THE CANCER LETTER

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Going Private May Allow US Oncology To Restructure, Adjust To Medicare Cuts

By Paul Goldberg

At a time when cancer specialists are assessing the impact of the new Medicare reimbursement formulas, US Oncology, this country's largest oncology practice management company, said it wants to buy out its shareholders.

If all goes as planned, the Houston-based company will be acquired by Welsh, Carson, Anderson & Stowe, a New York private equity investment firm that specializes in restructuring healthcare, communication, information, and business services companies.

According to regulatory filings, Welsh Carson already owns about

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In Brief:

USC Wins $3.5 Million NCI Grant; Karmanos Partners With Hospital For Cord Donations

UNIVERSITY OF SOUTHERN CALIFORNIA received a $3.5 million award from NCI that will fund structural, biochemical, and computer studies of DNA polymerase, an enzyme that copies genetic information enabling it to pass from one generation to the next. "The question is how the enzyme knows when it's got the correct DNA base versus the incorrect one, and how that changes the speed of the reaction," said **Arieh Warshel**, professor of chemistry at USC and leader of the theoretical part of the project. Another project led by **Samuel Wilson**, structural biologist and deputy director of the National Institute of Environmental Health Sciences, will provide detailed 3-D snapshots of the enzyme. . . . **KARMANOS Cancer Institute**, in partnership with the National Marrow Donor Program and Hutzel Women's Hospital, is recommending that women giving birth at the Hutzel donate umbilical cords. The post-birth cord donations are part of a program to increase the stem cell supply especially beneficial to young African American cancer patients who have a 30 percent chance of finding a stem cell match within their families. Only 8 percent of the cord stem cells in the national registry of the National Marrow Donor Program are from African Americans. . . . **NATIONAL COALITION for Cancer Survivorship** honored seven individuals at its annual Ribbon of Hope Awards Gala April 20, in Washington, DC. Honorary chairmen included President George W. Bush and Laura Bush. **Suzanne Wright** received the Lilly Tartikoff Hope Award for her work in the Make-A-Wish Foundation. **Laurie McGinley**, of the Wall Street Journal, received the Excellence in Media Award. The

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Equity Investment Firm Offers To Buy US Oncology Stock

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14.5 percent of the US Oncology stock, and it plans to purchase the remainder at $15.05 per share, an 18.5 percent premium over the trading price the day before the announcement.

US Oncology says its 875 physicians treat about 15 percent of new cancer cases per year. With $2.24 billion in sales, it would be the largest of the 15 companies Welsh Carson owns.

The Welsh Carson offer has been approved by the US Oncology board, and is expected to go to shareholders May 21. The transaction would be completed in the second quarter of 2004, US Oncology said.

Business insiders said that by taking US Oncology private, Welsh Carson would be in a better position to sort through the company's components, separating the money-losing segments from those that make money.

"US Oncology stock was going up from October and November on, long before the reimbursement rules changed, so it's not just Welsh Carson who has figured out that they are well positioned," said Rick Lee, founder of Quality Oncology, a firm that provides cancer treatment support for patients, physicians, and payers.

Welsh Carson offered $1.2 billion to acquire the shares it doesn't already own, documents show. According to calculations by Raymond James & Associates and Wachovia Securities, this price is on the low end of prices paid historically for physician practice management companies.

The two securities firms estimate that Welsh Carson is paying 7.5 to 7.7 times the projected ratio of the 2005 enterprise value to EBITDA. EBITDA—earnings before interest, taxes, depreciation and amortization—is a measure of a company's operating profitability.

According to Raymond James, physician practice management firms have been bought for 7 to 11 times the enterprise value to EBITDA ratio. "The pending deal is toward the low end of the range, which we feel is fair, given reimbursement risks going forward," wrote Raymond James analyst Michael Baker.

Analysts at Wachovia, a firm involved in financing the buyout, said US Oncology "could have strategic value to companies selling into the oncology market… and to companies that generate referrals from the oncology market." This includes diagnostic companies, hospitals, and distributors of drugs, devices, and medical supplies.

Restructuring could mean an extended period of uncertainty, low growth, or—more likely—financial losses. Since Wall Street doesn't react well to red ink, it makes sense for companies like US Oncology to disappear from the stock exchange and make fundamental changes outside public view, observers say.

"What they teach you in business school is that the reason you go public is because you need capital," said Thomas Barr, executive director of Oncology Metrics, a Fort Worth-based consulting firm that works with oncology practices and drug companies. "That's the least expensive way to raise capital.

"US Oncology doesn't need capital anymore," Barr said. "They aren't buying practices. They aren't building cancer centers. They aren't expanding in a big way. So, my guess is that the overhead burden of being in the market—the SEC filings, the disclosures, the shareholder relations, and all of that—isn't worth the access to capital any longer."

A Six-Year Survivor

Though only six years old, US Oncology has gone through several iterations and business models.

In 1998, US Oncology was in step with the times, as other businesses were amalgamating physician practices into centrally administered, publicly-funded networks. Many of these businesses swelled to unmanageable proportions, assumed crushing debts, and capsized.

The two firms that merged to form this industry titan—American Oncology Resources and Physician

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Reliance Network—originally turned to Wall Street in order to acquire oncology practices. When the two companies merged, securities analysts failed to see the value in building a larger oncology PPM and downgraded their stock (**The Cancer Letter**, Dec. 18, 1998).

US Oncology survived in the changing reimbursement environment, but it continues to face the dual challenge of perfecting its information systems and restructuring its relationships with the practices it acquired.

To entice practices, AOR signed 30- to 40-year practice management deals that reimbursed physicians on the basis of gross sales. This may have made sense for the company a decade ago, when the oncology market was less regulated and the markup on drugs largely unchallenged.

Today, with a shrinking and highly regulated markup on drugs, an arrangement of this sort is advantageous to a physician—and potentially expensive to US Oncology. Also, arrangements based on revenues encouraged doctors to raise prices on drugs, potentially paying less attention to business efficiency, industry insiders said.

Though transition from the "net revenue model" has been a priority for the company for a couple of years, U.S. Oncology continues to derive 15 percent of its revenues from practices reimbursed based on their gross sales, company officials said. In fiscal 2002, such practices contributed 27 percent of the revenues, the company said.

Tying together the information systems at AOR and PRN was an enormous challenge, in part because of changes in technology, and in part because the company's doctors are based in over 470 sites, including 78 cancer centers, in 32 states. Creation of an electronic medical record, a goal for most PPMs, similarly is proving to be elusive.

In September 2001, US Oncology offered to sell the assets of its practices back to physicians. The move would have allowed the company to concentrate on the specialty pharmaceutical business, conducting clinical trials for drug companies, and developing radiation oncology centers (**The Cancer Letter**, Oct. 5, 2001).

Wall Street reacted negatively to that idea: the company's stock lost 42 percent of its value, dipping to $4 per share, the lowest point in the past three years. Physicians weren't interested in the deal, either. Fewer than 10 percent of practices have accepted the offer to buy back the assets of their practices and abandon the PPM-style control.

"The fact that we had so few make the transition underscores the value of services that US Oncology provides them," said Steve Sievert, a spokesman for US Oncology.

The Closed Door Advantage

Welsh Carson was an investor in AOR, a component of US Oncology. At the time of the merger, R. Dale Ross, the CEO of AOR, took over in the same post at the new firm.

Also at the time of the merger, Russell Carson, a managing partner of Welsh Carson who served on the AOR board since 1992, moved to the US Oncology board.

Documents show that discussion of a merger began in early 2003, when Welsh Carson offered to buy the outstanding stock for $9.30 to $9.65 per share. Negotiations continued on and off through 2003 and early 2004, as the price of the company's stock crept upwards.

Finally, on March 20, the US Oncology board accepted the $15.05 per share offer.

According to the company, the merger is being challenged in seven class action suits alleging breach of fiduciary duties to the shareholders. Such suits are commonplace in mergers. US Oncology contends that the actions "have no merit."

Meanwhile, industry insiders wonder what US Oncology leadership has in mind. Would the company emphasize the specialty pharmaceutical business? Would it set up specialty hospitals? Could the company's assets be intermingled with Welsh Carson's other businesses?

Currently, the firm's healthcare portfolio includes AmeriPath Inc., a provider of anatomic pathology laboratory services; SHPS Inc., a provider of outsourced employee benefits and care management services; Concentra Inc., a workers compensation and cost containment service; and Ardent Health Services, an owner and operator of acute care and psychiatric hospitals.

One thing is clear, observers say: the macro factors driving the delivery of cancer care in the US are not going away. More cancer patients will require care than ever before.

"There should be a way to find a pony in there," said one industry insider. "It is an opportunity to shed non-performing practices, invest in information systems, put everybody on a common clinical platform, and to develop a lean, mean fighting machine. That explains why Welsh Carson would be willing to invest in this. But

these steps will require showing losses for some period of time, perhaps as many as two to three years, and in the public market that would be an anathema."

Surely US Oncology and Welsh Carson must have found opportunities in the new Medicare reimbursement rules, some observers say.

"I am sure they've studied that law upside and down and figured out a way to use their economic power by virtue of representing almost 900 oncologists," Lee said. "I am confident that the law is going to have uneven impact, and that a three-oncologist practice that's not a US Oncology practice is going to struggle, whereas the 900 doctors in US Oncology would be just fine. And now that they are not burdened by having to make disclosures to SEC, we are not going to know how fine they really are."

Welsh Carson doesn't necessarily have to have a plan for US Oncology, said an industry insider.

"They may think that they have the core of a very positive, cash-generating asset that in its current business model is going to have to be changed," he said. "It could be determined how they would ultimately change it. But in the meantime, they want to take it back off the public market into a private environment to give them the time and the opportunity to adapt it to whatever the new environment is as the new environment stabilizes."

Former CMS Administrator Thomas Scully, an advocate of the government's plan for reducing reimbursement for oncologists, is a "senior advisor" at Welsh Carson, according to the company's Web site.

Welsh Carson officials didn't return calls from **The Cancer Letter**.

No Change?

US Oncology physicians say they have been assured that the company wouldn't make changes in its day-to-day operations.

"I don't see that there will be any difference, from everything I've been told," said one company physician. "Their idea is to keep it exactly the same at this point. There is going to be a significant dislocation next year in terms of patient access, because of CMS changes. All of oncology will have to reorient in some way. I don't think there will be any changes specific to US Oncology that's not going to happen generally."

The majority of the company's executives will remain in their positions, disclosure documents indicate. One exception is Joseph Bailes, former executive vice president and a past president of the American Society of Clinical Oncology, whose resignation from the company became effective Jan. 1, Sievert said.

Under the Medicare reform bill passed late last year, reimbursement for cancer drugs dropped to 80 to 85 percent of AWP from the current rate of 95 percent of AWP.

Reimbursement is set at the lower of 85 percent of AWP or the "widely available market price," which can be calculated with inclusion of wholesalers and distributors who get far lower prices than an average practice.

Starting in 2005, reimbursement will be set at the lower of the "average sales price" plus 6 percent or the widely available manufacturer's price. The law directs CMS to develop a method to give doctors the option to obtain drugs from a CMS contractor by early 2006.

For years, oncologists argued that Medicare underpays them for office expenses, but overpays for cancer drugs. Recognizing this argument, the government offset the cuts with an adjustment in practice expenses.

In 2004 and 2005, the adjustment will be around $380 million, and in subsequent years it will drop to $340 million. This would amount to a160 percent increase for practice expenses, far less than the 200 to 300 percent increase that ASCO estimates would be required.

ASCO is asking CMS to freeze reimbursement at the 2004 level in 2005 and 2006 (**The Cancer Letter**, Feb. 20).

In the Cancer Centers:

Dana-Farber Forms Center For Applied Cancer Science

EDWARD BENZ JR, president of Dana-Farber Cancer Institute, announced the establishment of the Center for Applied Cancer Science, designed to convert basic molecular discoveries into new therapies for cancer.

"Dana-Farber has both the intellectual resources and the responsibility to overcome some of the traditional barriers that have slowed the discovery and development of new cancer therapies," Benz said. "Working alongside and with the pharmaceutical and biotechnology industries, we will further improve our academic-corporate collaborations that can, and ultimately will, save lives by translating scientific discoveries into novel highly effective therapies."

Ronald DePinho, the American Cancer Society Research Professor at Dana-Farber and Harvard Medical School, was named director of the new center.

The center will build on Dana-Farber's expertise

in developing mouse models of human cancer to facilitate the development of diagnostic tests for early cancer detection, and to reduce the time it takes to test new cancer drugs or antibodies before going into human trials. The center also will focus on expanding on Dana-Farber's longstanding success in developing therapeutic antibodies. The center will coordinate the activities of these teams, maximize their internal and external interactions, and supply a shared infrastructure of high-throughput technologies.

"The challenges of cancer are formidable," DePinho said. "But we believe that we have finally reached a critical threshold of knowledge and technologies that will enable us to identify the genetic Achilles' heel of cancer and convert these molecular discoveries into novel effective cancer medicines in a more directed and efficient manner."

Historically, academic-based cancer centers and the pharmaceutical and biotechnology industries have maintained distinct goals, activities, and capabilities. While academic cancer centers excel at basic research and clinical trials, the pharmaceutical and biotechnology companies possess enormous capability to identify and synthesize drugs.

The new center's administrative structure will facilitate more effective collaboration with pharmaceutical and biotechnology commercial partners. "The Center for Applied Cancer Science represents a new academic construct that, in addition to deciphering cancer's complexity and discovering new therapeutic leads, has an unprecedented opportunity to change the practice of how drugs are discovered and developed," DePinho said.

* * *

In response to the U.S. Environmental Protection Agency's identification of major sources of public asbestos exposure in Michigan, the **Barbara Ann Karmanos Cancer Institute** and the Center for Occupational and Environmental Medicine affiliated with **Wayne State University** have established The National Center for Vermiculite and Asbestos-Related Cancers.

A federal health investigation is under way into the former W.R. Grace plant in Dearborn that processed vermiculite contaminated with asbestos until it shut down in the late 1980s. More than 300 million pounds of asbestos-contaminated vermiculite mined in Libby, Mont., by the W.R. Grace Co. was processed in Dearborn for Zonolite-brand insulation that was used in more than 800,000 Michigan homes.

People exposed to asbestos-contaminated vermiculite are at risk of developing asbestosis, lung cancer and mesothelioma. Smokers who have been exposed to asbestos are 50 times more likely to develop lung cancer than non-smokers. Also, exposure to asbestos has been shown to double the chance of developing colorectal cancer.

The new center is headed by Harvey Pass, professor of surgery and oncology at Karmanos and WSU, and Michael Harbut, chief of the COEM. The center will bring together specialists in pulmonary medicine, cardiology, gastro-enterology, radiology and medical oncology to begin early detection and treatment of cancer and asbestosis, define populations at increased risk of asbestos exposure, examine the health consequences of chronic exposure to asbestos-contaminated vermiculite, and intensify physician education of asbestos-related diseases throughout Michigan.

"This will probably become a recognized public health problem," said John Ruckdeschel, president and CEO of Karmanos. "We have quickly organized some of the nation's leading physicians and scientists in this field to provide people exposed to vermiculite and related substances with fast, easy, accurate and orderly screening, conducted by the right doctors in the proper clinical settings."

The peak usage of asbestos in the U.S. was in l978, Harbut said. It takes 15 to 30 years following exposure for related diseases to appear. "We are now in the middle of the peak of expected cases of asbestosis and only at the beginning of the peak of expected asbestos-related cancers," Harbut said.

Through The National Center for Vermiculite and Asbestos-Related Cancers, individuals who have been exposed to asbestos-contaminated vermiculite will first see Harbut at his Royal Oak office where he will make appropriate referrals if an asbestos-related disease is identified. Pass will coordinate surgical needs at the Institute's mid-town Detroit location. Pass and the Karmanos Cancer Institute hope to enroll interested vermiculite and asbestos-exposed individuals in a trial validating a novel blood test later this spring, which will help identify the presence of mesothelioma.

* * *

Ohio State University Board of Trustees authorized the preparation of architectural and engineering plans for a possible major expansion of the university's cancer program.

"This is a necessary and exciting step for the Ohio State University Medical Center, including the Comprehensive Cancer Center and The James Cancer Hospital and Solove Research Institute," said Fred

Sanfilippo, senior vice president and executive dean for health sciences at Ohio State, dean of Ohio State's College of Medicine and Public Health and CEO of OSU Medical Center. "The program must expand to meet the needs of our patients, students and faculty and will further elevate its stature as a national leader in research-driven patient care."

Based on the anticipated needs of the cancer program, the expansion is expected to cost $350 million to $400 million and may double the capacity of the hospital and institute. The proposed expansion would be financed by The James cash reserves, university bonding repaid by The James revenue, and philanthropy.

* * *

David Zebro was appointed chairman of the board of directors of **Roswell Park Cancer Institute Corp.,** said New York State Governor George Pataki**.** Zebro is a principal of Strategic Investments & Holdings Inc. of Buffalo.

NCI Programs:

SELECT Enrollment Likely To End On June 24, NCI Says

A large clinical trial to determine whether the diet supplements vitamin E and selenium can prevent prostate cancer has almost completed enrollment, NCI said this week.

The NCI-sponsored Selenium and Vitamin E Cancer Prevention Trial began enrolling patients in August 2001 and was expected to take five years to recruit 32,400 participants, the Institute said.

Randomization is expected to end on June 24.

"This accomplishment is a tribute to the men who have volunteered to participate in SELECT at a rate of 1,000 a month and to the researchers and clinical research associates who did a masterful job of recruitment," Charles Coltman Jr., chairman of the Southwest Oncology Group, which is coordinating the trial, said in an NCI statement.

All 428 study sites are using a Web-based system to conduct nearly every aspect of the trial, including patient registration, randomization, and ordering of supplements.

Participants in SELECT must be 55 years or older, or 50 if they are black.

Participants are randomly assigned to one of four treatment groups: 200 micrograms of selenium daily plus placebo, 400 mg of alpha-tocopherol daily plus placebo, 200 micrograms of selenium and 400 mg of alpha-tocopherol daily, or two placebos daily.

NCI Outlines Final FY 2004 Grant Funding Policies

NCI recently released the following statement outlining its funding policies for fiscal 2004 research project grant awards.

• Non competing (Type 5) continuations (all mechanisms):

All non-competing continuation RPG awards will be paid at full committed levels on their regular anniversary dates.

• Competing R01s:

Retroactive to the September, 2003 National Cancer Advisory Board (NCAB) round (the first funding cycle of FY 2004), new (type 1) and competing continuation (type 2) R01 applications up to the 20.0 percentile will be paid within the payline. Non-percentiled R01s will be paid on a case by case basis.

• Large Percentile R01s:

NCI established a new policy in FY 2004 (which will continue in the future) for large percentiled R01 (at or over $700,000 direct cost requested in any year— which is approximately $1 million in total costs). The NCI Executive Committee will establish a separate payline for percentiled R01s greater than $700,000 direct cost. The intent of the Executive Committee will be to apply the common R01 payline whenever possible, but to reserve the right to reduce the payline based on budgetary constraints. For applications which were reviewed at the September and February NCAB rounds for FY 2004, the large R01 payline is the 20 th percentile.

• New (Type 1) Competing RO1 applications from first time RO1 investigators:

Applicants eligible for consideration as first-time R01 investigators will be paid at the 21.0 percentile extended pay line. The definition of first-time R01 investigators is that found in the instructions for the PHS-398 (grant application format) which can be viewed at: http://grants1.nih.gov/grants/funding/phs398/section_1.html#face_page (scroll to item 3).

• Program project (P01) applications (new and competing continuation):

P01s will continue to be paid on a case by case basis. P01 applicants will be notified of their potential for funding by the NCI program staff.

• Amended applications (all mechanisms):

Applicants who are not eligible for funding under this plan should submit an amended application for the June/July (or next regular) receipt date. Such applications, along with those submitted for the

February/March, 2004 receipt date, will be funded under FY 2005 budget plans, which are not yet known and may be different from these FY 2004 announced levels.

• Request for Applications (RFAs):

NCI is committed to the review and funding of all RFAs that have been previously announced and solicited for competition and award in FY 2004. As always, success rates for RFAs depend on the number and scientific merit of the applications received, and applications are considered for payment on a case by case basis. Please consult the program director listed on your summary statement if you have any questions regarding these competitions.

• Budget Reductions:

To achieve the above paylines it is necessary to require budget reductions of competing awards from approved requested levels. For type 1 modular R01s of 7 units or less within the payline, this will generally be 10%. For type 1 larger R01s, it will be a reduction of 18%. R01s designated as MERIT Awards will be exempt from these reductions. Program project awards (P01s) are selected on a case by case basis, with type 1 awards averaging an 18% reduction.

Type 2 larger R01s and all P01 awards in conformance with NCI budget cap policies (a 20% cap on the increase over the current level of support for an ongoing grant) will be subject to a 10% reduction on average. These Type-2 reductions will permit an average growth of 10% over the current level for competing continuation grants.

The NCI Web site lists additional information at http://www.nci.nih.gov/research_funding/policies.

Funding Opportunities:

NCI Cancer Prevention Fellowship Program

Application Deadline: Sept. 1, 2004.

Start of Appointment: Last full week of June 2005.

The program offers postdoctoral training opportunities in the field of cancer prevention and control, including molecular prevention, biomarkers and early detection, molecular epidemiology, clinical trials, behavioral and nutritional interventions, and the ethics of prevention. Two specialty tracks are available: clinical cancer prevention research and ethics of prevention and public health. Master of Public Health training at an accredited university is offered during the first year followed my mentored research at NCI. Fellows also participate in the NCI Summer Curriculum in Cancer Prevention.

Inquiries: Douglas Weed or Barbara Redding, phone 301-496-8640, e-mail br24v@nih.gov.

Program Announcements

Ancillary Studies of Energy Balance and Cancer in Humans

The initiative supports research within NIH-funded grants and contracts to expand efforts to define factors affecting energy balance and mechanisms influencing cancer risk, prognosis, and quality of life in humans. Self-report and objective measures of diet, anthropometry, and physical activity, as well as biologic samples can be utilized to explore new hypotheses. Applications should also encourage collaborations among scientists working in the areas of nutrition, physical activity, genetics, biochemistry, and other disciplines. At least three types of additional research could be supported within existing studies including the following approaches: 1) testing new hypotheses with existing data; 2) performing additional assays on existing biologic specimens to examine new hypotheses; and 3) collecting and analyzing additional self-report or objective measures of diet, anthropometry, physical activity, and/or biological specimens. Three grant mechanisms are supported under the PA to conduct ancillary studies of energy balance and cancer: NIH Investigator-Initiated Research Project grants R01, NIH Exploratory/Development grants R21, and Competitive Supplements to NIH-funded grants. The PA is available at http://deainfo.nci.nih.gov/concepts/TPA-04-086.htm.

Inquiries: Virginia Hartmuller, Analytic Epidemiology Research Branch, Epidemiology and Genetics Research Program, DCCPS, NCI , phone: 301-594-3402; e-mail hartmulv@mail.nih.gov.

PA-04-095: Novel Technologies for In Vivo Imaging

NCI invites applications for the development, optimization, and delivery of innovative image acquisition and enhancement methods, including high-risk/high-gain research on technologies, such as: (a) novel single and multimodality molecular imaging systems, methods, agents, and related software and informatics, including the integration of these technologies with emerging biomedical imaging methods for more effective health care delivery for cancer and other diseases and (b) single and multimodality anatomical and functional imaging systems, methods, agents, and related software and informatics for more effective health care delivery for cancer and other diseases. In addition, research partnerships among investigators in both academia and device and drug industries are encouraged to more rapidly translate and deliver completed imaging system developments. The PA will use the NIH R33 Exploratory Developmental Phase II Award, and the combined R21/R33 Phased-Innovation Award mechanisms. The PA is available at http://grants.nih.gov/grants/guide/pa-files/PA-04-095.html.

Inquiries: Guoying Liu, Keyvan Farahani, James Deye, or Houston Baker, phone 301-496-9531 for GL, KF, HB; 301-496-6111 for JD; e-mails guoyingl@mail.nih.gov, farahank@mail.nih.gov, deyej@mail.nih.gov, bakerhou@mail.nih.gov.

RFA Available

RFA-HG-04-005: Additional Genotyping for the Human Haplotype Map

The RFA solicits applications for a cooperative agreement to augment the International HapMap Project by supporting the genotyping of 2.25 million single nucleotide polymorphisms across the genome in 270 samples from four populations, at high quality and at a cost of about 1 cent per genotype. The data effort will contribute to the development of a map, called the HapMap, of the haplotype patterns in the human genome and of a set of SNPs that are informative about these patterns and the associations among the SNPs. The HapMap is expected to be a key resource that researchers will use to find genes that affect health, disease, and response to drugs and environmental factors. The RFA will use the NIH U54 Specialized Center Cooperative Agreement award mechanism. The RFA is available at http://grants.nih.gov/grants/guide/rfa-files/RFA-HG-04-005.html.

Inquiries: For NCI, Wendy Wang, phone 301-594-7607; e-mail wangw@mail.nih.gov.

RFP Available

RFP S04-070: EST Single Pass Sequencing of Plasmids and SAGE Sequencing

Response Due Date: May 3, 2004

NCI Office of Cancer Genomics and the NHGRI are involved in the management of two trans-NIH full-length ORF projects: Xenopus Gene Collection (XGC, xgc.nci.nih.gov) and Zebrafish Gene Collection (ZGC, zgc.nci.nih.gov). This procurement is being held by SAIC-Frederick, Inc. as Prime Contractor to NCI- Frederick Cancer Research Facility.

Organizations interested in participating are requested to send a letter request for solicitation to Jeanne Lewis, e-mail jlewis@mail.ncifcrf.gov, phone 301-228-4007.

In Brief:

Schwetz To Direct HHS Office Of Research Protections

(Continued from page 1)

Natalie Davis Spingarn Writer's Award was given to **Laurence Shames** and the late **Peter Barton** for "Not Fade Away: A Short Life Well Lived." **Karen Parles** was awarded the Catherine Logan Service to Survivorship Award for her work with lung cancer. **Reps. Charlie Norwood** and **Lois Capps** received the Public Service Leadership Award. . . . **BERNARD SCHWETZ** was named director of the Office for Human Research Protections in the Department of Health and Human Services. Schwetz had served as acting director since February 2003. Prior to joining OHRP, Schwetz served as the senior advisor for science at FDA. . . . **CHARLES HAVEKOST** was named chief information officer for HHS, within the Office of the Assistant Secretary for Budget, Technology and Finance. He will also hold the position of deputy assistant secretary for information resources management. Havekost began his federal career as a junior fellow at NIH, and has worked more than 25 years for the federal government in areas of information systems, grants and technology management. . . . **SHALOM KALNICKI** has been appointed chairman of radiation oncology at Montefiori Medical Center, effective June 1. He is vice chairman for clinical affairs, Department of Radiation Oncology, University of Pittsburgh School of Medicine and Cancer Institute. . . . **WATSON SCHOOL of Biological Sciences** at Cold Spring Harbor Laboratory will confer Ph.D. in biological sciences to its first six graduates in April. The commencement convocation will acknowledge not only the first group of graduates, but the intensive nature of the program which is structured to allow them to completed their Ph.D. in four years or less. "The students are trailblazers in a new approach to graduate education at one of the world's oldest biological institutions," said **Winship Herr**, dean of the school. The degree recipients are **Amy Caudy, Ira Hall, Patrick Paddison**, **Emiliano Verde, Elizabeth Thomas**, and **Niraj Tolia**. Honorary degrees will be presented to **Joan Argetsinger Steitz**, Sterling Professor of Molecular Biophysics and Biochemistry, Yale; **Shirley Tilghman**, president, Princeton University; and **James Watson**. . . . **JAMES BERENSON** has founded the Institute for Myeloma and Bone Cancer Research in Los Angeles, an independent research institute for common forms of cancer. Berenson was director of the Multiple Myeloma and Bone Metastasis Program at Cedars-Sinai Medical Center and professor of medicine at University of California, Los Angeles. Support for the institute comes from a $1 million grant from the Annenberg Foundation and a $500, 000 grant from the Skirball Foundation. . . . **SANJAY SRIVASTAVA**, assistant professor of pharmacology at the University of Pittsburgh School of Medicine, has received $1.5 million from NCI to study isothiocyanate, phytochemicals found in vegetables. His study will focus on a special type of isothiocyanate called benzyl isothiocyanate, or BITC, and its affect on the onset and progression of pancreatic cancer. Studies show that the cancer preventive effects of cruciferous vegetables are attributable to isothiocyanates, or ITCs, which are generated when vegetables are cut or chewed. BITC is a promising ITC because it impacts the ability of pancreatic cancer cells to survive and proliferate by down-regulating a transcription factor, NF-kB, that is

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