Congress of the United States

Washington, D.C. 20515

February 20, 2020

The President
The White House
1600 Pennsylvania Avenue, Northwest
Washington D.C. 20500

Dear Mr. President:

As the world works to confront the coronavirus disease 2019 (COVID-19) health threat, we are proud that the United States is a leader in developing a new vaccine and new treatments to protect patients. We write to ask you to ensure that any vaccine or treatment developed with U.S. taxpayer dollars be accessible, available, and affordable. That goal cannot be met if pharmaceutical corporations are given authority to set prices and determine distribution, putting profit-making interests ahead of public health priorities. Americans deserve to know that they will benefit from the fruits of their public investments.

Specifically, we urge the Department of Health and Human Services (HHS) not to provide an exclusive license to any private manufacturer for a coronavirus vaccine or treatment in any government grants, contracts, or licensing arrangements. Providing exclusive monopoly rights could result in an expensive medicine that is inaccessible, wasting public resources and putting public health at risk in the United States and around the globe. If HHS or any other federal agency moves forward with such a proposal, we urge you to instead issue a limited license and implement requirements that a vaccine or treatment be made available at an affordable price. You should also allow HHS to intervene if a manufacturer prices a COVID-19 vaccine or treatment at an excessive level. Such action is particularly critical for vaccines, which are most effective when the vast majority of the public is immunized; you must use every tool of the federal government to ensure a coronavirus vaccine is affordable and accessible.

Last month, Dr. Anthony Fauci, Director of the National Institute of Allergy and Infectious Diseases (NIAID) indicated that a vaccine to prevent COVID-19 could begin initial clinical trials within three months. This rapid development is only possible because of public, taxpayer funding of NIH research on coronaviruses.[1] An investigative report released today revealed that while pharmaceutical companies have devoted startlingly little resources to research and development relating to coronaviruses, NIH has spent nearly $700 million on coronavirus research and development. While much of this funding focused on early-stage research, all six active coronavirus clinical trials that began prior to the COVID-19 outbreak received public and taxpayer support.[2]

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[1]Bloomberg Law, "Coronavirus Vaccine Candidate Eyed for Human Trials by April (1)," January 22, 2020, https://news.bloomberglaw.com/health-law-and-business/coronavirus-vaccine-candidate-eyed-for-human-trials-by-april.

[2]Public Citizen, "Blind Spot: How the COVID-19 Outbreak Shows the Limits of Pharma's Monopoly Model," February 20, 2020, https://www.citizen.org/article/blind-spot/.

We are concerned that your Administration has already indicated its willingness to invest heavily in public-private partnerships without any conditions in place to guarantee affordable drug pricing and access. On February 4, 2020, the HHS Biomedical Advanced Research and Development Authority (BARDA) announced a partnership with Regeneron—a biotechnology company with the two highest paid executives in the entire pharmaceutical industry—to develop an experimental treatment for COVID-19.[3] Under the terms of the agreement, BARDA will pay for 80 percent of research, development, manufacturing costs for promising treatments.[4] BARDA has also already paid up to $8.9 million to Regeneron to support the development of a Middle East respiratory syndrome (MERS) coronavirus treatment, including packaging and labeling costs; Investigational New Drug Application costs, and clinical trial costs.[5] Although the U.S. government has utilized taxpayer resources to subsidize a large portion of Regeneron's work on coronavirus treatments in recent years, there must be guardrails in place to prevent Regeneron from monopolizing the medicine and maximizing profits.

You have repeatedly called for action to lower drug prices and know that unjustifiably high drug prices are one of the most pressing public health concerns we face today. We should not grant any manufacturer a blank check to monopolize a coronavirus vaccine or treatment developed with public, taxpayer support. Without aggressive action to protect public health, we are fearful that Americans and people in lower- and middle-income countries will not be adequately protected against current and future coronavirus outbreaks.

We look forward to your response and to working with your Administration to ensure that the price of a coronavirus vaccine or treatment does not threaten public health by deterring access to these vital therapies both at home and abroad.

Sincerely,

JAN SCHAKOWSKY
Member of Congress

LLOYD DOGGETT
Member of Congress

[3]U.S. Department of Health and Human Services, "HHS, Regeneron Collaborate to Develop 2019-nCoV Treatment," February 4, 2020, https://www.hhs.gov/about/news/2020/02/04/hhs-regeneron-collaborate-to-develop-2019-ncov-treatment.html. Institute for New Economic Thinking, "Financialization of the U.S. Pharmaceutical industry," https://www.ineteconomics.org/uploads/papers/Lazonick_financialization.pdf.

[4]Regeneron, "Regeneron Announces Expanded Collaboration with HHS to Develop Antibody Treatments for New Coronavirus," February 4, 2020, https://newsroom.regeneron.com/index.php/news-releases/news-release-details/regeneron-announces-expanded-collaboration-hhs-develop-antibody; "Regeneron Announces New Collaborations with HHS to Develop Antibodies Against Ebola, Influenza and Multiple Other Emerging Pathogens," October 2, 2017, https://investor.regeneron.com/news-releases/news-release-details/regeneron-announces-new-collaborations-hhs-develop-antibodies.

[5]Regeneron, "Regeneron Announces Agreement with BARDA for the Manufacturing and Testing of New Antibodies Against MERS Virus," August 22, 2016, https://newsroom.regeneron.com/news-releases/news-release-details/regeneron-announces-agreement-barda-manufacturing-and-testing?ReleaseID=985099.

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CC: The Honorable Alex M. Azar II, Secretary of Health and Human Services
The Honorable Dr. Francis Collins, Director of the National Institutes of Health
The Honorable Dr. Robert Kadlec, Assistant Secretary for Preparedness and Response
Dr. Anthony Fauci, Director of the National Institute of Allergy and Infectious Diseases
Dr. Rick Bright, Director of the Biomedical Advanced Research and Development Authority