

COVID-19 Policy Update

Akin Gump
STRAUSS HAUER & FELD LLP

Administration Pledges to Purchase More Vaccine; Important Nuances Exist in the Details

January 28, 2021

The Biden administration announced on Tuesday, January 26 that it plans to purchase 200 million additional doses of vaccine against COVID-19. Additionally, the administration announced that it plans to increase shipments of vaccine to 10 million doses per week with a three-week window of visibility for states to gain a better understanding of how much vaccine they can expect to receive. The new purchases will increase total U.S. purchases from currently approved manufacturers by about 50 percent, to 600 million total doses.

There are several points that should be considered in light of this recent announcement:

- a. The announcement notes that 200 million more doses were purchased, but the timeline for delivery appears to be after July; prior to this, the federal government had already secured purchase order rights on 600 million doses of vaccine. Many of the existing contracts also included options to exercise additional purchase options, so it's unclear if yesterday's agreement represents a new contract or an exercise of previously existing options.
- b. More important than the total number of vaccines scheduled for delivery six months from now is how quickly vaccine manufacturers can produce and distribute vaccines over the next four months. In the announcement yesterday, the administration indicated it will begin shipping 10 million doses each week, or 40 million doses per month with no immediate sign of further weekly increases in the near future.
- c. There remains some uncertainty about whether all manufacturing targets can be met. Several manufacturers have signed agreements to later find difficulty with respect to sourcing reagents and packaging materials that impact downstream delivery. While the purchase orders are a promising sign, the actual manufacturing and distribution issues remain a critical concern.

Importantly, the announcement does focus on vaccines based on mRNA platforms, which may be easier to reformulate as new viral variants become increasingly problematic and begin to escape current vaccine designs. This latest purchase order and the timeline for delivery may include the possibility for manufacturers to formulate

Contact Information

If you have any questions concerning this alert, please contact:

Mario Ramirez, MD

Consultant

mramirez@akingump.com

Washington, D.C.

+1 202.887.4000

M. Todd Tuten

Senior Advisor

ttuten@akingump.com

Washington, D.C.

+1 202.887.4203

Matthew Hittle

Senior Policy Advisor

mhittle@akingump.com

Washington, D.C.

+1 202.416.4687

Heide Jainrauh

Senior Policy Advisor

hbajnrauh@akingump.com

Washington, D.C.

+1 202.887.4206

Louis T. Agnello

Counsel

lagnello@akingump.com

Washington, D.C.

+1 202.887.4212

these 200 million doses as a modified booster against the United Kingdom, Brazil and South African variants. It's a promising sign that the Biden administration is seeking to secure enough vaccine to protect every American who wants one. It is becoming increasingly clear, however, that for the near-term, there remains uncertainty about manufacturing and distribution capacity, which will remain critical bottlenecks through at least April of this year.

akingump.com