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Genetic Testing Lab Goes Private; NMSU Spins Off Campus Facility

The Associated Press

LAS CRUCES— Two private investors from El Paso have joined New Mexico State University to expand the school's presence in the multimillion-dollar genetic testing industry.

After four years of operating under NMSU's umbrella, the school's nonprofit Genetic Testing Laboratory is being spun off into a for-profit DNA identity lab, Genetic Testing Laboratory Inc., or GTL. NMSU regents on Monday approved the creation of the company, located on campus.

The lab, accredited by the American Association of Blood Banks, will offer a variety of services, including testing for such relationships as paternity, maternity or siblings, and legally binding tests for use in U.S. courts.

NMSU will have a 35 percent equity stake in the company in partnership with investors Jack Ellis and Bill White, who own several businesses in the region. The company will have a five-member board of directors, two of them from NMSU.

Ellis said Tuesday the business already is up and running through the university. He said the current staff of four will be expanded to six shortly, and the partners hope that will double in a year.

The university will no longer be involved in the lab's day-

to-day operations.

"They stepped away from that; we stepped in," Ellis said.

"We're just going to basically take it from a nonprofit, because it is part of the university, and take it to a commercial venture," he said.

The lab initially was set up as a "DNA parenting-type business" to prove relationships between parents and children, but eventually it will become a complete forensics lab, Ellis said.

The partners hope the pilot program between the university and the for-profit company will benefit the economy, employ staff from the university and use students in the work, Ellis said.

The collaboration will provide students and faculty with jobs and research opportunities, and NMSU will play a key role in diversification once GTL begins exploring new markets, the university said in a news release.

"This is exactly what we would like to do with these programs, spin them off whenever possible into a private sector enterprise," NMSU President Michael V. Martin said. "This is the model that we would like to continue as we have technologies or innovations which have the opportunity to advance in the private sector."

The lab began in 2002 as a partnership between NMSU's Physical Science Laboratory and the molecular biology graduate program.

The idea for the commercial venture came from Peter Lammers, a biochemistry professor at NMSU, along with John Spalding and Stefan Long of the Physical Science Laboratory.

NMSU business students did a market analysis that found a rapidly growing genetic testing market, said Kevin Boberg, associate dean of the College of Business Administration and Economics and director of NMSU's Arrowhead Center Inc. The nonprofit Arrowhead Center is aimed at commercializing technology developed at the university.