# What about Bioport?

January 11, 2002

LANSING-In 1998 the state-owned enterprise and vaccine lab Michigan Biologic Products Institute (MBPI) was privatized when it was sold to the private, for-profit company BioPort Corp. The sale itself was a controversial one, generating heated opposition from politicians and pundits alike. The controversy has returned. Why?

BioPort is the only maker of vaccine for anthrax, the deadly bacteria responsible for the deaths of several Americans in recent months. The bacteria are believed to be part of a deliberate terrorist attack. This has turned press attention to the Lansing company and its history.

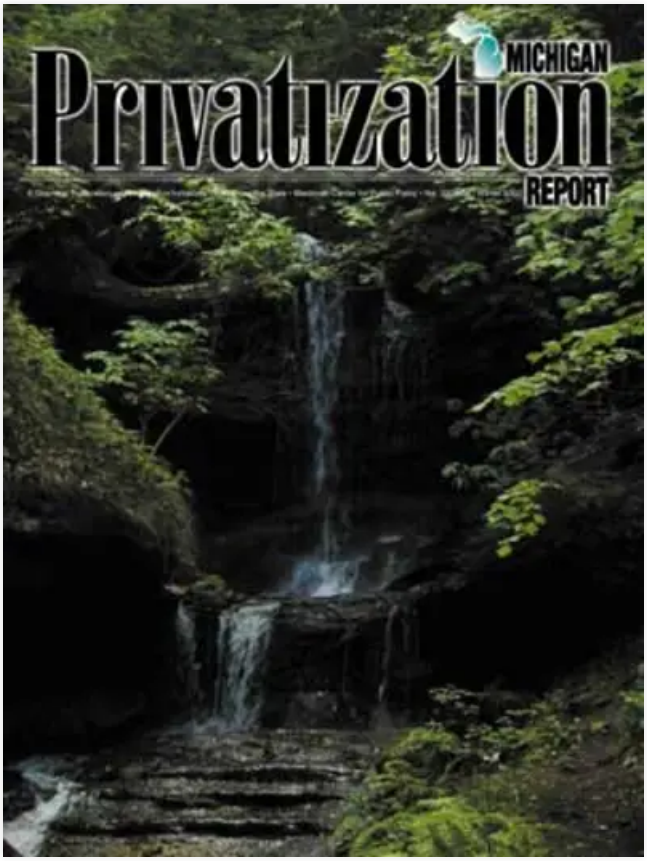
The Michigan Legislature approved the sale of MBPI in 1997 because it was in terrible shape. Indeed, MBPI lost money in every year of its existence and needed a major cash infusion when it was finally sold. In March 1997, the U.S. Food and Drug Administration (FDA) threatened to shut down the government-owned and -operated lab due to a host of needed repairs.

Still, some state legislators balked at plans to privatize the lab and worked to delay its final sale. State Rep. Lingg Brewer, D-Holt, insisted that the lab was worth more than its valuation (up to $10.5 million) by a top accounting firm. According to an Associated Press article by Greta Guest that appeared in the Detroit Free Press and other newspapers, "Brewer [said MBPI] is worth up to $78 million, because the lab is the only federally approved manufacturer of anthrax vaccine." The article did not say how Brewer determined the $78 million figure. As it turns out, Brewer was partially correct: MPBI was worth more than $10.5 million because BioPort paid $25 million to acquire it.

Since then, BioPort has struggled to produce the anthrax vaccine. Shipments of the vaccine have not been permitted since 1998 because the lab has been denied certification by the FDA.

The FDA, however, is now "trying to assist BioPort" according to the Oct. 28 Lansing State Journal. The Journal did not detail what assistance the FDA was providing the lab, but many sources have noted that pressure is building on the U.S. Department of Defense to push this vaccine into production. The Journal also noted that "[BioPort] officials are confident they've fixed problems found in earlier FDA inspections and that they could soon be able to provide the military the vaccine."

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