

Statement to U.S. House of Representatives  
Foreign Affairs Committee

A Year Out: Addressing International Impacts of the COVID-19 Pandemic

March 18, 2021

Penelope Naas  
President, United Parcel Service

Good Afternoon Chairman Meeks, Ranking Member McCaul, and members of the Committee. My name is Penelope Naas, and I am the President of International Public Affairs and Global Sustainability at UPS. Thank you for the opportunity to appear before you to discuss the international impacts of the COVID-19 pandemic. I will focus my remarks today on how UPS has been involved in global pandemic response efforts, the ongoing vaccine rollout, and our efforts to support an inclusive economic recovery. In this context, I will share our particular perspective on the value of public-private partnerships.

I would like to start by recognizing and honoring all the essential workers who have gone above and beyond in the past year, and most notably the 540,000 employees of UPS. Their hard work and perseverance has been inspiring, and I am thankful for their courage and service to all of our communities. I also want to extend my condolences to those that have lost loved ones or experienced hardships in the past year.

To this Committee, I want to share my gratitude to you on your commitment to support relief here at home for all Americans but also abroad. The business community supports the important role U.S. international assistance plays, not only in ensuring that the markets for US exports remain stable, healthy, and sustainable, but also for how it protects U.S. economic interests. We know that other countries will use assistance to help advance their economic and security priorities, and we welcome the work this committee does to advance our broad U.S. interests overseas while also doing good through such engagement.

For us at UPS, the last year has brought a new purpose and commitment to the motto we live by: *moving our world forward by delivering what*

*matters.* With both pride and responsibility, our company has played an essential role in every stage of the global response to COVID.

### **PPE Response**

Beginning in February of last year, UPS was engaged in supporting government emergency responses. In the United States, we partnered with FEMA to support Project Air Bridge, which sourced and distributed much-needed masks, gowns, and gloves to healthcare workers in identified “hot spots” across the United States. Together, we managed over 250 Air Bridge flights and worked with seven strategic distributors from nine international origins to deliver over 27 million pounds of personal protective equipment (PPE). Additionally, UPS contributed our Warehousing & Distribution solutions to the FEMA Task Force responsible for managing all of the PPE stockpiles and ensuring site inventory for all federal and state testing site replenishments. The use of the UPS Global Healthcare Campus in Louisville, Kentucky, provided access to the required HC Compliant Storage and supported the ability for UPS Transportation Solutions to be leveraged from our Worldport Gateway. The net effect of this partnerships was that over 40.8 million units of commodities, test site inventory, and PPE were managed on a daily basis, 98% of which is delivered within 24 hours of processing.

In New York, Chairman Meeks, UPS worked in partnership with Mayor de Blasio, the White House, and the National Council of Textile Organizations to source and deliver fabric supplies from out of state so that local NYC businesses could manufacture face masks and hospital gowns. We also made sure that NYPD and hospitals in New York City had a steady supply of hand sanitizer so our essential workers could continue to remain safe on the frontlines of the response to the virus.

Globally, we mirrored these public-private partnership models with many countries in support of their emergency response plans, including in the Philippines, Singapore, the Netherlands, and across Africa. With the support of international leadership from the G7, our industry was designated an essential service, and our fleet of pilots and cross-border drivers were able to continue to deliver essential goods to those in need globally. We managed through business closures, uncertain travel restrictions, and new and differing health screening protocols. I would like to thank all the governments who worked with us during this period to keep

flights moving while protecting the health of their local populations during challenging and changing conditions.

Of course, our delivery volume was not just PPE and emergency goods. Lockdowns across the world had a significant impact on demand, with discretionary spending, stockpiling/panic buying, and online shopping all increasing. UPS and our fellow logistics companies became lifelines, delivering goods to people at home from medicines to school materials to haircutting tools. At the same time, supply chains were experiencing disruptions with production delays or stoppages, long lead times for sourcing, capacity constraints, and often labor shortages. As a result, we saw an increase in web presence from our small and medium-sized business (SMB) customers and growing reliance on digital engagement and e-commerce sales – changes which will very likely endure long past the pandemic.

### **Vaccine Delivery**

Today, UPS is focused on moving the COVID-19 vaccine and ancillary supplies. Since the first shipment in December 2020, our network has delivered over 93 million doses to more than 46 countries. These vaccines typically travel through multiple manufacturing and packaging processes before they are ready for final shipping. Through this journey, they require expedited movement in cold-chain custody with strict adherence to security, regulatory, and authenticity protocols. It is a highly sophisticated and data-enabled process requiring end-to-end visibility and information-sharing between multiple public and private partners.

This complexity is not a barrier to vaccine equity. The UPS Foundation and UPS Healthcare team are moving quickly to support delivery programs that meet the needs of the most vulnerable and hard-to-reach populations. But more must be done. The latest global vaccination rate is approximately six million doses per day. According to several studies, at that rate, it would take an estimated 5.4 years to cover 75% of the global population with a two dose vaccine.

In collaboration with COVAX, Gavi – the Vaccine Alliance, and CARE, UPS will initially facilitate the delivery of 20 million doses for countries that have not had sufficient access to vaccines, including for top-priority groups like healthcare workers. The role of public-private partnerships is a vital component in building global solutions for global challenges. UPS goes

beyond our traditional services to make these arrangements work for everyone. In some cases, we have provided logistics expertise to vaccine manufacturers and Non-Governmental Organizations to manage and streamline deliveries. We also provide end-to-end cold chain transportation services and donate ultra-low temperature freezer capacity needed to maintain vaccine viability.

These solutions are in practice every day. On February 26, UPS worked with Gavi and UNICEF to receive the first COVAX shipment of vaccines to Africa in Ghana. Working with Ghana's Ministry of Health, we supported transportation to the national medical store and to regional dosing sites. UPS Flight Forward (a UPS wholly owned UAS airline) qualified the use of Zipline, a drone logistics company, which then provided on-demand delivery of the vaccine to rural areas lacking cold chain storage. This partnership, which has already delivered more than 12,000 doses to rural Ghana, allows vaccines to go from facility to destination in as little as 15-30 minutes with no impact on storage temperature.

### **Inclusive Economic Recovery**

Lastly, and looking to the future, UPS has continued to focus on keeping our commercial customers in business during this time. To re-capture the economic growth the world has lost to COVID, we continue to embrace the advancements we've seen in e-commerce and digital trade over the past year and promote market access for small businesses.

At UPS, we are particularly focused on making sure this recovery effort reflects our company's values of inclusion. As World Bank and OECD studies reveal, women have experienced a disproportionate economic impact from the pandemic as they manage not just their working responsibilities, but in many cases the health and care of their families. Addressing the specific needs of women entrepreneurs and business-owners is another opportunity for public private partnership, with governments bringing resources, international organizations bringing data and cross-market oversight, and private enterprises bringing on-the-ground perspective, solutions, and expertise.

Over the course of 2020, UPS leveraged its Women Exporters Program to virtually support women entrepreneurs in their pivot to online retail to ensure they could continue growing their businesses and reach new customers despite the pandemic-related market challenges. While UPS

provided the logistics expertise and supply chain guidance, we leveraged our many partnerships with government entities – including USAID, the U.S. Department of State, the Nigerian Export Promotion Council, and Mexico’s Ministry of Economy – and international organizations – including the International Trade Centre, the World Bank, and the W20 – to provide a holistic support structure for these women. In total, UPS and our partners enabled thousands of women and small business-owners to continue operating around the world in 2020, indicating that the power of public-private partnership can certainly have a far and impactful reach if structured effectively.

Of the many lessons we count today in our reflection of COVID’s impact on the world, there is no doubt that the focus the pandemic has brought to stakeholder cooperation – particularly public-private partnerships – should be among those changes that endure.

Thank you for the opportunity to testify. I look forward to your questions.