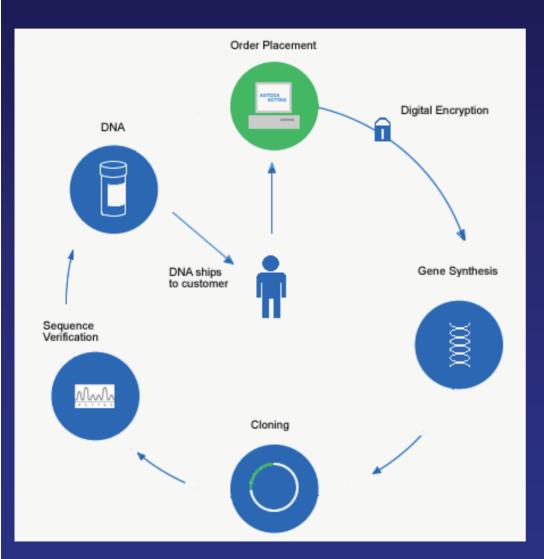
BLUEHERON® BIOTECHNOLOGY

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Regulation of DNA Synthesis

- ② DNA manipulations are at the heart of modern biology
- Current regulations need improvement
 - Lack clarity and specificity
- ② Good choices in regulation can enhance our ability to respond to new diseases
 - Strengthen our ability to respond rapidly with R&D.
 - Good regulations are more likely to be adopted internationally

What is Gene Synthesis?



GeneMaker® Gene Synthesis

- Customer orders via secure website
- 2. Blue Heron manufactures and ships DNA molecule(s)
- 3. About 2 to 4 weeks later, customer receives <u>exactly</u> the DNA they want
 - Customers use DNA molecules for research

Gene Synthesis Improves Research Productivity

- Saves researchers time and money
 - Cost continues to decline rapidly
- Complete control of sequence allows improved experimental design and new experimental approaches
- Cene synthesis can help to speed the response to new diseases

Why is Regulation of the Technology Important?

- Molecular biology and genetics are integral to life science research
 - Techniques are ubiquitous regardless of discipline
- ② Billions of dollars are spent globally to obtain and modify DNA each year
 - NIH direct costs are >\$1B
- Tools that improve the speed of R&D could be critical in the response to new diseases
 - Serious new infectious diseases likely to arise from nature
 - Threat of "bio-terror"

Infectious Disease

- Scientists need DNA from pathogens to study the basic biology of the pathogen and to develop new therapeutics
- Some pathogens can be synthesized
 - Most viral genomes can be made with today's gene synthesis technology
 - One or more bacterial genomes are likely to be synthesized within the next year
- Nefarious uses of synthesis are possible
 - However, direct isolation is less expensive and less technologically complex than gene synthesis

Current Select Agent Regulations

- ➤ Government approval required to possess or distribute certain pathogens and pathogen genes
 - "Select Agents"
- Compliance with select agent regulations
 - Blue Heron screens all orders against a database of genes from select agents
 - We review every sequence that resembles a select agent genes
 - We do a detailed analysis of the genes from select agents to determine if they are covered

Current Regulations Require Interpretation

- Many genes from select agents are not dangerous and are not controlled
- Many genes from select agents resemble harmless genes
- Many scientists use non-functional parts of genes from select agents in their research
 - Viral coat proteins for vaccine development
 - Enzymes for testing anti-microbial and anti-viral drugs
 - DNA fragments or proteins for development of diagnostics

Recent Examples

2 100% identity with a part of a toxin protein

- Matches ~ 30% of the toxin protein
- Literature scan revealed that this is a domain that is a well-known target for vaccine development
- The domain alone is not functional

Ø 85% identical to a pathogen gene

- Common metabolic pathway
- 95% identical to a non-pathogenic sequence

49 90% identical to sequences from a virus

- Regulatory sequence
- Commonly used in many expression vectors
- Each example required input from a PhD biologist to decide if we should provide the gene

Regulatory Clarity is Needed

@ Goals

- Restrain/monitor access to dangerous DNA fragments
- Retain ability to carry out rapid biomedical and other life science R&D
- However, no national regulatory scheme can
 completely block the arrival of new pathogens
- Moreover, poorly-conceived regulation could impede our ability to respond to the emergence of new pathogens

Our Perspective on Regulations

- Regulations should define the DNA sequences that are covered
 - Current select agent rules require interpretation
- ② Regulations should define the action to be taken when targeted sequences are requested
 - What needs to be reported? To whom? What is the involvement of our customer in the process?

Solution: Select DNA Sequence Database

- ② A list of Select DNA Sequences
 - DNA sequences that could be used to build pathogens or to enhance pathogenicity
- Select sequences defined in terms of a reference sequence and a percentage identity to the reference sequence
- Active maintenance by an oversight panel and a set of organism-specific experts
 - Updated on a regular basis (e.g., monthly)

Select Sequences

- Three classes of sequences
 - Specific genes from select agents Require a permit
 - Related Genes
 Require reporting
 - All other genes
 No reporting required
- Control of high-threat sequences
- Tracking of sequences that could be incorporated into new pathogens
 - Fragments of genes from select agents
 - Other pathogenic genes
 - Other sequences?
- No reporting requirement for most sequences

Operational Considerations

- ② Positive requirement to check orders against the Select Sequence database
 - Current rules make it illegal to provide certain sequences but do not require providers to check for those sequences
- Clear procedures for identifying organizations and individuals which are authorized to possess molecules encoding Select Sequences
- Centralized database to collate information on reportable sequences
 - It is currently possible to buy the parts of a virus from several different providers and without violating any regulations until the parts are assembled

Gene Synthesis is an International Industry

- Researchers are located all over the world
- ② Gene synthesis companies exist all over the world
 - Dozen or more in US
 - Similar number in Europe
 - Several in Asia
- ② Ad hoc (non-commercial) gene synthesis occurs regularly in labs all over the world
- US regulations cannot block nefarious access to this technology
 - US regulations can impact the efficiency of our response to pathogens

Regulations Can Impact Technology

- Pharmaceutical researchers will not outsource gene synthesis if regulations require disclosure of all sequence orders
 - Sequence data is confidential
- Such regulation would drive demand for gene synthesis instruments
 - "Gene synthesis in a box"
- The development and dispersion of gene synthesis instruments would make the technology harder to control

Rapid, Effective R&D is the Solution

- ② Our response to new pathogens depends on decades of basic research AND the immediate application of today's best technology
 - Gene synthesis could play an important role in rapid responses to new diseases
- Regulations that significantly restrict access to the best technology will be counter-productive
 - Such regulations will increase the risk from pathogens by limiting legitimate researchers and reducing our ability to respond effectively
 - Moreover, they will not significantly restrict nefarious access to the technology

Regulatory and Policy Choices

- Scientists working for the good of society have an extremely large advantage in resources
- Balanced regulations that discourage nefarious projects without chilling the R&D enterprise will preserve this advantage
- We have the opportunity to make regulatory and policy decisions that will improve lives by reducing the danger of infectious disease

Summary

- Gene synthesis and molecular biology are central to modern biological research
- ➤ The technology is ubiquitous and international, thus control from within the USA is not possible
- Current regulations need improvement
 - Clear definition of Select Sequences
 - Tracking of related sequences
- Poor regulatory choices today could significantly reduce our ability to respond to new pandemics, whether natural or man-made
 - Good choices are more likely to have a global impact