

## **COMMONWEALTH of VIRGINIA** Office of the Attorney General

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Mr. Michael F. Roman Chairman of the Board and Chief Executive Officer 3M 3M Center, Building 022014W-05 St. Paul, MN 55144-1000

Dear Mr. Roman:

We, the undersigned Attorneys General, write to urge you to do more to combat inflated prices for N95 respirators and other desperately needed personal protective equipment ("PPE"). As a principal manufacturer of N95 respirators, we appreciate the initial steps 3M has taken to increase production of these vital masks for healthcare providers and to counter price gouging by those seeking to take advantage of the COVID-19 outbreak. But we believe enhanced measures should be taken to fight price gouging and get these medical supplies to those who need them. We look forward to working with you in this regard.

As you know, there have been critical shortages of N95 respirators and other PPE due to the increased use and demand worldwide as a result of the COVID-19 pandemic. It is crucial that hospitals, healthcare workers, and first responders have access to these masks and other PPE and that they be able obtain them at reasonable prices so that they can care for patients with COVID-19 as well as others needing medical attention. You have represented that 3M has not increased the prices it charges for respirators as a result of the global crisis, and we thank you for your pledge not to increase current pricing for the respirators used to prevent the spread of the virus.

While 3M has committed to maintain the same prices for N95 respirators, others in the marketplace are charging unconscionable prices. Our offices have been flooded with complaints from consumers and healthcare providers regarding excessive prices for PPE and other goods since the beginning of the COVID-19 outbreak. We know that 3M is also aware of certain instances of possible unlawful price gouging and has made referrals of these instances to law

enforcement. We appreciate these actions. However, given 3M's important role as a leading manufacturer of N95 respirators, we ask you to take the following additional actions to help work with us to continue to eliminate such predatory practices and get these important medical supplies to the people who need them:

- 1. Continue to publish policies prohibiting price gouging by your distributors and cease doing business with those distributors that violate them. We appreciate 3M has published the list prices for its N95 respirators and established a complaint portal as a resource to help with bad actors. We appreciate 3M's statement that it will not tolerate price gouging in its supply chain, but we call on 3M to announce clear price-gouging rules for your authorized distributors and dealers. Further, we believe that your policies should include terminating your relationships with any distributors or dealers who violate the policies. To enforce these policies, you should implement an affirmative reporting and monitoring program with regard to the prices charged by your distributors and dealers. You also should continue to report any distributors or dealers who are suspected of unlawful price gouging to the appropriate law enforcement agencies.
- 2. Create a database of 3M's inventory of N95 respirators for government officials and healthcare providers. In addition to your publicly available list price information for your surgical and standard N95 respirators, we also ask that you create a database of important product information that can be used by government agencies, hospitals, and other healthcare providers. The database should include product descriptions for your different respirators along with available quantities, prices, payment terms, locations, and company contact information.
- 3. Make transparent how inventory is being distributed and how orders are being filled. We appreciate that 3M is trying to optimize its supply chain to send supplies to those regions that are the most in need. However, in order for states to best plan how to allocate resources and respond to the needs of our healthcare systems, it is crucial that we understand the rubric for how inventory is distributed and orders are prioritized. We recommend 3M publish guidance detailing this process.

Again, we appreciate the significant efforts 3M has undertaken to address the shortage of N95 respirators and other PPE. We ask that 3M implement these additional measures to eradicate unconscionable pricing, get these important medical supplies to those serving on the frontlines to fight COVID-19, and provide a point of contact for the company to continue these discussions. We look forward to your response to this letter and working with you to achieve these goals.

Sincerely,

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