

PERSONNEL AND READINESS

JUL I. LUUG

The Honorable Carl Levin Chairman, Committee on Armed Services United States Senate Washington, DC 20510-6050

Dear Mr. Chairman:

l am responding to the Department of Defense (DoD) Appropriations for Fiscal Year 2008 Conference Report 110-434 that requests a report on the current policies for maintaining the Japanese encephalitis vaccine (JEV) stockpile, the status of replacing the current JEV, and the costs associated with such a replacement.

DOD has created forward-located stockpiles of certain drugs (mostly the antivirals used to treat avian influenza) because there is a documented clinical requirement to treat people with these drugs within hours of exhibiting symptoms. We also have stockpiled certain items facing a gap in availability, which is the case with JEV. We normally do not stockpile products for use in responding to contingencies when we can acquire adequate supplies via contract. This strategy is the basis for the Defense Supply Center, Philadelphia's (DSCP) Contingency Contracts Program that has been validated both economically and operationally.

The current JEV stockpile owes its existence to a unique set of circumstances. It was established because the former supplier was stopping production, and the stockpile was the only way to assure continuity of supply until a new source would be available. A new manufacturer submitted a licensure application to the U.S. Food and Drug Administration on December 20, 2007, and expects approval in late fiscal year 2008. We do not intend to maintain the JEV stockpile once the new source is available. DSCP intends to exhaust the existing stockpile, and then procure the new vaccine. Because of the limited shelf life of vaccines and the costs of storage and maintenance of a stockpile, the optimal logistical plan is to contract for vaccine that will meet ongoing needs rather than to obtain and maintain a stockpile.

The currently approved JEV was purchased from unit operating funds, principally by U.S. Marine Corps units for Service members in areas of Asia considered at risk. The vaccine also was purchased, as required, by military medical treatment facilities. We have not captured specific unit expenditures, but total DoD expenditures for JEV are approximately \$3 million per year (2,700 packages/month, 12 months/year, \$90/package). Despite repeated requests, the manufacturer of the new vaccine has not provided the cost per dose. Consequently, costs for replacement of JEV cannot be described with accuracy at this time.

Thank you for your continued support to the Military Health System.

Sincerely, Hands. C. ahn

David S. C. Chu

cc: The Honorable John McCain Ranking Member



PERSONNEL AND READINESS

JUN 1/ 2008

The Honorable Ben Nelson Chairman, Subcommittee on Personnel Committee on Armed Services United States Senate Washington, DC 20510-6050

Dear Mr. Chairman:

I am responding to the Department of Defense (DoD) Appropriations for Fiscal Year 2008 Conference Report 110-434 that requests a report on the current policies for maintaining the Japanese encephalitis vaccine (JEV) stockpile, the status of replacing the current JEV, and the costs associated with such a replacement.

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Thank you for your continued support to the Military Health System.

Sincerely, Darodo & Chin

David S. C. Chu

cc: The Honorable Lindsey O. Graham Ranking Member



PERSONNEL AND READINESS

JUN 17 2008

The Honorable Ike Skelton Chairman, Committee on Armed Services U.S. House of Representatives Washington, DC 20515-6035

Dear Mr. Chairman:

I am responding to the Department of Defense (DoD) Appropriations for Fiscal Year 2008 Conference Report 110-434 that requests a report on the current policies for maintaining the Japanese encephalitis vaccine (JEV) stockpile, the status of replacing the current JEV, and the costs associated with such a replacement.

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The currently approved JEV was purchased from unit operating funds, principally by U.S. Marine Corps units for Service members in areas of Asia considered at risk. The vaccine also was purchased, as required, by military medical treatment facilities. We have not captured specific unit expenditures, but total DoD expenditures for JEV are approximately \$3.million per year (2,700 packages/month, 12 months/year, \$90/package). Despite repeated requests, the manufacturer of the new vaccine has not provided the cost per dose. Consequently, costs for replacement of JEV cannot be described with accuracy at this time.

Thank you for your continued support to the Military Health System.

Sincerely, Davids, C. Ohn

David S. C. Chu

cc:

The Honorable Duncan Hunter Ranking Member



PERSONNEL AND READINESS

JUN 17 2008

The Honorable Susan Davis Chairwoman, Subcommittee on Military Personnel Committee on Armed Services U.S. House of Representatives Washington, DC 20515-6035

Dear Madam Chairwoman:

I am responding to the Department of Defense (DoD) Appropriations for Fiscal Year 2008 Conference Report 110-434 that requests a report on the current policies for maintaining the Japanese encephalitis vaccine (JEV) stockpile, the status of replacing the current JEV, and the costs associated with such a replacement.

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Thank you for your continued support to the Military Health System.

Sincerely, Jandil, Cha

David S. C. Chu

cc: The Honorable John M. McHugh Ranking Member



PERSONNEL AND READINESS

JUN 17 2008

The Honorable Robert C. Byrd Chairman, Committee on Appropriations United States Senate Washington, DC 20510-6025

Dear Mr. Chairman:

I am responding to the Department of Defense (DoD) Appropriations for Fiscal Year 2008 Conference Report 110-434 that requests a report on the current policies for maintaining the Japanese encephalitis vaccine (JEV) stockpile, the status of replacing the current JEV, and the costs associated with such a replacement.

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The currently approved JEV was purchased from unit operating funds, principally by U.S. Marine Corps units for Service members in areas of Asia considered at risk. The vaccine also was purchased, as required, by military medical treatment facilities. We have not captured specific unit expenditures, but total DoD expenditures for JEV are approximately \$3 million per year (2,700 packages/month, 12 months/year, \$90/package).

Despite repeated requests, the manufacturer of the new vaccine has not provided the cost per dose. Consequently, costs for replacement of JEV cannot be described with accuracy at this time.

Thank you for your continued support to the Military Health System.

Sincerely, David S. C. Chu

cc: The Honorable Thad Cochran **Ranking Member** 



PERSONNEL AND READINESS

JUN 17 2008

The Honorable Daniel K. Inouye Chairman, Subcommittee on Defense Committee on Appropriations United States Senate Washington, DC 20510-6028

Dear Mr. Chairman:

l am responding to the Department of Defense (DoD) Appropriations for Fiscal Year 2008 Conference Report 110-434 that requests a report on the current policies for maintaining the Japanese encephalitis vaccine (JEV) stockpile, the status of replacing the current JEV, and the costs associated with such a replacement.

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Thank you for your continued support to the Military Health System.

Sincerely, David S. C. Chu

cc: The Honorable Ted Stevens Ranking Member



PERSONNEL AND READINESS

JUN 17 2008

The Honorable David R. Obey Chairman, Committee on Appropriations U.S. House of Representatives Washington, DC 20515-6015

Dear Mr. Chairman:

l am responding to the Department of Defense (DoD) Appropriations for Fiscal Year 2008 Conference Report 110-434 that requests a report on the current policies for maintaining the Japanese encephalitis vaccine (JEV) stockpile, the status of replacing the current JEV, and the costs associated with such a replacement.

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Despite repeated requests, the manufacturer of the new vaccine has not provided the cost per dose. Consequently, costs for replacement of JEV cannot be described with accuracy at this time.

Thank you for your continued support to the Military Health System.

Sincerely, Dandv. C. Chn

David S. C. Chu

cc: The Honorable Jerry Lewis Ranking Member



PERSONNEL AND READINESS

JUN 17 2008

The Honorable John P. Murtha Chairman, Subcommittee on Defense Committee on Appropriations U.S. House of Representatives Washington, DC 20515-6018

Dear Mr. Chairman:

I am responding to the Department of Defense (DoD) Appropriations for Fiscal Year 2008 Conference Report 110-434 that requests a report on the current policies for maintaining the Japanese encephalitis vaccine (JEV) stockpile, the status of replacing the current JEV, and the costs associated with such a replacement.

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Thank you for your continued support to the Military Health System.

Sincerely, Donodo l. Cha

David S. C. Chu

cc: The Honorable C. W. Bill Young Ranking Member

## Appropriations Conference Report 110-434 p. 358 REPLACEMENT OF JAPANESE ENCEPHALITIS VACCINE

The conferees direct the Undersecretary of Defense for Personnel and Readiness to report to the Congressional Defense committees by April 15, 2008, on the current policies for maintaining the Japanese encephalitis vaccine stockpile, the status of replacing the current Japanese encephalitis virus vaccine, and the costs associated with such a replacement.