

Ursula von der Leyen European Commission President European Commission Rue de la Loi, 200 1049 Brussels Belgium

Joe Biden
President of the United States
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500
United States of America

3 June 2021

Subject: Urgent Call to Achieve a Swift and Comprehensive COVID-19 WTO TRIPS Waiver

Dear President von der Leyen, Dear President Biden,

We write to you on behalf of the Transatlantic Consumer Dialogue, a forum of U.S. and EU consumer organizations, to urge you to put your full effort into achieving the speedy adoption of the "Waiver from Certain Provisions of the TRIPS Agreement for the Prevention, Containment and Treatment of COVID-19" submitted by India and South Africa and supported by more than 100 nations at the World Trade Organization (WTO). We were heartened by recent announcements from your governments that you would discuss this waiver and thank you for your leadership.

The United States has made clear that it will engage in text-based negotiations, and we appreciate the statement from U.S. Trade Representative Tai that the extraordinary threat of the pandemic and need to save lives require extraordinary action. EU statements leave room for ambiguity with respect to whether the EU will engage in textual negotiations at the WTO.

We encourage you to confirm that you will move quickly to text-based negotiations on the proposal from India and South Africa to secure a waiver that covers all COVID-19 health technologies, including vaccines, tests/diagnostics and therapeutics. A comprehensive waiver would remove IP obstacles to ramp up production of COVID-19 vaccines, treatments and diagnostic tests to cover global demand. This is essential not only for U.S. and EU residents being safe from COVID-19 and our economies reviving, but also for the health and economic recovery of the world.

Nearly 400 Members of the European Parliament (MEPs) and of national Parliaments across the EU have signed a joint appeal supporting the waiver. They add to 175 Nobel laureates and former heads of state from across the political spectrum, the Director General of the World Health Organization (WHO), scientists, trade unions, 400 global civil society organizations and the general public. Across the Atlantic, the majority of House Democrats (110 U.S. members of Congress), ten U.S. senators, 60% of U.S. voters and many hundreds of U.S. civil society organizations support the waiver.

Amid growing demand for the waiver around the world, we felt it important to add the consumer perspective and call on you to avoid repeating the tragedy of the HIV/AIDS crisis. In the late 1990s, millions of people in developing countries were dying from AIDS because pharmaceutical firms refused to provide affordable access to the medicines that made AIDS a treatable chronic disease for those who could afford lifesaving drugs. After the U.S. and EU blocked reforms and needless millions died and economies lost decades of progress, a global campaign demanding changes at the WTO finally resulted in the 2001 "Doha Declaration" that clarified/confirmed flexibilities for governments to mitigate the negative impacts that intellectual property (IP) rules have on access to medicines.

While the reforms of the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) between 2001 and 2003 were important, there remain concerns about the existing TRIPS norms, particularly as they relate to restrictions on exports of products manufactured under a compulsory license, ability by countries with no or insufficient pharmaceutical manufacturing capacity to make use of compulsory licenses, and the provisions in the TRIPS that concern confidential information, including manufacturing know-how. And since Doha, both the United States and European Union have continued to pressure countries to refrain from using those flexibilities.

Now, with global production and thus supply limited, many people in low- and middle-income countries around the globe will not have COVID-19 vaccine access until at least 2022, and most of the world's poorest countries will have to wait until 2024 for mass immunization if current trends continue. Such global inequity is a catastrophic moral failure that will lead to needless suffering and loss of life. Ongoing outbreaks anywhere also mean greater risk of new variants developing that can evade the antibodies developed by survivors and/or against which vaccines are not effective. There simply is no way to defeat the pandemic in the United States or in Europe without ensuring people elsewhere have access to vaccines, treatments, and diagnostics. No one is safe until everybody is safe.

Without global action, the health crisis and resulting economic crisis in our own countries and worldwide will continue. A recent <u>International Chamber of Commerce report</u> concluded that the current best-case scenario of wealthy nations being fully vaccinated by 2021 and poor countries largely shut out could cause economic losses exceeding \$9 trillion. Nearly half of those costs would be absorbed by wealthy countries.

The temporary, emergency COVID-19 waiver, proposed by India and South Africa and now co-sponsored by 63 countries, is a positive measure to expand the availability of vaccines, tests and treatments. Such a waiver makes all the more sense given that governments worldwide, particularly the United States and the European Union, provided billions in upfront payments to the pharmaceutical industry to support development and production of COVID-19 health technologies. However, now few corporations control where and how much vaccine is made. Even as some firms holding vaccine monopolies have contracted others to manufacture, there is insufficient supply. Thus, while U.S. and EU support to programs like COVAX is important, deliveries have been delayed due to the above-mentioned limited manufacturing capacities, and governments need the option of pursuing all avenues to expand production of vaccines.

Contrary to what pharmaceutical interests and allies/proxies in Washington, Brussels, and Geneva have been claiming, vaccine makers stand to make significant profits whether or not there is a waiver due to the extraordinary and unmet demand. Pfizer and Moderna recently revealed COVID-19 vaccine expected revenue of \$26 billion and \$19.2 billion respectively in 2021 alone. And importantly, a waiver of the TRIPS rules does not waive, circumvent or otherwise obviate domestic laws that require compensation for "compulsory" or "required" licensing.

Supporting this waiver is the right thing to do in and of itself. It should go hand in hand with the transfer of know-how, for example through the WHO COVID-19 Technology Access Pool (C-TAP), support for the proposed WHO vaccine manufacturing technology transfer hub and measures to make manufacturing know-how a truly global public good. In addition, it is important to lift export restrictions targeting vaccines. Ending the COVID-19 pandemic as quickly

as possible worldwide is necessary to protect the health of U.S. and European residents and <u>reboot the global economy</u> on which so much of the U.S. and EU economies rely.

Thus, we respectfully call on you to take a leadership role in ensuring the speediest adoption of the temporary, emergency COVID-19 WTO waiver of certain TRIPS provisions to create the legal certainty governments and manufacturers around the world need to scale up production of vaccines, treatments, and diagnostics.

Sincerely,

Monique Goyens

Director General, BEUC EU Co-Chair of TACD

Edund Mierzwinder

Edmund Mierzwinski

Senior Director, Consumer Programmes, U.S. PIRG US Co-Chair of TACD

<u>C/c:</u>

- Valdis Dombrovskis, Executive Vice-President of the European Commission and Commissioner for Trade;
- Stella Kyriakides, Commissioner for Health and Food Safety
- Katherine Tai, United States Trade Representative