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Series/Staff Member: Todd Summers
Subseries:

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Correspondence - Todd Summers - Incoming - 11/99

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8th Congressional District

San Francisco, California

Fax Transmission
from
The Washington Office of
Congresswoman Nancy Pelosi

Phone #: 202/225-4965

Fax #: 202/225-8259



ATTENTION:

Todd Summers
~~Dear Mr. [unclear]~~

A handwritten signature, possibly "JS", in dark ink.

FROM: _____

DATE: _____

of Pages: 2
(Including cover sheet)

Message/Instructions:

Fy1 - an article on Chiron - an
important player in HIV vaccine
research - cutting back on research
due to need to find "blockbusters"

Chris

Action Required: _____

BUSINESS

www.newschoice.com

The Oakland Tribune

11/3/99

ABN P/B	1.70	22	+3%	Bail	5%	1/8	ChmLdy	1.6%	22	-1/4	DuaneK
ACE Lid	.44	19 1/2	+4%	Balfy	23%	1/8	ChmLdy	1.75			
ACQW	50a	8 1/2	+4%	Balfy							

Chiron to slash spending on research

FROM STAFF AND WIRE REPORTS

EMERYVILLE — Chiron Corp. plans to cut spending for early stage research in gene therapy and vaccines so the biotechnology company can meet a target of increasing earnings per share by 25 percent next year, company officials said.

Chiron will reduce spending on the two early stage research programs, which employ about 90 of its 3,000 employees, said company spokeswoman Shari Annes. Those employees, the

bulk of them based in California, may not lose their jobs because Chiron will look to partnerships or spinoffs to keep those programs running, she said.

The move will help keep spending on research and development flat next year at about \$290 million, she said.

Chiron Chief Executive Sean Lance, who has been running the company since May 1998, is trying to focus Chiron's researchers on programs most likely to lead to development of

products with potential to be blockbusters. The company, which is 44 percent owned by Swiss drugmaker Novartis AG, has long been criticized for its inability to reap large profits from its research.

"There's a narrowing of focus," said Chiron spokeswoman Julie Wood. "This is part of our strategy to more closely focus and evaluate our research direction."

Chiron will focus its efforts

Please see **Chiron**, BUSINESS-5



ment and procedures.

care, said David M. Lawrence, this report.

Chiron: Research spending cut back

Continued from BUSINESS-1

on developing drugs using proteins, small molecules, biological discovery and genomics, Wood said. The cutbacks were announced internally Tuesday, she said.

The company said it plans to continue to develop some vaccines as well as an experimental gene-therapy treatment for hemophilia that is now in human testing.

Craig Parker, an analyst with Donaldson, Lusk & Jenrette, said the moves Chiron is making have been a long time coming, adding "they are sensible cuts."

"That is an expense that it needed to control, and they are cutting (programs) that have the lowest probability of success," he said.

In announcing its latest earnings, the company also announced that its board of directors was authorizing the repurchase of up to four million shares of its common stock.

Chiron officials said the stock repurchase program is intended to offset the dilutive effect of the company's stock-based employee compensation plans. The share repurchases will be made from time to time through open-market transactions.

Parker viewed the buyback move as "a potential stopgap measure" by the company to improve its balance sheet. When coupled with actions like cutting jobs, he noted the actions represent only short-term strategies.

"They will have to add to that with top-line growth, whether it's through development of their own products or acquisition of products from other companies," Parker said.

Shares of Chiron rose 1/16 to 28 1/4 in U.S. markets.

Business writer David Schulz contributed to this report.

Global Health Council/NCIH 1701 K Street, NW, Suite 600, Washington, DC 20006

FAX COVER SHEET

Date: 11/1/99

Number of pages including cover sheet: 3

To:

Todd Summers

Phone:

Fax: 456-2438

CC:

From:

Kim Green

AIDS Program

Global Health Council

Phone: (202)833-5900 ext

Fax: (202)833-0075

E-mail: <ghc@globalhealthcouncil.org>
<AIDS@globalhealthcouncil.org>

Website: www.globalhealthcouncil.org

REMARKS:

☐

Urgent

☐

For your review

☐

Reply ASAP

☐

Please comment

Congress of the United States
Washington, DC 20515

October 29, 1999

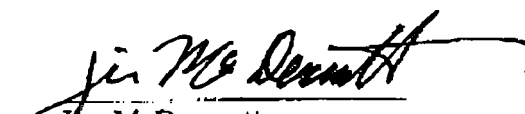
Dear Colleague:

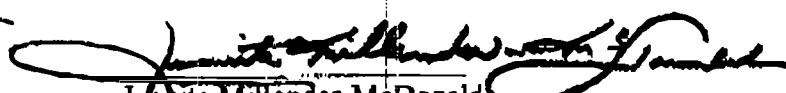
We would like to invite you to a breakfast meeting on Wednesday, November 3rd with Mayors from major African cities in Zambia, Tanzania, Cote D'Ivoire and Swaziland. This distinguished delegation will be featured participants in the U.S. Conference on AIDS, to be held in Denver this week. During this informal breakfast, the Mayors will discuss the challenges to running local governments of African cities hit hardest by HIV/AIDS.

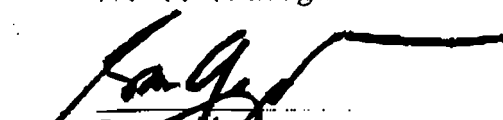
For some time, leaders in the fight against HIV/AIDS have called attention to the economic, social and security problems that this disease brings. This delegation is at the forefront of this call. Included in the delegation is a Major in the Ugandan Armed Services who is leading the effort to have the International Community recognize that HIV/AIDS will soon destabilize government after government as it cuts ever deeper into African life. Also, city leaders from Lusaka in Zambia, Manzini in Swaziland, Abidjan in Cote d'Ivoire, and Dar es Salaam & Dodoma in Tanzania will join us to discuss challenges to municipal resources and infrastructures.

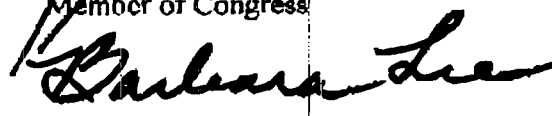
This breakfast meeting will be a casual, off the record, Members gathering that will hopefully be interesting and beneficial to your understanding of Africa and the HIV/AIDS crisis there. We will be in 1129 LIOB at 8:15 on Wednesday, November 3rd. We hope that you can attend. Please contact Chris Dumm (5.3106) with Congressman McDermott to RSVP or for any questions.

Sincerely,


Jim McDermott
Member of Congress


Javita Millender-McDonald
Member of Congress


Sam Genderson
Member of Congress


Barbara Lee
Member of Congress

Congress of the United States

Washington, DC 20515

October 29, 1999

**Congressional HIV/AIDS Taskforce Briefing
on Regional Approaches to the AIDS Pandemic in Africa
HC-5 the Capitol, 1:30 PM
Wednesday, November 3, 1999**

Dear Colleague:

The HIV/AIDS pandemic in Africa can be truly overwhelming. An estimated five million men, women and children will die each year between now and 2005 in Africa. South African president Thabo Mbeki articulated the problems that Africa faces succinctly when he said:

"For too long we have closed our eyes as a nation, hoping the truth was not so real. For many years, we have allowed the human immunodeficiency virus to spread...at times we did not know that we were burying people who had died from AIDS. At other times we knew, but chose to remain silent.

Now we face the danger that half of our youth will not reach adulthood. Their education will be wasted. The economy will shrink. There will be a large number of sick people whom the healthy will not be able to maintain. Our dreams as a people will be shattered."

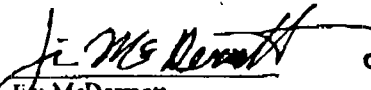
African nations are beginning to realize the immense challenge that lies before them. What is more, African leaders are publicly speaking out about the pandemic. We have assembled a group of such African leaders to address members and staff about some of the problems they face in Africa. Specifically, they will address how different regions of Africa have a diverse set of problems, and how each area has dealt with AIDS. We are privileged to have Ms. Universe, five mayors of prominent African cities, and a major from the Ugandan military to discuss with us the social, economic, logistical, and military issues that their respective homelands face.

Here is a detailed list of speakers:

- Mpule Kwalegobe, Miss Universe
- Sandra Thurman, Director, White House Office for National AIDS Policy
- Fisho Mwale, Former Mayor of Lusaka, Zambia
- Fikile Mthembu, Lady Mayor of Manzini, Swaziland
- Dr. Emmanuel Ibo Baingule, Abidjan, Cote d'Ivoire
- Major Rubaramira Ruranga, Uganda
- Charles Keenja, Chairman of City Commission, Dar es Salaam, Tanzania
- Peter Anthony Mavunde, Lord Mayor, Dodoma, Tanzania

We hope that you and your staff will be able to attend this briefing. If you have any questions, please call Chris Dumm on Mr. McDermott's staff at 5.3106.

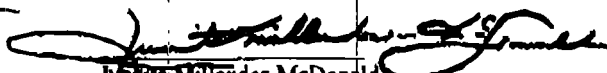
Sincerely,



Jim McDermott
Member of Congress



Sam Gejdenson
Member of Congress



J. Miller-McDonald
Member of Congress



Barbara Lee
Member of Congress