MEMORANDUM TO THE TASK FORCE
THROUGH COS AND NSA
FROM PETER NAVARRO
RE: REQUEST FOR IMMEDIATE ACTION

We face a significant probability of a serious pandemic coronavirus event in the U.S. that may extend well into 2021. In the course of analyzing issues related to the supply chain, I have identified three actions for consideration by the Task Force that should be IMMEDIATELY undertaken. Funding must likewise be identified IMMEDIATELY.

1. Halt the Export of N-95 Masks, Ramp Up U.S. Production

China produces about half of the world’s N-95 masks – the mask likely most effective against coronavirus. China has nationalized foreign companies (like America’s 3M) and is prohibiting N-95 mask exports. According to HHS, China is seeking to buy equipment in a U.S. factory and export it to China. Other countries are, or are considering, a similar export ban on masks.

The U.S. has four small companies that produce masks but depends on the rest of the world for about 90% of its supplies.1 Currently, U.S. companies are ramping up but they are exporting much of their production. The U.S. therefore faces the real prospect of a severe mask shortage!

RECOMMENDATIONS

- Halt of the export of all N-95 masks.
- Provide immediate purchase guarantees for all U.S. supplies at maximum production capacity ($10 million estimate)
- Prohibit the sale of U.S. N-95 factory equipment to China
- Over the longer run, enforce Buy American provisions for N-95 masks

2. Buy All Existing U.S. Doses of Remdesivir and BULK MATERIALS

Remdesivir was originally developed to treat Ebola cases. Currently, it has the highest probability of an existing drug for being efficacious for treating coronavirus (2019-nCoV).

Gilead has 4,500 doses on hand at a cost of $2,200 per dose. It also has sufficient bulk material to produce an additional 100,000 doses at the rate of 5,000 per week by the end of February.

RECOMMENDATIONS:

- Immediately purchase the existing 4,500 doses
- Secure the right of first refusal for all doses coming out of the factory
- Enter into a contract to buy all 100,000 additional doses as they are produced. ($220 million)
- Immediately work with Gilead to on-shore ALL STEPS of the Remdesivir supply chain, including chemical-based intermediate production steps that are currently being performed in Canada, to ensure an uninterrupted U.S. supply.

3. **“Manhattan Project” Vaccine Development**

There is currently no vaccine to protect against coronavirus. If we start this week to fast track vaccine development with appropriate funding, we can likely have a vaccine to clinical trials within 7 months and a workable vaccine by October or November, with a production capacity of 150 million doses by the end of the year IF we act NOW.

We don’t yet know what type of vaccine would be safe and effective. Therefore, it is critical the USG invest in multiple shots on goal to ensure that at least one vaccine is realized.

Efforts should be prioritized to focus on US-based vaccine companies with extensive experience with being licensed by the FDA or with significant human safety data. Funding should be flexible to allow for movement from a less optimal candidate to a more favorable one as the science develops.

RECOMMENDATIONS

- Identify 4-5 US-based companies with the experience, infrastructure, skilled labor and resources to most quickly develop a vaccine
- Identify funding for vaccine development ($1B to $3B)
- Place developer contracts within next one to two weeks to incentivize them to 1) prioritize nCoV vaccine development 2) identify and prepare US-based facilities for large scale vaccine production 3) secure sufficient raw materials for large scale production
- Work closely with HHS and FDA to identify critical pathways to accelerate the development and evaluation of the vaccine for human use

I cannot stress how important it is to leave this meeting with a firm decision to immediately advance all three recommendations.

Inaction at this point risks losing our Remdesivir drug supply, our N-95 production capabilities, and any head start we may have on a vaccine for next year.