

Originally Appeared in NMSU Communications:
http://www.nmsu.edu/~ucomm/Releases/2005/March/gtl_05.html

NMSU, private investors partner to expand Genetic Testing Laboratory

New Mexico State University has partnered with private investors Jack Ellis and Bill White to expand its presence in the multi-million-dollar genetic testing industry.

The Genetic Testing Laboratory Inc., a for-profit DNA-based human identity lab, is located on the NMSU campus.

Kevin Boberg, director of NMSU's Arrowhead Center Inc. and associate dean of the College of Business Administration and Economics, said the new company will build upon what the existing nonprofit laboratory, which started as a partnership between NMSU's Physical Science Laboratory and the molecular biology graduate program in 2002, has accomplished.

"After four years of operation under the umbrella of NMSU, it was decided that GTL would be a good candidate to commercialize, to spin out from the university," Boberg said.

The NMSU Board of Regents approved the creation and operation of the company during its meeting today, March 14.

"This is exactly what we would like to do with these programs, spin them off whenever possible into a private sector enterprise," said NMSU President Michael V. Martin. "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. I congratulate Dean Garrey Carruthers for working it out and making it work."

"We look forward to having a relationship with NMSU on this business venture," Ellis said. "This not only benefits us but the state as well, since we will be hiring employees and contributing to the economic development of the region."

Both Ellis and White are from El Paso and own multiple businesses throughout the region. Ellis owns the Interstate Batteries franchise in El Paso and oil and gas interests in Texas. White's company, Grubb & Ellis Best/White, is the Grubb & Ellis franchisee along the U.S.-Mexico border. In addition, White's company is the Carl's Jr. franchisee in the state of Chihuahua, Mexico.

The lab, which is accredited by the American Association of Blood Banks, will offer a variety of services including paternity and

maternity testing; immigration testing; and various forms of relationship testing such as siblingship, twin zygoty and parentage reconstruction using DNA from grandparents, aunts or uncles if a parent is not available. In addition, the company has home test kits available, and provides legally binding tests for use in courts within the United States.

Students from NMSU's business college did a market analysis of the genetic testing industry, which indicated that the market is growing and advancing at a rapid pace, Boberg said.

The market analysis cites a 2004 report on the genetic testing market by the research firm Frost & Sullivan, which states that the revenues generated by genetic testing totaled \$319.9 million in 2000 and estimates that profits will reach \$877.2 million by 2006.

"I think that a key to the long-term success of the laboratory is to diversify the DNA-based services we offer," said Peter Lammers, a biochemistry professor at NMSU. Lammers noted that two key opportunities for the future are the forensic and clinical testing markets.

The idea to create the laboratory originated with Lammers and John Spalding and Stefan Long of NMSU's Physical Science Laboratory. "We would like our faculty to become much more entrepreneurial, and this is an example where faculty work has actually paid off in creating a for-profit company in Las Cruces," said Garrey Carruthers, dean of the business college and vice provost for economic development.

The benefits of the partnership are both monetary and educational. The university will have a 35 percent equity stake in the company, and the collaboration will provide students and faculty with jobs and research opportunities. Furthermore, as GTL explores new markets beyond parentage, NMSU's mission of research and development will play a key role in this diversification.

The new company will have a five-member board of directors, two of whom will be from NMSU.

Jeany Llorente March 14, 2005