRMAN KLEIN: THE REASON I'M NOT
3 COVERING IT AT THE MOMENT IS THAT THAT BILL IS A
4 MARKER BILL THAT DYMALLY PUT IN PLACE JUST TO PUT ON
5 THE RECORD THAT HE WANTS THE SUPPORT FOR STEM CELL
6 RESEARCH WITH A MODIFICATION OF THE MEDICARE BILL.
7 IT'S A DISCUSSION THAT I'VE TALKED TO HIM ABOUT
8 BEFORE.

9 IT'S INTERESTING, THAT DISCUSSION TOOK
10 PLACE IN THE SAME MEETING THAT 1565 TOOK PLACE, AND
11 SO WE CERTAINLY ADDRESSED THAT PART OF THE MEETING
12 BY, IN FACT, INTRODUCING A BILL INTO THE SESSION,
13 BUT IT IS NOT SOMETHING THAT'S GOING TO GO ANYWHERE
14 IN THIS SESSION, MELISSA. IT'S NOT CLEARING THE
15 COMMITTEES, AND THE RESEARCH HASN'T BEEN DONE, IT
16 HASN'T BEEN PROPERLY VETTED. WE HAVE TOLD HIM THAT
17 IT'S PREMATURE TO MOVE ON A BILL OF THIS KIND. WE
18 NEED TO THOUGHTFULLY STUDY THAT OURSELVES TO FIGURE
19 OUT HOW WE WOULD DEVELOP OUR POSITION IN THIS AREA.

20 MS. KING: THANK YOU. JUST WANTED TO MAKE
21 SURE THERE WAS NO CONFUSION OVER WHY WE DIDN'T COVER
22 IT.

23 MS. NORTH: IT'S THERE FYI FOR PEOPLE TO
24 SEE IT.

25 CHAIRMAN KLEIN: IT IS AN INFORMATIONAL

BARRISTERS' REPORTING SERVICE

1 INCLUSION, BUT THAT BILL IS NOT MOVING IN THE
2 SESSION. THANK YOU FOR YOUR QUESTION.

3 IN TERMS OF SENATE BILL 5 AND HOUSE BILL
4 3, IS THERE ANY MEMBERS OF THE COMMITTEE THAT WOULD
5 LIKE TO GO BACK OVER THE KEY ELEMENTS OF THIS BILL,
6 OR DO WE FEEL THAT WE RECALL SUFFICIENTLY THE
7 SUBJECT OF EXPANDING EMBRYONIC STEM CELL RESEARCH?

8 HEARING NO REQUESTS TO GO BACK OVER THE
9 SUBJECT, COULD I JUST MOVE THROUGH THE COMMITTEE
10 MEMBERS AND ASK FOR THEIR POSITION ON A POLLING
11 BASIS. JEFF SHEEHY?

12 MR. SHEEHY: SUPPORT.

13 CHAIRMAN KLEIN: TINA NOVA?

14 DR. NOVA: I'M NOT SURE, BOB. COME BACK
15 TO IT.

16 CHAIRMAN KLEIN: OKAY. DR. PRIETO?

17 DR. PRIETO: THIS IS JUST TO REITERATE OUR
18 SUPPORT FOR THESE BILLS THAT WE PREVIOUSLY
19 SUPPORTED, CORRECT?

20 CHAIRMAN KLEIN: THAT'S RIGHT.

21 DR. NOVA: OH, I'M SORRY. I'M FINE, YES.

22 CHAIRMAN KLEIN: OKAY. DR. POMEROY?

23 DR. POMEROY: SUPPORT.

24 CHAIRMAN KLEIN: OKAY. I'D LIKE TO GET
25 ANY PUBLIC COMMENT. ARE THERE ANY PUBLIC MEMBERS

BARRISTERS' REPORTING SERVICE

1 THAT WOULD LIKE TO COMMENT ON THESE BILLS?

2 MS. KING: NONE IN SAN FRANCISCO.

3 CHAIRMAN KLEIN: ANYONE IN SACRAMENTO?

4 DR. PRIETO: NOT HERE.

5 CHAIRMAN KLEIN: ANYONE, DR. POMEROY, WITH
6 YOU?

7 DR. POMEROY: NO.

8 DR. NOVA: NONE IN SAN DIEGO.

9 CHAIRMAN KLEIN: NONE IN SAN DIEGO. ALL
10 RIGHT.

11 SO WE HAVE, I THINK, COVERED OUR AGENDA.
12 I WOULD LIKE TO ASK IF THERE'S -- FIRST OF ALL, DR.
13 TROUNSON, IS THERE ANY SUBJECT THAT YOU WOULD LIKE
14 TO ADDRESS THE COMMITTEE ON JUST AS A GENERAL
15 INFORMATIONAL STATEMENT?

16 DR. TROUNSON: NO. I THINK DESPITE THE
17 APPEARANCE OF THESE SEVERAL BILLS WHERE THERE ARE
18 SOME DISADVANTAGES TO US, THE FIELD IS MOVING VERY
19 RAPIDLY FORWARD. AND I THINK EVERYBODY IN THE
20 PUBLIC AND ON THE ICOC SHOULD FEEL CONFIDENT THAT WE
21 REALLY ARE GOING EXTREMELY WELL. THE INFORMATION
22 PROVIDED TO US IN THE LAST FEW WEEKS FROM MAJOR
23 RESEARCHERS FROM AROUND THE WORLD WOULD INDICATE
24 THAT THERE IS VERY STRONG RESEARCH WHICH WOULD POINT
25 TOWARDS HOPEFULLY EVENTUAL CLINICAL TRIALS THAT WILL

BARRISTERS' REPORTING SERVICE

1 BE OF BENEFIT TO CITIZENS OF CALIFORNIA, AND WE WILL
2 AT CIRM MAKE EVERY OPPORTUNITY TO GET TO THAT END AS
3 EFFICACIOUSLY AND APPROPRIATELY AS POSSIBLE.

4 I THINK THE COMMUNITY AND THE ICOC SHOULD
5 FEEL CONFIDENT THAT, DESPITE PERHAPS SOME BILLS THAT
6 ARE PERHAPS IN A WAY FOR OUR TOTAL INTEREST, WON'T
7 STOP US FROM DELIVERING OUR MISSION ON BEHALF OF
8 PROPOSITION 71.

9 CHAIRMAN KLEIN: ALL RIGHT. AND DR.
10 TROUNSON, I THINK THE COMMITTEE WOULD BENEFIT FROM A
11 GENERAL INFORMATIONAL UPDATE ON THE MEMORANDUMS OF
12 UNDERSTANDING THAT WERE EXECUTED TWO DAYS AGO WITH
13 THE CANADIAN GOVERNMENT ON CANCER STEM CELL RESEARCH
14 AND THE STATE OF VICTORIA ON STEM CELL RESEARCH.

15 VERY SPECIFICALLY, THE BACKGROUND ON THE
16 CANADIAN EFFORT BEGAN TWO AND A HALF YEARS AGO WHEN
17 BOB DYNES, THEN HEAD OF THE UC SYSTEM, APPOINTED ME
18 AS A CO-CHAIR OF THE CANCER STEM CELL TASK FORCE
19 BETWEEN CALIFORNIA AND CANADA WITH CAL STILLER OF
20 CANADA. AND THEN A YEAR AGO THE GOVERNOR INVITED ME
21 TO GO WITH HIM TO TORONTO AND OTTAWA WHERE HE WAS
22 ENCOURAGING THE CANADIAN GOVERNMENT TO PUT UP MORE
23 FUNDS FOR CANCER STEM CELL AND TO WORK WITH
24 CALIFORNIA RESEARCHERS.

25 AND, ALAN, MAYBE YOU COULD SUMMARIZE FOR

BARRISTERS' REPORTING SERVICE

1 THE COMMITTEE WHAT THE EFFECT OF THE MOU AND REALLY
2 REEMPHASIZING PERHAPS IN YOUR SUMMARY ALL THE FUNDS
3 STAY IN CALIFORNIA, AND OUR PEER REVIEW PROCESS IS
4 TO BE FULLY RESPECTED IN THIS, WITH THE BOARD MAKING
5 ANY DECISION ON ANY INDIVIDUAL GRANT THAT WOULD BE
6 AFFECTED OR BENEFITED BY THIS IN THE NORMAL BOARD
7 PROCESS. ALAN, MAYBE YOU COULD GIVE A LITTLE BIT
8 MORE DEPTH TO THIS MOU AND THE \$100 MILLION THE
9 CANADIANS ARE PUTTING BEHIND THEIR PART OF THIS
10 EFFORT TO FIND AN OPPORTUNITY TO COLLABORATE.

11 DR. TROUNSON: THANKS, BOB. THESE MOU'S
12 ARE BROADLY BASED MOU'S FOR US TO WORK TOGETHER TO
13 FIND AN APPROPRIATE MECHANISM TO COLLABORATIVELY
14 FUND RESEARCH THAT TOGETHER WOULD BE A BENEFIT OVER
15 US WORKING INDEPENDENTLY. AND SO THE MOU WITH
16 CANADA AND THE MOU WITH THE STATE OF VICTORIA IN
17 AUSTRALIA ENABLE US TO GO FORWARD WITH THOSE
18 DISCUSSIONS. AND CLEARLY WE ARE REQUIRED TO MEET
19 THE PROCESSES THAT ARE SET UP UNDER OUR -- UNDER THE
20 LEGISLATURE FOR CALLING FOR APPLICATIONS THROUGH
21 RFA'S AND APPROPRIATE INDEPENDENT REVIEWS AND, OF
22 COURSE, EVENTUALLY IN DUE COURSE RECOMMENDATIONS
23 THAT THE ICOC WOULD ENDORSE OR MODIFY.

24 I THINK WHAT WILL HAPPEN HERE IS THAT IN
25 THESE TWO INSTANCES THERE WILL BE VERY STRONG GRANT

BARRISTERS' REPORTING SERVICE

1 APPLICATIONS PROBABLY ARISING FROM COLLABORATIONS IN
2 CANADA AND CALIFORNIA IN DUE COURSE FOR DISEASE
3 TEAMS OR OTHER RFA'S THAT WE'RE RELEASING. AND I
4 THINK IT PROVIDES US WITH A BETTER PROSPECT, AGAIN,
5 OF DELIVERING OUR MISSION AND SHARING IN THE COSTS
6 OF THIS RESEARCH. SO THESE ARE VERY BROADLY BASED,
7 AND SO THERE'S NO PARTICULAR DETAIL AT THIS POINT IN
8 TIME THAT WOULD BE OF ANY CONCERN. WE ARE NOT
9 ESSENTIALLY COMMITTED, BUT WE'VE AGREED TO WORK OUT
10 THE PROCESSES AND THE DETAIL.

11 THERE ARE ISSUES OF INTELLECTUAL PROPERTY.
12 THERE ARE A NUMBER OF THINGS TO GO THROUGH IN HOW
13 THE ORGANIZATIONS IN CANADA AND IN VICTORIA CAN
14 ENMESH IN OUR REVIEW PROCESS AND HOW THEY ARE ABLE
15 TO ENDORSE THEIR CANADIAN AND VICTORIAN COMPONENTS.
16 WE WILL ONLY EXPEND MONEY FOR WORK IN CALIFORNIA TO
17 REGISTERED RECOGNIZED INSTITUTIONS OR FOR-PROFIT
18 COMPANIES THAT ARE IN CALIFORNIA UNDER THE CURRENT
19 DEFINITIONS. AND SO THERE WON'T BE ANY ALTERATION
20 TO OUR PROGRAM. IN THE LONGER TERM, WE WOULD HOPE
21 TO INCLUDE OTHER IMPORTANT ORGANIZATIONS IN
22 CO-FUNDING SOME OF OUR PROGRAMS NATIONALLY IN THE
23 U.S. AND THERE ARE MOU'S WITH SOME ORGANIZATIONS
24 THAT ARE CURRENTLY UNDER REVIEW.

25 WE SEE THIS AS ONE OF THE IMPORTANT STEPS

BARRISTERS' REPORTING SERVICE

1 IN IMPROVING OUR CAPACITY, ACCELERATING THE
2 RESEARCH, AND ENABLING LEVERAGE, IF YOU LIKE, FOR
3 OUR RESEARCHERS TO GET TO THE VERY IMPORTANT END
4 POINT OF CLINICAL TRIALS FOR OUR PATIENTS. SO I
5 THINK THESE TWO MOU'S ARE A BEGINNING, AND I THINK
6 THEY ARE AN IMPORTANT BEGINNING. AND I HOPE THE
7 PUBLIC AND I HOPE THE BOARD FEELS THAT WE'RE MOVING
8 IN THE RIGHT DIRECTION HERE. AND I KNOW PEOPLE WITH
9 CANCER, FOR EXAMPLE, MIGHT BE VERY INTERESTED IN
10 WHAT'S HAPPENING, BUT LIKEWISE IN THE CASE OF
11 VICTORIA, A RAFT OF OTHER CONDITIONS AND
12 OPPORTUNITIES MAY COME FORWARD OUT OF THESE
13 ARRANGEMENTS.

14 CHAIRMAN KLEIN: SO, ALAN, TWO THINGS.
15 ONE, YOU USE THE TERM "LEGISLATURE." I THINK YOU
16 WERE REFERRING, IN FACT, TO OUR INITIATIVE AND OUR
17 BODY OF POLICIES AT THE AGENCY LEVEL SETTING THE
18 STANDARDS THAT WE CONTINUE TO MEET HERE WITHOUT
19 VARIATION.

20 DR. TROUNSON: THAT'S RIGHT.

21 CHAIRMAN KLEIN: AND SECONDLY, THAT FROM
22 THE CANADIAN MOU, THE MOST IMMEDIATE AND IMPORTANT
23 MATERIAL FACT IS THAT FOR CALIFORNIA INSTITUTIONS
24 THAT SEE THAT THERE IS EXCELLENCE IN CANADA, WHETHER
25 IT'S JOHN DICK IN TORONTO OR TOM HUDSON, REALLY

BARRISTERS' REPORTING SERVICE

1 EMINENT CANCER RESEARCHERS, THAT THE CALIFORNIA
2 INSTITUTIONS CAN COLLABORATE WITH THOSE INSTITUTIONS
3 AND KNOW THAT THEY'RE GOING TO BE FUNDED ON THEIR
4 WORK TO COMPLEMENT THE EXPERTISE OF THE CALIFORNIA
5 INSTITUTIONS, BUT ALL OF THIS WOULD GO, AS YOU USED
6 AS AN EXAMPLE, THROUGH OUR DISEASE TEAM RFA WITHOUT
7 ANY DELAY IN THE RFA PROCESS. IT IS INTENDED TO BE
8 A RELATIVELY SEAMLESS PROCESS WHERE WE FURTHER
9 LEVERAGE THE MONEY AND INTELLECTUAL ASSETS THAT WE
10 CAN REACH FOR THE BENEFIT OF CALIFORNIA PATIENTS.

11 DR. TROUNSON: THAT'S CERTAINLY THE CASE
12 INITIALLY. WHETHER THERE'S GOOD SENSE TO DEVELOP
13 SOME OTHER SPECIFIC RFA'S THAT WOULD ADDRESS CANCER
14 STEM CELLS OR ANY OTHER CONDITION THAT MIGHT OR ANY
15 OTHER RESEARCH AREA THAT MIGHT BE APPROPRIATE FOR
16 THOSE SCIENTISTS TO COLLABORATE IN THOSE TWO
17 COUNTRIES WILL BE UP TO US AND THE ICOC IN DUE
18 COURSE TO DECIDE.

19 CHAIRMAN KLEIN: AND A POSTNOTE ON THE
20 STATE OF VICTORIA, PRIME MINISTER BRUMBY --

21 DR. TROUNSON: PREMIERE BRUMBY.

22 CHAIRMAN KLEIN: EXCUSE ME. PREMIER
23 BRUMBY -- THANK YOU, ALAN, FOR THE CORRECTION.
24 PREMIER BRUMBY HAS DECIDED TO HAVE A STEM CELL
25 AWARENESS DAY FOR THE ENTIRE STATE OF VICTORIA TO

BARRISTERS' REPORTING SERVICE

1 EDUCATE THEM AND FOCUS ATTENTION ON WHAT STEM CELLS
2 ARE ALL ABOUT. AND THE GOVERNOR OF CALIFORNIA TWO
3 DAYS AGO IN A DISCUSSION THAT I HAD WITH HIM ASKED
4 ME IF WE COULD RESEARCH HAVING A STEM CELL AWARENESS
5 DAY IN CALIFORNIA. SO THIS IS -- THIS RELATIONSHIP
6 IS ALREADY LEADING TO NEW IDEAS TO LOOK AT WHAT THE
7 BEST PRACTICES ARE IN OTHER COUNTRIES. AND THIS IS
8 AN INNOVATIVE APPROACH TO REALLY TRYING TO GET THE
9 PUBLIC TO UNDERSTAND THIS WHOLE NEW FRONTIER OF
10 MEDICAL RESEARCH AND ITS OPPORTUNITIES.

11 THAT AWARENESS MIGHT ALSO HELP OUR
12 INSTITUTIONS AS THEY TRY AND RAISE MONEY IN ADDITION
13 TO OUR FUNDS TO ADVANCE THE CRITICAL MEDICAL
14 RESEARCH THAT THEY'RE DOING IN THE STATE.

15 ARE THERE ANY MEMBERS OF THE BOARD WHO
16 WOULD LIKE TO ASK ANY QUESTIONS OF DR. TROUNSON
17 ABOUT EITHER OF THESE MOU'S? HEARING NONE, ARE
18 THERE ANY MEMBERS OF THE PUBLIC THAT WOULD LIKE TO
19 ASK DR. TROUNSON QUESTIONS ABOUT THESE MOU'S?
20 HEARING NONE, I'D LIKE TO THANK THE MEMBERS OF THE
21 STAFF, AND I'D LIKE TO THANK MEMBERS OF THIS
22 COMMITTEE FOR THIS MEETING. AND DR. POMEROY AND DR.
23 PRIETO, WE'RE CERTAINLY GOING TO FOLLOW UP WITH YOU
24 ON YOUR SPECIFIC SUGGESTIONS DURING THE COURSE OF
25 THIS MEETING. AND PLEASE ANY OTHER MEMBERS WHO

BARRISTERS' REPORTING SERVICE

1 WOULD LIKE TO HAVE STAFF SUPPORT IN EXPRESSING AND
2 HAVING A THOUGHTFUL COMMUNICATION WITH ANY
3 LEGISLATOR ON ANY OF THESE ITEMS, PLEASE CALL
4 MELISSA KING AND SHE CAN COORDINATE THAT
5 COMMUNICATION.

6 WITH THAT, WE WILL ADJOURN THE MEETING,
7 AND WE THANK YOU VERY MUCH.

8 (THE MEETING WAS THEN ADJOURNED AT
9 03:38 P. M.)

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BARRISTERS' REPORTING SERVICE

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 LEGISLATIVE SUBCOMMITTEE OF THE INDEPENDENT CITIZEN' S OVERSIGHT COMMITTEE OF THE CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE IN THE MATTER OF ITS REGULAR MEETING HELD AT THE LOCATIONS INDICATED ON THE AGENDA FOR JUNE 20, 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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