

106TH CONGRESS
2D SESSION

S. 2132

To create incentives for private sector research related to developing vaccines against widespread diseases and ensure that such vaccines are affordable and widely distributed.

IN THE SENATE OF THE UNITED STATES

MARCH 1, 2000

Mr. KERRY (for himself, Mr. FRIST, and Mrs. MURRAY) introduced the following bill; which was read twice and referred to the Committee on Foreign Relations

A BILL

To create incentives for private sector research related to developing vaccines against widespread diseases and ensure that such vaccines are affordable and widely distributed.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Vaccines for the New
5 Millennium Act of 2000”.

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

1 (1) Vaccines are among the most cost-effective
2 weapons in the arsenal of modern medicine to stop
3 the spread of contagious diseases and strengthen an
4 individual's immune system to resist a wide range of
5 infectious diseases, and vaccines offer a relatively in-
6 expensive means of lowering a society's overall cost
7 of medical care.

8 (2) Every year, up to 3,000,000 children's lives
9 are saved as the result of early childhood immuniza-
10 tions. But almost 3,000,000 more lives worldwide
11 are lost from diseases that could be prevented with
12 existing vaccines.

13 (3) Today, 1 in 4 children do not receive the 6
14 basic vaccinations: polio, diphtheria, whooping cough,
15 tetanus, measles, and tuberculosis. The proportion of
16 children immunized against these 6 diseases has de-
17 clined in recent years, from approximately 80 per-
18 cent in 1990 to 74 percent in 1998.

19 (4) Safe, effective, and universal immunization
20 is a means to end the tragedy of avoidable childhood
21 deaths, and a means to improve the overall health,
22 productivity, and security of society.

23 (5) As well as the challenges of increasing ac-
24 cess to existing vaccines, there are additional chal-
25 lenges for research and development of new vaccines.

1 Over 5,000,000 people die annually from HIV, tu-
 2 berculosis, and malaria. Vaccines against these in-
 3 fectionous diseases are urgently needed.

4 (6) The spread of HIV is a human tragedy that
 5 is reversing previous gains in life expectancy and ex-
 6 acerbating poverty in developing countries. Over
 7 33,000,000 people are infected with HIV, and the
 8 disease will kill more than 2,500,000 people this
 9 year. More than 11,000,000 children worldwide have
 10 been orphaned by AIDS and 16,000 people become
 11 newly infected every day.

12 (7) While an estimated \$2,000,000,000 is spent
 13 annually on research for AIDS treatment, much of
 14 it by the private sector, the total global research and
 15 development for preventive HIV vaccines is substan-
 16 tially less, perhaps as little as \$300,000,000, and of
 17 the amount spent on lifesaving vaccine research,
 18 only a fraction is financed by private sector drug
 19 manufacturers.

20 (8) Between 7,000,000 and 8,000,000 individ-
 21 uals develop active tuberculosis every year and
 22 2,000,000 to 3,000,000 individuals die from tuber-
 23 culosis each year, with tuberculosis accounting for
 24 more than $\frac{1}{4}$ of all preventable adult deaths in de-
 25 veloping countries. An individual is newly infected

1 with tuberculosis every second, and someone dies of
2 tuberculosis every 10 seconds.

3 (9) Each year, 300,000,000 to 500,000,000 in-
4 dividuals become ill with malaria, and approximately
5 1,000,000 individuals die from the disease, exacting
6 an enormous toll in lives, medical costs, and lost
7 productivity. The majority of those who die from
8 malaria are children under the age of 5. One person
9 dies from malaria every 30 seconds.

10 (10) While additional public funds for basic re-
11 search are critical in the effort to find vaccines for
12 HIV, malaria, and tuberculosis, equally important is
13 a concerted effort by private sector drug manufac-
14 turers to find vaccines for these 3 major infectious
15 diseases.

16 (11) Additional, targeted public subsidies for
17 private sector lifesaving vaccine research and devel-
18 opment are justified on the basis that achieving ef-
19 fective and affordable vaccines for HIV, malaria,
20 and tuberculosis will yield public benefits beyond
21 those benefits captured by the manufacturer.

22 **SEC. 3. UNIVERSAL EARLY CHILDHOOD IMMUNIZATIONS.**

23 Section 104(c)(3) of the Foreign Assistance Act of
24 1961 (22 U.S.C. 2151b(c)(3)) is amended in the fourth
25 sentence by striking “the protection of” and all that fol-

1 lows through “1991” and inserting “the universal protec-
 2 tion of all children from immunizable diseases by Decem-
 3 ber 31, 2009”.

4 **SEC. 4. VOLUNTARY CONTRIBUTION TO GLOBAL ALLIANCE**
 5 **FOR VACCINES AND IMMUNIZATIONS AND**
 6 **INTERNATIONAL AIDS VACCINE INITIATIVE.**

7 (a) AUTHORIZATION OF APPROPRIATIONS.—Section
 8 302 of the Foreign Assistance Act of 1961 (22 U.S.C.
 9 2222) is amended by adding at the end the following:

10 “(j) In addition to amounts otherwise available under
 11 this section, there are authorized to be appropriated to
 12 the President for fiscal year 2001 an amount not in excess
 13 of \$50,000,000 and for fiscal year 2002 an amount not
 14 in excess of \$100,000,000 to be available only for United
 15 States contributions to the Global Alliance for Vaccines
 16 and Immunizations.

17 “(k) In addition to amounts otherwise available under
 18 this section, there are authorized to be appropriated to
 19 the President for fiscal year 2001 \$10,000,000 and for
 20 fiscal year 2002 \$20,000,000 to be available only for
 21 United States contributions to the International AIDS
 22 Vaccine Initiative.”.

23 (b) REPORT.—The President shall include in the July
 24 1 report submitted to Congress under section 305(b)(1)
 25 of the Foreign Assistance Act of 1961 (22 U.S.C.

1 2226(b)(1)) for fiscal years 2001 and 2002 a report on
 2 the effectiveness of the Global Alliance for Vaccines and
 3 Immunizations in meeting the goals of—

4 (1) improving access to sustainable immuniza-
 5 tion services;

6 (2) expanding the use of all existing, safe, and
 7 cost-effective vaccines where they address a public
 8 health problem;

9 (3) accelerating the development and introduc-
 10 tion of new vaccines and technologies;

11 (4) accelerating research and development ef-
 12 forts for vaccines needed primarily in developing
 13 countries; and

14 (5) making immunization coverage a center-
 15 piece in international development efforts.

16 **SEC. 5. CREDIT FOR MEDICAL RESEARCH RELATED TO DE-**
 17 **VELOPING VACCINES AGAINST WIDESPREAD**
 18 **DISEASES.**

19 (a) IN GENERAL.—Subpart D of part IV of sub-
 20 chapter A of chapter 1 of the Internal Revenue Code of
 21 1986 (relating to business related credits) is amended by
 22 adding at the end the following new section:

1 **“SEC. 45D. CREDIT FOR MEDICAL RESEARCH RELATED TO**
 2 **DEVELOPING VACCINES AGAINST WIDE-**
 3 **SPREAD DISEASES.**

4 “(a) GENERAL RULE.—For purposes of section 38,
 5 the vaccine research credit determined under this section
 6 for the taxable year is an amount equal to 50 percent of
 7 the excess (if any) of—

8 “(1) the qualified vaccine research expenses for
 9 the taxable year, over

10 “(2) the base amount.

11 “(b) QUALIFIED VACCINE RESEARCH EXPENSES.—
 12 For purposes of this section—

13 “(1) QUALIFIED VACCINE RESEARCH EX-
 14 PENSES.—

15 “(A) IN GENERAL.—Except as otherwise
 16 provided in this paragraph, the term ‘qualified
 17 vaccine research expenses’ means the amounts
 18 which are paid or incurred by the taxpayer dur-
 19 ing the taxable year which would be described
 20 in subsection (b) of section 41 if such sub-
 21 section were applied with the modifications set
 22 forth in subparagraph (B).

23 “(B) MODIFICATIONS.—For purposes of
 24 subparagraph (A), subsection (b) of section 41
 25 shall be applied—

1 “(i) by substituting ‘vaccine research’
 2 for ‘qualified research’ each place it ap-
 3 pears in paragraphs (2) and (3) of such
 4 subsection, and

5 “(ii) by substituting ‘75 percent’ for
 6 ‘65 percent’ in paragraph (3)(A) of such
 7 subsection.

8 “(C) EXCLUSION FOR AMOUNTS FUNDED
 9 BY GRANTS, ETC.—The term ‘qualified vaccine
 10 research expenses’ shall not include any amount
 11 to the extent such amount is funded by any
 12 grant, contract, or otherwise by another person
 13 (or any governmental entity).

14 “(2) VACCINE RESEARCH.—

15 “(A) IN GENERAL.—The term ‘vaccine re-
 16 search’ means research to develop vaccines and
 17 microbicides for—

18 “(i) malaria,

19 “(ii) tuberculosis,

20 “(iii) HIV, or

21 “(iv) any infectious disease (of a sin-
 22 gle etiology) that is determined by the Sec-
 23 retary of Health and Human Services
 24 (after consultation with the Director of the
 25 Center for Disease Control and Prevention

1 and the Administrator of the United States
2 Agency for International Development) to
3 cause the deaths of over 1,000,000 people
4 worldwide each year.

5 “(B) MICROBICIDE.—The term
6 ‘microbicide’ means a substance used topically
7 for prevention from infection by an identified
8 pathogen.

9 “(C) VACCINE.—The term ‘vaccine’ means
10 a product using all or portions of the disease-
11 causing organism or nucleic acid sequences for
12 prevention from infection by an identified
13 pathogen.

14 “(c) BASE AMOUNT.—For purposes of this section,
15 the term ‘base amount’ means the amount which would
16 be determined for the taxable year under section 41(c)
17 (without regard to paragraph (4) thereof) if such sub-
18 section were applied by substituting ‘qualified vaccine re-
19 search expenses’ for ‘qualified research expenses’ each
20 place it appears.

21 “(d) COORDINATION WITH CREDIT FOR INCREASING
22 RESEARCH EXPENDITURES.—Any qualified vaccine re-
23 search expenses for a taxable year to which an election
24 under this section applies shall not be taken into account

1 for purposes of determining the credit allowable under sec-
 2 tion 41 for such taxable year.

3 “(e) SPECIAL RULES.—

4 “(1) CERTAIN RULES MADE APPLICABLE.—

5 Rules similar to the rules of paragraphs (1) and (2)
 6 of section 41(f) shall apply for purposes of this sec-
 7 tion.

8 “(2) ELECTION.—This section (other than sub-
 9 section (f)) shall apply to any taxpayer for any tax-
 10 able year only if such taxpayer elects to have this
 11 section apply for such taxable year.

12 “(f) SHAREHOLDER EQUITY INVESTMENT CREDIT IN
 13 LIEU OF RESEARCH CREDIT.—

14 “(1) IN GENERAL.—For purposes of section 38,
 15 the vaccine research credit determined under this
 16 section for the taxable year shall include an amount
 17 equal to 25 percent of the amount paid by the tax-
 18 payer to acquire qualified research stock in a cor-
 19 poration if—

20 “(A) the amount received by the corpora-
 21 tion for such stock is used within 18 months
 22 after the amount is received to pay qualified
 23 vaccine research expenses of the corporation for
 24 which a credit would (but for subparagraph (B)

1 and subsection (d)(3)) be determined under this
 2 section, and

3 “(B) the corporation waives its right to the
 4 credit determined under this section for the
 5 qualified vaccine research expenses which are
 6 paid with such amount.

7 “(2) QUALIFIED RESEARCH STOCK.—For pur-
 8 poses of paragraph (1), the term ‘qualified research
 9 stock’ means any stock in a C corporation—

10 “(A) which is originally issued after the
 11 date of the enactment of the Vaccine for the
 12 New Millennium Act of 2000,

13 “(B) which is acquired by the taxpayer at
 14 its original issue (directly or through an under-
 15 writer) in exchange for money or other property
 16 (not including stock), and

17 “(C) as of the date of issuance, such cor-
 18 poration meets the gross assets tests of sub-
 19 paragraphs (A) and (B) of section
 20 1202(d)(1).”.

21 (b) INCLUSION IN GENERAL BUSINESS CREDIT.—

22 (1) IN GENERAL.—Section 38(b) of the Internal
 23 Revenue Code of 1986 (relating to current year
 24 business credit) is amended by striking “plus” at the
 25 end of paragraph (11), by striking the period at the

1 end of paragraph (12) and inserting “, plus”, and
 2 by adding at the end the following new paragraph:

3 “(13) the vaccine research credit determined
 4 under section 45D.”.

5 (2) TRANSITION RULE.—Section 39(d) of such
 6 Code (relating to transitional rules) is amended by
 7 adding at the end the following new paragraph:

8 “(9) NO CARRYBACK OF SECTION 45D CREDIT
 9 BEFORE ENACTMENT.—No portion of the unused
 10 business credit for any taxable year which is attrib-
 11 utable to the vaccine research credit determined
 12 under section 45D may be carried back to a taxable
 13 year ending before the date of the enactment of sec-
 14 tion 45D.”.

15 (c) DENIAL OF DOUBLE BENEFIT.—Section 280C of
 16 the Internal Revenue Code of 1986 (relating to certain
 17 expenses for which credits are allowable) is amended by
 18 adding at the end the following new subsection:

19 “(d) CREDIT FOR QUALIFIED VACCINE RESEARCH
 20 EXPENSES.—

21 “(1) IN GENERAL.—No deduction shall be al-
 22 lowed for that portion of the qualified vaccine re-
 23 search expenses (as defined in section 45D(b)) oth-
 24 erwise allowable as a deduction for the taxable year

1 which is equal to the amount of the credit deter-
 2 mined for such taxable year under section 45D(a).

3 “(2) CERTAIN RULES TO APPLY.—Rules similar
 4 to the rules of paragraphs (2), (3), and (4) of sub-
 5 section (c) shall apply for purposes of this sub-
 6 section.”.

7 (d) DEDUCTION FOR UNUSED PORTION OF CRED-
 8 IT.—Section 196(c) of the Internal Revenue Code of 1986
 9 (defining qualified business credits) is amended by strik-
 10 ing “and” at the end of paragraph (7), by striking the
 11 period at the end of paragraph (8) and inserting “, and”,
 12 and by adding at the end the following new paragraph:

13 “(9) the vaccine research credit determined
 14 under section 45D(a) (other than such credit deter-
 15 mined under the rules of section 280C(d)(2)).”.

16 (e) CLERICAL AMENDMENT.—The table of sections
 17 for subpart D of part IV of subchapter A of chapter 1
 18 of the Internal Revenue Code of 1986 is amended by add-
 19 ing at the end the following new item:

“Sec. 45D. Credit for medical research related to developing vac-
 cines against widespread diseases.”.

20 (f) EFFECTIVE DATE.—The amendments made by
 21 this section shall apply to taxable years ending after the
 22 date of the enactment of this Act.

23 (g) DISTRIBUTION OF VACCINES DEVELOPED USING
 24 CREDIT.—It is the sense of Congress that if a tax credit

1 is allowed under section 45D of the Internal Revenue Code
2 of 1986 to any corporation or shareholder of a corporation
3 by reason of vaccine research expenses incurred by the
4 corporation in the development of a vaccine, such corpora-
5 tion should certify to the Secretary of the Treasury that,
6 within 1 year after that vaccine is first licensed, such cor-
7 poration will establish a good faith plan to maximize inter-
8 national access to high quality and affordable vaccines.

9 (h) STUDY.—The Secretary of the Treasury, in con-
10 sultation with the Institute of Medicine, shall conduct a
11 study of the effectiveness of the credit under section 45D
12 of the Internal Revenue Code of 1986 in stimulating vac-
13 cine research. Not later than the date which is 4 years
14 after the date of the enactment of this Act, the Secretary
15 shall submit to the Congress the results of such study to-
16 gether with any recommendations the Secretary may have
17 to improve the effectiveness of such credit in stimulating
18 vaccine research.

19 **SEC. 6. CREDIT FOR CERTAIN SALES OF LIFESAVING VAC-**
20 **CINES.**

21 (a) IN GENERAL.—Subpart D of part IV of sub-
22 chapter A of chapter 1 of the Internal Revenue Code of
23 1986 (relating to business related credits), as amended by
24 section 5(a), is amended by adding at the end the fol-
25 lowing new section:

1 **“SEC. 45E. CREDIT FOR CERTAIN SALES OF LIFESAVING**
 2 **VACCINES.**

3 “(a) IN GENERAL.—For purposes of section 38, the
 4 lifesaving vaccine sale credit determined under this section
 5 with respect to a taxpayer for the taxable year is an
 6 amount equal to the amount of qualified vaccine sales for
 7 the taxable year.

8 “(b) QUALIFIED VACCINE SALES.—For purposes of
 9 this section—

10 “(1) IN GENERAL.—The term ‘qualified vaccine
 11 sales’ means the aggregate amount paid to the tax-
 12 payer for a qualified sale.

13 “(2) QUALIFIED SALE.—

14 “(A) IN GENERAL.—The term ‘qualified
 15 sale’ means a sale of a qualified vaccine—

16 “(i) to a nonprofit organization, gov-
 17 ernmental unit, or government of any for-
 18 eign government, and

19 “(ii) for distribution in a developing
 20 country.

21 “(B) DEVELOPING COUNTRY.—For pur-
 22 poses of this paragraph, the term ‘developing
 23 country’ means a country which the Inter-
 24 national Bank for Reconstruction and Develop-
 25 ment (commonly referred to as the ‘World

1 Bank') determines to be a country with a lower
 2 middle income or less.

3 “(3) QUALIFIED VACCINE.—The term ‘qualified
 4 vaccine’ means a vaccine (as defined in section
 5 4132(a)(2)) which is—

6 “(A) approved by the Food and Drug Ad-
 7 ministration as a new drug after the date of the
 8 enactment of this paragraph, and

9 “(B) used for—

10 “(i) malaria,

11 “(ii) tuberculosis,

12 “(iii) HIV, or

13 “(iv) any infectious disease (of a sin-
 14 gle etiology) that is determined by the Sec-
 15 retary of Health and Human Services
 16 (after consultation with the Director of the
 17 Center for Disease Control and Prevention
 18 and the United States Agency for Inter-
 19 national Development) to cause the deaths
 20 of over 1,000,000 people worldwide each
 21 year.

22 “(c) LIMIT ON AMOUNT OF CREDIT.—The maximum
 23 amount of the credit allowable under subsection (a) with
 24 respect to a sale shall not exceed the portion of the limita-

1 tion amount allocated under subsection (d) with respect
2 to such sale.

3 “(d) NATIONAL LIMITATION ON AMOUNT OF CRED-
4 ITS.—

5 “(1) IN GENERAL.—Except as provided in para-
6 graph (3), there is a lifesaving vaccine sale credit for
7 each calendar year equal to—

8 “(A) \$100,000,000 for each of years 2002
9 through 2006,

10 “(B) \$125,000,000 for each of years 2007
11 through 2010, and

12 “(C) zero after 2011.

13 “(2) ALLOCATION OF LIMITATION.—

14 “(A) IN GENERAL.—The limitation amount
15 under paragraph (1) shall be allocated on a
16 competitive basis for any calendar year by the
17 Secretary (in consultation with the Adminis-
18 trator of the United States Agency for Inter-
19 national Development) among organizations
20 with an approved application.

21 “(B) APPROVED APPLICATION.—For pur-
22 poses of subparagraph (A), the term ‘approved
23 application’ means an application which is ap-
24 proved by the Administrator of the United
25 States Agency for International Development

1 with respect to a qualified sale made during the
 2 calendar year. Such application shall be made
 3 at such time and in such form and manner as
 4 the Administrator shall prescribe by regulation
 5 and shall include a detailed and cost-effective
 6 plan for distribution of the vaccine.

7 “(3) CARRYOVER OF UNUSED LIMITATION.—If
 8 the limitation amount under paragraph (1) for any
 9 calendar year exceeds the aggregate amount allo-
 10 cated under paragraph (2), such limitation for the
 11 following calendar year shall be increased by the
 12 amount of such excess. The limitation amount shall
 13 remain available until expended.

14 “(e) SPECIAL RULES.—For purposes of this section,
 15 rules similar to the rules of section 41(f)(2) shall apply.”.

16 (b) INCLUSION IN GENERAL BUSINESS CREDIT.—

17 (1) IN GENERAL.—Section 38(b) of the Internal
 18 Revenue Code of 1986 (relating to current year
 19 business credit), as amended by section 5(b)(1), is
 20 amended by striking “plus” at the end of paragraph
 21 (12), by striking the period at the end of paragraph
 22 (13) and inserting “, plus”, and by adding at the
 23 end the following new paragraph:

24 “(14) the lifesaving vaccine sale credit deter-
 25 mined under section 45E.”.

1 (2) TRANSITION RULE.—Section 39(d) of such
 2 Code (relating to transitional rules), as amended by
 3 section 5(b)(2), is amended by adding at the end the
 4 following new paragraph:

5 “(10) NO CARRYBACK OF SECTION 45E CREDIT
 6 BEFORE ENACTMENT.—No portion of the unused
 7 business credit for any taxable year which is attrib-
 8 utable to the lifesaving vaccine sale credit deter-
 9 mined under section 45E may be carried back to a
 10 taxable year ending before the date of the enactment
 11 of section 45E.”.

12 (c) CLERICAL AMENDMENT.—The table of sections
 13 for subpart D of part IV of subchapter A of chapter 1
 14 of the Internal Revenue Code of 1986, as amended by sec-
 15 tion 5(e), is amended by adding at the end the following
 16 new item:

 “Sec. 45E. Credit for certain sales of lifesaving vaccines.”.

17 (d) EFFECTIVE DATE.—The amendments made by
 18 this section shall apply to sales of vaccines in taxable years
 19 beginning after December 31, 2000.

20 **SEC. 7. LIFESAVING VACCINE PURCHASE FUND.**

21 (a) PURPOSE.—It is the purpose of this section to—

22 (1) create incentives for private sector research
 23 into vaccines for HIV, malaria, tuberculosis, and
 24 other major infectious diseases; and

1 (2) ensure that vaccines for major infectious
2 diseases are affordable and widely distributed.

3 (b) DEFINITIONS.—In this section:

4 (1) DEVELOPING COUNTRY.—The term “devel-
5 oping country” means a country which the Inter-
6 national Bank for Reconstruction and Development
7 (commonly referred to as the “World Bank”) deter-
8 mines to be a country with a lower middle income
9 or less.

10 (2) ELIGIBLE VACCINE.—The term “eligible
11 vaccine” has the meaning given the term “qualified
12 vaccine” in section 45E(b)(3) of the Internal Rev-
13 enue Code of 1986.

14 (c) ESTABLISHMENT OF TRUST FUND.—There is es-
15 tablished in the Treasury of the United States a trust fund
16 to be known as the “Lifesaving Vaccine Purchase Fund”
17 (in this section referred to as the “Fund”) consisting of
18 amounts appropriated under subsection (f).

19 (d) INVESTMENT OF FUND.—Amounts in the Fund
20 shall be invested in accordance with section 9702 of title
21 31, United States Code, and any interest on, and proceeds
22 from any such investment shall be credited to and become
23 part of the Fund.

24 (e) USE OF FUND.—

1 (1) IN GENERAL.—The Secretary of Treasury
2 (in this section referred to as the “Secretary”) is au-
3 thorized to expend amounts in the Fund for pur-
4 chases of eligible vaccines. Such vaccines shall be
5 distributed to developing countries.

6 (2) LIMITATION.—The Secretary shall not
7 make expenditures from the Fund in excess of
8 \$100,000,000 for any fiscal year.

9 (3) REGULATIONS.—The Secretary shall pro-
10 mulgate such regulations as are necessary to carry
11 out the provisions of this subsection, including regu-
12 lations regarding—

13 (A) the procedures for purchasing eligible
14 vaccines, including pricing rules which take into
15 account the seller’s research and development
16 and manufacturing costs and the desirability of
17 the vaccine purchased, a funding formula estab-
18 lishing a minimum price per dose, and min-
19 imum technical requirements and a market test
20 requirement for the eligible vaccine; and

21 (B) the distribution of eligible vaccines to
22 developing countries under agreements between
23 the United States Agency for International De-
24 velopment and international organizations or

1 recipient developing countries that provide
2 for—

3 (i) consideration of the prevalence of
4 the disease treated by the eligible vaccine
5 in the recipient developing country;

6 (ii) consideration of the ability of the
7 recipient country to effectively and safely
8 deliver the vaccines; and

9 (iii) a required matching payment by
10 the recipient developing country based on
11 the per capita income of the country, in an
12 amount not in excess of 25 percent of the
13 purchase price paid for such vaccine.

14 (4) CONSULTATION.—The Secretary shall pro-
15 mulgate regulations under paragraph (3) after ex-
16 tensive consultation with—

17 (A) the International Bank for Reconstruct-
18 tion and Development (commonly referred to as
19 the “World Bank”);

20 (B) the World Health Organization; and

21 (C) the Secretary of Health and Human
22 Services.

23 (f) APPROPRIATIONS.—

24 (1) IN GENERAL.—Subject to paragraph (2),
25 there are appropriated out of any funds in the

1 Treasury not otherwise appropriated such sums as
 2 may be necessary to carry out the purposes of the
 3 Fund for each of 10 fiscal years beginning with the
 4 first fiscal year in which the Secretary makes an ex-
 5 penditure from the Fund.

6 (2) LIMITATION.—The amount appropriated for
 7 any fiscal year under paragraph (1) may not exceed
 8 \$100,000,000.

9 (3) TRANSFER TO FUND.—The Secretary shall
 10 transfer the amount appropriated under paragraph
 11 (1) for a fiscal year to the Fund.

12 (4) AVAILABILITY.—Amounts appropriated
 13 under this section shall remain available until ex-
 14 pended.

15 **SEC. 8. MULTILATERAL LIFESAVING VACCINE PURCHASE**
 16 **FUND.**

17 (a) NEGOTIATIONS.—The President should enter into
 18 negotiations with officials of foreign governments and
 19 other interested parties for the establishment of an inter-
 20 national vaccine purchase fund that would—

21 (1) accept contributions from governments of
 22 developed countries;

23 (2) use such contributions to purchase and dis-
 24 tribute in developing countries vaccines for—

25 (A) malaria,

1 (B) tuberculosis,

2 (C) HIV, and

3 (D) any infectious disease (of a single eti-
4 ology) which causes the deaths of over
5 1,000,000 people worldwide each year; and

6 (3) be a significant market incentive for private
7 sector vaccine research.

8 (b) REPORT.—Not later than 1 year after the date
9 of enactment of this Act, and annually thereafter, the
10 President shall report to Congress on—

11 (1) the status of negotiations under subsection
12 (a); and

13 (2) if such fund is established, any rec-
14 ommendations for further action, including rec-
15 ommendations regarding the Lifesaving Vaccine
16 Purchase Fund established under section 7 of this
17 Act.

18 **SEC. 9. SENSE OF CONGRESS.**

19 It is the sense of Congress that flexible or differential
20 pricing for vaccines, providing lowered prices for the poor-
21 est countries, is one of several valid strategies to accelerate
22 the introduction of vaccines in developing countries.

○