

Jay Timmons
President and CEO

The Honorable Antony Blinken Secretary of State U.S. Department of State 2201 C St. NW Washington, DC 20520

The Honorable Gina Raimondo Secretary of Commerce U.S. Department of Commerce 1401 Constitution Ave. NW Washington, DC 20520

The Honorable Katherine Tai United States Trade Representative 600 17th St. NW Washington, DC 20508 July 26, 2022

The Honorable Jacob Sullivan
Assistant to the President for National
Security Affairs
National Security Council
The White House
1600 Pennsylvania Ave. NW
Washington, DC 20500

The Honorable Brian Deese Director National Economic Council The White House 1600 Pennsylvania Ave. NW Washington, DC 20500

The Honorable Ashish Jha Coordinator of the COVID-19 Response and Counselor to the President The White House 1600 Pennsylvania Ave. NW Washington, DC 20500

Dear Secretary Blinken, Secretary Raimondo, Ambassador Tai, Mr. Sullivan, Mr. Deese and Dr. Jha:

Throughout the COVID-19 pandemic, manufacturers in the U.S. have taken extraordinary steps to save lives, including partnering with governments and businesses across the supply chain to create and distribute vaccines, therapeutics, personal protective equipment and other essential products at an unprecedented speed.

Manufacturers have been vocal supporters of U.S. policies that clearly, decisively and effectively leverage trade and innovation to expand global production and access to these critical products. The administration has taken critical steps to purchase and deliver vaccines to countries around the world, purchasing and donating more than 575 million U.S.-manufactured vaccines and encourage our partner countries to step up their efforts.¹

The industry's commitment to the global fight against the pandemic has been unwavering, even as it battles rising inflation, supply chain disruptions and an ongoing workforce crisis. This has included partnerships with governments, global institutions and other organizations to provide vaccines, diagnostics and therapeutics. Intellectual property protections have made all of this possible, providing incentives for rapid development of these products and the legal certainty to enable manufacturing partnerships that support well-paying jobs for American workers and boost U.S. technology leadership.

¹ U.S. Department of State, "COVID-19 Vaccine Donations," accessed on July 22, 2022.

Innovative manufacturers in many sectors were therefore deeply disappointed by the decision at the recent World Trade Organization ministerial conference to weaken those IP protections for COVID-19 vaccines. That decision undercuts American innovation, competitiveness and technology leadership in ways that will threaten the jobs of manufacturing workers, while also allowing our rivals to unfairly seize American innovation to benefit their domestic economies. Moreover, it undermines efforts to develop critical innovative products needed to fight both this and future pandemics.

The agreement also includes troubling language that allows countries to further weaken IP protections. One provision would require WTO members to consider expanding the agreement beyond vaccines to include diagnostics and therapeutics within the next six months. Countries that have long sought to undermine American innovation and weaken global rules that boost our innovation and competitiveness are already pressing the U.S. and other countries to agree to this expansion.

An expanded waiver would also do nothing to address our biggest current challenges related to pandemic response, including supply chains and distribution and demand for critical pandemic products. Instead, it could exacerbate these challenges by stressing the supply of critical inputs for manufacturers ramping up production and by distracting policymakers from effective solutions to these issues. An expanded waiver would also threaten U.S. manufacturing innovation in many other sectors, including digital technology, green technology or agricultural technology, by making it easier for countries to expropriate IP.²

The U.S. has consistently expressed support for a limited waiver for vaccines, in spite of consistent opposition from manufacturers. The U.S. has also not supported any additional exceptions to the IP rules that protect U.S. innovation. Manufacturers respectfully urge the administration to stand with manufacturers to firmly oppose the expansion of the waiver to diagnostics and therapeutics. The U.S. should drive international consensus by shifting the conversation from an expanded waiver to practical, effective initiatives at the WTO, G7, G20 and other fora that can strengthen innovation and access to address COVID-19.

The NAM and its members stand ready to work with you and your agencies in support of real solutions to this ongoing pandemic and to ensure that the U.S. and the world are well positioned to respond to future health crises.

Sincerely,

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² As an illustration of the reality of this risk, see <u>remarks from U.N. Secretary General Antonio Guterres in May 2022</u> calling for countries to "remove intellectual property constraints" to technology transfer in the context of renewable energy technologies.