GILEAD

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December 8, 2014

VIA EMAIL (shareholderproposals@sec.gov)

Securities and Exchange Commission
Division of Corporation Finance
Office of Chief Counsel
100 F Street, N.E.
Washington, D.C. 20549

RE: Gilead Sciences, Inc. – 2015 Annual Meeting
Omission of Shareholder Proposal of UAW
Retiree Medical Benefits Trust

Ladies and Gentlemen:

This letter is submitted on behalf of Gilead Sciences, Inc., a Delaware corporation (the "Company"), pursuant to Rule 14a-8(j) under the Securities Exchange Act of 1934, as amended. The Company has received a shareholder proposal and supporting statement (the "Proposal") from the UAW Retiree Medical Benefits Trust (the "Proponent") for inclusion in the proxy materials to be distributed by the Company in connection with its 2015 annual meeting of stockholders (the "2015 Proxy Materials"). For the reasons stated below, the Company intends to omit the Proposal from the 2015 Proxy Materials.

In accordance with Section C of Staff Legal Bulletin No. 14D (Nov. 7, 2008) ("SLB 14D"), this letter and its attachments are being emailed to the staff of the Division of Corporation Finance (the "Staff") at shareholderproposals@sec.gov. In accordance with Rule 14a-8(j), copies of this letter and its attachments are being sent simultaneously to the Proponent as notice of the Company's intent to omit the Proposal from the 2015 Proxy Materials.

Rule 14a-8(k) and SLB 14D provide that shareholder proponents are required to send companies a copy of any correspondence that they elect to submit to the Securities and Exchange Commission (the "Commission") or the Staff. Accordingly, we are taking this opportunity to inform the Proponent that if the Proponent elects to submit additional correspondence to the Commission or the Staff with respect to the Proposal, a copy of that correspondence should be furnished concurrently to the undersigned on behalf of the Company.

I. INTRODUCTION

On November 14, 2014, the Company received the Proposal and a cover letter, copies of which are attached hereto as Exhibit A.

The text of the resolution contained in the Proposal is copied below:

> RESOLVED, that shareholders of Gilead Sciences ("Gilead") ask the Board of Directors to report to shareholders by December 31, 2015, at reasonable cost and omitting confidential or proprietary information, on the risks to Gilead from rising pressure to contain U.S. specialty drug prices. Specialty drugs, as defined by the Center for Medicare and Medicaid Services, are those that cost more than $600 per month. The report should address Gilead's response, if any, to risks created by:
>
> - The relationship between Gilead's specialty drug prices and each of clinical benefit, patient access, the efficacy and price of alternative therapies, drug development costs and the proportion of those costs borne by academic institutions or the government;
>
> - Price disparities between the U.S. and other countries and public concern that U.S. patients and payers are shouldering an excessive proportion of the cost burden;
>
> - Price sensitivities of prescribers, payers and patients; and
>
> - The possibility that pharmacoeconomics techniques such as cost-effectiveness studies will be relied on more by payers in making specialty drug reimbursement decisions.

II. BASIS FOR EXCLUSION

We hereby respectfully request that the Staff concur with the Company's view that the Proposal may be excluded from the 2015 Proxy Materials pursuant to

Rule 14a-8(i)(7) because the Proposal deals with a matter relating to the Company's ordinary business operations.

III. ANALYSIS

Rule 14a-8(i)(7) states that a company may exclude a shareholder proposal if the proposal "deals with a matter relating to the company's ordinary business operations." The policy underlying the ordinary business exclusion is "to confine the resolution of ordinary business problems to management and the board of directors, since it is impracticable for shareholders to decide how to solve such problems at an annual shareholders meeting." SEC Release No. 34-40018 (May 21, 1998) (the "1998 Release"). The 1998 Release states that there are two "central considerations" underlying the ordinary business exclusion. The first, relating to the subject matter of the proposal, is that "[c]ertain tasks are so fundamental to management's ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight." The second is "the degree to which the proposal seeks to 'micro-manage' the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment."

Decisions such as those targeted by the Proposal – relating to how a company prices its products – are ordinary business decisions that are fundamental to management's running of the company on a day-to-day basis and involve complex business judgments that shareholders are not in a position to make. Accordingly, the Staff has concurred in the exclusion of proposals that relate to a company's pricing policies or prices charged by a company under Rule 14a-8(i)(7). *See, e.g., Host Hotels & Resorts, Inc.* (Feb. 6, 2014) (concurring in the exclusion of a proposal requesting that the company amend its discount pricing policies as relating to ordinary business operations); *Equity LifeStyle Properties, Inc.* (Feb. 6, 2013) (concurring in the exclusion of a proposal requesting a report on risks associated with, among other things, setting unfair, inequitable and excessive rent increases that caused undue hardship to older homeowners, because the proposal related to "rental pricing policies," noting that the "setting of prices for products and services is fundamental to management's ability to run a company on a day-to-day basis"); *Western Union Co.* (Mar. 7, 2007) (concurring in the exclusion of a proposal requesting board review of the company's remittance practices on communities served, including comparison of fees, exchange rates and pricing structures, because the proposal related to the company's ordinary business operations, "*i.e.*, the prices charged by the company"). In addition, the Staff has concurred in the exclusion of proposals implicating marketing and public relations because such matters relate to a company's ordinary business operations. *See, e.g., Johnson & Johnson* (Jan. 12, 2004) (concurring in the exclusion of a proposal requesting that the board review

pricing and marketing policies and prepare a report on how the company would respond to regulatory, legislative and public pressure to increase access to prescription drugs because the proposal related to the company's "marketing and public relations").

The Proposal clearly and directly relates to how the Company prices specialty drugs and, like the proposals in the foregoing precedents, implicates the Company's ordinary business operations—prices charged by the Company for certain of its products. In addition, the Proposal implicates the Company's marketing decisions and public relations activities and, consistent with the 1998 Release, seeks to "micro-manage" the Company by probing too deeply into these complex activities. Specifically, the report requests information on "clinical benefit, patient access, the efficacy and price of alternative therapies, drug development costs and the proportion of those costs borne by academic institutions or governments" and seeks information on how the Company is responding to public pressure regarding specialty drug pricing, including assessing how payers may rely on certain pharmacoeconomics techniques in making specialty drug reimbursement decisions. These matters are fundamental to how the Company markets its products and manages its public relations efforts and also are of a complex nature, on which shareholders as a group would not be in a position to make an informed decision. Moreover, like the proposal in *Johnson & Johnson*, the Proposal seeks a report on how the Company is responding to public concern related to the Company's pricing of specialty drugs, and therefore directly relates to the Company's public relations efforts.

We are aware that the Staff has, under certain circumstances, declined to concur in the exclusion of shareholder proposals that relate to pricing policy for pharmaceutical products. *See Bristol-Meyers Squibb Co.* (Feb. 21, 2000); *Eli Lilly and Co.* (Feb. 25, 1993). However, in such cases, the proposals requested a policy of price restraint on all of the company's pharmaceutical products and the Staff denied no-action relief under Rule 14a-8(i)(7) because the proposals related to the company's "fundamental business strategy with respect to its pricing policy for pharmaceutical products." Unlike the proposals in *Bristol-Meyers* and *Eli Lilly*, the Proposal does not address a fundamental business strategy affecting the entirety of the Company's pharmaceutical products, nor does it seek to have the Company adopt a broad system of price restraints. The Proposal is more targeted than that in some respects and broader in other respects, in that it seeks information on how the Company prices its specialty drugs, the Company's public relations activities with respect to concern of the public, payers and prescribers related to the Company's specialty drug prices, and how payers may make certain reimbursement decisions, as well as assessing the clinical benefits, efficacy and cost-effectiveness of alternative

therapies. In these regards, the Proposal is therefore distinguishable from *Bristol-Meyers* and *Eli Lilly.*

For the reasons set forth above, the Proposal deals with matters relating to the Company's ordinary business operations, specifically product pricing and public relations, and therefore is excludable under Rule 14a-8(i)(7).

IV. CONCLUSION

Based on the foregoing analysis, the Company respectfully requests that the Staff concur that it will not recommend enforcement action against the Company if the Company omits the Proposal in its entirety from the 2015 Proxy Materials.

Should the Staff disagree with our conclusions regarding the omission of the Proposal, or should any additional information be desired in support of our position, we would appreciate the opportunity to confer with the Staff concerning these matters prior to the issuance of the Staff's response. Please do not hesitate to contact the undersigned at (650) 574-3000 or Marc S. Gerber at Skadden, Arps, Slate, Meagher & Flom LLP at (202) 371-7233.

Very truly yours,

Brett A. Pletcher
Senior Vice President and General Counsel

Attachment

cc: Meredith Miller
UAW Retiree Medical Benefits Trust

EXHIBIT A

Proposal and Cover Letter

UAW RETIREE
Medical Benefits Trust

November 14, 2014

Gregg H. Alton
Executive Vice President,
Corporate and Medical Affairs and
Corporate Secretary
Gilead Sciences, Inc.
333 Lakeside Drive
Foster City, California 94404

Dear Mr. Alton:

The purpose of this letter is to submit the attached shareholder resolution sponsored by the UAW Retiree Medical Benefits Trust ("Trust") for inclusion in Gilead Sciences, Inc.'s (the "Company") proxy statement for the 2015 Annual Meeting of Stockholders.

The Trust is the beneficial owner of more than $2,000 in market value of the Company's stock and has held such stock continuously for over one year. Furthermore, the Trust intends to continue to hold the requisite number of shares through the date of the 2015 annual meeting. Proof of ownership will be sent by the Trust's custodian, State Street Bank and Trust Company, under separate cover.

The Trust is filing the attached proposal due to the close proximity of the filing deadline; however, we welcome a dialogue with the Company on the issues raised herein. Please contact me at (734) 887-4964 or via email at mamiller@rhac.com at any time if you have any questions or would like to further discuss these issues.

Sincerely,

Meredith Miller

Meredith Miller
Chief Corporate Governance Officer
UAW Retiree Medical Benefits Trust

Cc: Brett A. Pletcher
Senior Vice President and General Counsel
Gilead Sciences Inc.

Enclosure

110 Miller Avenue, Suite 100, Ann Arbor, MI 48104
Tel: 734 929 5789 • Fax: 734 929 5859

RESOLVED, that shareholders of Gilead Sciences ("Gilead") ask the Board of Directors to report to shareholders by December 31, 2015, at reasonable cost and omitting confidential or proprietary information, on the risks to Gilead from rising pressure to contain U.S. specialty drug prices. Specialty drugs, as defined by the Center for Medicare and Medicaid Services, are those that cost more than $600 per month. The report should address Gilead's response, if any, to risks created by:

- The relationship between Gilead's specialty drug prices and each of clinical benefit, patient access, the efficacy and price of alternative therapies, drug development costs and the proportion of those costs borne by academic institutions or the government;
- Price disparities between the U.S. and other countries and public concern that U.S. patients and payers are shouldering an excessive proportion of the cost burden;
- Price sensitivity of prescribers, payers and patients; and
- The possibility that pharmacoeconomics techniques such as cost-effectiveness studies will be relied on more by payers in making specialty drug reimbursement decisions.

Supporting Statement

A vigorous national debate has recently begun, spurred by the launch of Gilead's hepatitis C drug Sovaldi, regarding appropriate pricing of specialty drugs and the impact of specialty drug costs on patient access and the health care system. Growth in U.S. spending on specialty drugs is expected to dwarf growth in overall prescription drug spending in coming years. (See, e.g., Express Scripts Lab, 2013 Drug Trend Report, at 40, 47 (available at http://lab.express-scripts.com/~/media/7f14884da6ef434dbf30abd82dd7e655.ashx)

Sovaldi's $84,000 price tag has led to scrutiny from payers and legislators and a barrage of negative media attention. A 2014 The New York Times column observed, "A Washington advocacy effort has sprung up overnight, largely devoted to objecting to the cost of this one medication, Sovaldi." (http://www.nytimes.com/2014/08/03/upshot/is-a-1000-pill-really-too-much.html?abt=0002&abg=0) We are concerned that the high price of Sovaldi (and combination drug Harvoni which includes Sovaldi) exposes Gilead to financial and reputational risks.

Sovaldi's price has led payers to restrict patient access. Some state Medicaid programs, including Oregon, have imposed disease severity requirements or made continuation of coverage dependent on early viral response. Only one Canadian province has included Sovaldi on its formulary, and the EU member states have agreed, for the first time, to share pricing information on Sovaldi. (http://blogs.wsj.com/pharmalot/2014/07/11/gilead-faces-new-pressure-from-u-s-senators-europe-over-hep-c-pricing)

Sovaldi has focused Congress' attention on drug pricing. The U.S. Senate Finance Committee is investigating "issues related to Sovaldi and Gilead's pricing of the drug," stating that the "price appears to be higher than expected given the costs of development and production and the steep discounts offered in other countries." (http://www.finance.senate.gov/imo/media/doc/Wyden-Grassley%20Document%20Request%20to%20Gilead%207-11-141.pdf)

Government payers in numerous non-US markets base reimbursement decisions at least in part on a pharmacoeconomic evaluation of the relative values of therapies based on cost and outcome. (See http://www.amcp.org/WorkArea/DownloadAsset.aspx?id=13217) Several clinical groups, including the American Society of Clinical Oncology, have proposed developing such assessments to guide physician decision making. (https://hbr.org/2014/11/we-need-more-transparency-on-the-cost-of-specialty-drugs/)

The report requested in this proposal would allow shareholders to better evaluate the risks associated with Gilead's approach to specialty drug pricing.