

HellerEhrman LLP

Facsimile Transmittal

333 Bush Street
San Francisco, CA 94104-2878
Main: +1.415.772.6000
Fax: +1.415.772.6268

To: John L. Krug, Securities and Exchange Commission
Telephone: 202-551-3862 **Fax:** 202-772-9217

From: Karen A. Dempsey
Telephone: +1.415.772.6540
Direct Fax: +1.415.772.6268

No. of Pages: 5 (including cover)
Date: March 12, 2007

Message:

Dear Mr. Krug,

Following our telephone conversation this morning, attached please find our revised response letter to your comment letter dated March 6, 2007 regarding the Cell Therapeutics, Inc. preliminary proxy, file number 1-12465. We plan to file the complete response letter tomorrow via EDGAR. The revised response letter notes that we will include the information in response to comment #3 about the ability to vote on the transaction in the proxy itself in the proxy, and also includes the standard "Tandy" language. We are also including in this fax the additional language that you requested to our disclosure on the potential acquisition that if the transaction proceeds as proposed, the shareholders of Cell Therapeutics will not be entitled to vote on the matter. This language is in addition to the changes we faxed to you on Friday, March 9.

Should you have any questions, please contact Karen Dempsey at 415.772.6540.

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Heller Ehrman LLP 333 Bush Street San Francisco, CA 94104-2878 www.hellerhrman.com

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March 12, 2007

Mr. Jeffrey Riedler
Assistant Director
Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549

Mail Stop 0610

Re: Cell Therapeutics, Inc.
Preliminary Proxy Statement filed February 28, 2007
File No. 1-12465

Dear Mr. Riedler:

We are in receipt of the staff's comment letter dated March 6, 2007 with respect to the above-referenced preliminary proxy statement. Registrant's responses to the staff's comments are set forth below.

Proposal 1
Summary

1. Please expand the discussion to provide a discussion of the reason(s) for the reverse stock split and why its implementation will be delayed until April 15, 2007.

Response: We propose to modify the second paragraph of this section as follows:

On January 31, 2007, our Board of Directors voted to approve an amendment to our Amended and Restated Articles of Incorporation effecting a four-to-one reverse split of our common stock in order to increase the price of our common stock and make it more available to a broader range of investors in the secondary market, including institutional investors. The effective date of this amendment was delayed until after the date of the special meeting to avoid confusion regarding how many shares of our common stock will be outstanding as of the record date and as of the date of the special meeting. Shareholder approval of this amendment was not required under the laws of the state of Washington, the jurisdiction of our incorporation.

2. Please tell us why shareholder approval of the reverse stock split was not obtained or required. We may have additional comments.

Response: Under Washington law, shareholder approval of a reverse stock split is not required if the company has only one class of shares outstanding and if the number of authorized shares of that class is reduced in a manner corresponding to the reverse split. Cell Therapeutics had only one class of shares outstanding at the time the Board of Directors approved the reverse split and the amended articles of incorporation correspondingly reduce the number of authorized common shares.

3. We note your discussion concerning a proposed business combination with DOR BioPharma. We also note that if you continue to pursue this combination, you would need to increase your authorized shares of common stock. Please expand the discussion to state whether you will seek approval from your shareholders of a business combination with DOR BioPharma. If not, the discussion should be expanded to provide more information concerning the combination, the business of DOR BioPharma, and related financial statements should be provided. See Note A to Schedule 14A.

Response: We advise the Staff that this proposed combination is at a very early stage and other than a standard confidentiality agreement, there are no other binding agreements with respect to the transaction, including no exclusivity. Furthermore, pursuant to a press release issued by DOR on March 6, 2007, they have retained an investment banker to assist them in a sale of the company and indicate that they are speaking to other parties in addition to Cell Therapeutics. The current terms being discussed would involve the issuance of shares of common stock by Cell Therapeutics representing less than 20% of Cell Therapeutics so therefore no shareholder approval would be required by the Cell Therapeutics shareholders under Washington law or the Nasdaq Stock Market, although this could change as the discussions remain at an early stage. Cell Therapeutics intended for its indication of interest in DOR to be kept confidential, however DOR has publicly disclosed such discussions. Cell Therapeutics would not have considered adding any discussion about this transaction in its proxy statement but felt it was necessary given the disclosure by DOR. We do not believe that compliance with Note A to Schedule 14A is appropriate (nor possible) given the preliminary nature of the discussions and the unlikely event that DOR would cooperate with us in providing the financial information required (as this would be inconsistent with their stated intent to negotiate with other parties). We further note that DOR is a reporting company and thus any investor who wanted more business or financial information about DOR, could obtain that information by looking to the SEC's website site or DOR's website.

We have added additional disclosure to the proxy statement concerning the status of the proposed combination and whether or not the Cell Therapeutics shareholders will have a vote on such transaction if it moves forward.

The undersigned hereby acknowledges that (a) the Company is responsible for the adequacy and accuracy of the disclosure in the proxy statement, (b) staff comments or changes to disclosure in response to staff comments do not foreclose the Commission from taking any action with respect to the proxy statement, and (c) the Company may not assert staff comments as a defense in any proceeding initiated by the Commission or any person under the federal securities laws of the United States.

Questions or additional comments may be directed to the undersigned at (415) 772-6540.

Sincerely,



Karen Dempsey

cc: Mr. Louis A. Bianco

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common stock. Those warrants are not currently exercisable and will not be exercisable in accordance with their terms until we have a sufficient increase in the authorized shares of common stock to allow exercise. Adoption of this proposed amendment would not affect the rights of the holders of our currently outstanding common stock.

We engage in periodic discussions with potential partners, strategic investments and acquisition candidates, including product lines, as part of our business model. For example, on January 17, 2007, we sent an unsolicited letter to senior management and the board of directors of DOR BioPharma, Inc. ("DOR") outlining the potential key terms of a proposed business combination with DOR and us. DOR made this offer public pursuant to a Form 8-K it filed with the SEC on January 19, 2007. Should we pursue this proposed transaction with DOR, we would expect the principal terms of the offer to include the issuance of shares of our common stock representing up to 19.9% of our outstanding common stock at that time and additional contingent value rights payable in cash upon the achievement of certain milestones with regard to one of DOR's products. Were we to proceed with this transaction on the proposed terms, our shareholders would not be entitled to vote on the transaction under Washington state law or the rules of the NASDAQ Stock Market. According to a press release issued by DOR on March 6, 2007, DOR has retained an investment bank to assist DOR in evaluating acquisition interest it has received from several parties, including but not limited to our proposal. There can be no assurance that we will proceed with this transaction or that any proposal we negotiate will be acceptable to DOR or its shareholders. Additional business and financial information regarding DOR can be found in that company's reports with the SEC on both the SEC's website, www.sec.gov, and DOR's website, www.dorbiopharma.com. Should we continue to pursue this proposed business combination, we would need to increase our authorized shares of common stock. In addition, as noted in our periodic filings, we need to raise cash from financing sources in order to fund our ongoing operations and therefore engage in discussions with various financing sources regarding share issuances from time to time. If any of these discussions came to a definitive understanding, it is possible that we could use some or all of the newly authorized shares in connection with one or more such transactions subsequent to the increase in the number of authorized shares. We also plan to continue to issue shares of our common stock pursuant to our stock incentive plans subsequent to the increase in the number of authorized shares. Subject to the above, however, as of March 12, 2007, we have no plan, commitment, arrangement, understanding or agreement, either oral or written, regarding the issuance of common stock in connection with one or more such transactions subsequent to the increase in the number of authorized shares.

We anticipate that we may issue additional shares of common stock in the future in connection with one or more of the following:

- acquisitions;
- strategic investments;
- partnerships, collaborations and other similar transactions;
- corporate transactions, such as stock splits or stock dividends;
- financing transactions, such as public or private offerings of common stock or convertible securities;
- our stock incentive plans; and
- other corporate purposes that have not yet been identified.

As of March 12, 2007, we had approximately 1,100,000 authorized, unissued and unreserved shares of common stock. In order to provide our board of directors with certainty and flexibility to undertake such transactions to support our future business growth, our board of directors deems it is in the best interests of our shareholders and the company to increase the number of authorized shares of our common stock.