

# CRAIN'S DETROIT BUSINESS

## Legislation aims to lift stem-cell ban

By Andrew Dietderich

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Lee Noll owns **BioFlow Technologies Inc.**, a small company in Walled Lake that within the next two to three months could abandon western Oakland County for another state.

That's because BioFlow makes a product entirely dependent on the ability to use embryonic stem cells to grow new stem cells for research.

Current Michigan law could land Noll in jail for up to 10 years and fine him up to \$10 million for using embryonic stem cells in research.

Or he could move to another state, such as Connecticut, which allows embryonic research and has committed \$100 million to the research during the next 10 years. The state is attractive for companies from startups like BioFlow to **Pfizer Corp.**, which is consolidating its research operations there.

"Unless something changes, we're going to have to decide in the next two to three months where to locate our development laboratories," Noll said.

Change could be in the works.

State Rep. Andy Meisner, D-Ferndale, plans to introduce legislation by the end of the week that proposes to lift Michigan's ban on embryonic stem cell research. State Sen. Gretchen Whitmer, D-East Lansing, introduced similar legislation on Jan. 24.

Both Gov. Jennifer Granholm and House Speaker Andy Dillon support lifting the ban. A call to Senate Majority Leader Mike Bishop's office on Friday was not returned.

Change could be happening at the federal level as well.

The U.S. Senate voted 63-34 Thursday to ease restrictions on federally funded embryonic stem cell research.

But unless Michigan law changes, that doesn't matter for companies such as BioFlow. BioFlow licensed the technology from Ann Arbor-based **Aastrom Biosciences Inc.** (Nasdaq: ASTM), which Noll said holds the patent on his product but decided not to pursue further development.

The product, which reproduces embryonic stem cells, could be used by academic and commercial researchers.

But BioFlow needs money to build itself.

In Michigan, it faces numerous challenges. Venture capitalists shy away because of restrictive laws. And even if federal law eases restrictions on funding embryonic stem cell research, Michigan companies like BioFlow wouldn't be able to land any of the money.

And while it's true BioFlow's departure wouldn't be as significant as **Pfizer Corp.** or **Comerica Inc.**, it could be 20-40 years down the line if BioFlow becomes successful.

"The question we should be asking is, what will be the effects of not lifting this ban," said Randal Charlton, chairman of **MichBio**, the state's life-sciences organization. "It will continue to handicap researchers in both the academic and commercial environment. The reality is that the rest of the world is taking a different view on this issue than we take in Michigan."

A MIRS/Rossman Group survey conducted in February found 65 percent of 600 people who said they intend to vote in November 2008 would support a ballot proposal to permit stem cell research.

"When it comes to stem cell research, Michigan is buying," said Kelly Rossman-McKinney, CEO of **The Rossman Group**. "Data shows that if an election were held today, stem cell research would pass by a huge margin."

Bills similar to the ones introduced by Whitmer and Meisner have been introduced in Michigan in the past only to die before going anywhere.

Meisner introduced bills during his first term in 2003-04, but they died in committee. He did the same thing in 2005-06. The state House of Representatives committee on health policy held a hearing on the bills but they never made it to the floor for a vote.

But David Waymire, spokesman for the Southfield-based **Michigan Citizens for Stem Cell Research and Cures**, said the political environment in Michigan has changed in favor of embryonic stem cell research.

There are more members of both parties who individually favor lifting the ban, he said. And an overall shift to a more Democratic Legislature helps, too, he said.

"We think that this time around it will at least get a fair hearing," Waymire said.

Michigan Citizens for Stem Cell Research was formed last fall; its board of directors includes doctors and representatives of various disease and injury oriented nonprofits.

Embryonic stem cells are extracted from an early stage embryo and are used in research that attempts to produce regenerative medicine and tissue replacement after injury or disease.

The practice is controversial because the technique used requires destruction of the human embryo. Many conservative and religious leaders oppose the research.

The Roman Catholic Church has said embryonic stem cell research is akin to other forms of destroying innocent life, such as abortion.

"It's our belief that those who support embryonic stem cell research are engaged in a massive campaign of deceit and misinformation," said Dave Maluchnik, director of communications for the Lansing-based **Michigan Catholic Conference**.

Still, supporters such as Sean Morrison, director of the **University of Michigan Center for Stem Cell Biology**, say Michigan needs to lift the ban to improve the research and economic climates.

For example, the school does research on adult stem cells, typically taken from bone marrow. It recently recruited three new researchers specializing in the field. Morrison said each one helps bring in as much as \$5 million to the school through various grants.

But researchers who graduate from the school who need to work with embryonic stem cells leave the state, he said. Students who want to work in areas involving embryonic stem cells don't even bother to apply, he said.

"If I'm a student interested in this area, am I going to a university that is in the process of setting up a strong and healthy embryonic stem cell research program or to a school where I could go to jail for doing the research?" Morrison said.

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