



DEMOCRACY
COLLABORATIVE

July 21, 2021

Subject: Invoke the Defense Production Act to Halt Decommissioning of the Viatris Pharmaceutical Plant

Dear President Biden,

“This is the moment to reimagine and rebuild an American economy for our families and the next generation.”

We, the undersigned 40 organizations, write today to remind you of your own words, describing your signature Build Back Better vision. We ask you to channel these inspiring words into immediate action: intervening today to stop the outsourcing of American jobs and life-saving American-made generic drugs.

On July 31, 2021 our nation’s largest manufacturer of generic pharmaceuticals is scheduled to shut its doors and outsource operations to India. If this happens, nearly 1,500 highly skilled union workers, researchers and scientists - who together can produce more than 18 billion doses of life-saving generic drugs each year - will be laid off, and a critical link in America’s pharmaceutical supply chain will be broken.

For background: Viatris, a corporation created in late 2020 through the combining of Mylan Pharmaceuticals and a Pfizer subsidiary Upjohn announced in December that it planned to permanently shut down operations at the flagship Mylan Pharmaceuticals Plant in Morgantown, West Virginia.

If Viatris succeeds in its plan, the move will leave our country with virtually no domestic production of generic pharmaceuticals. The timing couldn’t be worse -- with international supply chains shaky and the nation of India still firmly in the grip of the Covid-19 pandemic. How do we know that Americans will continue to receive their medications as needed? We simply don’t.

At a moment when public health and the economy are Americans’ top concerns, what could send a more inspiring and reassuring message to the American people than a swift and decisive intervention by your administration to save these 1,500 good American jobs and invest in the domestic production of essential medicine?

Buy American and the use of taxpayer dollars to offshore jobs

Viartis, and its past iterations, have received and will continue to receive billions of taxpayer dollars. The purchase of pharmaceuticals by Medicare, Medicaid, the Veteran Health Administration, and through Affordable Health Care Act provisions, means billions of taxpayer money flows through both the West Virginia plant and Viartis' global operations. Most of the West Virginia jobs are being sent to India so that Viartis can turn around and sell the once-American-made medicines back to Americans at a higher profit.

A threat to our supply chains and the domestic production of critical medicines

Your administration has rightly made "the resilience of critical supply chains" a top priority, especially for medicine. Currently, India manufactures most of our generic pharmaceuticals, with key ingredients and chemicals from China. The President of Viartis, Rajiv Malik, has been cited in the past for altering the safety and production data needed to keep pharmaceutical production and consumption safe. The closure of this plant would shutter the last large generic drug manufacturer in the USA and would even more deeply weaken our supply chains at the same time as the COVID-19 pandemic has exposed our most vulnerable supply chains.

National security and the hollowing out of the American middle class

The closure of the Morgantown Viartis facility would lead to the loss of 1,500 high-wage union jobs, which pay nearly twice the average household income in West Virginia. The state is already one of the poorest in the country and already reeling from the end of the coal era. The Biden administration and National Security Advisor Jake Sullivan have talked much about "implementing a foreign policy for the middle class." Still, Viartis' race to the bottom will only harm America's middle class and national security -- and use our tax-dollars to do so.

Challenging a potential monopoly

Executives at Mylan, the predecessor to Viartis, are well-known for using anticompetitive practices, the Epipen pricing scandal being the most tragic example. In 2007, a two pack epipen was priced at \$50; today it is over \$600. The cost of a generic vial of Epinephrine is \$2.50. A 2019 Kaiser Family Foundation survey of more than a thousand Americans found that 29 percent did not take their medicines as prescribed at some point during the previous year because of cost. The combined drugmaker is projected to reap revenues between \$19 billion and \$20 billion annually, ranking it at the top of the generics industry by a big margin.

A need for industrial strategy

In the absence of a national industrial strategy for US pharmaceutical manufacturing, we have every reason to expect privately held corporations like Viartis will continue outsourcing American jobs and dismantling our manufacturing capacity. Only long-term strategies, like taking the pharmaceutical sector into public ownership, can successfully block key industries and jobs from

being outsourced by corporate interests. Congressional leaders from both parties have proposed a review process for addressing overreliance on foreign countries in our pharmaceutical supply chain.

Our demand

We urge your administration to invoke the Defense Production Act to immediately stop Viatris from dismantling the generic pharmaceutical manufacturing capacity at the Morgantown, WV plant. Using existing executive authority, we urge your administration to immediately convene a task force with labor organizations, public health representatives, economic development representatives, local community representatives, and national security representatives to determine the most strategic use of the plant in terms of the manufacture, packaging, and shipping of critical, life-saving medications, or pharmaceutical inputs. Once a new strategy is in place that aligns the plant's physical assets with our national interests, the plant can be retrofitted as needed and current workers can be rehired.

As President, we are asking you to live up to your campaign promises in a very concrete way. Save this plant to build back better, buy American, protect our supply chains, protect national security by protecting the middle class, and reduce monopoly power in our economy. The alternative looks grim: massive layoffs, drug price hikes and delayed shipments of life-saving medicines. Time is running out. We strongly urge you to use every lever at your disposal to save this plant. If there is a will, there is a way. Please do something.

CC:

Kamala Harris, Vice President of the United States,
Senator Joe Manchin, West Virginia
Senator Shelley Moore Capito, West Virginia
Jake Sullivan, White House National Security Advisor
Xavier Becerra, Secretary of the Department of Health and Human Services
Lina Khan, Chairperson, Federal Trade Commission
Martin Walsh, United States Secretary of Labor
Celeste Drake, Made in America Director, Office of Budget and Management

Signed,

Our Revolution
The Democracy Collaborative
Working Families Party
United Steelworkers
United Steelworkers District 8
United Steelworkers Local 8-957

Social Security Works
Alliance for Retired Americans
Progressive Democrats of America
Campaign for America's Future
People's Action
Demand Progress
Ashland Area Labor Council
Broward for Progress
Consumer Action
CT Citizen Action Group
Doctors for America
Fund for Democratic Communities
Health Care Voices
Hilsbos Family Care, PLLC
Liberty Tree Foundation for the Democratic Revolution
Lower Drug Prices Now
NETWORK Lobby for Catholic Social Justice
Next System Project
Northridge Indivisible
Partners for Dignity & Rights
Physicians for a National Health Program (PNHP). West Virginia Chapter.
PrEP4All
Rights & Democracy NH
Rise Up WV
RootsAction.org
Southern Appalachian Labor School
T1International
Treatment Action Group
Universities Allied for Essential Medicines
Upstream Podcast
USW Local 14614
WV Citizen Action Group
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