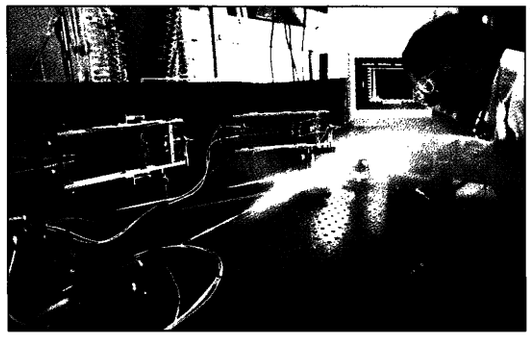
ENVIRONMENTAL RESEARCH

EPA Weighs Plan to Realign Labs

Critics have long complained that the Environment Protection Agency (EPA)'s half-billion-dollar in-house research network is inefficient, inadequately staffed, and lacks a strategy for conducting long-term research (*Science*, 22 January, p. 312). But for years EPA has been reluctant to do more than tinker with its 12 research labs and 28 facilities that provide technical support for regulations. Last fall, however, the Senate said it wanted to see change and ordered an outside report, and next month EPA is expected to propose a reorganization that might close several labs and consolidate their functions under tighter management.

The impetus for these changes is a report that sketches what one EPA official calls "the best picture of EPA research that the agency has seen in its 24 years." A closely held draft of the $900,000 report, conducted by the MITRE Corporation and obtained by *Science*, suggests that EPA's best option is to fold its dozen research labs into four "mega-labs" and relocate staff. The report also analyzed the wisdom of realigning labs into "organizational units" to improve research and technical services and spreading them across the country. The lowest-ranked option was to maintain the status quo.

Top EPA brass have been meeting weekly to recommend a course of action. Lab directors say they have mixed feelings about the report, which they have pored over for the last 2 weeks. "I think there needs to be a reorganization of programmatic functions, but I'm not sure that means we should close down labs," says toxicologist Robert Menzer, director of the Gulf Breeze, Florida, lab. An official at EPA headquarters in Washington, D.C., told *Science* that the proposed reorganization will draw on elements of several MITRE options and may include relocating lab staff.



EPA

Bright light? EPA's Atmospheric Research and Exposure Assessment Lab could become part of a mega-lab.

MITRE also found that rank-and-file EPA researchers are deeply disillusioned with the present system. Interviews with EPA staff and lab officials revealed "serious frustration with administrative impediments to getting the research job done properly." Such problems include a shortage of junior scientists and technicians, a lack of travel funds, and the onerous paperwork requirements for scientists who oversee contract researchers (*Science*, 29 October 1993, p. 647). EPA hopes to alleviate the last problem next year by converting about 900 contract research positions to federal posts. "Consolidation won't help much unless we get at the heart of the issue," says water engineer Norbert Jaworski, director of the Narragansett, Rhode Island, lab.

The MITRE report is expected to go to Congress by the end of the month, along with comments from EPA's Science Advisory Board. The Senate Environment and Public Works Committee and the House Science, Space, and Technology Committee plan to hold hearings next month on the report, at which time EPA will lay out its proposed reforms.

–Richard Stone

BIOTECH PARTNERSHIPS

Scripps to Get Less From Sandoz

One of the more controversial partnerships in biomedicine is back on track, now that the two parties—Sandoz Pharmaceutical Corp. and the Scripps Research Institute of La Jolla, California—have bowed to political pressure and agreed to limit Sandoz's investment in and access to discoveries at the federally funded institution.

The new agreement, signed this week, ends a furor that erupted in December 1992 when Sandoz announced its intention to invest $300 million over 10 years in return for right of first refusal to nearly all research at Scripps. Members of Congress and officials at the National Institutes of Health (NIH), which awards Scripps about $70 million a year in research grants, also questioned provisions that appeared to give Sandoz unusual control in shaping Scripps research and imposing restrictions on researchers.

The new deal eliminates most of the controversial provisions. Sandoz will now be limited to claiming no more than 47% of the institute's research disclosures in any given year. Any research not claimed within 90 days of its disclosure will be open to others to license. Sandoz will no longer have a controlling representation on a Scripps-Sandoz "Joint Scientific Council" that will oversee research at Scripps. And, in a new clause, Sandoz agrees not to attempt to reclaim research it initially declined to pursue if another company expresses interest.

Although these terms appear to have placated critics of the original deal, they also make the arrangement less lucrative for Scripps. Under the original proposal, Sandoz would have given Scripps $30 million a year for 10 years, beginning in 1997. Under the new terms, Sandoz will invest $20 million a year for 5 years, with an option for another 5 years. Some $13 million of Sandoz's annual contribution can be spent as Scripps sees fit; the other $7 million will go to specific projects, from which Sandoz will have sole initial claim.

A Sandoz spokesman, Larry Bauer, says the company is putting up less money in part because its access to research has been curtailed. "Part of the original negotiation said Sandoz gets everything," says Bauer. "This agreement calls for us to claim just under half. That's a major change."

The new agreement appears to have won over one of its chief congressional critics, as well as NIH. Steven Jenning, an aide to Representative Ron Wyden (D–OR), chairman of a House small-business subcommittee that held hearings last year, says Wyden is "impressed by the diligence" of the two parties in reforming the terms of the agreement. Wyden is particularly pleased with a promise by Scripps to help small businesses, such as start-up biotech companies, in licensing technology that Sandoz passes over. Scripps intends to give small businesses 6 months to claim such research, as well as to open an office to assist them and to reinvest some of its Sandoz royalty income to improve ties with such companies.

Last week NIH director Harold Varmus wrote Scripps that the revised agreement addresses all his concerns. He asked Scripps to send annual reports on the progress of the deal to NIH, including the number of inventions claimed by Sandoz and of those licensed to small businesses. Next month, NIH plans to send Congress a draft set of guidelines for similar deals.

Richard Lerner, the president of Scripps, says he won NIH's approval by convincing officials that Scripps and other research institutions needed undirected corporate funding for buildings, recruitment, and research projects that the government doesn't fund. NIH agreed, but rejected Scripps's original offer to Sandoz for the rights to 60% of Scripps' inventions.

–Christopher Anderson