

March 25, 2022

Katherine Tai United States Trade Representative 600 17<sup>th</sup> Street NW Washington, DC 20508

Dear Ambassador Tai.

On behalf of the Pharmaceutical Industry Labor-Management Association, which advances the dual goals of fostering innovation of life-saving cures and securing high-quality union construction jobs, I write to convey grave concern regarding a reported "compromise outcome" that the United States has reached with the European Union, India, and South Africa that would weaken intellectual property protections critical to supporting the jobs of PILMA-affiliated skilled union workers and their families.

When we wrote to you last year, we noted that intellectual property is not an impediment to global vaccination, but rather has been a critical tool in incentivizing American companies to invest billions in research and development, including the construction of high-quality research and manufacturing facilities that can be built only by the most highly-skilled workers. In fact, there is now broad consensus that supply is sufficient to meet demand. Thanks in no small part to the efforts of hard-working Americans, the World Health Organization states that "[w]ith global vaccine production now at nearly 1.5 billion doses per month, there is enough supply to achieve our targets, provided they are distributed equitably. This is not a supply problem; it's an allocation problem." [1]

While evidence clearly demonstrates that weakening IP would not contribute in any way to addressing the pandemic, it remains equally clear that eroding IP protections here in the U.S. and around the world would directly result in a loss of jobs for our union members. It is particularly concerning that, while USTR has to date limited its public support for a potential waiver to vaccines, the proposal that USTR has negotiated reportedly includes a provision that explicitly allows for expansion to include therapeutics and diagnostics. This expansion would threaten the jobs of even more workers in the United States.

In our letter to you in October 2021, we assured you that PILMA stood ready to review any specific proposal that the United States was considering supporting. For a "worker centered" trade agenda to be meaningful, it is vital that all affected stakeholders are given an opportunity to review and provide input on specific proposals the U.S. is considering supporting that could affect American jobs, well in advance of USTR's decision to support such a proposal. We still hold that to fulfill its obligations and to pursue policy in an inclusive, knowledge-based manner, consultation should be made with stakeholder unions as representatives of ordinary American workers, with an opportunity to review and comment on proposed text.

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<sup>[1]</sup> See https://www.who.int/campaigns/vaccine-equity (accessed on 18 March 2022).



We respectfully request that you meet with stakeholders at the earliest opportunity to discuss the details of the U.S. position, and further ask that USTR, before agreeing to any proposal at the World Trade Organization, assess the impact of the proposal on workers in affected sectors of the U.S. economy and publish its assessment, in coordination with the Department of Labor and the U.S. International Trade Commission.

Yours sincerely,

Timothy Dickson Executive Director

Pharmaceutical Industry Labor-Management Association

cc: Hon. Ron Wyden, Chairman, Senate Committee on Finance

Hon. Mike Crapo, Ranking Member, Senate Committee on Finance Hon. Richard Neal, Chairman, House Committee on Ways and Means

Hon. Kevin Brady, Ranking Member, House Committee on Ways and Means

Hon. Ron Klain, White House Chief of Staff