

*Formerly The Foundation for Taxpayer & Consumer Rights*

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Sept. 15, 2008

The Hon. Gov. Arnold Schwarzenegger  
State Capitol Building  
Sacramento, CA  
95814

**Re: In favor of SB 1565**

Dear Gov. Schwarzenegger:

I am writing to support SB 1565 introduced by Sen. Sheila Kuehl and Sen. George Runner. It was approved with overwhelming bipartisan support in both the Senate and Assembly

Its provisions will help ensure that the people paying \$6 billion for stem cell research – the taxpayers of California – will have affordable access to the fruits of the research they are funding. In addition, the bill will help make the California Institute of Regenerative Medicine (CIRM) and the Independent Citizens Oversight Committee (ICOC) more responsive and accountable to the public.

First, SB 1565 will enact into law intellectual property requirements that have been developed through CIRM's own regulatory process. It will require the manufacturer of a drug or treatment developed with CIRM funds to have a plan to provide access for uninsured people at the time the product is commercialized in California. It would ensure that products sold to publicly funded entities would be sold at one of the benchmark prices in the California Discount Drug Program. CIRM has argued the need for flexibility in these benchmarks and the current amendments meet that need.

Second, SB 1565 addresses the cumbersome governance structure of the oversight committee by asking the Little Hoover Commission to recommend ways to ensure public accountability and reduce conflicts of interest on the ICOC.

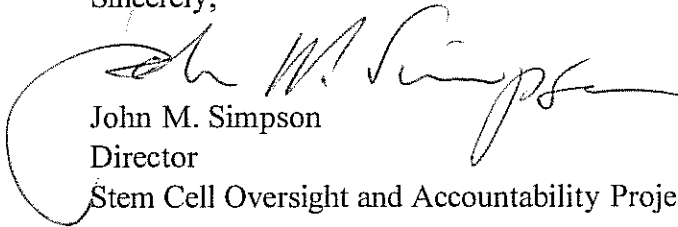
Although we seek additional legislation that would provide for the possibility of intervention by the state attorney general in the event of unreasonable pricing of a drug or

treatment funded by CIRM, this bill in its current form provides important provisions that merit support.

We believe it is essential that the pricing and access policies developed by CIRM be enacted into law. Otherwise it is far too likely that these important minimum guarantees to all Californians will be diminished by outside pressure on the agency in the future.

Finally, we strongly believe SB 1565 should be signed into law to make it clear that the Legislature does have an appropriate oversight role with regard to CIRM. It is, after all, a state agency, not private foundation.

Sincerely,

A handwritten signature in black ink, appearing to read "John M. Simpson". The signature is fluid and cursive, with a large loop at the beginning and a long, sweeping tail.

John M. Simpson  
Director  
Stem Cell Oversight and Accountability Project

Cc: Sen. Sheila Kuehl