

Use of the Defense Production Act, by both the Trump and Biden administrations, may have helped the United States alleviate manufacturing bottlenecks and quickly scale up vaccine production. Some companies even called on the U.S. government to invoke the DPA on their behalf. But one unintended consequence of ordering suppliers of specialized inputs to prioritize contracts with companies manufacturing vaccines in the United States has been to fuel popular belief, especially abroad, that the DPA is being used to halt exports of these inputs to other countries that desperately need them.

"On behalf of the vaccine industry outside the U.S., I humbly request you to lift the embargo of raw material exports out of the U.S. so that vaccine production can ramp up," Adar Poonawalla, the CEO of the Serum Institute of India, the world's largest vaccine manufacturer, tweeted at Biden on April 16. A few weeks later, French President Emmanuel Macron echoed this concern, calling on the United States to "end export bans not only on vaccines, but on ingredients of those vaccines." Franz-Werner Haas, the CEO of the German vaccine manufacturer CureVac, piled on soon after, telling that because of the DPA "we are simply unable to get certain products out of the U.S." Vaccine makers in South Africa and the United Kingdom have also blamed use of the DPA for their production shortfalls.

But the DPA did not cause the global shortage of vaccine inputs, and ending or altering its use would not by itself fix the problem. The scarcity stems from the sudden need to produce billions of COVID-19 vaccine doses around the world, an unprecedented feat that would have depleted supplies regardless of what the United States did. Still, because it has invoked the DPA without disclosing how exactly it will use the law and whose supplies it will deprioritize, Washington has unwittingly fueled the perception that it is to blame for global supply shortages. The Biden administration should clarify how and when it has used the DPA to fight the coronavirus pandemic and work with partners—especially the European Union and India—to make vaccine-manufacturing supply chains and production processes more transparent.

Much of the anger and confusion over the DPA stems from the veiled circumstances of its use. Neither the Trump administration nor the Biden administration has disclosed the precise terms of its priority contracts, making it difficult to assess the full effects of its actions. What little is publicly known comes mostly from company announcements and news reports.

Trump invoked the DPA <u>sporadically</u> and selectively. After initially downplaying the severity of the pandemic, he used the DPA to

suddenly <u>limit</u> exports of N-95 masks, hospital gloves, and other personal protective equipment. His administration also required U.S. manufacturers of vaccines to \$H7

Although the murky nature of the DPA makes it difficult to assess the full impact

policymakers would be right to prioritize sending scarce equipment and materials to plants manufacturing Johnson & Johnson, Pfizer, and Moderna, the vaccines that the World Health Organization and regulators worldwide have already greenlighted for use.

When it comes to producing vaccines for AstraZeneca, the Serum Institute may have actually benefited from the DPA. In late April, the White House <u>announced</u> that it was <u>sending</u> the Serum Institute special filters that had presumably been bought by a <u>company</u> making the AstraZeneca vaccine in the United States under the Operation Warp Speed contract. In other words,

the U.S. government. Other players need to be more open, too. Much of the international conflict over COVID-19 vaccines and supplies has arisen because no one can reliably determine whether orders have been double-booked.

The United States should therefore work with the EU, India, and other allies to establish a system of global transparency for COVID-19 vaccines and inputest

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