

United States Senate

WASHINGTON, DC 20510

June 26, 2017

Oliver Brandicourt
Chief Executive Officer
Sanofi
1455 Pennsylvania Avenue, NW, Suite 500
Washington, D.C. 20004

Dear Mr. Brandicourt:

The U.S. Army, in collaboration with the National Institutes of Health (NIH), has spearheaded efforts to research and develop a Zika vaccine. Last year—after conducting nearly \$10 million in federally funded basic medical research, development, and pre-clinical studies at these agencies—the Army launched a process to partner with Sanofi in order to complete clinical trials, manufacture, and ultimately bring a Zika vaccine to market. Building on the millions of federal taxpayer dollars already invested, Sanofi received \$43 million in funding from the Biomedical Advanced Research and Development Authority, with the potential for an additional \$130 million in U.S. government funding. Given the significant investment of taxpayer dollars and resources toward developing the Zika vaccine, we are deeply troubled by reports that Sanofi is refusing to commit to a licensing agreement that would ultimately ensure a reasonable and affordable price for the finished product. We will continue to urge the Army not to finalize any contracts with your company until such terms are met.

Sanofi's vaccine products are purchased by a variety of U.S. government payers—including Medicaid, CHIP, Medicare, TRICARE, and the Veterans Health Administration, as well as through our support for Gavi, the Global Fund, the United Nations Children's Fund, and the World Health Organization—totaling billions of dollars each year. With the development of a safe and effective Zika vaccine, Sanofi stands to benefit greatly from immediate market opportunities across nearly all of these sources, not to mention from countries all over the world—a financial potential that would surely be promising to competitor pharmaceutical companies. Further, approval by the U.S. Food and Drug Administration of a Zika vaccine would confer upon Sanofi a Priority Review Voucher that would be worth an additional tens of millions of dollars. Given how much taxpayer funded research has contributed to the vaccine development, not to mention how much Sanofi stands to gain financially, we are concerned by reports that your company has refused the Army's offer of a non-exclusive license. It is worth noting that non-exclusive licenses are a fairly common practice; in fact, 95 percent of NIH agreements with industry adhere to this arrangement. Given all this, it is incomprehensible that Sanofi would still seek a monopolistic license from the Army without including a commitment to set an affordable price for this product.

While we appreciate that Sanofi has recently claimed it will limit all future drug price increases to the inflation rate for health care products, this reflects a nominal positive first step. Sanofi could simply deflect attention from price increases by launching new drugs at very high prices, thereby undermining the very practice you claim to be addressing. Our concern regarding

the opportunity for future predatory pricing abuse by Sanofi is reinforced by recent lawsuits against your company for insulin pricing practices, as well as Sanofi's recent \$20 million settlement with the Department of Justice for over-charging the Department of Veterans Affairs.

We believe that, in order to effectively safeguard taxpayer dollars, the Army should not enter into an exclusive licensing agreement with Sanofi unless your company commits to ultimately adopting a fair and appropriate price that ensures public access for the Zika vaccine—which, again, would not be possible without significant federal investments by American taxpayers.

Further, to assist in promoting transparency, we request that Sanofi publicly disclose the following no later than July 15, 2017:

1. Its spending on research and development into the Zika vaccine broken down by year; and
2. The amount of funding Sanofi has received from the U.S. government and U.S. government payers for all research, purchase agreements, and reimbursements for Sanofi's licensed drugs in the last five years.

As Sanofi moves forward in its pursuit of a Zika vaccine, we urge you to commit to licensing language that ultimately guarantees that people worldwide will be able to access this product at a reasonable and responsible price. We will continue to engage with the Army about this subject and welcome any thoughts you may have.

Sincerely,



Richard J. Durbin
United States Senator



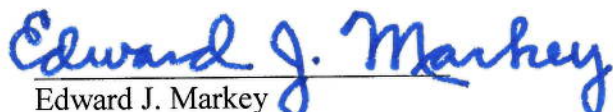
Sherrod Brown
United States Senator



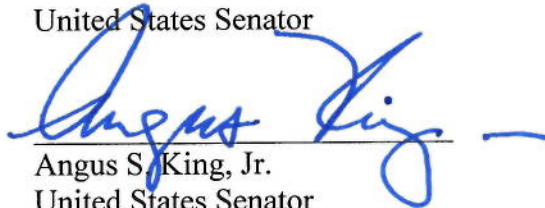
Bernard Sanders
United States Senator



Richard Blumenthal
United States Senator



Edward J. Markey
United States Senator



Angus S. King, Jr.
United States Senator

CC: Lt. Gen. Nadja West, Army Surgeon General, U.S. Army Medical Command
Adam Gluck, Vice President and Head, U.S. Government Relations, Sanofi