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6 FORMULA SAFETY AND SUPPLY:

7 PROTECTING THE HEALTH OF AMERICA'S BABIES

8 WEDNESDAY, MAY 25, 2022

9 House of Representatives,

10 Subcommittee on Oversight and Investigations,

11 Committee on Energy and Commerce,

12 Washington, D.C.

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16 The subcommittee met, pursuant to call, at 11:07 a.m.,
17 in the John D. Dingell Room, 2123 Rayburn House Office
18 Building, Hon. Diana DeGette, [chairwoman of the
19 subcommittee] presiding.

20 Present: Representatives DeGette, Kuster, Rice,
21 Schakowsky, Tonko, Ruiz, Peters, Schrier, Trahan, O'Halleran,
22 Pallone (ex officio); Griffith, Burgess, McKinley, Long,
23 Palmer, Dunn, Joyce, Palmer, and Rodgers (ex officio).

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26 Also present: Representatives Barragan, Bilirakis,
27 Blunt Rochester, Bucshon, Carter, Castor, Dingell, Soto,

28 Upton, and Walberg.

29 Staff Present: Jesseca Boyer, Professional Staff
30 Member; Austin Flack, Policy Analyst; Waverly Gordon, Deputy
31 Staff Director and General Counsel; Tiffany Guarascio, Staff
32 Director; Perry Hamilton, Clerk; Xiaoyi Huang, GAO Detailee;
33 Fabrizio Herrera, Staff Assistant; Mackenzie Kuhl, Digital
34 Assistant; Will McAuliffe, Counsel; Kaitlyn Peel, Digital
35 Director; Kylea Rogers, Policy Analyst; Harry Samuels,
36 Professional Staff Member; Andrew Souvall, Director of
37 Communications, Outreach, and Member Services; C.J. Young,
38 Deputy Communications Director; Sarah Burke, Minority Deputy
39 Staff Director; Marissa Gervasi, Minority Counsel, O&I; Grace
40 Graham, Minority Chief Counsel, Health; Brittany Havens,
41 Minority Professional Staff Member, O&I; Nate Hodson,
42 Minority Staff Director; Peter Kielty, Minority General
43 Counsel; Emily King, Minority Member Services Director; Bijan
44 Koohmaraie, Minority Chief Counsel, O&I Chief Counsel; Clare
45 Paoletta, Minority Policy Analyst, Health; Kristin Seum,
46 Minority Counsel, Health; Olivia Shields, Minority
47 Communications Director; Alan Slobodin, Minority Chief
48 Investigative Counsel, O&I; and Michael Taggart, Minority
49 Policy Director.

50

51 *Ms. DeGette. The Subcommittee on Oversight and
52 Investigations hearing will now come to order.

53 Today the committee is holding a hearing entitled,
54 "Formula Safety and Supply: Protecting the Health of
55 America's Babies.'" Today's hearing will examine the
56 nation's infant formula product recall, shortage, steps
57 needed to take == increase supply, and what further action we
58 need to do to make sure families access -- have access to
59 safe formula across the country.

60 Due to the COVID-19 public health emergency, members can
61 participate in today's hearing either in person or remotely,
62 via online video conferencing. For the members participating
63 remotely, your microphones will be set on mute for the
64 purpose of eliminating inadvertent background noise. Members
65 participating remotely will need to unmute your microphone
66 each time you wish to speak. Please note that, once you
67 unmute your microphone, anything that is said in Webex will
68 be heard over the loudspeakers, in the committee room, and
69 subject to be heard by the livestream and C-SPAN.

70 Now, because members are participating from different
71 locations at today's hearing, all recognition of members such
72 as for questions will be in order of subcommittee seniority.

73 Documents for the record can be sent to Austin Flack at
74 the email address we have provided to staff, and all
75 documents will be entered into the record at the conclusion

76 of the hearing.

77 The chair will now recognize herself for an opening
78 statement.

79 Today the subcommittee seeks answers on how families
80 across the country have faced empty shelves during this
81 nationwide infant formula shortage. We expect answers from
82 the FDA, Abbott, and the other two leading formula
83 manufacturers on why caregivers are scrambling to find the
84 necessary nutrition that they need to sustain their babies
85 and children. And most importantly, we will discuss
86 solutions to prevent this from ever happening again in the
87 future.

88 The current formula shortage has real consequences.
89 Babies and children are suffering. Parents are nervous
90 wrecks, trying to get this. I have heard stories from
91 pediatricians who have seen malnourished children. I have
92 spoken directly to desperate parents who have been driving
93 for hours from store to store to find formula. And I have
94 heard from children's hospitals who are seeing an increase in
95 patients whose caregivers haven't been able to secure the
96 formula that their infants need.

97 Unfortunately, we know that this crisis has had a
98 disproportionate impact on low-income families and families
99 who rely on specialty formulas for children with special
100 needs. These children and their parents are our top

101 priorities in today's hearing. The tragic situation is
102 unacceptable. And worse, it was totally preventable.

103 There were growing strains on the domestic supply of
104 formula in the months leading up to the reported infant
105 illness and the subsequent recall of Abbott products. But
106 the recall itself turned the U.S. formula supply into a
107 tailspin.

108 Now, let's be clear: Abbott is not blameless. The
109 company appears to have neglected essential manufacturing and
110 cleaning processes that are in place to guarantee the safety
111 and reliability of products needed for our most vulnerable
112 populations.

113 Today the exact batch of contaminated infant formula
114 that sickened four infants resulting, sadly, in two of their
115 deaths, remains unknown. The bacterial sample of -- the
116 sample -- strain of the samples taken from two of the four
117 infants who fell ill was not found in environmental samples
118 taken from Abbott's Sturgis, Michigan production facility.

119 But alarmingly, however, the facility has two long of a
120 record of deficiencies, including evidence of the same
121 potentially fatal bacteria on site and in batches of its
122 formula in 2019, and leading up to the 2021 inspection.
123 Fortunately, those batches were caught before the product was
124 released for distribution. But this prevents -- presents a
125 disturbing pattern of negligence.

126 But one company alone does not bear the entire burden
127 for landing us in this current situations. There are also
128 questions surrounding the timeline of FDA's investigation and
129 response from a four-month lapse before returning to inspect
130 the Sturgis facility, delayed connection with a former Abbott
131 employee whistleblower, and slow communication to the
132 American people. There is much more to learn about FDA's
133 actions.

134 Today we seek clarity on what the agency was doing
135 behind the scenes during this critical time period, and what
136 lessons have been learned from the situation. Now, I am
137 pleased that FDA and the Administration have already been
138 focused on solutions, announcing a range of actions across
139 the Federal Government to increase formula for companies in
140 the most special need, and that manufacturers are in the mix
141 of these discussions and expediting their production efforts
142 to meet the urgency of the moment.

143 In fact, as well as Abbott, we are also joined today by
144 the other two major manufacturers of infant formula in the
145 U.S.: Gerber and Reckitt. These companies, along with
146 Abbott, have been partnering with the Biden Administration to
147 ramp up production and bring safe infant formula into the
148 country to fill the current supply gaps.

149 The Biden Administration's efforts to coordinate this
150 response to get families out of the immediate crisis have

151 been extensive, and I think we will see them working soon.
152 But we cannot ignore the need for longer-term solutions.

153 The bottom line is that the Food and Drug Administration
154 needs the resources to make sure that the food part of Food
155 and Drug Administration is not an afterthought. Just as FDA
156 works to ensure that lifesaving medicines are safe and
157 effective, the agency must have the resources and the
158 staffing to ensure that the food consumers consume is safe
159 and reliable.

160 But FDA's food safety oversight is resourced at only
161 half of the amount of drugs and biologics. And as a member
162 of this subcommittee for decades, I will tell you this is not
163 a new problem. It has been under-resourced for far too long.

164 Now, I am pleased that the House passed supplemental
165 funding last week to help address the current emergency. But
166 a one-time fix is not enough to build a more resilient food
167 safety system for the future. We have to work together to
168 bolster the food safety and the supply chain system, not just
169 today, but for our children's tomorrows.

170 The empty shelves are inexcusable, and the stories of
171 caregivers scrambling to find the nutrients that their
172 children want and need are totally heart wrenching. I stand
173 with our colleagues and our witnesses today in committing to
174 finding solutions, permanent solutions, for the American
175 public.

176 [The prepared statement of Ms. DeGette follows:]

177

178 *****COMMITTEE INSERT*****

179

180 *Ms. DeGette. And now, at this time, I hope I can see
181 him -- I am proud to recognize the ranking member of the
182 subcommittee, Mr. Griffith, for five minutes for an opening
183 statement.

184 Mr. Griffith?

185 *Mr. Griffith. Thank you very much. Thank you, Chair
186 DeGette, for holding this critically important hearing.

187 I also want to thank Commissioner Califf personally for
188 coming to this hearing, and responding to my invitation last
189 week in a phone call that the FDA arranged.

190 At the House Appropriations Committee hearing also last
191 week, Commissioner Califf told Chairwoman DeLauro that he
192 would be prepared to go into much more detail today at our
193 oversight hearing. I look forward to learning those details.

194 Many infants in the U.S. rely on infant formula for
195 their nutrition, and parents all over the nation are
196 experiencing anxiety as the country faces an infant formula
197 shortage. No parent should have to worry about how they are
198 going to feed their baby, period. I have heard from folks
199 from all over southwest Virginia who are having issues
200 providing the most basic need for their infants.

201 The big question I have today is why did the Biden
202 Administration let the shortage become so dire before acting
203 with any urgency? I anticipate that we will hear different
204 excuses today. And frankly, I am not interested in debating

205 in-stock rates or whether babies can switch from one brand to
206 another depending on their health needs. I am looking for
207 answers and for a long-term plan moving forward so this
208 doesn't happen again.

209 So how did we get here, and when did this infant
210 shortage -- infant formula shortage begin?

211 On one hand, the FDA says the shortage issue has been on
212 their radar since March 2020. Furthermore, HHS Secretary
213 Becerra said the FDA has been keeping him apprised of the
214 situation since last year.

215 On the other hand, when asked if more could have been
216 done sooner, then-White House Press Secretary Jen Psaki said,
217 "Hindsight is always 2020.'" And in response to criticism
218 that the White House was too slow to respond, President Biden
219 told reporters, "If we had been better mind readers, I guess
220 we could have. But we moved as quickly as the problem became
221 apparent to us.'"

222 So which is it? Was the Administration aware that an
223 infant formula shortage was developing for over two years and
224 failed to take sufficient action to prevent the shortage from
225 getting worse? Or were they caught flat footed? Or, as I
226 believe, both?

227 No matter the reason, it is not acceptable.

228 Suffice it to say I have a lot of questions for our FDA
229 witnesses. With all of the stresses on infant formula,

230 including COVID-19 disruptions in the supply chain and
231 consumer stockpiling during the lockdowns, the availability
232 of formula on shelves was already strained before Abbott
233 closed their Sturgis, Michigan facility on February 17.
234 Where was the Biden Administration plan to deal with what
235 should have been a foreseeable event?

236 We did not see a plan on February 17th or 18th or March
237 1st, or even in April. In fact, the FDA did not even
238 conclude its follow-up inspection of the Sturgis plant until
239 March 18, and it wasn't apparent until mid-May that the FDA
240 and the Biden Administration took this issue seriously and
241 began to act. Why did it take an onslaught of national media
242 attention for the Biden Administration to act with the sense
243 of urgency that is required to adequately address an infant
244 formula shortage?

245 Abbott submitted their response and corrective action
246 plan following FDA's inspection on April 8, but not until May
247 16 did the FDA, working with the Department of Justice, issue
248 a consent decree. I don't understand how the FDA can justify
249 three months to respond to this crisis. I expect to learn
250 why the FDA did not move heaven and earth in an attempt to
251 get the Sturgis plant back up and running as soon as
252 possible.

253 And folks, February to June is not acceptable to the
254 American families. And American parents don't consider that

255 working as soon as possible.

256 I also have questions for the infant formula
257 manufacturers, because they do have a role in this -- in
258 addressing this crisis, as well, including what can be done
259 in the short term to increase supply, and what will be done
260 in the long term to prevent something like this from ever
261 happening again.

262 I have questions for Abbott about the events that led to
263 the shutting down of the Sturgis plant. I hope to hear from
264 Abbott about the status of the plant and Abbott's ongoing
265 efforts to safely reopen the plant.

266 Being a parent brings an incredible amount of joy,
267 excitement, and love. But it can also be an incredibly
268 stressful time for parents. And parents should not have to
269 worry about how or if they are going to be able to feed their
270 baby. The mental health challenges associated with the
271 inability to provide nutrition for a young infant cannot be
272 ignored. More must be done to address the current shortage
273 and prevent future shortages.

274 In closing, statements like the ones we have heard from
275 the President and his staff, statements like, "If we had
276 better -- been better mind readers, we could have acted more
277 quickly," those statements, backed up by a lack of action,
278 do not inspire confidence. The American people deserve
279 answers. I look forward to today's discussion and learning

280 more about how to best address this ongoing crisis.

281 I thank the witnesses for being here today on this tough
282 issue, and for being a part of this important discussion.

283 [The prepared statement of Mr. Griffith follows:]

284

285 *****COMMITTEE INSERT*****

286

287 *Mr. Griffith. I yield back.

288 *Ms. DeGette. I thank the gentleman. The chair now
289 recognizes the chairman of the full committee, Mr. Pallone,
290 for five minutes.

291 *The Chairman. Thank you, Chairwoman DeGette, for
292 convening this important hearing, and I know you always move
293 quickly on anything that involves the Oversight and
294 Investigation Subcommittee.

295 Today, because of a shortage of baby formula, parents
296 and caregivers are seeing empty store shelves, astronomical
297 prices online, or having to drive hours for the formula they
298 need to feed their children. And this is simply
299 unacceptable. And this hearing will explore how this dire
300 situation occurred, the steps taken to address it, and
301 crucially, how we can prevent it from ever happening again.

302 And our solutions will undoubtedly include legislation.
303 The Energy and Commerce Committee has jurisdiction over the
304 FDA, and will initiate any authorizing legislation.

305 The data on the extent of the shortage varies based on
306 where a family lives, or whether a child needs a specialty
307 formula or a specific type or brand. So some regions have
308 been hit harder by the shortages than others. And
309 disturbingly, low-income women and children who rely on the
310 WIC program for their infant formula have been particularly
311 impacted by the shortage.

312 Now, the shortage rates began to rise in late 2021 due
313 to pandemic-related strains on the supply chain. But there
314 is no question that the February recall of Abbott products
315 and the shutdown of Sturgis -- of their Sturgis, Michigan
316 plant is responsible for the supply crash that we face today.
317 The impact from just one infant formula plant closing in the
318 United States shows the power one single manufacturer has to
319 influence the nation's supply of formula, when just three
320 companies control roughly 95 percent of the market.

321 We are too reliant on too few companies to do the right
322 thing. And when just one of those companies cuts corners, we
323 spiral into an emergency. So there needs to be more
324 competition so that these few manufacturers don't have a
325 monopoly. And I stress that.

326 This committee will examine the circumstances
327 surrounding the recall and shutdown. We will ask questions
328 about the FDA's investigation of the foodborne illnesses that
329 sickened four infants and led to two of their deaths. We
330 also will ask about issues at Abbott's Sturgis facility, and
331 the questionably slow timeline of action to address safety
332 risks. And at the same time, we have to address the current
333 shortages and prevent future supply strains by hearing from
334 the FDA, Abbott, and other manufacturers about the supply
335 shortages that they face and the challenges and the steps
336 they are taking to increase the availability of safe infant

337 formula.

338 The FDA officials and executives of the manufacturers
339 need to answer some tough questions. Babies' lives are at
340 stake, and this committee, Congress, and the American people
341 demand answers and solutions.

342 Fortunately, the Biden Administration has taken
343 important, responsive actions to increase the supply of
344 formula for American families. It worked with manufacturers
345 to increase production at other facilities and encouraged
346 importation of safe infant formula. The President also
347 invoked the Defense Production Act and launched Operation Fly
348 Formula to increase domestic production and bring safe
349 imported formula to store shelves. The FDA has also caused
350 -- or eased, I should say -- import restrictions for 180 days
351 to allow international manufacturers to help address the
352 shortage, while ensuring the formula meets our national
353 safety and nutrition standards.

354 Now Congress has already taken swift action, passing
355 legislation which the President signed, I believe, on
356 Saturday into law that grants flexibility to the WIC program
357 to increase the supply of formula available to families. And
358 the House also passed the Infant Formula Supplemental
359 Appropriation Act, providing FDA with immediate resources to
360 resolve the current baby formula shortage and lay the
361 foundation to ensure this never happens again.

362 But we have to do more. My colleagues, I said for years
363 that FDA's food safety efforts have been chronically under-
364 funded, under-resourced, and under-staffed. Last week this
365 committee took a step to help address that by advancing an
366 FDA user fee bill that will strengthen FDA's ability to
367 recruit and retain highly qualified staff across the agency,
368 including in areas overseeing infant formula and baby foods.
369 And that bill will head to the floor in the coming weeks.
370 But additional legislation will be necessary to improve
371 transparency and reporting requirements, and to empower FDA
372 to set limits more quickly on contamination.

373 Industry must also do its part to ensure robust internal
374 controls are in place and are being followed to prevent
375 contaminated products from ever reaching a single child.

376 So put simply, Madam Chair, it shouldn't take the direct
377 intervention of FDA and the President to keep infant formula
378 on the shelves. The manufacturers have to take
379 responsibility. And now we must all work together to
380 guarantee the safety and supply of baby formula to ensure the
381 health of our nation's children.

382 And let me just say the Energy and Commerce Committee
383 will act, as always, on a bipartisan basis to enact the
384 necessary authorizing legislation. So this committee hearing
385 is important, but it will lay the groundwork for what we have
386 to do legislatively. And I do want to emphasize that, and

387 our role in all of this.

388 [The prepared statement of The Chairman follows:]

389

390 *****COMMITTEE INSERT*****

391

392 *The Chairman. Thank you, Madam Chair, and thank you
393 for doing so many things of an oversight nature with this
394 subcommittee. I do appreciate it. I yield back.

395 *Ms. DeGette. Thank you, Mr. Chairman. The chair now
396 is pleased to recognize the ranking member of the full
397 committee, Mrs. McMorris Rodgers, for five minutes.

398 *Mrs. Rodgers. Thank you, Madam Chair.

399 Before I begin I want to address the school shooting in
400 Texas. As a mom, I kissed my children this morning and sent
401 them off to school. And I thought about the possibility of
402 it being the last time that I would see them.

403 Schools are where our children should be safe, and
404 learning, and thriving, making friends, and being kids. And
405 I know we are all anxious to get all the information. We all
406 want answers as to what would put someone in a place to take
407 a young -- the young, innocent lives.

408 And there is an overwhelming sense that people are
409 struggling. Crime and violence is going up. There is a
410 mental health crisis. These are the courageous conversations
411 that we must have together. And I hope that we will, to help
412 end this despair and bring hope to our communities again.

413 Now, regarding today's hearing and the crisis point we
414 have hit on baby formula shortages, parents shouldn't have to
415 drive hours, paying record-high gas prices, visiting multiple
416 stores to find some formula after midnight to finally feed

417 their children just two or three days more. That is the
418 reality of the crisis in America today. It is putting
419 newborns and babies in the hospital.

420 There are parents who are unsure if tomorrow they will
421 be able to feed their baby. They need support and immediate,
422 meaningful action to increase supply. They also deserve
423 answers. There are several reasons for this shortage,
424 including failure by FDA and the Administration to act early
425 enough to address supply shortages and the Abbott shutdown
426 that made it worse.

427 The Biden Administration says it did not anticipate the
428 formula shortage. But it should have. As a part of its
429 pandemic response, FDA had a data and analytics tool to
430 monitor the supply chains of various products, including
431 infant formula. The FDA's Food Safety Center was in contact
432 with the infant formula industry to monitor ingredients and
433 other components for production, and to maintain a healthy
434 and safe supply.

435 A January Wall Street Journal article, a month before
436 the Abbott plant closed, reported problems of hard-to-find
437 formula. The FDA didn't have to "read minds," as the
438 President dismissively suggested. They just had to read
439 their own data and listen to parents. With Abbott being a
440 major supplier, and given the information at its disposal,
441 the FDA should have known the plant closure would make the

442 shortage even worse.

443 This is not the first time FDA has been confronted with
444 a looming supply crisis. In 2004 the U.S. flu vaccine supply
445 was provided by -- with only two manufacturers. One of the
446 two manufacturers, a British company called Chiron, shut down
447 after FDA inspectors found safety problems. That meant, just
448 before the flu season, half of the U.S. flu supply -- the
449 vaccine supply -- was gone, and the Administration
450 immediately took action to secure doses of other
451 manufacturers and encourage foreign manufacturers to seek
452 licensure from the FDA.

453 When Abbott's Sturgis plant closed in February, the
454 Biden Administration should have likewise acted with urgency
455 to increase supply on day one. Instead, the FDA didn't act
456 decisively until parents and the media coverage moved --
457 forced them to move publicly. FDA failed to react promptly
458 to the warning signs it was getting about the Abbott
459 nutrition plant.

460 In September of 2021 FDA conducted an inspection, and
461 issued a 39-page report that found hazardous food safety
462 practices, and that product could have been contaminated.
463 Around the same time, FDA received four complaints of
464 cronobacter infections in infants. Tragically, two of the
465 babies died. All had been -- reportedly consumed Abbott
466 nutrition product, though a link has yet to be established.

467 In October of 2021 the FDA received a 34-page complaint
468 about the Sturgis plant from an Abbott ex-employee who
469 alleged data falsification and release of untested product.
470 There was a life-and-death crisis in front of FDA, but they
471 failed to see the severity of the situation. FDA reportedly
472 did not interview the whistleblower until months later, and
473 did not re-inspect the plant until January of 2022. FDA did
474 not even form an incident management group on infant formula
475 until April 1st of 2022, more than 6 months after it found
476 issues.

477 This hearing is an opportunity to ensure parents are
478 certain that the FDA does not repeat mistakes that led to
479 these shortages, and I am leading on legislation to increase
480 and restock empty shelves, and it also requires more
481 oversight and accountability to ensure the FDA is doing its
482 job, acting quickly. We must solve the immediate issue, and
483 also ensure that we are taking actions so this situation
484 never happens again.

485 [The prepared statement of Mrs. Rodgers follows:]

486

487 *****COMMITTEE INSERT*****

488

489 *Mrs. Rodgers. I thank you and yield back.

490 *Ms. DeGette. I thank the gentlelady.

491 The chair now asks unanimous consent that members'
492 written opening statements be made part of the record.

493 And without objection, so ordered.

494 I now want to introduce our first panel of witnesses for
495 today's hearing.

496 Dr. Robert Califf, the commissioner of the Food and Drug
497 Administration, welcome.

498 Frank Yiannas, the deputy commissioner for food policy
499 and response of the Food and Drug Administration.

500 And Dr. Susan Mayne, the director of the Center for Food
501 Safety and Applied Nutrition of the Food and Drug
502 Administration.

503 I want to thank all of you for appearing in front of our
504 committee today.

505 And I know you are aware the committee is holding an
506 investigative hearing. And when we do so, we have the
507 practice of taking our testimony under oath. Does any of you
508 have any objection to testifying under oath today?

509 *Dr. Califf. No objection.

510 *Ms. DeGette. Let the record reflect the witnesses
511 responded no.

512 So the chair now will advise you that, under the rules
513 of the House and the rules of the Committee, you are entitled

514 to be accompanied by counsel. Do any of you wish to be
515 accompanied by counsel?

516 *Dr. Califf. No.

517 *Ms. DeGette. Let the record reflect the witnesses have
518 responded no.

519 So please raise your right hands so you may be sworn in.

520 [Witnesses sworn.]

521 *Ms. DeGette. Let the record reflect the witnesses have
522 responded affirmatively, and you are now under oath and
523 subject to the penalty set forth in title 18, section 1001 of
524 the U.S. Code.

525 And at this time the chair is very pleased to recognize
526 Commissioner Califf for a 10-minute opening statement on
527 behalf of all three of our FDA witnesses.

528 Now, Dr. Califf, I want to note there is a timer on the
529 screen -- you can see it -- that counts down your remaining
530 time. You are a pro with this now, I think, just like all of
531 the rest of us. So I want to thank you for appearing, and
532 recognize you for 10 minutes.

533

534 TESTIMONY OF HON. ROBERT M. CALIFF, M.D., COMMISSIONER, FOOD
535 AND DRUG ADMINISTRATION; FRANK YIANNAS, M.P.H., DEPUTY
536 COMMISSIONER, FOOD POLICY AND RESPONSE, FOOD AND DRUG
537 ADMINISTRATION; AND SUSAN MAYNE, PH.D., DIRECTOR, CENTER FOR
538 FOOD SAFETY AND APPLIED NUTRITION, FOOD AND DRUG
539 ADMINISTRATION

540

541 TESTIMONY OF ROBERT M. CALIFF

542

543 *Dr. Califf. Thank you, Chairwoman. Chair DeGette,
544 Ranking Member Griffith, and members of the subcommittee,
545 thank you for inviting us to testify on the safety and supply
546 of infant formula in the United States.

547 Ensuring that infant formula is safe and nutritious is a
548 solemn responsibility of the Food and Drug Administration.
549 And we are working with our government partners and the
550 industry that produces infant formula to stabilize the
551 supply.

552 We are fully aware that many parents and caregivers have
553 been unable to access the infant formula products they need.
554 Many of us are parents and grandparents too, and we want to
555 express our deepest empathy for parents and caregivers who
556 are experiencing difficulty and stress as they attempt to
557 find formula. I personally have been driven by memories of
558 the month my daughter spent in the intensive care unit as an

559 infant, and the deep concern and anxiety of parents driven to
560 protect an innocent child.

561 We have provided you with an extensive written testimony
562 that describes the recent history of this problem, and gives
563 a detailed timeline. During this hearing I welcome reference
564 to this document.

565 On September 20th, 2021, FDA learned of a cronobacter
566 Sakazakii infection in an infant who consumed formula
567 produced at Abbott Nutrition's facility in Sturgis, Michigan.
568 Our detailed, written testimony and timeline specify the
569 chain of events that culminated in a for-cause onsite
570 inspection of the Sturgis facility on January 31st, 2022.

571 While there are many steps along the way where different
572 actions could have sped up the sequence of events, to this
573 date I can find no evidence of intentional delay or
574 malfeasance.

575 I believe we have the facts delineated at this point,
576 and we have initiated an internal after-action review so that
577 we can make improvements to prevent delays like this in the
578 future and to improve our decision-making. I have asked Dr.
579 Steven Solomon, director of our Center for Veterinary
580 Medicine, to lead this review. Before leading the Center for
581 Veterinary Medicine, Dr. Solomon served in the Office of
582 Regulatory Affairs, and has deep organizational knowledge of
583 the processes in the Foods program, as well as compliance and

584 enforcement.

585 The FDA and CDC's investigation could not conclude that
586 the egregiously unsanitary conditions in the Abbot facility
587 caused the illnesses reported in our timeline. However, we
588 cannot rule it out, either, as a confluence of events is
589 highly unusual.

590 There is no dispute that the facility was unacceptably
591 unsanitary, as evidenced by the consent decree. Frankly, the
592 inspection results were shocking: standing water; cracks in
593 the key equipment that present the potential for bacterial
594 contamination to persist, particularly in the presence of
595 moisture; leaks in the roof; a previous citation for
596 inadequate handwashing; and current poor foot sanitation;
597 bacteria growing from multiple sites; and many signs of a
598 disappointing lack of attention to the culture of safety in
599 this product that is so essential to the lives of our most
600 precious people.

601 As a clinician, I have used lifesaving, clot-busting
602 drugs, diagnostic tests, and cardiovascular devices made by
603 Abbott. This is so far removed from my previous experience
604 with the company that I am very concerned.

605 As soon as we received positive cronobacter results from
606 environmental samples we collected during the inspection, we
607 contacted Abbott to ask the company to issue a voluntary
608 recall. The need to make urgent action to protect the most

609 vulnerable of all of our people, infants, presented a
610 dilemma. This was the largest plan of the dominant
611 manufacturer, and it was the sole source of a number of
612 metabolic formulas essential for the viability of infants,
613 and with no substitution possible, because Abbott had no
614 backup plan.

615 We knew that ceasing plant operations would create
616 supply problems, but we had no choice, given the unsanitary
617 conditions. We took several critical steps within hours,
618 including meeting with those who have been dealing with our
619 supply chain throughout the pandemic. And a memo was sent to
620 the relevant agencies signaling the supply chain risk. We
621 acted early to ensure the specialty metabolic and amino acid
622 products for which Abbott was a sole producer were made
623 available on a case-by-case basis, consulting with
624 nutritionists, pediatricians, and safety experts.

625 We contacted companies in the industry to encourage
626 increasing their production to supply the market. We asked
627 retailers to place temporary limits on how much any one
628 person could buy to minimize excess buying. We remain in
629 frequent communication with our government and industry
630 partners about the status and risks.

631 Because of the lack of the diversification of this
632 market and the absence of a central hub for integrating
633 supply chains, we concluded early on that getting the Sturgis

634 facility up and running safely was a top priority. But we
635 had no confidence in the integrity of the Abbot Quality
636 Program at this facility. Accordingly, we initiated
637 proceedings toward a consent decree which requires Abbott to
638 undertake steps to assure safe production of formula,
639 including hiring an outside expert with reporting to FDA.

640 Our oversight is critical. But make no mistake about
641 it, the return to normal will only occur when Abbott takes
642 the steps to resume production in a safe manner.

643 As detailed in the charts included in your written
644 testimony, we and our Federal partners have been monitoring
645 the in-shelf stocking of formula and the rates of infant
646 formula consumption all along. Through the efforts of other
647 companies to step up their production, sales of infant
648 formula have remained steady. And in fact, volume and
649 quantity of formula purchased are 5 to 15 percent higher now
650 than in the month before the recall, as demonstrated in
651 charts included in the written testimony.

652 Despite the overall numbers showing diminished but
653 steady supply, we knew that distribution was an issue. Some
654 areas were experiencing significant shortages, but overall
655 there was enough formula to go around. About a month ago,
656 the reports of shortages on the shelf proliferated, while
657 there was not a drop in production. This increase in
658 consumption most likely represents heightened concern of

659 parents and caregivers about shortages, leading to an
660 understandable effort to purchase ahead to ensure adequate
661 supply at home. This type of cycle has happened with other
662 products throughout the pandemic, and we realize that the
663 only solution is to have adequate supply to make sure shelves
664 are stocked.

665 To that end, we've employed a host of measures to
666 increase supply. A consent decree was signed with Abbott
667 Nutrition last Monday that will allow the Sturgis plant to
668 get back in production mode. I met with the Abbott CEO
669 yesterday, and he assured me they will be ready to go in
670 early June.

671 We continue to work with current U.S.-based
672 manufacturers to increase their production and distribution
673 from FDA-inspected facilities, both domestically and abroad.
674 I commend them for their efforts in this regard, and we have
675 seen substantial increases. We are helping with the all-of-
676 government response, including Operation Fly Formula
677 encouragement and support of importation and -- of product
678 not currently in the U.S. market by using careful case-by-
679 case easing of regulatory requirements to safely increase the
680 number of manufacturers allowed to import formula, working
681 with state health commissioners to increase flexibility with
682 WIC to enable additional infant formula suppliers to enter
683 the market, and catch price gougers.

684 Throughout the time since the recall, a highly dedicated
685 group of experts within and outside the FDA have worked to
686 manage the complex issues encountered for those caring for
687 infants with complex metabolic issues requiring very special
688 formula.

689 I will leave you with several thoughts.

690 First, FDA's timeliness of interviewing the
691 whistleblower and getting into the facility for a for-cause
692 inspection were too slow, and some decisions in retrospect
693 could have been more optimal.

694 I did not return to FDA to preside over business as
695 usual. As many of you know, I was enjoying a pretty good
696 life in the private sector when asked to come back.

697 After years of working in multiple private and public
698 parts of industry, I believe that success follows proper
699 attention to structure, function, leadership, and resources
700 to report -- support the work of employees. All of these
701 issues need attention in the chronically under-funded food
702 side of the FDA, and you will see changes in the near future.
703 Our requests for funding and authority are essential, in
704 concert with improved operations and leadership.

705 Second, the return of the Sturgis plant to safe
706 production of formula is critical. Abbott's enormous market
707 share left it with the responsibility for producing safe
708 infant formula that was not met. We will do everything in

709 our power to work with Abbott to make this happen as quickly
710 as safely possible. But this timing is in Abbott's control.

711 Third, the all-of-government effort and the enormous
712 goodwill of government partners and companies within and
713 outside the U.S. has been heartening. And while we are
714 waiting for Abbott to fulfill its responsibility, we will
715 meet the essential needs of American families with supplies
716 from a variety of sources.

717 Fourth, this supply inadequacy did not happen overnight.
718 Across the industry we regulate we are seeing evidence that
719 the just-in-time distribution system, market concentration,
720 and sole-source contracting are leading to shortages.
721 Multiple reports to Congress call for improved supply chain
722 management. Until regulatory agencies have digital access to
723 critical supply chain information and personnel to do the
724 work, we will continue to react to supply chain disruptions
725 rather than intervening to prevent them.

726 I want to conclude by reiterating that we will not rest
727 until our shelves are replete with safe and nutritious infant
728 formula. And I am committed to improve the ability of FDA to
729 meet its mission to protect and promote the health of the
730 American people, particularly infants, our most vulnerable
731 people. Thank you.

732

733

734 [The prepared statement of Dr. Califf follows:]

735

736 *****COMMITTEE INSERT*****

737

738 *Ms. DeGette. Thank you so much, Commissioner Califf,
739 and I appreciate your recognition of the challenges facing
740 the agencies and your -- also your commitment to trying to
741 fix it.

742 But I want to make sure that we are all on the same
743 page. And I just want to go through the timeline that was
744 presented in your written testimony -- and you referred to
745 it, too.

746 From September 20th through the 24th on 2021, FDA did a
747 routine inspection of the Sturgis facility. And then,
748 coincidentally, on the same day, September 20th, FDA got news
749 of a complaint about an infant that -- who had become ill due
750 to the cronobacter after consuming infant formula produced at
751 that Sturgis facility.

752 But then a month -- about a month later, FDA got a
753 complaint from a whistleblower about the lax cleaning and
754 testing facilities at Sturgis, as well as alleged
755 falsification of records and deception of FDA inspectors.
756 But that person was not interviewed until two months later,
757 in December.

758 Then, between December and February 2022, FDA received
759 three more consumer complaints regarding cronobacter cases,
760 two of which, sadly, resulted in death. But then, despite
761 all of this, FDA didn't return to inspect the Sturgis
762 facility until January 31st.

763 Then, according to your testimony, there was a six-week
764 inspection and there were fundamental sanitation, building,
765 and equipment issues.

766 But then, February, Abbott closed down the plant at
767 Sturgis and ceased production.

768 Then two days later, finally Abbott voluntarily recalled
769 the products.

770 Well, so then, on March 18, FDA closed the inspection
771 and issued its inspection observations to Abbott.

772 But then, finally, on May 16th, FDA and Abbott signed a
773 consent decree providing numerous steps that Abbott needs to
774 undertake. You referred to that. So that was May 16th.

775 But now Abbott is telling me it is going to take two
776 weeks to clean the plant, then it is going to take up to six
777 to eight weeks more to get back to full production.

778 And so, Commissioner, this is what I am concerned about.
779 I went through this whole timeline because, by my account, it
780 took about four months from when the agency first became
781 aware of these reported cases of cronobacter to inspect the
782 Sturgis plant. Then it took two more weeks for Abbott to
783 stop production, and then it took three months more for FDA
784 and Abbott to enter into a consent decree.

785 Does that sound about right to you, in terms of the
786 timeframe?

787 *Dr. Califf. I think you have got it right.

788 *Ms. DeGette. Doctor?

789 *Dr. Califf. And as you know --

790 *Ms. DeGette. Okay.

791 *Dr. Califf. -- it is all documented in your -- in the
792 testimony in great detail.

793 *Ms. DeGette. Now -- yes. So what all of us are really
794 concerned about, obviously -- and the parents of America are
795 concerned about -- it could be up to a year between the first
796 inspection in September last year and full production at this
797 plant. And at the same time, there -- the vulnerable infants
798 and children are not getting their formula.

799 So I guess you referred to this, that you have somebody
800 looking into it. Do you have any idea why it took so long
801 from the report to the inspection and recall?

802 And what is the plan to shorten the time in the future?

803 *Dr. Califf. Well, first of all, let me say you are
804 right to be concerned, and the public should be concerned.
805 As I have said already, it was too slow, and there were
806 decisions that were suboptimal along the way.

807 And I am sure you also know that, as I was going through
808 confirmation, I got many calls from people concerned about
809 the food side of the FDA because of the lack of resources and
810 concerns about the organizational structure.

811 My basic plan has been to get through this crisis, and
812 then we will be looking at the overall food program from the

813 perspective of reforming it, but not waiting to deal with the
814 specifics of this case. This is where Dr. Solomon, who is a
815 truth teller in the FDA and well known by everyone, will lead
816 an effort to help us get the processes corrected.

817 I could --

818 *Ms. DeGette. Yes.

819 *Dr. Califf. You mentioned many items, and I could go
820 through each one if you wish, but --

821 *Ms. DeGette. Well, I -- we don't have time,
822 unfortunately.

823 But what I do want to say is that I have been on this
824 subcommittee for several decades now, and the food program at
825 the FDA has -- it crops up time to time. We had the peanut
826 butter crisis. We have had many, many crises over the years.
827 And we always rush to make that plant safe, clean it up.

828 But ultimately, what we have to do is we work to -- have
829 to work together -- and I think you agree with this -- to put
830 food back into Food and Drug Administration. We have to not
831 just throw money at it. We have to figure out what we need
832 to do to make these inspections robust, and then to shorten
833 the time. Would you agree with that?

834 *Dr. Califf. I 100 percent agree, and applaud you for
835 what you did with 21st Century Cures on the medical product
836 side. We need the equivalent on the food side. I think the
837 medical product side is doing really well at this point. The

838 food side needs a similar shot in the arm.

839 *Ms. DeGette. Okay. Well, we will work on it. Thank
840 you so much.

841 I am now pleased to recognize the ranking member, Mr.
842 Griffith, for five minutes.

843 *Mr. Griffith. Thank you very much. I appreciate it.
844 Thank you, Chair DeGette.

845 And Dr. Califf, thank you so much for being here. This
846 is not going to be an easy hearing, and I respect you for
847 showing up to take the tough questions on. And that means a
848 lot to me.

849 That being said, I know it is not what you intended to
850 say, but I think some could take the impression that, in part
851 at least, you were blaming moms and dads who were scared that
852 their children couldn't be fed, and that they were over-
853 buying. And the answer is not that moms and dads are
854 responsible for this problem. It is the manufacturers of the
855 infant formula and the FDA. So I think that is important.

856 Let me go to some follow-up questions. And this is the
857 kind of stuff that drives you crazy.

858 So Ms. DeGette went through a timeline and, according to
859 your written testimony, it was December 6 when your team
860 finally got together. And I know you weren't there yet, but
861 the FDA team got together to say, "Hey, we ought to probably
862 have a plan to go in and inspect the Sturgis plant.'" But

863 the timeline that isn't attached to your testimony, your
864 written testimony, says that the first time they got together
865 to start planning the Sturgis plant inspection was October
866 21st.

867 Now, you have said it was too slow, and that is where I
868 was going to go with that. And I think it is pretty clear,
869 whether it was September that they started meeting or
870 December, when you have a problem that is identified in
871 September -- I am glad that you have already agreed that
872 getting to do an inspection on January 31st is too late. And
873 you stand by that, that you -- you agree that was too slow.

874 *Dr. Califf. Yes.

875 *Mr. Griffith. Yes or no?

876 *Dr. Califf. Yes.

877 *Mr. Griffith. And I am curious, too, about the fact
878 that your testimony states the FDA began to first have
879 concerns about infant formula production in March of 2020.
880 The situation was going to get worse with the Abbott Sturgis
881 facility -- which my calculations say made about 11 or 12
882 percent of the total U.S. production -- when they shut that
883 facility down.

884 Did the FDA have a detailed action plan to deal with one
885 of the food manufacturers, one of the infant formula
886 manufacturers shutting down, and what we were going to do
887 when the kids didn't have enough formula? Did we have a

888 detailed plan on what action we would take?

889 *Dr. Califf. We had several committees that were
890 meeting regularly and doing the things that I have mentioned,
891 which was contacting all the other producers, as has already
892 been detailed. There are not that many other producers, and
893 they did ramp up right away to the extent that they could.
894 And, you know, I enumerated other actions that were taken to
895 try to deal with this --

896 *Mr. Griffith. Well, why did it take -- I mean, the
897 question is, when you have -- particularly your WIC
898 recipients have, you know, one source in most states that
899 they can purchase, and a lot of times that is Abbott, why did
900 it take nearly three months to say, okay, we are going to
901 have a relaxation on some of these regulations related to
902 WIC, we are going to have a relaxation on some of the
903 products coming in from Europe?

904 I mean, where was the request for legislation from us?
905 Where was the action planned by the Administration to start
906 flying formula in from overseas?

907 I mean, why wasn't that happening in March, instead of
908 mid-May?

909 *Dr. Califf. Mr. -- Madam and Mr. Chairman, can I refer
910 to my other colleagues here, or would you prefer that I
911 answer the questions?

912 *Mr. Griffith. Well, I like you answering them, but if

913 somebody else --

914 *Ms. DeGette. They can --

915 *Mr. Griffith. -- has got an answer, I would love to
916 hear it.

917 *Ms. DeGette. They can refer to it, if they have the
918 answer.

919 *Mr. Griffith. Yes.

920 *Dr. Califf. Well, I will ask Mr. Yiannas to comment,
921 but we were monitoring this, and we -- the system seemed to
922 be keeping up with demand until fairly recently, although
923 there were spot shortages that we were responding to one at a
924 time. And at the same time we were trying to get the Abbott
925 plant up as quickly as we could.

926 But Mr. Yiannas, who is an expert in this area, may have
927 a comment.

928 *Mr. Griffith. Because my time is running out, let me
929 move to another question, and that is I know you are trying -
930 - you say you are trying to get the plant up as quickly as
931 possible. And I believe that you believe that.

932 The problem is, when you have an emergency situation
933 like this -- and I know you did some special things for the
934 metabolic, and the kids that need special formulas, you tried
935 to move on that a little quicker. But when you have 11 to 12
936 percent of your total production going down, I am wondering
937 why it is taking so long just to get where we are at. Why

938 weren't we working at breakneck speed?

939 I mean, I am reminded of the Battle of Midway, when,
940 after being damaged at Coral Sea, Yorktown pulls into Pearl.
941 And General Nimitz says -- or Admiral Nimitz says, "Get it
942 done. We need to get this ship out.'" And that ship is
943 sailing in two days. Forty-eight hours later, that ship is
944 sailing because the American soldier got in there and got it
945 done. I don't expect that you could get Sturgis open in two
946 days, but why is it going to take four or five months to get
947 it open? And why weren't we moving on all of these things in
948 March, and moving towards getting this plant reopened then?

949 *Dr. Califf. I know we are out of time. Am I allowed
950 to respond?

951 *Ms. DeGette. You can answer briefly, if you
952 [inaudible], if you know.

953 *Dr. Califf. Yes, I would just point out that, with
954 regard to the Sturgis plant specifically, as I say, we didn't
955 have confidence that they would produce safe formula until we
956 got control of the plant through the consent decree.

957 And a consent decree is a legal agreement involving the
958 Department of Justice and the plant -- and the manufacturer
959 that has to be negotiated.

960 And the number -- and I will also add Abbott actually
961 did start remediating the plant, but it was so bad -- we met
962 with them yesterday. There were so many steps in this. Even

963 though they had been working at it -- on it since day one,
964 they are still not ready to go, but they will be in the next
965 several weeks.

966 *Ms. DeGette. Thank you. The gentleman's time has
967 expired. The chair now recognizes Chairman Pallone for five
968 minutes.

969 *The Chairman. Thank you, Chairwoman DeGette.

970 Commissioner, I want to use half of your time to talk
971 about the current crisis and half on what we can do in the
972 future, particularly legislatively, since we are the
973 authorizing committee.

974 And I love the ranking member's war mentality, because
975 that is how I feel right now, you know, this has got to be
976 like a general in the field.

977 So first question for two minutes, the President has
978 invoked the Defense Production Act. He has launched
979 Operation Fly Formula. You are taking actions with Abbott.
980 How is this going to complement each other? Will it be
981 effective in getting this formula out quickly? Are talking
982 two weeks, three weeks, whatever, to get this shortage over
983 with?

984 And then, as part of that, how will you get information
985 distributed so we can tell our constituents how they get this
986 formula, you know, how they have access to it so they can get
987 it?

988 That is two minutes.

989 *Dr. Califf. Sure. First of all, let me just say this
990 is a war mentality. It is a crisis. We are fully aware of
991 it. Families should not be searching for formula, but they
992 have to do it now until we fill in.

993 So if we set our expectation at several weeks out, we
994 will have a surplus of formula. When I say "several," I
995 can't say exactly how many weeks. Until then we have to fill
996 it in with all these measures. The other producers have
997 stepped up. We are now importing, we are flying military
998 planes and other planes to pick it up and bring it in. And
999 we just have to keep filling in until we get to the point
1000 that the production is up.

1001 The good news with Abbott --

1002 *The Chairman. All right, now --

1003 *Dr. Califf. I am sorry?

1004 *The Chairman. How about getting it out, so that our
1005 constituents know how to get this formula?

1006 I am very concerned that you do all this, and they won't
1007 know how to access it, and still have a problem, particularly
1008 low-income people, people that don't have access to
1009 information easily.

1010 *Dr. Califf. Yes, I think it is really important for
1011 people to go to the HHS website, [HHS.gov/formula](https://www.hhs.gov/formula). There you
1012 will find the hotlines for all the manufacturers, and helpful

1013 information about where to go.

1014 The distribution is being handled by real professionals
1015 at supply chain who have been working throughout the pandemic
1016 with a variety of products. So as soon as it comes in, we'll
1017 get it out to the places that are in the greatest need.

1018 But you're right, the public is going to have to stay
1019 attuned, hopefully, through that website to get information
1020 that they need.

1021 *The Chairman. All right. And think of other ways,
1022 too, because not everybody has a computer, so let's think of
1023 other ways to get that information out as this formula
1024 becomes available -- hopefully, in the next couple of weeks.

1025 Now, my second question. We are the authorizing
1026 committee. I am concerned about a future crisis, because I -
1027 - we need to have a mechanism, in my opinion, where the
1028 manufacturers tell us, or there is some kind of trigger or
1029 alarm bell with the FDA if they are experiencing shortages
1030 for whatever reason.

1031 So what I am told is, you know, that maybe we need to
1032 have some kind of transparency legislation through shortage
1033 reporting requirements that would require manufacturers to
1034 alert FDA of potential shortages so they can shift
1035 production, or we can go into overload.

1036 And also something to empower the FDA to act more
1037 quickly with regard to contamination, because that process is

1038 so bogged down in long and cumbersome regulatory ways.

1039 So a minute-and-a-half, what can we do to have a better
1040 reporting?

1041 What can we do so that you don't get bogged down in this
1042 long process when there is potential contamination?

1043 Or anything else you think -- other tools you need?

1044 You have about a minute.

1045 *Dr. Califf. We've asked for a number of authorities,
1046 and we have consistently all -- just to remind the group of
1047 what's in the document you have, a month into the pandemic we
1048 requested authorities to deal specifically with the potential
1049 for infant formula shortages, and we were unsuccessful in
1050 getting those acted upon. Yet we did a number of things at
1051 FDA to try to deal with it, with the resources that we
1052 cobbled together.

1053 But you mentioned a couple of things that are absolutely
1054 critical. Right now we have no ability to -- there is no
1055 requirement that manufacturers alert us if they are running
1056 short.

1057 Secondly, just for example, Abbott had cultured
1058 cronobacter in samples going back a ways, but since they had
1059 not shipped them out, they had no requirement to either keep
1060 the samples or alert us that that had happened. We
1061 discovered it on inspection, but it may surprise people to
1062 know that.

1063 The consent decree process we could have a long
1064 discussion about, but they -- and, you know, for me, I worked
1065 at Google for five years before coming back. You would be
1066 surprised to know there is no just-in-time system where all
1067 the FDA employees can see what is going on.

1068 What we really need is access to the information that
1069 the manufacturers have about each of their individual supply
1070 chains. They each have their individual supply chains, but
1071 there is no national system to make sure the supply is
1072 getting where it needs to go.

1073 And then finally I will mention this is not unique to
1074 this problem. This is our most special problem. But right
1075 now we have a shortage of contrast media for people having
1076 strokes and heart attacks. 60 Minutes ran a show that I
1077 would recommend for you. Generic drug shortages are
1078 happening every day in hospitals. We have to do something
1079 about our supply chain issues.

1080 *The Chairman. Thank you.

1081 Thank you, Madam Chair.

1082 *Ms. DeGette. I thank the gentleman. The chair now
1083 recognizes the ranking member, Mrs. McMorris Rodgers, for
1084 five minutes.

1085 *Mrs. Rodgers. Thank you, Madam Chair. I kind of want
1086 to pick up where the chairman left.

1087 As a part of the pandemic response, did FDA not have a

1088 data and analytics tool to monitor the supply chains of
1089 various products, including infant formula?

1090 *Dr. Califf. We requested funding for a tool and,
1091 because we didn't get the funding, we cobbled it together.
1092 It is a start, but it is nowhere near -- you know, again, I
1093 was at Google for five years. The technology at FDA and in
1094 many Federal agencies is outmoded, and needs an upfit. There
1095 is just no question about it.

1096 *Mrs. Rodgers. Okay. Well, I guess I would like to
1097 understand more about that, because, as a part of the
1098 pandemic response, Congress had authorized funding for a data
1099 analytics tool to monitor the supply chains for various
1100 products, including infant formula. And the FDA's Food
1101 Safety Center was in contact with the infant formula industry
1102 to monitor ingredients and other components for production
1103 and to maintain a healthy and safe supply.

1104 The slow response by FDA to the infant formula crisis
1105 has created a desperate situation for parents. Months
1106 without any action has only contributed further to this life-
1107 and-death situation. It is suspected that two babies now
1108 have died, and two others are critically ill from
1109 contaminated baby formula.

1110 But on top of that, with the Abbott plant shut down and
1111 a possible safety problem, it is presenting another public
1112 health crisis, and that is the lack of access to baby

1113 formula. Just a few days ago, we have learned that there is
1114 at least four babies hospitalized in South Carolina because
1115 of complications arising from baby formula shortage. So we
1116 have an additional public health crisis because people cannot
1117 get -- parents cannot get baby formula.

1118 How many reports does FDA have of babies who got sick or
1119 worse related to the shortage of baby formula?

1120 *Dr. Califf. Let me give a general answer to that. It
1121 is not a large number, but each one is highly significant.
1122 And we have a committee of people, including outside experts,
1123 to look at every single case to make sure we get formula to
1124 those people.

1125 I would like to refer this question to Dr. Mayne, who
1126 has spent countless hours working with experts on this issue.

1127 *Dr. Mayne. Thank you. And one thing I would like to
1128 point out is we have been in discussion with the infant
1129 formula manufacturers throughout COVID, but discussion is not
1130 the same thing as data. And we do not have the authorities
1131 to demand data from the companies to get necessarily all the
1132 information that you would want to have to really monitor
1133 these supply chains --

1134 *Mrs. Rodgers. Okay.

1135 *Dr. Mayne. -- as Dr. Califf indicated.

1136 *Mrs. Rodgers. Okay, thank you. I am going to quickly
1137 run out of time. I do want to know more about the data

1138 analytics tool that I was -- that Congress authorized to FDA,
1139 so -- to help with this specific situation.

1140 Did FDA conduct an assessment of the public health
1141 impact of a baby formula shortage, if the Abbott plant had to
1142 close? And what were the findings?

1143 *Dr. Califf. What I would say -- I was not here when
1144 that decision was made, so I don't know all the details. So
1145 I will refer again probably to Dr. Mayne.

1146 But I would say, based on everything I have looked at,
1147 there was intense discussion about the consequences of this,
1148 and there are memos that will adequately document the thought
1149 that went into it. But we simply could not allow a plant
1150 that was unsafe to be shipping formula.

1151 Dr. Mayne, would you comment quickly?

1152 *Dr. Mayne. We've certainly anticipated that this would
1153 have significant impact in the general formula, but even more
1154 so in the specialty and metabolic products. And that is why
1155 we made the decisions we did, not to have those products be
1156 recalled, because the concerns for the health of these
1157 infants were greater had we recalled those products.

1158 With regard to the general infant formula supply, what
1159 we heard from other manufacturers is they had capacity to
1160 increase production, and they have. They have stepped up,
1161 they have increased production. And that was the kind of
1162 scenario planning.

1163 At the same time, we also invoked all kinds of
1164 mitigation steps that we could, things like mitigation to
1165 reduce regulatory -- you know, add those flexibilities,
1166 things like asking the retailers to limit purchases. We did
1167 a whole number of steps, right from the get-go, to try to
1168 reduce the impact.

1169 But at the same time, we were in a tough place, where we
1170 did not want to allow this unsafe formula prepared under
1171 insanitary conditions --

1172 *Mrs. Rodgers. Okay.

1173 *Dr. Mayne. -- to be served to infants in this country.

1174 *Mrs. Rodgers. Thank you. Thank you, I appreciate
1175 that.

1176 I feel like I am getting kind of -- you know, on one
1177 hand we are being told now that the Abbott plant is going to
1178 be up and running in a couple of weeks. I know that you
1179 testified last week, Commissioner, that -- concerning the
1180 whistleblower complaint -- that the integrity of the
1181 organization was compromised.

1182 So I am kind of, on one hand, I am like, how do you
1183 believe that organizational integrity can be restored in just
1184 two weeks for the expected reopening of the plant, if there
1185 is these significant concerns?

1186 *Dr. Califf. May I have 30 seconds or so to --

1187 *Ms. DeGette. Yes, go ahead.

1188 *Dr. Califf. -- answer that?

1189 *Ms. DeGette. Go ahead.

1190 *Dr. Califf. The only way I would have -- and again, I
1191 have a long history with Abbott in my previous life, as a
1192 doctor. It has been a great company. But given what we saw,
1193 the only way we could have confidence was through a consent
1194 decree where we literally have oversight of every single
1195 step.

1196 When we met with the CEO yesterday, there were hundreds
1197 of steps that they went through that they are having to do,
1198 many of which have already been done. So it is only if we
1199 have direct oversight over it that I would have confidence.

1200 But I do have confidence that we are seeing every single
1201 step, both physically, in person, and also through following
1202 the documentation and the outside expert. So many --

1203 *Ms. DeGette. I thank the gentleman. The gentlelady's
1204 time has expired. The chair is now going to go to Miss Rice
1205 for five minutes.

1206 Miss Rice, you are recognized.

1207 *Miss Rice. Thank you, Madam Chairwoman. You know, I
1208 just think we have to dig a little deeper on how we can, you
1209 know, avoid the current disastrous situation in the future.
1210 And we have to understand the missed opportunities that led
1211 to the formula recall and empty store shelves, and apply
1212 those lessons going forward.

1213 I mean, you would think after the pandemic and the --
1214 what we didn't have enough of would have enabled us to look
1215 at these critical products that everyday Americans need just
1216 to survive, and make sure that this wouldn't happen.

1217 I mean, it is clear to me that the delay between the
1218 FDA's annual inspection of the Sturgis plant in September of
1219 2021 and the FDA inspector's return in late January of 2022,
1220 more than four months later, as the chairwoman pointed out,
1221 which was also after three reported illnesses, was a missed
1222 opportunity, to say the least.

1223 You know, Commissioner, understanding that you were not
1224 yet in the position that you are in now at that time, but as
1225 the head of the agency today, what steps have you taken to
1226 ensure that we are not going to see, God forbid, something
1227 like this in the future, where it is going to take four
1228 months after notification of first illness before the FDA
1229 initiates an investigation into whether it is Abbott's
1230 facility or any other facility?

1231 *Dr. Califf. Well, there are a number of steps.

1232 I mean, the most important one, I think, is the
1233 escalation requirement. That is, notifying the leaders. And
1234 it is documented in our report that Mr. Yiannas, Dr. Mayne,
1235 and Ms. McMeekin, the head of our Office of Regulatory
1236 Affairs, were not notified until February that all this was
1237 going on.

1238 And, you know, that is -- you know, we have to have
1239 standards. I used to work in hospital quality systems. You
1240 remember when medical errors were not being reported, and
1241 nurses were empowered to, if a surgeon made a mistake, to
1242 report it, not as a punitive matter, but to make the system
1243 better. So we are putting systems like that in place.

1244 But I must tell you that, you know, we still have
1245 vulnerabilities. We have a very tired, over-worked workforce
1246 that, in the midst of a pandemic which is still ongoing, and
1247 an under-funded segment -- and, you know, whenever -- I have
1248 worked in corporations and health systems with the best of
1249 facilities and people, and it is very different than when you
1250 have really good people -- who could do other things for a
1251 living, let me point out -- who are really straining to use
1252 human labor to do things that computers could do
1253 automatically.

1254 So that is a list of some of the things.

1255 *Miss Rice. Oh, okay.

1256 Dr. Mayne, according to FDA testimony, after becoming
1257 aware of the first infant illness complaint on September 20th
1258 of 2021, the agency immediately notified Abbott. It is my
1259 understanding, however, that the FDA inspectors who were on
1260 site conducting a routine inspection of Abbott's Sturgis
1261 plant on September 20th through the 24th of 2021 were not
1262 told about the reported complaint of illness at the time of

1263 the inspection.

1264 If that is accurate, Dr. Mayne, why were the FDA
1265 inspectors not informed of the complaint? And do you believe
1266 more timely communication with them about the reported
1267 illness could have better informed their assessment and
1268 facility classification?

1269 *Dr. Mayne. Thank you, Congresswoman. Two things to
1270 note is, once the agency receives a complaint like this, we
1271 then have to follow up on that complaint. And every one of
1272 these complaints was followed up on. That means reaching out
1273 to who made the complaint. That means trying to obtain
1274 samples of the product for testing. That means getting the
1275 medical information with regard to the complaint. And that
1276 process does take time.

1277 In this case, product was obtained. It underwent
1278 microbiological testing. The final testing results were not
1279 available until October 6. It does take time to get these
1280 results.

1281 So, had we known that there had been a complaint, we
1282 wouldn't have known the details of what that complaint
1283 involved, how that could potentially impact the inspection,
1284 what they may need to look forward to.

1285 So in the real world, we would have loved to have all
1286 that information the moment the complaint was made. But that
1287 is not what happened.

1288 And I will reiterate: on every one of these four
1289 complaints the FDA did follow up with those exact procedures
1290 to follow up, get as much information about the complaint.
1291 And that is critical to inform what you might look for in a
1292 plant.

1293 *Miss Rice. My time is about to expire, but also, you
1294 know, the fact that there is three companies who manufacture
1295 such an essential product that we need to keep children
1296 alive, we maybe should look at, you know, increasing domestic
1297 production on that front.

1298 Madam Chairwoman, thank you so much. I want to thank
1299 the witnesses, and I yield back the balance of my time.

1300 *Ms. DeGette. I thank the gentlelady.

1301 Mr. Burgess, you are now recognized for five minutes,
1302 but you need to go on camera.

1303 [Pause.]

1304 *Ms. DeGette. Oh, I guess I am going to go to Mr.
1305 McKinley.

1306 Mr. McKinley, you are on camera, so I am going to
1307 recognize you for five minutes.

1308 *Mr. McKinley. Thank you, Madam Chairman, and thank you
1309 for this testimony, holding this hearing, because this is
1310 just -- the Abbott plant is just one example of what happens
1311 when government agencies and the private sector companies do
1312 not get out in front and disclose safety issues that impact

1313 public health.

1314 Through his Twitter account just last week, a TV
1315 producer put on social media that there were multiple -- this
1316 is a quote -- "multiple inspections showed no issues at the
1317 Abbott plant," and that the FDA bill that we passed last
1318 week was unnecessary. I emphasize this statement was just
1319 sent out last week all across the country.

1320 So documentation of these violations, we have heard it
1321 all through the testimony today, they were reported during
1322 the last several FDA inspections at the plant, firmly
1323 established there were serious problems at the plant that led
1324 to a recall and a plant closing. Problems have escalated
1325 into a public health crisis. Yet both the FDA and the Abbott
1326 company have remained curiously silent.

1327 I remind you this statement that was put out on Twitter,
1328 on social media, was sent just last week saying the
1329 government was wrong, there were no problems there.

1330 And so I wonder -- there are consequences when this type
1331 of misinformation is not rebutted, and the public continues
1332 to lose confidence in the governmental process, in
1333 government. So -- and we in Congress did not hear about the
1334 scope of this issue until early May, and the Administration
1335 seems clearly to be caught off guard.

1336 So Commissioner, a couple of questions to you, if you
1337 could, please. Why did you not -- and maybe you have

1338 answered this, but I want to hear it again -- why did you not
1339 inform the public in January or February or earlier of the
1340 problems at the Abbott plant?

1341 *Dr. Califf. We -- with all due respect, we did. When
1342 the recall was made, there was a public announcement both by
1343 Abbott and by the FDA about the problem with the product, and
1344 the general reason it needed to be recalled.

1345 I'd also have to point out that, in the midst of a
1346 consent decree negotiation, it is very difficult to talk
1347 about the specifics --

1348 *Mr. McKinley. Yes.

1349 *Dr. Califf. -- of the problem until that is completed,
1350 because of the legal prohibitions.

1351 *Mr. McKinley. I have got a couple other questions. So
1352 what are you doing to combat this type of social media
1353 providing incorrect public health information? How would you
1354 respond to that?

1355 *Dr. Califf. I am only smiling not because I think it
1356 is funny, but because it is so critical right now that we get
1357 the misinformation situation under control. And, you know, I
1358 -- remember, I worked at Google for five years, and so I saw
1359 the good and the bad of access to information.

1360 FDA is going to have to change its outward-facing
1361 strategy to be much more proactive and preemptive. I would
1362 point to the American strategy with Russia in the Ukraine as

1363 one of the best examples in history of always being one day
1364 ahead of the misinformation.

1365 *Mr. McKinley. Okay.

1366 *Dr. Califf. This is a big change for FDA, so we are
1367 going to have to --

1368 *Mr. McKinley. Reclaiming my time to -- I have got two
1369 more questions.

1370 How will the passage of last week's FDA bill increase
1371 the production of baby formula?

1372 *Dr. Califf. Well, the production is increasing --

1373 *Mr. McKinley. Yes, but [inaudible] criticism, that it
1374 -- they said on these various tweets -- it was not just one,
1375 it was several -- they said it was unnecessary. So I want to
1376 know, how do we increase -- how we get back to production.
1377 How did putting, what, \$28 million, how did that -- how is
1378 that going to increase production?

1379 *Dr. Califf. Well, remember, the Abbott plant needs to
1380 get up and running. We got to oversee it every step of the
1381 way in micro detail to make sure that it is done correctly.

1382 And as we bring in supply from other countries --
1383 remember, we already have overseas plants that we import from
1384 on a regular basis, almost double digits. So, as we bring
1385 that product in, we've got to inspect it, and make sure it is
1386 of the quality that we expect in America of formula.

1387 And we need to upgrade our information systems, as I

1388 have already said, to make sure that, as all this goes on, we
1389 can keep track of it, and make sure that we are coordinated.

1390 *Mr. McKinley. Commissioner, did the FDA have a
1391 mitigation plan in place before the plant was shut down?

1392 *Dr. Califf. Yes, as Dr. Mayne, I think, recounted in
1393 some detail, we had a number of steps that we were taking to
1394 keep production up, and it actually did increase on a
1395 national basis. But the purchasing, obviously, outstripped
1396 the production, as you well know.

1397 *Mr. McKinley. Thank you.

1398 Madam Chairman, my time has expired, so thank you, and I
1399 yield back.

1400 *Ms. DeGette. I thank the gentleman. The chair now
1401 recognizes Ms. Schakowsky for five minutes.

1402 *Ms. Schakowsky. Thank you, Madam Chair. You know, I
1403 was beginning -- going to begin by saying I am extremely
1404 concerned. A lot of us had talked about concern. But I have
1405 to tell you, it is really more than that. I am actually
1406 pretty furious about the FDA's lack of food safety
1407 leadership, communication, and action.

1408 And I just also want to ask unanimous consent to begin
1409 by putting into the record a in-depth report that was done by
1410 Politico called the "FDA Food Failures," and it is based on
1411 50 interviews, and it really goes into detail. It was done
1412 in April of 2022. And I ask unanimous consent.

1413 *Ms. DeGette. If the gentlelady will submit it to
1414 committee staff, we will do all of those unanimous consent
1415 requests at the end of the hearing.

1416 *Ms. Schakowsky. Thank you very much. You know, food
1417 safety over the decades -- this is not a new story -- has
1418 been a real problem. I have been following this not only
1419 throughout my career, but even before I became part of the
1420 House of Representatives.

1421 And, you know, there is a kind of ongoing joke that --
1422 it is not really a joke -- that I have heard that says that
1423 -- and it is said by FDA employees -- that says that the F in
1424 FDA is silent. We have not seen this as being a priority in
1425 the Food and Drug Administration. And now here we are, you
1426 know, and I can't tolerate, really, any excuses and delays.

1427 I have just one question about timing, although I think
1428 my colleagues have done a great job in talking about the
1429 various delays that there were.

1430 So according to FDA testimony, staff received the
1431 whistleblower report in October of 2021, and senior food
1432 staff officials did not respond to that report until four
1433 months later, in February. How does that happen? How can
1434 that possibly happen?

1435 And I want to ask you that of the administrator.

1436 [Pause.]

1437 *Ms. Schakowsky. I am -- can you hear me?

1438 [Pause.]

1439 *Ms. Schakowsky. Hello?

1440 *Dr. Califf. I got muted there, I apologize.

1441 *Ms. Schakowsky. Oh, I see, okay.

1442 *Dr. Califf. I -- first of all, let me just point out
1443 that the complaint was received. It was logged in right
1444 away. The ORA employees did their usual review. It went to
1445 OCI, the criminal investigations unit, because there were
1446 concerns.

1447 The decision was made then that the informant needed to
1448 be questioned and brought in to go over things. There were
1449 some medical illness issues that delayed it. I can't go into
1450 details, because they are personal, related to that.

1451 So a number of things happened. I'm -- we are on record
1452 as saying it took too long.

1453 And then, on top of all that, as I have already said,
1454 the lack of escalation --

1455 *Ms. Schakowsky. So --

1456 *Dr. Califf. -- meant that senior officials were not
1457 aware until February 10th or February 9th.

1458 *Ms. Schakowsky. Well, I mean, we -- so much has been
1459 said today that needs to change the focus. I know that you
1460 are rather new to this position right now, but you have a
1461 long history with the Food and Drug Administration on the
1462 food side. So we really are calling you to change the focus,

1463 the emphasis, to really put food up front. We are tired of
1464 seeing all -- you know, one after another of these kinds of
1465 situations.

1466 I also just wanted to alert you. I have introduced
1467 legislation that deals with chemicals that are in our food
1468 that are toxic. They are known toxic chemicals. I have
1469 legislation that would require research and, ultimately,
1470 removal of those from our foods. I hope that you will
1471 definitely consider that.

1472 But we don't want to hear any more about this without
1473 prompt, swift, effective response from the Food and Drug
1474 Administration. Let's put food back into the Food and Drug
1475 Administration.

1476 And thank you, and I yield back.

1477 *Mr. Peters. [Presiding] The chairman's audio -- the
1478 chair's audio is out, so we are going to go next to Dr.
1479 Burgess if he is on camera. If not, it is Mr. Long.

1480 I don't see Dr. Burgess. Are you on?

1481 [No response.]

1482 *Mr. Peters. We will go to Mr. Long for five minutes.

1483 *Mr. Long. Thank you, Mr. Chairman.

1484 And Commissioner Califf, I am going to have you rate
1485 your performance at the FDA and this situation on a scale of
1486 1 to 10. How would you rate your personal performance?

1487 *Dr. Califf. Well, I would say, because of the outcome,

1488 I would give it, at best, a four or a five.

1489 *Mr. Long. I also would like to have you rate the
1490 urgency with which your agency has taken up this matter of no
1491 baby formula on the shelves. How would you rate the urgency
1492 that has been within your administration from 1 to 10?

1493 *Dr. Califf. Well, when I look at the employees, it is
1494 9.5 out of 10. People have been up days, nights, weekends
1495 working on this. I would totally stand behind their effort.

1496 The result, as I say, is not what we would have wanted.
1497 So I cannot give it a high rating.

1498 *Mr. Long. I mean, I am from Missouri. You have got to
1499 show me. I mean, that doesn't -- you can't say that you got
1500 a 9/10 urgency, but yet it is failed. So how do you account
1501 for that?

1502 *Dr. Califf. It is a complex system, where the people
1503 working on the ground are working their tails off, speaking
1504 of being from Missouri, working as hard as they possibly can
1505 with inadequate systems, inadequate funding, and we didn't
1506 meet the needs. So that is why the overall rating is low,
1507 but the rating for the hardworking employees is very high.

1508 *Mr. Long. And so it is systematic? It is money? It
1509 is people? What is it, again? I am a little confused.

1510 *Dr. Califf. As I said in my opening statement, it is a
1511 combination of leadership, people, money, and technology.

1512 I am so acutely aware of the technology gap, having come

1513 from the best technology in the world now to technology which
1514 is completely outmoded, that I think it is a combination of
1515 all of the above.

1516 I have said that I knew before coming in that the food
1517 side, just as your predecessor just said, the food needs to
1518 be brought back in the FDA. It is a major issue. There will
1519 be everything looked at. But the day that I was confirmed
1520 was the day that the recall made the news. And we've been
1521 engrossed in that, trying to take care of this problem, for
1522 the first three months of my time.

1523 *Mr. Long. I don't know of anyone in this hearing today
1524 that is not furious with the FDA and with the situation with
1525 the baby formula. I don't know any American that is not
1526 furious, for the record.

1527 Commissioner Califf, the HHS Secretary Becerra claims
1528 that the FDA has been briefing him about the baby formula
1529 situation for months, going back to last year. Is that an
1530 accurate statement?

1531 *Dr. Califf. We've been communicating with HHS and
1532 having communications with the Secretary for -- you know,
1533 throughout the pandemic about baby formula.

1534 *Mr. Long. Was it the FDA's understanding that the
1535 Secretary would brief the White House, Secretary Becerra
1536 would brief the White House on the shortage?

1537 And if you -- if so, do you have any idea when that

1538 briefing occurred?

1539 *Dr. Califf. I don't know if there was a -- I do not
1540 know the answer to that question.

1541 But we do have other communications with the White House
1542 that are regular, they are part of the supply chain effort,
1543 which has guiding us -- guided us through the whole pandemic.

1544 *Mr. Long. [Inaudible] try and find out an answer to
1545 that question for me about whether there was a briefing and,
1546 if so, when it occurred?

1547 *Dr. Califf. We would be glad to do our best with that.

1548 *Mr. Long. And also, sticking with you on the questions
1549 here, HHS Secretary Becerra, has he provided any guidance or
1550 support to the FDA?

1551 If so, what guidance or support has he provided?

1552 *Dr. Califf. He has been tremendously helpful as we've
1553 gotten into the Operation Fly Formula, and the enforcement
1554 discretion enabling foreign suppliers to send in. And he has
1555 gotten on the phone and called CEOs to encourage them to
1556 increase their production, among many other efforts to
1557 support. Even in the last week, when people know he was
1558 sequestered in Germany with COVID, he was on the phone
1559 putting in good work.

1560 *Mr. Long. Like I say, I don't know of anyone on this -
1561 - in this hearing today that is not absolutely furious with
1562 what we have been going through, and what parents, more

1563 importantly, have been going through, freaking out, trying to
1564 -- I saw that someone -- I am not sure, I should have looked
1565 it up before the hearing, I guess, but someone in the
1566 Administration said the best suggestion was to go to your
1567 pediatrician and see if they had some samples for you. And
1568 being the father of a pediatrician, I can assure you that she
1569 doesn't have cases of baby formula sitting around in the back
1570 room of her office.

1571 I yield back.

1572 *Ms. DeGette. [Presiding] I thank the gentleman. I
1573 also want to thank Mr. Peters for subbing in. I am having
1574 some audio trouble with my computer, so if -- so he is on
1575 deck.

1576 And I appreciate it, Scott.

1577 Next I would like to recognize Mr. Tonko for five
1578 minutes.

1579 [Pause.]

1580 *Mr. Tonko. Thank you, Madam Chair.

1581 Can you hear me?

1582 *Dr. Califf. Yes.

1583 *Mr. Tonko. Okay. As we have learned over the past two
1584 years when it comes to public health guidance, clear
1585 communication with the American people is vital. Uncertainty
1586 without information breeds fear and panic.

1587 And it is fear following the Abbott product recalls

1588 that, in some instances, led families to stockpile formula or
1589 even turn to unregulated and risky solutions to feed their
1590 children, which makes me wonder why there was so little
1591 communication to the public from FDA during the months
1592 leading up to the February Abbott product voluntary recalls.

1593 In fact, the FDA did not warn the public about the
1594 potential risk of consuming infant formula products
1595 manufactured at Abbott Nutrition's Sturgis, Michigan plant
1596 until February 17th, following Abbott's announcement that the
1597 company was voluntarily recalling these products.

1598 So Mr. Yiannas, with -- you know, there have been
1599 discussions about the delay and all, but with the benefit of
1600 hindsight, and knowing now the impacts that product recalls
1601 would have on formula supply, do you think FDA could have
1602 provided more public guidance, not just on the safety of
1603 infant formula, but its supply, actual supply opportunities
1604 in the U.S.?

1605 *Mr. Yiannas. Well, thank you for that question, Mr.
1606 Tonko.

1607 You know, when I think about it, it has the safety
1608 issues and then the supply chain issues. And when it came to
1609 the safety issues, as soon as I became aware and started
1610 working with the coordinated team here at FDA, we worked
1611 pretty quickly to pull that product off of the shelves.

1612 As soon as we had information that we believed that

1613 product was unsafe, that message was quickly communicated to
1614 the American consumer. It was actionable information, and we
1615 wanted them to avoid consuming those Abbott recalled
1616 products. Early at that time, I don't think there was
1617 anything actionable to communicate to the American public.
1618 In hindsight, I am a strong believer of transparency. Maybe
1619 we could have done more talking about the current state of
1620 supply chains.

1621 But I do think some type of alert or warning that there
1622 might be supply chain shortages coming could have led to, you
1623 know, some type of panic buying. So I think we did the right
1624 thing on the public health portion, the safety, communicated
1625 it as quickly as we could, and we told the American public
1626 that they should avoid these products. And we pulled it off
1627 the shelf. And then, as information started becoming known
1628 about the supply chain challenges, we tried to share as much
1629 as we could.

1630 *Mr. Tonko. I thank you for that.

1631 Commissioner Califf, would you please help shed some
1632 light on how the agency's food safety leadership is
1633 coordinated?

1634 With respect to the Abbott investigations, for instance,
1635 how were the reports of infant illness complaints distributed
1636 by FDA, and was the information shared amongst all key food
1637 personnel within FDA in a timely manner?

1638 *Dr. Califf. As I have already said, if you are
1639 referring to the complaints associated with the infant
1640 formula, not the complaints associated with the metabolic
1641 formulas now -- those are two different things. But if we go
1642 back to the beginning, as noted in our timeline, there was a
1643 failure to escalate, which was a system failure, so that
1644 neither Mr. Yiannas nor Dr. Mayne nor Ms. McMeekin, the head
1645 of the Office of Regulatory Affairs, knew of it until, as Mr.
1646 Yiannas said, until early February.

1647 *Mr. Tonko. And I was particularly alarmed to learn,
1648 Commissioner, that, according to FDA's testimony, that while
1649 infant formula and medical food staff received the former
1650 Abbott employee whistleblower report in October of 2021, Dr.
1651 Mayne, the director of CFSAN, did not receive the report for
1652 another four months, which by that time had been under review
1653 by the Office of Regulatory Affairs review, and discussed
1654 with FDA's Office of Criminal Investigations.

1655 So yes or no, is this, at best, a lack of coordination
1656 and, at worst, a breakdown amongst the leadership?

1657 *Dr. Califf. It was a lack of coordination, for sure.

1658 *Mr. Tonko. And understanding this transpired before
1659 your new tenure, moving forward in your leadership of FDA,
1660 Commissioner Califf, how, if at all, do you plan to address
1661 such food safety leadership breakdowns within the agency as
1662 we go forward?

1663 *Dr. Califf. Well, when we think about food safety, it
1664 is -- as one of your colleagues already noted, it is very
1665 broad. It includes things like chemicals in the food, and
1666 the sort of outbreaks that we are talking about here.

1667 I knew coming in we were going to need to make changes.
1668 But they are across the board, it is not just structural. It
1669 is also the people. And it is the resources, and it is the
1670 technology. All those need to be addressed. You can't do
1671 that overnight. You need to really plan --

1672 *Mr. Tonko. Well, let --

1673 *Dr. Califf. And as you well know, Congress needs to
1674 approve any such major changes.

1675 [Pause.]

1676 *Ms. DeGette. Thank you, Mr. Tonko. The chair now
1677 recognizes Mr. Palmer for five minutes.

1678 *Mr. Palmer. Thank you, Madam Chairman. I commend my
1679 colleagues on the committee for the thoroughness of their
1680 questions.

1681 I want to bring up an article that was in this morning's
1682 Washington Post that, frankly, has some stunning revelations.
1683 And I want to talk to Mr. Yiannas.

1684 You are the deputy commissioner for food policy and
1685 response, yet neither of the FDA's food policy divisions
1686 report to you, nor do the food safety inspectors. Is that
1687 true?

1688 *Mr. Yiannas. That is true.

1689 *Mr. Palmer. Before Commissioner Califf was appointed,
1690 food safety problems were reported to the principal deputy
1691 commissioner, Janet Woodcock, who is a medical doctor who was
1692 acting commissioner when the whistleblower complaint arrived.

1693 When you did -- when did you get access to that report?

1694 *Mr. Yiannas. The whistleblower report, I believe, I
1695 got access to it around February 10th, thereabout.

1696 *Mr. Palmer. But the whistleblower report had been out
1697 for months. Is that correct?

1698 *Mr. Yiannas. Yes.

1699 *Mr. Palmer. Why is it, then, if you are the deputy
1700 commissioner for food policy, you didn't get the report?

1701 How is it that it got tied up in the bureaucracy, and it
1702 didn't get to the person who arguably should be responsible
1703 for responding to it?

1704 *Mr. Yiannas. Yes. I am not sure why the report wasn't
1705 shared with me, and how it didn't get escalated. As you have
1706 heard the Commissioner state, I know that there is going to
1707 be a review, and we are going to try to get to the bottom of
1708 it.

1709 *Mr. Palmer. Madam Chairman, I think we need to get an
1710 answer to this question.

1711 *Mr. Yiannas. I certainly --

1712 *Mr. Palmer. I know Commissioner Califf was not there

1713 when this occurred, but this is stunning to me.

1714 I mean, Commissioner Califf, is this typical of how
1715 whistleblower reports are handled, that you don't get them to
1716 the right people?

1717 *Dr. Califf. Well, of course, I haven't been involved
1718 in whistleblower reports until just the last three months,
1719 but we've already done a pretty extensive review of it.
1720 There were five whistleblower reports --

1721 *Mr. Palmer. That is not my question sir, that is not
1722 my question.

1723 My question is you have the deputy commissioner for food
1724 policy and response, who basically was shut out of the
1725 process. And you know, the old saying in management that
1726 personnel is policy, and -- but it is also management
1727 structure.

1728 Mr. Yiannas, I understand you were working on unifying
1729 the food program at the FDA to ensure that failures such as
1730 that have led to the baby formula supply crisis wouldn't
1731 occur again. Have you been aided or impeded in that effort?

1732 [No response.]

1733 *Mr. Palmer. Mr. Yiannas?

1734 *Mr. Yiannas. Well, we've had a collaborative effort --
1735 yeah, hopefully you can hear me. Thank you. We've had a
1736 collaborative effort.

1737 We knew that responding to outbreaks fast and being

1738 right was critical [inaudible] --

1739 *Mr. Palmer. Yes, but what I am asking you is --

1740 *Mr. Yiannas. -- last year our --

1741 *Mr. Palmer. What I am trying to find out is that,
1742 according to the Washington Post, you were told to stand down
1743 in that effort to reorganize this so that you could actually
1744 do your job, and have the FDA organize in such a manner that
1745 -- and this is my opinion, this is not the Post. But in my
1746 opinion, the FDA focuses more on medical issues than they do
1747 food issues. And that is what Ms. -- Representative
1748 Schakowsky brought up.

1749 Were you impeded in that effort?

1750 *Mr. Yiannas. I could answer the reference to the
1751 Washington Post, because that was very unethical and
1752 egregious behavior. I was called on my FDA personal mobile.
1753 The person identified themselves as Kim, somebody who I work
1754 with regularly, similar voice, asked a question and I
1755 answered it. They didn't identify themselves as a reporter.

1756 *Mr. Palmer. Okay --

1757 *Mr. Yiannas. But no, what that article referenced was
1758 that the investigation is going to be led at that time by
1759 Principal Deputy Commissioner Janet Woodcock. And as you
1760 heard today, Steve Solomon is going to now be leading it.

1761 *Mr. Palmer. What I think -- and I am not speaking for
1762 the entire committee, but I believe it would be a consensus,

1763 that we want the FDA structured in such a way that, when
1764 these issues arise -- and we know that, for two years, the
1765 FDA did not do inspections, even though they knew there were
1766 problems at Sturgis. And when they did the inspections, the
1767 report didn't -- that they issued -- didn't mention them.
1768 That is unacceptable.

1769 And, Madam Chairman, I will yield back, but I hope that
1770 the committee will continue to pursue this to ensure that in
1771 the future we have the right structure at the FDA to make
1772 sure this doesn't happen again. With that, Madam Chairman, I
1773 yield back.

1774 *Ms. DeGette. Mr. Palmer, this is exactly what I said
1775 in my opening statement, and I agree totally with you about
1776 that.

1777 The chair now will recognize the vice chair of the
1778 subcommittee, Mr. Peters, for five minutes.

1779 [Pause.]

1780 *Ms. DeGette. Please unmute, Mr. Peters.

1781 Or he can't -- he has no -- Ms. Schrier, are you ready?

1782 *Ms. Schrier. Yes, I can be ready.

1783 *Ms. DeGette. Then you are recognized for five minutes.

1784 *Ms. Schrier. Thank you, Madam Chair.

1785 You know, this is a really distressing time for parents
1786 with infants and parents to be. Most babies, even if they
1787 are breastfed, will at some point rely on formula to survive.

1788 And baby formula to these infants is essentially medicine.
1789 Because for kids under four months -- and I mean, really,
1790 even under six months -- this is essentially their only
1791 source of nutrition. And there are some babies with
1792 allergies or metabolic conditions that require them to take a
1793 very specific type of formula that they just can't live
1794 without.

1795 So I am really glad to be able to have this conversation
1796 today, Dr. Califf, as we try to sort of figure out what
1797 happened. I think it is also really important to look ahead,
1798 as my colleagues have pointed out, to what can be done to
1799 make sure this never happens again.

1800 You know, when I was practicing as a pediatrician, we
1801 would regularly get notifications that we were running short
1802 on certain medications. There is an online list of
1803 shortages. I checked it this morning. Right now, for
1804 example, you mentioned the shortage of technetium, Lidocaine,
1805 Propofol. Like, this is really important for doctors to
1806 know, because it lets us make informed decisions about which
1807 antibiotic to use, or which sedative to use during an
1808 operation, and whether there are alternatives.

1809 And since formula is kind of like medicine for babies,
1810 like there is nothing else, and it keeps them alive, I am
1811 wondering if that kind of warning system would make sense.
1812 And so I just want to know, first, is there any early warning

1813 system for products like baby formula, not just the
1814 ingredients, but for formula itself, where a manufacturer
1815 would let you know if they are running short or anticipate a
1816 shortage.

1817 *Dr. Califf. The short answer is no.

1818 First of all, let me thank you for being a pediatrician.
1819 I sometimes call the Academy of Pediatrics just for the
1820 positive vibes that you all exude as a profession.

1821 But no, there is not such a warning system. We've
1822 repeatedly asked for that authority, and have not been
1823 granted it. The industry, by and large, has opposed it.

1824 *Ms. Schrier. And would that authority, for example,
1825 come from Congress? Is that something that we can do and
1826 work to make sure it happens?

1827 *Dr. Califf. That is what I am referring to, it would
1828 require congressional authorization for that to happen.

1829 I just want to go further to say I was at Google, I know
1830 what digital technology could do. There is no reason that we
1831 don't put together a national system to enable us to do
1832 stress testing on the supply chain for critical products like
1833 this, just like we have for banks.

1834 *Ms. Schrier. Thank you, I appreciate that. And I also
1835 understand that there has been weird buying behavior. Toilet
1836 paper, formula, you know, people get nervous about Omicron,
1837 they start buying baby formula. And that did exacerbate

1838 this. But there is other underlying issues, as you have
1839 heard from my colleagues.

1840 There is another thing I really want to touch on here,
1841 because we are talking a lot about these efforts to open --
1842 reopen the Sturgis plant. Let's get it up and running in two
1843 weeks. And, you know, you made some pretty damning comments
1844 about the conditions in that plant that were found in the
1845 2021 inspection. And then I read the whistleblower report.
1846 And, my gosh, that makes me really worried. And you have
1847 said that, you know, you have put in hundreds of requirements
1848 that they need to fulfill before that can be opened safely.

1849 But I have got to tell you, when I read about
1850 falsification of records, swabbing empty cans, not really
1851 reporting on differing weights in cans, like, it feels like
1852 there is just corruption from the top down in that plant.
1853 Are you insisting on a full change of staff, management,
1854 employees, and how are you going to oversee this so that we
1855 feel confident, when this opens, that we are getting clean,
1856 safe formula?

1857 *Dr. Califf. Well, you sort of alluded to it, but I
1858 mean, you know well I am not in a position to either confirm
1859 or refute that there may be criminal proceedings.

1860 So, you know, but with regard to the specifics of what
1861 you said, every step of the way we will be there until we are
1862 comfortable, not just that the plant is physically okay, but

1863 that the systems and people are the right people to be in
1864 place to make sure -- you know that we can't inspect every
1865 batch of every element or every plant every month. So --

1866 *Ms. Schrier. Right, right.

1867 *Dr. Califf. -- we have to depend on quality systems.

1868 *Ms. Schrier. I appreciate that. And you have to trust
1869 the information you are getting.

1870 I just have one other question, because some of this was
1871 found coincidentally, right? Like, you happened to find this
1872 in an inspection. We didn't hear about it back in September,
1873 when that -- when all of these problems were found. I am
1874 just wondering. Now it raises questions about all the other
1875 formula companies. Like, how sterile are their conditions?
1876 How much can we trust them?

1877 And, you know, what can you say to parents out there
1878 right now who are worried?

1879 *Dr. Califf. What I would say is that we are inspecting
1880 formula plants. The standard is once a year. We did fall a
1881 bit short during the peak of the pandemic, but we are up and
1882 going, and the plants will be inspected once a year with a
1883 very diligent inspection. So we are on top of it.

1884 *Ms. Schrier. And to date they have been safe?

1885 *Dr. Califf. Yes. The formula that is on sale now is
1886 safe.

1887 *Ms. Schrier. Thank you. I yield back. Apologies.

1888 *Ms. DeGette. Thank you so much.

1889 Mr. Joyce, you are now recognized for five minutes.

1890 *Mr. Joyce. Thank you for yielding, Madam Chair. Just
1891 this morning, after visiting a local supermarket, I reached
1892 out to the head of a major supermarket chain to hear what the
1893 concerns were about the supply for baby formula.

1894 Commissioner Califf, can you please elaborate and
1895 describe the plan for distribution of baby formula that is
1896 being currently imported from foreign countries, and that --
1897 and how that formula will reach rural parts of our country,
1898 rural parts that I represent in Pennsylvania?

1899 *Dr. Califf. First, let me say I greatly appreciate
1900 your bringing up rural America. I published a number of
1901 research papers over the last five years about the decline in
1902 life expectancy in rural America, and the disadvantages that
1903 accrue to the people that you represent compared to urban
1904 areas. So we are acutely aware of that.

1905 Right now the batches coming in, though, are going to
1906 wherever infants are who are dependent upon this critically
1907 special formula, who have critical medical problems, no
1908 matter where they may be. And pediatricians around the
1909 country are aware there are -- HHS has a website, and each of
1910 the producers has a number you can call if you have a person,
1911 an infant who requires a special formula.

1912 That is a --

1913 *Mr. Joyce. So I know my time is limited --

1914 *Dr. Califf. As the -- yes, go ahead.

1915 *Mr. Joyce. I don't mean to interrupt, but I know my
1916 time is limited.

1917 So your recommendation is the pediatricians, the
1918 physicians, the family doctors reach out to HHS and let them
1919 know about the concerns and the patients that they are
1920 worried about. Correct?

1921 *Dr. Califf. I am talking here about the special
1922 infants with metabolic disturbances who could die --

1923 *Mr. Joyce. Exactly.

1924 *Dr. Califf. -- if they don't get formula right away.
1925 Yes, and the American Academy of Pediatrics is very involved.
1926 We are talking with the pediatric subspecialties daily to
1927 have a network of communication about this.

1928 So a rural physician -- and also recognize there is a
1929 great shortage of rural physicians -- a rural physician
1930 should be able to reach out and get help. And if that
1931 doesn't happen, call HHS. Get on the website. We will be
1932 responsive.

1933 *Mr. Joyce. Thank you. We will reach out to you from
1934 the rural parts of America to do that.

1935 We understand -- and this is for Director Mayne -- we
1936 understand that the FDA identified cronobacter at the Sturgis
1937 plant. However, it found that the samples collected did not

1938 genetically match the strains that were collected via samples
1939 from the sick children. Is that correct?

1940 *Dr. Mayne. That is correct. There were four children
1941 who we had reports -- the complaints of cronobacter. Two of
1942 them had isolates of the pathogens available for genetic
1943 sequencing. So for two of those children, we had no genetic
1944 material available. When the sequencing was compared between
1945 the cases and what we found in the environment in the Sturgis
1946 plant, they were not the same sequences. So they were not
1947 the same.

1948 *Mr. Joyce. So when did the FDA collect the samples of
1949 cronobacter from the Sturgis facility that it used to conduct
1950 these genetic sequence testing?

1951 *Dr. Mayne. Those were conducted as part of the
1952 inspection in January, where there was extensive
1953 environmental sampling done. This was a for-cause
1954 inspection. When we have a for-cause inspection, we collect
1955 a lot of information. We send those samples to our labs, we
1956 wait for those results.

1957 And while we are waiting for those results, we started
1958 to prepare for if those results would come up positive, what
1959 would we do. And so we had been really --

1960 *Mr. Joyce. So is it relevant that the testing did not
1961 show the strains to be identical? And if so, how?

1962 *Dr. Mayne. What the data show is we can't rule in or

1963 rule out whether or not those infants, their cronobacter, was
1964 caused by this plant. The data just simply can't be used to
1965 inform it. The --

1966 *Mr. Joyce. But by the genetic testing you did -- allow
1967 me -- by the genetic testing that you did, it does not match
1968 from the plant, correct?

1969 *Dr. Mayne. That is correct. But what we did not have
1970 is any sampling done at the same time that the product was
1971 manufactured that was consumed by the individuals who got
1972 sick. So we didn't have that --

1973 *Mr. Joyce. Thank you, Director Mayne.

1974 Now, Commissioner Califf, there has been some suggestion
1975 in the press that the FDA should have called the White House
1976 chief of staff back in February, when the Abbott plant
1977 closed. And the implication is that the FDA did not reach
1978 out to the White House. When did the FDA alert the White
1979 House about the closure of the Abbott plant, and who was
1980 alerted?

1981 *Dr. Califf. In early, early February there were
1982 communications up and down the chain. I don't think we -- I
1983 mean, I was not here, but I know we did not -- I am pretty
1984 sure we didn't talk to the chief of staff. But there was
1985 communication with White House staff as a regular event, and
1986 there are memos that are -- that were produced that I think
1987 give a very elegant description of the issues and the

1988 concerns.

1989 *Mr. Joyce. What agencies are involved in interagency
1990 process that White House Economic Advisor Deese referenced in
1991 a recent interview?

1992 *Dr. Califf. Well, as you know, there are multiple
1993 agencies. The CDC, for example, is involved, and the
1994 Agriculture Department is an enormous participant in this,
1995 because the WIC program is such a large part of the infant
1996 formula enterprise. So there are multiple agencies that are
1997 involved in these considerations because there is so many
1998 complicated aspects to the supply chain.

1999 *Mr. Joyce. I see my time has expired. Thank you,
2000 Madam Chair, and I yield.

2001 *Ms. DeGette. Thank you so much. The chair now
2002 recognizes Mr. Ruiz for five minutes.

2003 *Mr. Ruiz. Thank you.

2004 From a public health perspective, this is appalling.
2005 And as a father, this is heartbreaking. My wife and I are
2006 parents of twins, and we relied on formula in addition to
2007 breast milk to meet our daughters' nutritional needs. I can
2008 only imagine the anxiety parents are feeling as they
2009 desperately search for formula, and the anger they feel for
2010 the insane prices they are paying online. This would be
2011 terrifying and infuriating for any parent, but even more so
2012 for those without the means to pursue alternatives if they go

2013 to the store and find empty shelves.

2014 According to the NBC News report this week, prices for
2015 baby formula from online sellers such as eBay, Craigslist,
2016 and Amazon predatory sellers are taking advantage of the
2017 shortage, price gouging customers by charging up to 300
2018 percent or more for baby formula. I don't know about the
2019 rest of you, but many of my constituents couldn't pay that
2020 much, even if they wanted to.

2021 So once again, we are facing a huge disparity in our
2022 country in terms of who has access to basic necessity and who
2023 doesn't.

2024 I am grateful for the expertise of our witnesses today,
2025 and want to use my time to ask them what the American people
2026 can do to secure safe infant formula for their children, and
2027 particularly thinking about the families that have been
2028 disproportionately impacted by the shortage, such as low-
2029 income Americans, caregivers living in rural areas, and those
2030 families with infants and children who rely on specialty
2031 formula.

2032 So Commissioner Califf, FDA has recently announced
2033 multiple actions to increase the availability of infant
2034 formula. Though I am pleased by the news that Abbott has
2035 agreed to the consent decree, and its Sturgis facility may be
2036 operational in a matter of weeks, American families need
2037 formula for their children today. So what can American

2038 families who are searching for formula and those most
2039 disproportionately impacted by the Abbott product recall and
2040 overall shortage, what can they do to get the products they
2041 need to feed their children?

2042 *Dr. Califf. Well, the problem you describe is gut
2043 wrenching, and, you know, it does refer me back to my days as
2044 a parent.

2045 So we don't have an answer that people -- that is a
2046 great answer. We are bringing in all the supplies we can,
2047 and getting them distributed as fast as we can. In the
2048 meanwhile, the -- I would refer people to the HHS website and
2049 the hotlines from the companies, and you will find on the HHS
2050 website a really good description of community resources,
2051 which are absolutely critical for the populations that you
2052 just described.

2053 A great thing about America is the communities have come
2054 together and are making supply available at a local level.
2055 And so all those measures are going to be needed --

2056 *Mr. Ruiz. Thank you.

2057 *Dr. Califf. -- until we get back online.

2058 *Mr. Ruiz. Thank you. Unfortunately, I have heard
2059 alarming reports that, in their desperation to feed their
2060 babies, some Americans are turning to riskier options, such
2061 as homemade formula, and falling prey to online scams and
2062 counterfeit products.

2063 Dr. Mayne, what do parents need to know about these
2064 potentially harmful options, and what recommendations do you
2065 have for them to consider, and how is FDA [inaudible] this to
2066 the households of the families most affected?

2067 *Dr. Mayne. Thank you. I missed a little bit of your
2068 audio, but I think I understood the question.

2069 In terms of these counterfeit formulas, what we have
2070 advised consumers is to avoid single purchases coming in from
2071 abroad that have not been through an FDA-approved facility.
2072 So we urge consumers to be cautious about that.

2073 We also urge consumers not to make your own formula at
2074 home, because we have seen problems with that, as well, and
2075 also not to dilute formula, because that means those babies
2076 would not necessarily be getting the nutrition that they
2077 need.

2078 We are looking at the borders. We are surveying to make
2079 sure that these counterfeit formulas do not come into the
2080 country. That is an important priority for us, and that is
2081 some of the resources that are in the supplemental for infant
2082 formula.

2083 *Mr. Ruiz. Thank you.

2084 You know, I appreciate that the Administration is
2085 working around the clock to address these issues. Because
2086 the President invoked the Defense Production Act,
2087 manufacturers are able to get the supplies that they need

2088 more quickly to increase formula production. And thanks to
2089 Operation Fly Formula, we have been able to cut
2090 transportation times from Europe from weeks to just a few
2091 days.

2092 But we must continue this all-hands-on-deck approach to
2093 make sure that no child goes hungry, regardless of where they
2094 live or how much their parents make. And with that, I yield
2095 back.

2096 *Ms. DeGette. I thank the gentleman. The chair now
2097 recognizes Ms. Kuster for five minutes.

2098 *Ms. Kuster. Thank you, Madam Chair, and thank you for
2099 holding this incredibly important hearing. I apologize that
2100 I have had some complications today, but I was picking up my
2101 husband from the hospital, so I didn't mean to give anybody a
2102 fright when I was driving on -- in the car. I am settled at
2103 home now, and delighted to be with you.

2104 Granite Staters and families all across the country are
2105 scrambling for formula, driving miles across state lines,
2106 forming local donation pools, and even falling victim to
2107 scams and counterfeit products out of desperation. And while
2108 Abbott bears responsibility for why its product recall was
2109 necessary at all -- and I am shocked by the conditions -- it
2110 was ultimately the safe thing to do to ensure the health of
2111 our infants. However, it is going to take industry-wide
2112 dedication to increase production so that retailers can keep

2113 their shelves stocked.

2114 Mr. Fitz, your testimony states that Gerber recognizes
2115 -- oh, I apologize. I believe I am on the wrong panel. I am
2116 sorry. I am going to have to pass, and come back. I
2117 apologize for the complication. So sorry.

2118 [Pause.]

2119 *Ms. DeGette. Mr. Peters, is your sound fixed now? Are
2120 you ready to go?

2121 *Mr. Peters. I am, Madam --

2122 *Ms. DeGette. Okay.

2123 *Mr. Peters. -- Chair, thank --

2124 *Ms. DeGette. You are recognized for five minutes.

2125 *Mr. Peters. Thank you very much.

2126 *Ms. DeGette. Thank you.

2127 *Mr. Peters. Thank you. I want to say thank you for
2128 holding this hearing.

2129 I also get the sense that there is a real bipartisan
2130 concern about this policy. I think there is a bipartisan
2131 interest in addressing it. I can't get out of my mind that
2132 the context of this hearing is what happened in Texas. And I
2133 would love to see the same interest in preventing our
2134 children from being massacred in their elementary schools. I
2135 would love us to get beyond politics on that, as well.

2136 Commissioner Califf, FDA has announced numerous agency
2137 actions to address the ongoing formula shortage, making it

2138 easier for -- to import safe and nutritious products, and
2139 expediting reviews of manufacturing changes that can increase
2140 supply. Can you tell me how the FDA has coordinated its
2141 actions with other agencies in the government to alleviate
2142 the shortage?

2143 [Pause.]

2144 *Ms. DeGette. Commissioner, you need to unmute.

2145 *Dr. Califf. Sorry about that. First time today. I
2146 thought I was doing so well.

2147 I -- in response to your question, we coordinate with
2148 all of the relevant HHS and government agencies, including
2149 CDC, the Agriculture Department, economic advisers, and
2150 supply chain committees that have been in place throughout
2151 the pandemic.

2152 And I also want to say I have been amazed by -- they
2153 have also not been sleeping and working on weekends and
2154 nights to pitch in in the all-of-government response.

2155 Furthermore, I think the industry has actually responded
2156 quite well, with pretty -- with substantial increases in
2157 production, which in normal commerce times they wouldn't have
2158 to do, but they have risen to the occasion -- and the amazing
2159 support of the global industry, which, for reasons that you
2160 have alluded to already, has largely not been involved in
2161 importation into the United States.

2162 So I really feel that people are pitching in. We are

2163 not there yet, but the effort is really being made.

2164 *Mr. Peters. You know, the shortage is exacerbated, as
2165 we have discussed, by the voluntary recall of the products
2166 because of the cronobacter infection.

2167 In the U.S. today, 3 major companies comprise about 95
2168 percent of the market. They also distribute about half of
2169 their products to WIC agencies, Women, Infant, Children. We
2170 know that the burden of this shortage has fallen
2171 disproportionately on low-income families and families with
2172 special dietary needs. We have 4,000 families in my district
2173 alone who receive WIC benefits.

2174 For Mr. Calamari, one of the main causes for the
2175 nation's formula shortage is the condition of the Michigan
2176 facility. You know, you testified that you have invested
2177 "billions of dollars" in things like growing production, and
2178 creating new specialized formulas, and enhancing safety and
2179 quality. How much of the resources --

2180 *Dr. Califf. Congressman --

2181 *Mr. Peters. -- either as a percentage --

2182 *Dr. Califf. I am sorry, Mr. Peters, you may be on the
2183 wrong question there. Mr. Calamari, I think, is tomorrow.

2184 *Mr. Peters. Oh, gosh. I am sorry. I had the same
2185 problem as -- I am sorry about that. I will -- let me ask,
2186 then, Mr. --

2187 *Dr. Califf. It was a good question, though.

2188 *Mr. Peters. -- Mr. Califf a little bit more -- how are
2189 you -- what -- I said how are you coordinating. I know you
2190 are coordinating. What is the way you are reaching out to
2191 manufacturers, retailers, consumers to alleviate the formula
2192 shortage?

2193 *Dr. Califf. Well, the manufacturers we are in daily
2194 conversations, and I have personally spoken with most --
2195 almost all the CEOs around the world who could contribute to
2196 this, but also our team at the working level.

2197 As you know, CEOs have conversations. It is the people
2198 who are actually working that get it done. And so we are in
2199 constant communication going back and forth, because each of
2200 these efforts -- for example, importation -- requires
2201 multiple different people to work together in ways they
2202 haven't done before.

2203 *Mr. Peters. Great, thank you.

2204 And Madam Chair, I yield back.

2205 *Ms. DeGette. I thank the gentleman.

2206 Ms. Kuster, I believe you are now ready. So you are
2207 recognized for five minutes.

2208 *Ms. Kuster. Thank you very much, Madam Chair. I
2209 apologize again.

2210 I was pleased by the timeliness of the consent decree
2211 agreement reached between FDA and Abbott filed just nine days
2212 ago. This agreement sets in motion the critical process of

2213 Abbott retaining expert assistance to bring the Sturgis
2214 facility into compliance so you [sic] can safely restart
2215 production of infant formula.

2216 Clearly, the FDA's oversight of Abbott's actions will be
2217 critical to ensuring the consent decree is properly
2218 implemented and maintained. Commissioner Califf, what
2219 updates can you share with us about Abbott's implementation
2220 of the consent decree in the days since its filing?

2221 *Dr. Califf. As I mentioned yesterday, we met with
2222 Abbott's leadership -- I am sorry, earlier. We met with
2223 Abbott's leadership yesterday. They reviewed hundreds of
2224 steps that they've taken, many of which are done.

2225 As I would expect from the industry that I know well,
2226 there are very detailed charts and graphs that are recording
2227 every step of the way what is happening, and how close to
2228 complete they are. And I do believe that they are making
2229 substantial progress, and I feel optimistic about it.

2230 In fact, you know, they were originally quoted as saying
2231 two months to get product out on the shelves. That has now
2232 been cut to one month due to decisions that have been made
2233 about the type of product that will be put first on the line.
2234 That special product for people that have -- for infants that
2235 have allergies to milk will be first on the line.

2236 So I think it is going well. But, as I say, I would --

2237 *Ms. Kuster. What changes do you think Abbott needs to

2238 make to improve safety, and particularly sanitation of the
2239 facility, for the FDA to be confident that it can safely
2240 begin production of infant formula that American consumers
2241 can rely on to safely feed their babies?

2242 *Dr. Califf. Well, thank you for that question. And I
2243 was about to say I have a really good history with Abbott in
2244 my past, as a doctor. But this was beyond the pale. And so
2245 we are watching every step.

2246 Just as an example, before they will open production,
2247 they will completely cleanse the whole production area and
2248 take samples, look at those samples, and then do that twice
2249 more. So that will happen three times before they open the
2250 production area. They have completely redone the roof. They
2251 have completely redone the floor, so that there is not
2252 drainage on the floor. And they have expanded the area of --
2253 in which people must exert sterile precautions, which was too
2254 small in our inspection. And it is now expanded out.

2255 There are dozens of others that I could name.

2256 *Ms. Kuster. And what, if any, contingency plans does
2257 the FDA have in place to ensure the adequate availability of
2258 infant formula in the months to come, should it take Abbott
2259 longer than the estimated several weeks to get the Sturgis
2260 plant operational again?

2261 *Dr. Califf. That is a great question. And what I
2262 would say is that we are not going to stop with our

2263 importation plans and our increasing our production by the
2264 other manufacturers until we are comfortable that we are back
2265 to a normal level. And I would predict we are going to have
2266 a surplus a few months from now, because we want to have
2267 excess for all the reasons that your committee has said.

2268 There is actually substantial global capability of
2269 producing infant formula. The largest manufacturer, Nestle,
2270 for example, has a small presence in the U.S., but they are
2271 the number one in the world. And so I am very optimistic
2272 that, over time, we will have plenty of formula. But that
2273 doesn't -- I don't want to make light of the fact there -- it
2274 is going to be days to weeks until we get there.

2275 *Ms. Kuster. Well, our constituents are struggling
2276 right now. And as parents, many of us on this committee,
2277 mothers and fathers that have dealt with feeding young
2278 babies, and also I -- my heart goes out to the people with
2279 work schedules that they have to worry about, that they are
2280 spending so much time in this, trying to get safe formula for
2281 their babies, and the cost.

2282 I have one last line of questioning, if I could. I know
2283 that in this part of the country -- I am in New Hampshire --
2284 we have milk banks of mothers' breast milk. And I am
2285 wondering, what is the regulation by the FDA, and can we
2286 assure our constituents that breast milk from a milk bank is
2287 safe and is thoroughly vetted by the FDA?

2288 *Dr. Califf. You are asking some very good questions.
2289 I am going to refer this to Dr. Mayne, who probably would
2290 have the best answer.

2291 *Dr. Mayne. Thank you --

2292 *Ms. Kuster. Thank you --

2293 *Dr. Mayne. Thank you, Congresswoman. So human breast
2294 milk is regulated as a food. And so that is reassuring. And
2295 they have to have proper screening protocols and things like
2296 that in place to make sure that the donors that are donating
2297 the milk, that that is critical for human food safety. So
2298 that is how I would respond. Thank you.

2299 *Ms. Kuster. My time is up, but I will submit further
2300 questions for the record.

2301 [The information follows:]

2302

2303 *****COMMITTEE INSERT*****

2304

2305 *Ms. Kuster. Thank you, Madam Chair, and thank you for
2306 your indulgence, and I appreciate --

2307 *Ms. DeGette. I thank the gentlelady. I know you have
2308 been dealing with a lot, so our best wishes go out to your
2309 husband today.

2310 *Ms. Kuster. Thank you.

2311 *Ms. DeGette. Mrs. Trahan, you are recognized for five
2312 minutes.

2313 *Mrs. Trahan. Thank you, Madam Chair.

2314 So, as many of us have known, and many became more
2315 recently aware, infant formula is more regulated than most
2316 food products in the United States, reflecting the
2317 vulnerability of its consumers, infants and children. Robust
2318 regulation not only ensures product safety, but it also helps
2319 consumers trust that the product they feed to their children
2320 is of a high quality and will meet their baby's nutritional
2321 needs.

2322 Dr. Mayne, in light of the search for solutions to the
2323 nation's current formula supply shortage, some lawmakers have
2324 called for deregulating infant formula production. Can you
2325 share just a bit about the nature of the regulatory standards
2326 manufacturers of infant formula must adhere to, and why they
2327 are so vital to ensuring the high quality and safety of
2328 infant formula in the U.S.?

2329 *Dr. Mayne. Thank you, Congresswoman. I would be happy

2330 to do that.

2331 The requirements under statute are that we need to make
2332 sure that these products have appropriate nutrition as the
2333 sole source of nutrition. That means they have to have the
2334 right amounts of 30 different constituents: vitamins,
2335 minerals, things like that. And they can't be too high and
2336 they can't be too low. So that is the nutritional side of
2337 it.

2338 They also need to demonstrate appropriate growth. There
2339 is growth monitoring data that are required as a critical
2340 source of nutrition for our babies.

2341 At the same time, there are safety data. And so when we
2342 review infant formulas, we also work with our Office of Food
2343 Safety to make sure that the production is done in a way that
2344 the product is safe. So that is what the regulations
2345 require.

2346 What we did announced recently is regulatory flexibility
2347 while assuring safety, and while assuring nutritional
2348 adequacy, and that is really important. So things, for
2349 example, where we are looking for flexibility -- certain
2350 labeling requirements that aren't critical for safety, we
2351 would provide regulatory flexibility. But labeling is
2352 critical for things like allergens. We don't want babies to
2353 have an allergenic reaction because allergens in the product
2354 are not properly labeled.

2355 Also, the preparation instructions are critically
2356 important. If consumers don't know how to prepare the
2357 product, then you could get the wrong ratios and you again
2358 don't get the nutrition you need. So the regulations are
2359 there to protect all those infants.

2360 I am a mother, I am reassured that we have those
2361 regulations in place. But at the same time we recognize the
2362 challenge we are in, and we are applying regulatory
2363 flexibilities while protecting nutrition and safety.

2364 *Mrs. Trahan. I appreciate that. And as manufacturers
2365 currently expedite efforts to ramp up production of infant
2366 formula, and Abbott's facility completes corrective actions
2367 and restarts operations, what is FDA doing to ensure that the
2368 available formulas remain safe and nutritious for our
2369 nation's infants?

2370 [Pause.]

2371 *Dr. Califf. Dr. Mayne, do you want to take that?

2372 *Dr. Mayne. I mean, everything that is coming into the
2373 market through our flexibilities is appropriate for
2374 nutrition, and it is safe. So that is clear.

2375 And I will comment as Operation Fly Forward -- Fly
2376 Formula, one of the things that we note is we've got new
2377 product that is coming in. It hasn't been in the U.S. market
2378 before. This is coming from UK. This is the Kendamil
2379 product that we announced very recently. That is two million

2380 cans of general infant formula, not the specialty formulas,
2381 but general infant formula.

2382 We looked at the data that were required to be submitted
2383 as part of our flexibility to assure that that product meets
2384 our nutrition and our food safety standards. That includes
2385 information on microbiological testing that the companies
2386 have done along with the production. So we are making sure
2387 these are comparable to the U.S. market with regard to
2388 nutrition and safety.

2389 *Mrs. Trahan. Thank you. That is reassuring.

2390 Commissioner Califf, conducting oversight of these
2391 regulations is not without significant costs. Yet, as has
2392 been discussed already today, FDA's food safety activities
2393 have been chronically under-resourced. We understand that
2394 you are conducting an internal investigation also regarding
2395 FDA's response.

2396 Could you please just describe the scope of that
2397 investigation, and whether it will include recommendations on
2398 how to improve FDA's future responses, and whether the
2399 findings will be made public?

2400 *Dr. Califf. Well, let's divide it into two segments.
2401 On the one hand, we have the specific response, the after-
2402 action review that Dr. Solomon is leading. That'll go
2403 through great detail. The interviews are already well
2404 underway of the people who are involved. And I want to

2405 stress again, to my knowledge, there is no malfeasance here.
2406 These were people working very hard, but we had systems that
2407 were failing, and decisions that could have been better. And
2408 those findings will be made public, no question about it.

2409 But there will also be a review of the entire food
2410 program, which is vast and includes things that you all have
2411 discussed, including chemicals and nutrition [inaudible] all
2412 the things that are involved. That is what some of the
2413 discussion has been about over the last three months. That
2414 is going to take longer, because we need congressional
2415 approval to make major changes in a program like this.

2416 *Mrs. Trahan. Well, we are eager to get those results
2417 and eager to get those -- the formula back on store shelves
2418 that is safe.

2419 Thank you, Madam Chair. I yield back.

2420 *Ms. DeGette. Thank you so much.

2421 Mr. Burgess, great to see you on screen, and you are
2422 recognized for five minutes.

2423 *Mr. Burgess. Yes, I am trying to unmute. It won't let
2424 me.

2425 *Ms. DeGette. You are unmuted. You are unmuted.

2426 *Mr. Burgess. Oh --

2427 [Pause.]

2428 *Mr. Griffith. You were. Dr. Burgess, you are muted
2429 again.

2430 *Mr. Burgess. Okay.

2431 *Ms. DeGette. There --

2432 *Mr. Burgess. How is that?

2433 Dr. Califf, very good to see you again, and I apologize
2434 for the technical difficulties. But listening to all of the
2435 other questioners, it is -- I mean, it is a terrible problem.
2436 And, of course, you have come on board just a couple of
2437 months ago, and this problem has landed at your feet. I
2438 appreciate the efforts that you are making.

2439 It strikes me, though, that this is a very propitious
2440 time to have someone who has spent time at the FDA in the
2441 past, and has spent time in the digital world in the interim,
2442 and is now back at the FDA. Several members have mentioned
2443 our food safety efforts, even going back to 2005, 2006. And
2444 during that time I remember it kept coming up that the
2445 modernization of the information systems at the FDA was a
2446 critical missing piece of this. And it just strikes me that
2447 it is -- this is an excellent time to have you there, because
2448 you are the one who can -- you can be the architect of that
2449 FDA modernization, that FDA digital transformation that
2450 clearly has been lacking, and is so critically necessary.

2451 [Pause.]

2452 *Dr. Califf. Are you still there?

2453 *Mr. Burgess. Yes.

2454 *Dr. Califf. Well, you want me to respond to that?

2455 *Mr. Burgess. I wish you would.

2456 *Dr. Califf. Yes. As I have already mentioned, I was
2457 enjoying a nice life in the private sector, living under the
2458 Golden Gate Bridge. And when the call came, this is one of
2459 the things that I just thought was so critical. I hadn't
2460 expected to be asked to come back. So I did jump at the
2461 opportunity.

2462 I know that Mr. Yiannas and Dr. Mayne have a keen
2463 interest in the technology. I have lived my whole career at
2464 the interface of technology, information technology, and
2465 health outcomes, and so I would say I am not the architect,
2466 but I am maybe the boss of the architects, because these --
2467 this is a very --

2468 *Mr. Burgess. Well, you referenced -- yes, you
2469 referenced that you were going to need authorization and help
2470 from Congress. So you have come to the right place. This is
2471 the committee, this is the authorizing committee that --
2472 where we need to work together.

2473 And I certainly look forward to hearing from you beyond
2474 this hearing as to just what the tools are that you need to
2475 be able to implement that digital transformation. Because,
2476 gosh, it has been painful, listening as -- to the timeline:
2477 October 19th from the whistleblower letter -- good for the
2478 FDA that they caught on that there was a problem in
2479 September. But then the whole thing kind of fell apart, that

2480 there wasn't an inspection until February. And we are where
2481 we are now with the lack of supplies.

2482 But I am encouraged by what you said about your efforts
2483 to remedy the problems at the Sturgis plant. I just wish
2484 they could have begun in October.

2485 *Dr. Califf. Yes, sir. It was too slow --

2486 *Ms. DeGette. Mr. -- go ahead.

2487 *Dr. Califf. If I could just add one more thing, I
2488 would like -- I hope I can get Congress to imagine the life
2489 of an FDA investigator living in a digital world which is
2490 modernized, how much more efficient and effective and
2491 productive and happy those employees will be.

2492 I am 100 percent confident that, if we get the right
2493 technology -- you see, it is not just one thing. The
2494 technology and the people interfacing is really what is --

2495 *Mr. Burgess. Sure.

2496 *Dr. Califf. -- so critical here.

2497 *Mr. Burgess. Well, and that -- obviously, that was the
2498 missing link between September, October, February, and where
2499 we are today.

2500 But I guess the good news in all of that is you have a
2501 structured program of remedy that you are implementing at the
2502 Sturgis plant. Just give us an inkling as to the timeframe
2503 over which those types of tasks can be accomplished and
2504 Sturgis can be up and running and producing for the American

2505 people again.

2506 *Dr. Califf. Yes, sir. The Sturgis plant, as I say, we
2507 met with the CEO and his team yesterday. We would expect by
2508 June 4th production will be underway, and within a month from
2509 now, according to Abbott's own projections, we should be
2510 having formula rolling off the production line.

2511 Now, I have already mentioned that there are hundreds of
2512 steps along the way. So if any one of those goes wrong, you
2513 know, that will cause a further delay. But we are talking
2514 every single day, and I really do believe they are making
2515 best efforts at this point to make this work with all hands
2516 on deck.

2517 *Mr. Burgess. Well, let me just ask you a question, and
2518 I think it was brought up by Dr. Joyce, on the dissimilarity
2519 between the genetic makeup of the bug that caused the
2520 illnesses and deaths and what you recovered from the plant.
2521 Do we need to be concerned that there are some missing pieces
2522 here, and perhaps there is part of this story that is yet to
2523 be shown to us?

2524 *Dr. Califf. There definitely are missing pieces, but I
2525 am not confident they will be filled in for the reasons that
2526 Dr. Mayne already said. We don't have samples that are
2527 simultaneous in the infants and their surrounding
2528 environments and the plant.

2529 I would also just point out -- this is a little geeky,

2530 but you are a doctor -- whole genome sequencing is actually
2531 taking images, much like facial recognition on your computer.
2532 And there are errors in whole genome sequencing, or
2533 variations that can occur, where you get a conclusion that --
2534 something like we are not sure it matches, but we are not
2535 sure it doesn't match. And so all those kinds of things can
2536 happen, which I think will leave us being inconclusive about
2537 the -- those links. But we will continue to learn more.

2538 One final thing just to get in, cronobacter is not
2539 currently a reportable bacterium.

2540 *Mr. Burgess. Right.

2541 *Dr. Califf. If you compare that to what just happened
2542 with peanut butter, within days we had genotypes that
2543 completely linked things, and we were able to act. We need
2544 to make cronobacter, in my view, a reportable bacterium, so
2545 we can build a genetic database.

2546 *Ms. DeGette. Thank you.

2547 *Mr. Burgess. Very good, thank you.

2548 *Ms. DeGette. Mr. O'Halleran, you are recognized for
2549 five minutes.

2550 *Mr. O'Halleran. Thank you, Madam Chair, Ranking
2551 Member, for putting this meeting together today.

2552 You know, I am incredibly frustrated that we are here
2553 today at all. As a father and -- of three, and a grandfather
2554 of four, the thought that any of anybody's children or

2555 grandchildren at any time in their lives were going hungry
2556 during this critical development phase of their lives is
2557 unbearable.

2558 While there clearly, clearly are issues that must be
2559 addressed by Abbott regarding the plant, I want to hone in on
2560 the FDA's failures between, well, actually, October and May,
2561 and when the shortage of baby formula became a full-blown
2562 crisis. And actually, it goes back -- oh, let's go back to
2563 the 1990s. And -- because we have to be able to address
2564 things in an orderly fashion throughout time. And there were
2565 problems with this plant back then, and they have not been
2566 consistently brought to bear time and time again.

2567 Part of my previous life I was in long-range planning,
2568 and redundancy issues, and so understanding that this is not
2569 the first time this has occurred -- I am off script here,
2570 because of what I have heard today. But this is the -- this
2571 is not the first time that there has been conditions at the
2572 plant that were problematic, and the -- that -- this is a
2573 sole provider of some of the food for our children in this
2574 country. The Abbott plant has -- or what I heard today --
2575 has no back-up plan?

2576 I come from a business that, if you are down for a
2577 second, you are down. And, you know, so that is why you put
2578 in redundancy across the board to make sure on something this
2579 critical is addressed, and so our citizens do not have to

2580 have this problem. And the New York Times had an article
2581 just this weekend on the long history of problems in this
2582 plant.

2583 So I don't know what the protocols is -- are at the Food
2584 and Drug Administration. But whatever they are, they need to
2585 be reviewed, going back in time, taking a look at other
2586 facilities, identifying clearly how not to have this happen
2587 again, and being aggressive about it.

2588 And it is sad when I hear Dr. Burgess say that the
2589 information systems in 2005 are still not up to the level
2590 they should be. We, as a Congress, have to look at that,
2591 too.

2592 But it is obvious also that administration after
2593 administration after administration have been lacking on
2594 addressing this important issue.

2595 I -- whether it is the roof leaking -- we don't allow
2596 these at our plants that address food to our people, our
2597 citizens in this country, and especially to those most
2598 vulnerable.

2599 And when we go and look at what occurred there, I don't
2600 understand -- you know, I fully understand that, you know,
2601 that we had had an agreement. But people can work on
2602 parallel tracks. And why this wasn't -- I haven't seen where
2603 this has been worked on in a parallel track across the
2604 process, so that we anticipate that this consent agreement

2605 was going to occur, and that we were working long before the
2606 consent agreement to be able to address these issues.

2607 I -- the ranking member clearly identified the timeline
2608 here. In the world I come from, if you have a timeline like
2609 that, you have a big problem. And that should never have
2610 happened. And once that timeline was -- that clock should
2611 have started ticking then, and never stopped until this was
2612 addressed.

2613 But I am going to give you some time to talk about those
2614 issues, but I just had to make those comments. Thank you,
2615 Commissioner.

2616 *Dr. Califf. Well, I couldn't agree with you more about
2617 your general sentiment. You would think that a critical
2618 industry like this would have resilience plans, redundancy.
2619 But we don't even have legal authority right now to require
2620 that the firms have a plan for potential failures and
2621 resilience. That is something we've asked Congress for every
2622 year for a while, and we are asking for it again. So I hope
2623 that it happens this time.

2624 I would also add that this is not unique to this
2625 industry. We are seeing this across the entire device and
2626 medical supply industry with frequent failures, as
2627 exemplified by the 60 Minutes show and the contrast medium
2628 problem that I talked about. We have gone to just-in-time,
2629 large, single-source contracts that lead to a lack of

2630 diversification in the industry, and the industry has fought
2631 us tooth and nail on requiring that there be insight into
2632 their supply chains so that the sum of all of the industries
2633 leads to the avoidance, the preemption.

2634 We would like to be able to stress test and prevent
2635 these things from happening, rather than waiting until they
2636 happen and then scrambling.

2637 And then, finally, I would just add again --

2638 *Mr. O'Halleran. Thank you, sir. I know the chair
2639 wants to move on, we have other members. I just -- if we are
2640 talking about a whole-of-government and how great we are
2641 doing, we should also talk about whole-of-planning, and
2642 working on a continual basis to get things right.

2643 *Ms. DeGette. We --

2644 *Mr. O'Halleran. Thank you --

2645 *Dr. Califf. Thank you --

2646 *Ms. DeGette. I thank the gentleman. We still have a
2647 second panel, so we are going to move on. And we now have a
2648 number of members of the full committee who have waived onto
2649 our subcommittee.

2650 We welcome you, as always, and we will recognize you for
2651 five minutes. First I am going to recognize Representative
2652 Dingell for five minutes.

2653 *Mrs. Dingell. Thank you, Madam Chair and Ranking
2654 Member Griffith, for convening today's critical hearing. I

2655 share the outrage of all of my colleagues, and I guess there
2656 are times that I want to say to everybody involved here as we
2657 get into these trite conversations about whether this form of
2658 the bacteria or this -- this plant was contaminated, an
2659 infant formula was being made and delivered in a contaminated
2660 plant. But we will talk about that in the next one.

2661 While FDA is charged with the authority to ensure the
2662 safety of the nation's food supply, coordination with other
2663 agencies, particularly the CDC, is crucial in times of
2664 foodborne illness outbreaks. This recent crisis has
2665 demonstrated just how vital this interagency coordination is,
2666 not just for public health, but for the broader supply
2667 implications for a product millions of American families rely
2668 on for the safety and nutrition of their children.

2669 Dr. Mayne, following initial reports of illnesses linked
2670 to the consumption of powdered infant formula, how did the
2671 Center for Food Safety and Applied Nutrition coordinate its
2672 investigation with CDC and state departments of health?

2673 *Dr. Mayne. Thank you, Congresswoman Dingell.

2674 In any foodborne outbreak investigation or any consumer
2675 complaint investigation like this one, we coordinate very
2676 closely with the states, as well as with the Centers for
2677 Disease Control and Prevention. And in this setting, some of
2678 the genetic sequence data and some of the product samples,
2679 that was actually done at the states. But we work in

2680 partnership with our states to get the information we need to
2681 help inform these investigations. So close coordination
2682 throughout.

2683 As you heard our commissioner say, there is an issue.
2684 The cronobacter is not a reportable disease. That is not
2685 FDA's to own, but that is something we really should be
2686 looking at because the tools that we have been using to link
2687 cases together based upon the molecular signature of the
2688 pathogen that made them sick, we did not have those tools
2689 here. What we had were two case complaints that came in at
2690 the early part. At the time we had no idea if they were
2691 linked by a point source. We had no genetic information
2692 available. All we knew is that they had consumed powdered
2693 infant formula from Sturgis.

2694 But we also know Sturgis is a big part of the infant
2695 formula market. So we had that concern, but we need data and
2696 we need science. And with the idea that we could potentially
2697 warn parents, it -- had we warned parents without strong
2698 scientific justification for that, we could have potentially
2699 contributed to these shortages that we are seeing today
2700 without evidence, in fact, that there was a contamination
2701 problem in the plant.

2702 So we had that evidence with the for-cause inspection.
2703 We found the bacteria. We found multiple strains of
2704 bacteria. We inspect infant formula manufacturers around the

2705 country. Our experts said this plant had very, very
2706 seriously concerning conditions, unlike things that they have
2707 seen in other plants in the U.S.

2708 *Mrs. Dingell. So let me build on that a little, and I
2709 am going to give you a two-part question here.

2710 So clearly, I think all of us are going to come out of
2711 this hearing saying we need to look at what we need to do to
2712 be able to get at cronobacter faster. But were there
2713 processes filed for the infant formula investigation?

2714 Were they the same as for other foodborne illness
2715 investigations, or were there factors unique to the
2716 cronobacter bacteria or to infant formula?

2717 And Dr. Mayne, with the benefit of hindsight, in what
2718 ways could the Center or FDA coordination with CDC and other
2719 state or Federal agencies be improved?

2720 *Dr. Mayne. And I would say the processed we followed
2721 here were exactly the same as what we would use in an
2722 outbreak investigation. We use our coordinated outbreak
2723 response team, and that is a dedicated team of individuals,
2724 and that is their job: to investigate foodborne outbreak
2725 investigations and these clinical illnesses.

2726 One of the things that was a little different in this
2727 particular infant formula situation is you don't have the
2728 challenges with traceback or traceability that you do when we
2729 are doing leafy green investigations. Rather, the parents

2730 could tell us what specific products were fed to these
2731 infants. So we used the same processes, but the data and the
2732 information that we had available were different in this
2733 particular investigation.

2734 In terms of improving coordination, we work hand in hand
2735 with CDC on all foodborne outbreak investigations, including
2736 this particular situation, daily contact with CDC on these
2737 types of investigations.

2738 *Mrs. Dingell. Would there be changes you would
2739 recommend today, so that we might have prevented some of what
2740 happened?

2741 *Dr. Mayne. In terms of prevention, there are some
2742 authorities that we think could potentially be helpful in the
2743 future to prevent these types of things from happening.

2744 So, for example, we could consider new authorities
2745 around what industry would need to do with regard to their
2746 own testing. We have learned the importance of testing the
2747 environment of the food production facility. So there are
2748 things that industry could do. If they found the bacteria,
2749 they could be required to provide sequences to the FDA to
2750 build the database of information to help solve any future
2751 situations.

2752 *Mrs. Dingell. Thank you, Madam Chair. I yield back.

2753 *Ms. DeGette. Thank you --

2754 *Mrs. Dingell. More questions, but yield back.

2755 *Ms. DeGette. Thank you so much.

2756 Mr. Upton, you are recognized for five minutes, and
2757 welcome.

2758 *Mr. Upton. Well, thank you, Madam Chair, for allowing
2759 me to waive on. I know we all have a good number of
2760 questions. There really isn't a bigger issue for many
2761 families than this one for us to resolve.

2762 And as you know, for me, as the former chairman of the
2763 Oversight Subcommittee, and you now as the current chair, we
2764 have learned from a lot of masters that have gone before us,
2765 and this subcommittee has been very important to investigate
2766 over the years what goes wrong, identify it, and then come
2767 back with legislation to fix it so it does not happen again.

2768 I am actually in Sturgis, Michigan right now. I spent
2769 much of the morning here. For a couple of hours I was
2770 actually at the closed Sturgis Abbott facility, talking with
2771 the vice president of nutrition and supply chain and a number
2772 of the employees that have been there -- actually, some that
2773 had been there for generations of families working there,
2774 some for as long as 40 years at that facility. It is
2775 actually the tallest facility in St. Joe County, and I have
2776 been there a number of times over the last number of years.

2777 A couple of questions. But because I was there, I have
2778 been unable to hear the witnesses' testimony, or really have
2779 a -- listen to some of the answers to the many questions that

2780 were -- been posed by both sides of the aisle on this very
2781 important topic.

2782 I will say this, and I appreciate Dr. Califf's input.
2783 He is a recent leader, of course, at the FDA, just recently
2784 being confirmed by the Senate.

2785 I know, as I understand it, you responded to our
2786 colleague Billy Long saying that you thought on a scale of 1
2787 to 10 your performance, you thought, was about a 4. You and
2788 I talked a couple of weeks ago, as this facility remains
2789 closed, and one of the things that you told me was that,
2790 frankly, the FDA needs more resources to make sure that these
2791 food safety operations are safe.

2792 Now, when Chair DeGette and I worked on 21st Century
2793 Cures, we gave the FDA a lot more responsibility. If we were
2794 going to approve these drugs in devices on an expedited
2795 basis, the FDA needed more resources, and we did that. Last
2796 week, of course, the House passed \$28 million in additional
2797 resources for the FDA. I would imagine that the Senate may
2798 take that up at some point soon, whether it be this week or
2799 the first week that we are back.

2800 And my question, Dr. Califf, is if that money is
2801 approved, ultimately signed by the President, can you tell us
2802 how you are going to use that \$28 million?

2803 *Dr. Califf. Sure. First of all, we really appreciate
2804 what the House has done, also appreciate what the two of you

2805 did, and your colleagues, for 21st Century Cures. It has
2806 made a dramatic difference on the medical products side.

2807 On the \$28 million, it is obvious from all the
2808 discussions that we've had that we need more people who can
2809 assure the quality of the imported infant formula, who can
2810 review the applications and get them done, and inspectors to
2811 -- investigators to assess and do the testing that is needed
2812 to make sure that this surge in infant formula that is going
2813 to occur happens in a safe way.

2814 Now, as we have said before, we will scrape together and
2815 do it somehow without the money, but something else will
2816 really suffer. And we need the dedicated funding to really
2817 make this happen.

2818 We've also talked about the information technology. The
2819 money allocated is a drop in the bucket compared to the
2820 ultimate need, as you know. But it will at least allow us to
2821 patch it together to get the job done acutely.

2822 *Mr. Upton. You know, as I sat down with a number of
2823 the management levels in Abbott this morning -- I would like
2824 to share this with my colleagues -- it does appear as though
2825 -- well, first of all, it has been, of course, shut down
2826 since February. They have made massive changes inside the
2827 facility in a number of different ways. They have shared
2828 that, of course, with the FDA. But they also have a third-
2829 party group to, in essence, certify that they are going to

2830 comply with the demands that the FDA has made. And they
2831 intend to have the facility, as you indicated, I think -- to
2832 Congressman -- our colleague -- O'Halleran, that it will be
2833 up June 4th.

2834 But if they don't meet the test, it will be later than
2835 that. They are going to make sure that they are 100 percent
2836 before that plant is open. And their sense is that they
2837 will, if they do start on the 4th, that they will be able to
2838 have product, and they are going to prioritize the product so
2839 that it is the folks with the biggest need -- and they are
2840 working very closely with the FDA and the White House to make
2841 sure that some of those allergens are taken care of. But
2842 they intend to see that that supply chain be fully committed
2843 and on the shelf as early as the end of June, probably the
2844 20th or 22nd of June, assuming that they start out on the
2845 4th.

2846 So again, I would be glad to share my -- I guess last
2847 quick question, Mr. -- Dr. Califf. Would you be willing to
2848 come back? Once this plant is up and running, would you be
2849 willing to come back and actually walk the floor with me to
2850 make sure that, in fact, it meets the test that all of us
2851 want to see it make?

2852 *Dr. Califf. Absolutely. I love to visit facilities,
2853 and would be glad to make a home visit with you.

2854 I mean, it is a great thing about America that the way

2855 it works is you are there on the spot. This is your
2856 district. And the fact that you can be there in person, I
2857 think, is really a critical part of the overall effort.

2858 *Mr. Upton. Well --

2859 *Ms. DeGette. Thank you. Doctor, we need to move on,
2860 and I want to thank Mr. Upton.

2861 Ms. Barragan, I understand you are in the committee
2862 room.

2863 *Ms. Barragan. Yes, thank you, Madam Chair.

2864 *Ms. DeGette. You are recognized for five minutes.

2865 *Ms. Barragan. Thank you, Madam Chair, for holding this
2866 important hearing.

2867 I have gotten a number of calls from constituents and
2868 folks who have had a problem getting access to infant
2869 formula. As we have heard, people who are on WIC have been
2870 heavily impacted in my district, which is a very working-
2871 class -- 70, 90 -- almost 90 percent Latino, African
2872 American, and many parents on WIC are really feeling this
2873 impact. So they appreciate this hearing, and the responses,
2874 and they want to know what happened.

2875 Dr. Califf, we have heard today some of the deficiencies
2876 at FDA, a combination of -- my understanding is people,
2877 leadership, lack of money, lack of state-of-the-art
2878 technology, just to name a few.

2879 I want to talk about the position of a deputy

2880 commissioner for foods at the FDA. My understanding is that
2881 during the Obama Administration there -- established the role
2882 of a deputy commissioner for foods at FDA, and that was in
2883 2010, and that in 2018, under the prior Administration, that
2884 position was effectively eliminated.

2885 And Dr. Califf, you are an accomplished cardiologist and
2886 a researcher with expertise on drug and medical policy. I am
2887 concerned maybe there is a lack of a similarly accomplished
2888 individual leading the FDA on food, safety, and the food
2889 program, which may have also led to this shortage. Do you
2890 think that we need a deputy commissioner for food to be
2891 reinstated at FDA to ensure another infant formula shortage
2892 doesn't happen?

2893 *Dr. Califf. I appreciate that question. I know a lot
2894 of people are asking it, and I would respond like this.

2895 I did -- when I came through in 2016 as commissioner, I
2896 had Steve Ostroff, who had been acting commissioner and was a
2897 food expert, who then moved into that seat, and it was
2898 reassuring.

2899 Then changes were made by Dr. Gottlieb. And, you know,
2900 I have talked with him quite a bit about why those changes
2901 were made.

2902 Now I have come back again. And as I have tried to make
2903 the point, there were deputy commissioners, and these
2904 problems that we are describing are systemic, and they

2905 weren't fixed. And I don't think it is because those were
2906 bad people who were deputy commissioner. But my point is
2907 there is more to it than just having a person in that
2908 particular job.

2909 And what I am trying to do over the next few months, I
2910 had planned to do this at about six to nine months into my
2911 administration. We will move it up now because of all that
2912 has happened, once we get through this crisis. What I plan
2913 to do is look at the whole thing, and whatever the right
2914 structure is.

2915 You also know we have had multiple commissioners in
2916 between, which changes things on and off. I would like to
2917 put in place a structure that will last that people have
2918 confidence in.

2919 In general, I agree you definitely need a stronger team
2920 at the higher levels on the food side as part of the
2921 revamping of the entire food program.

2922 *Ms. Barragan. Okay. And we have heard some of the
2923 deficiencies at FDA, and kind of generally you have heard
2924 about some of these. Is there anything specific that you
2925 think Congress should be doing to prevent this from happening
2926 again?

2927 I think there is a lot of things that went wrong here,
2928 and it seems that sometimes we get these solutions in general
2929 -- in generalities instead of specifics.

2930 *Dr. Califf. We have a long list of specifics. We've
2931 gone over a number of them today, but we will be glad to
2932 compile those into a list, and make sure that they are right
2933 on hand.

2934 They -- you know, we are in this period where the user
2935 fee Act that is going through -- and a number of them are
2936 included in that legislation as a possibility.

2937 *Ms. Barragan. Okay, thank you. My next question is
2938 about the structure. Who would you say is in charge of food
2939 safety at FDA?

2940 *Dr. Califf. You know, I have been a part of many
2941 organizations, health systems, academic centers, businesses,
2942 and almost all of them in modern times are matrices, which
2943 means you have a mix of people with specific
2944 responsibilities. In this case, Dr. Mayne is the world's
2945 authority in nutrition, how organizations work, and
2946 scientific management. Mr. Yiannas is the world's authority
2947 in supply chain, how the industry works, and fully knows
2948 that. They have their specific responsibilities --

2949 *Ms. Barragan. Thank you. Thank you, Doctor.

2950 *Dr. Califf. Thank --

2951 *Ms. Barragan. So let me go to Dr. Mayne, since you
2952 just mentioned that.

2953 Dr. Mayne, would you say you are in charge of food
2954 policy and safety at FDA?

2955 *Dr. Mayne. So my role is that I direct the Center for
2956 Food Safety and Applied Nutrition. So I lead that
2957 initiative. That includes all of the scientific operations
2958 within the Center.

2959 There are other components, as you heard in our matrix
2960 organization. We work very closely with Deputy Commissioner
2961 Yiannas in the Office of Food Policy and Response, who has
2962 oversight for the outbreak and response part of the
2963 portfolio, as well as other high-priority areas such as the
2964 New Era of Smarter Food Safety. And we work with the
2965 associate commissioner for regulatory affairs, Dr. Judith
2966 McMeekin, who oversees --

2967 *Ms. Barragan. Okay, thank you.

2968 *Dr. Mayne. -- [inaudible].

2969 *Ms. Barragan. Thank you, Doctor. My time has expired,
2970 and I think just the responses show I don't think there is
2971 one person that is responsible, which I think just goes to
2972 show, I think, that there needs to be restructuring, and it
2973 needs to be more clear who is ultimately responsible.

2974 Thank you, I yield back.

2975 *Ms. DeGette. I thank the gentlelady. The chair
2976 understands Mr. Bucshon is also in the committee room.

2977 And so, Mr. Bucshon, you are recognized for five
2978 minutes.

2979 *Mr. Bucshon. Thank you, Madam Chairwoman. I

2980 appreciate it.

2981 And Dr. Califf, I just wanted to say thank you for your
2982 professionalism in coming and answering the tough questions
2983 in front of this subcommittee today. I very much appreciate
2984 that.

2985 I am disappointed that the -- it appears the leadership
2986 at the Sturgis plant doesn't appear to have an employee-
2987 driven health and safety program in place, or they just
2988 didn't listen. Food manufacturing facilities that I visited
2989 in my district and my state have these types of programs in
2990 place. Problems are addressed quickly if a climate and
2991 culture of collaboration is in place.

2992 And why did it take a whistleblower to identify that
2993 standing water in a food manufacturing facility was a
2994 problem?

2995 The FDA also clearly needs to be more nimble, and may
2996 need some operational restructuring.

2997 In addition, the non-competitive, inflexible marketplace
2998 in infant formula needs to be thoroughly evaluated.

2999 With -- Dr. Califf, with respect to additional resources
3000 and staffing, according to a recent letter sent by House
3001 Appropriations Chair DeLauro and Representative Bishop during
3002 fiscal year 2019, Congress funded 2,179 full-time equivalent
3003 positions for ORA, or Office of Regulatory Affairs. But ORA
3004 allocated only 785 positions for food safety, compliance, and

3005 inspection staff. At the end of the 2019 calendar year --
3006 and this may have changed, that is what I am asking -- over
3007 100 of those positions were vacant.

3008 So again, why are additional resources needed, at least
3009 for staffing, if the FDA hasn't filled the positions it
3010 already has funding for?

3011 *Dr. Califf. I think you are asking a good question. I
3012 will have to get back with you on the details of the updates
3013 of exactly where you are.

3014 And I would emphasize this is a place -- in 21st Century
3015 Cures, on the medical side, we got authority to do the hiring
3016 for these very technical scientific jobs, which are very
3017 difficult to recruit for. It takes us much longer to fill
3018 the jobs on the food side, because we don't have the same
3019 hiring authorities or the same ability to pay. So we very
3020 much need that in order to fill these jobs.

3021 But your question about the specifics of the
3022 intersection of the requests we currently have [inaudible].

3023 *Mr. Bucshon. Yes, I appreciate that. I mean, it is
3024 very clear that many Federal agencies need to update their
3025 technology. I mean, I understand that. And maybe that is
3026 where additional resources should be allocated. I just
3027 think, from a congressional standpoint, just blanketing the
3028 FDA with more money without specific line-item things that
3029 need to be addressed is the wrong approach.

3030 The FDA's testimony notes that hard copies of the
3031 whistleblower complaint, which were sent to three FDA
3032 officials, including Dr. Mayne and Dr. Woodcock, were not
3033 forwarded from the FDA mailroom. Literally, we are blaming
3034 the mailroom, which could be the case. But we are in the --
3035 we are in 2022 here.

3036 Despite the mailroom issues, according to the FDA's
3037 testimony and the timeline, some FDA officials did receive
3038 the whistleblower complaint in October 2021, whether it be
3039 via email or FedEx. And still Dr. Mayne and Dr. Woodcock did
3040 not receive copies of the whistleblower complaint until
3041 February 2022 via email.

3042 Again, I think you have answered this, but again, why
3043 would it take four months for Dr. Mayne and Dr. Woodcock to
3044 receive copies of the whistleblower complaint, when others
3045 within the FDA already -- were already in receipt of the
3046 complaint? It seems like, to me, this is a process problem
3047 here, and not necessarily a funding problem in this area.

3048 *Dr. Califf. This particular issue, as I have stated
3049 before, is a significant process issue of escalation criteria
3050 within the organization, which we have now fixed. The people
3051 did -- were working on the complaint, and they didn't
3052 escalate it to the three leaders that you have discussed, who
3053 really should have heard about this earlier.

3054 Again, I am not blaming the people, because it was not

3055 standard [inaudible] procedure at the time to do so. But in
3056 retrospect, it would have been much better to do it.

3057 There was also --

3058 *Mr. Bucshon. Yes, I mean --

3059 *Dr. Califf. -- [inaudible] in the hard copy area that
3060 will be publicly addressed. But it is a technical issue, and
3061 we are fixing the mailroom as we go.

3062 *Mr. Bucshon. Is the reason we are waiting for hard
3063 copies, is it a privacy issue as it relates to emails that --
3064 or that type of thing? Because in medicine, you know, with
3065 HIPAA, a lot of hospitals, a lot of times, won't -- they want
3066 you to still fax stuff, because you -- it doesn't go into the
3067 -- you know, into the cloud. It is -- and it is gone. Is
3068 there a substantial issue there also?

3069 *Dr. Califf. I really don't believe that is the issue
3070 in this case. It was just the --

3071 *Mr. Bucshon. Okay.

3072 *Dr. Califf. -- standard procedure was not to escalate.
3073 People were working on it, they just didn't let the leaders
3074 know.

3075 *Mr. Bucshon. Okay, I appreciate that. And again, I
3076 want to say I appreciate you coming to the committee today,
3077 and being professional about it, knowing that you were kind
3078 of dropped into this situation only a few months ago.

3079 I yield back.

3080 *Dr. Califf. Thank you.

3081 *Ms. DeGette. Thank you. I thank the gentleman. The
3082 chair now recognizes Ms. Blunt Rochester for five minutes.

3083 *Ms. Blunt Rochester. Thank you, Madam Chairwoman, for
3084 holding this important and timely hearing. And thank you to
3085 the panelists for helping us better understand this crisis,
3086 specifically what happened, what is being done about it, and
3087 how do we prevent this from ever happening again.

3088 My state, Delaware, is among the hardest hit states in
3089 this national infant formula shortage, and protecting the
3090 health of our nation's children is a responsibility that I
3091 take very seriously. As families find empty shelves at the
3092 grocery stores -- like Dr. Ruiz, I am particularly concerned
3093 about reports indicating that scammers and counterfeiters are
3094 trying to take advantage of parents and caregivers'
3095 desperation, further putting the health of babies at risk.

3096 Dr. Mayne recognized that FDA is aware of these scams,
3097 and gave practical advice on how parents can recognize and
3098 avoid counterfeit products.

3099 Commissioner Califf, is FDA coordinating with other
3100 agencies, such as the Department of Justice, to end these
3101 scams and hold scammers responsible?

3102 *Dr. Califf. We are, yes, as much as we can. But we
3103 have very limited resources. And as you correctly note, we
3104 don't have our own capability of enforcement. The Justice

3105 Department has to take on the case.

3106 So it is an area -- it is another area perhaps for
3107 another day to spend more time on. But with the increasing
3108 availability of the internet, this is a big concern. And
3109 right now it is especially a concern because you have a
3110 history -- melamine from China, for example, historically,
3111 that caused a lot of problems. So parents have to be
3112 careful.

3113 *Ms. Blunt Rochester. You know, you preempted my next
3114 question, which was does the FDA have the resources it needs
3115 to effectively coordinate with other Federal and state
3116 agencies to combat these scammers and remove the counterfeit
3117 formula products from the market?

3118 And even additionally to that, you know, from the
3119 resources, do you have the authorities and flexibilities?

3120 And it sounds like something that you would probably
3121 have to get back to us on. But specifically, we are looking
3122 at what resources do you need to coordinate with these
3123 agencies, what funding authorities or flexibilities that
3124 would be helpful.

3125 *Dr. Califf. I really appreciate it, and we will get
3126 back with you.

3127 I wish everyone could go with me to the mailroom at JFK,
3128 for example, to see what comes in that Americans are buying
3129 internationally that is quite dangerous.

3130 And we have very limited capabilities right now. We are
3131 doing all we can with it.

3132 *Ms. Blunt Rochester. We would love to follow up with
3133 you on that.

3134 And also in your testimony you note that "the wide
3135 ranging impacts of a recall from a single infant formula
3136 manufacturing facility underscores the risks and
3137 vulnerabilities in the supply chain when production is
3138 consolidated among few major manufacturers utilizing few
3139 manufacturing facilities.'`

3140 The bipartisan supply chain resilience subtitle of the
3141 America COMPETES Act that I am leading would incentivize
3142 businesses to diversify their supply chains and prioritizing
3143 investments in small and medium-sized manufacturers. How
3144 could incentivizing businesses to diversify the infant
3145 formula supply chain and increase reliance on small and
3146 medium-sized manufacturers enable the industry to better
3147 withstand any future disruptions?

3148 *Dr. Califf. As I think you know, I love this question
3149 because it is so critical and essential to the future of
3150 America.

3151 With digital technologies now there is no reason we
3152 can't keep track of supply chain, no matter where they are.
3153 And in a world with climate changes and with cyber warfare
3154 ongoing all the time, it needs to be the case that, if you

3155 had a critical plant in Michigan, you would have a second
3156 plant or a third plant at a distant site, and you would have
3157 digital connections among them so the second one could be
3158 activated when needed, or might have adjustment of production
3159 according to needs.

3160 The case we have in front of us also emphasizes the
3161 importance of international supply chain management, because
3162 -- and I think it exemplifies that just saying "bring it to
3163 America," that is not going to fix everything. It is an
3164 important part of what we need to do, bring it to America,
3165 but we need to have digital control of supply chains on an
3166 international basis.

3167 *Ms. Blunt Rochester. Well, I want to thank you for
3168 your testimony, and also for the answers that you gave to all
3169 of us. You can see this is something that cuts across every
3170 -- our parties, every state. It is for the future of our
3171 country, and I really appreciate it.

3172 And I am also glad that you bring your private-sector
3173 experience to solving these problems, as well. So thank you
3174 so much for your testimony.

3175 And Madam Chairwoman, I yield back.

3176 *Ms. DeGette. I thank the gentlelady. The chair now
3177 recognizes Mr. Carter for five minutes.

3178 *Mr. Carter. Thank you, Madam Chair, and thank you for
3179 allowing me to waive on to this committee, this subcommittee,

3180 and thank all of the panelists for being here, as well.

3181 You know, Commissioner Califf, I am a pharmacist, a
3182 health care professional. But even more importantly, I am a
3183 father and a grandfather. And we have six grandchildren.
3184 They are all over the country in Charlottesville, Virginia;
3185 New Orleans; Atlanta. And this really -- this hits home,
3186 literally.

3187 I mean, my youngest granddaughter is six months old, and
3188 she is on infant formula. We have a family text chain that
3189 we send around. And my wife had sent a picture of the infant
3190 formula to everyone all across the country, "If you see any
3191 of this, buy it, we need it. We need it for Mary Emma.'`
3192 That is how real this is, and I know you recognize that. But
3193 I just want to drive home the point that this is impacting
3194 all of us.

3195 And you know, it just appears that the Administration
3196 really didn't pay any attention to this until it hit the
3197 media. I mean, this is -- granted that what happened in
3198 Michigan with the plant was crippling, but at the same time
3199 this has been building up for a while. So I am disappointed
3200 in the lag in the time that it took to respond to this.

3201 Now, having said that, I will say that I have always
3202 believed that it is never too late to do the right thing.
3203 And when the President did invoke the Defense Production Act,
3204 that was a good thing. As I understand it, that is going to

3205 speed up the manufacturing of U.S.-made infant formula, and
3206 it would require the suppliers to send the necessary
3207 resources to the infant formula suppliers before other
3208 customers who have requested those.

3209 What specifically -- do you identify those resources,
3210 Commissioner, or -- in the Defense Production Act, are those
3211 certain resources identified in order to make sure that we
3212 have that capacity, and make sure that they are getting to
3213 where we need them to be?

3214 [No response.]

3215 *Mr. Carter. You are muted.

3216 *Dr. Califf. Sorry about that. I don't know why it
3217 mutes and unmute when I don't touch it.

3218 But anyway, I was going to say you are from Georgia, I
3219 am from South Carolina. I appreciate the accent and the
3220 chance to wear a seersucker suit coming up in the summer.

3221 But having said that, you are also a pharmacist. You
3222 know the complexity of the -- you know, in a formula there
3223 are 30 constituents that have to be there in the right
3224 amount. So there is constant communication with the
3225 manufacturers about what they need.

3226 I would like to ask Dr. Mayne to make a comment about
3227 the special issues related to Ukraine, which is an example of
3228 the kind of thing that we are having to deal with with infant
3229 formula.

3230 *Dr. Mayne. Thank you.

3231 And yes, Congressman Carter, what we've seen is, first,
3232 the strain of the COVID-19 pandemic, then the strain of the
3233 recall, and now we've got the Russia-Ukraine conflict. And
3234 one of the things that we know is the Ukraine region is one
3235 of the world's biggest exporters of products like sunflower
3236 oil. Sunflower oil is used as an ingredient in many food
3237 products, including infant formula.

3238 And so we have been working with the manufacturers,
3239 should they be unable to maintain their supply of sunflower
3240 oil, what they would replace it with, and make sure that that
3241 would meet the nutritional requirements for infant formula.
3242 So it has been a constant dialogue with the manufacturers.
3243 What do they need, and how can we help make sure that they
3244 get what they need to make these products as the utmost
3245 priority?

3246 *Mr. Carter. Well, I appreciate knowing that. That is
3247 a great explanation, and I accept that explanation. And
3248 hopefully, it is going to result in more U.S.-made product as
3249 soon as possible because, as I say, this is an immediate
3250 problem.

3251 Let me ask you this now. We are not going to
3252 inadvertently impact other areas or other production of
3253 things that are needed with these products by invoking this
3254 Defense Production Act, are we?

3255 *Dr. Califf. Well, I am going to ask Dr. Mayne to also
3256 comment again.

3257 But first, let me just say it is entirely possible,
3258 which is why it is critical for everyone to realize the
3259 complexity of the supply chain group that has been working
3260 across government ever since the start of the pandemic. It
3261 is what you call the cheap suit phenomenon: you fix one
3262 thing, and then the other thing gets out of whack. That has
3263 to be looked at.

3264 Dr. Mayne, is there anything that comes to mind about
3265 that?

3266 *Dr. Mayne. Yes. And we've considered that. Things
3267 like sunflower oil provides essential fatty acids that we
3268 need in infant formulas, and we want it to go -- prioritize
3269 it there. It is also used in other products like snack
3270 foods, as an example, where they could replace other oils
3271 that would work, from a technical functional point, but are
3272 not there as a sole source of nutrition. So the
3273 prioritization is done based upon the nutritional priority of
3274 these products.

3275 *Mr. Carter. Okay. Well, thank you very much for your
3276 efforts in this.

3277 Madam Chair, again, thank you for allowing me to waive
3278 on, and I will yield back.

3279 *Ms. DeGette. Thank you so much, Mr. Carter.

3280 And Mr. Soto, welcome, and thank you for joining us.
3281 You are recognized for five minutes.

3282 *Mr. Soto. Thank you so much, Madam Chair. And I
3283 apologize about my delay. We are in graduation season back
3284 in Florida's 9th congressional district.

3285 The pandemic has wreaked havoc on our supply chains,
3286 including infant formula. Consolidation of industries to
3287 three or four major formula manufacturers has made our nation
3288 vulnerable. Add a recall and closure at Abbott's massive
3289 Sturgis plant, and we see a major infant formula shortage in
3290 America.

3291 Congress's greatest responsibility is to the health and
3292 welfare of our children and families. They are literally the
3293 future of our great nation. Congress is responding with
3294 action. We passed a law to boost WIC, the program to help
3295 source more formula for low-income families. I am thanking
3296 -- I thank President Biden for invoking the Defense
3297 Production Act to airlift a major shipment of infant formula,
3298 multiple shipments, to the United States.

3299 And I appreciate the Republicans' outrage at the hearing
3300 today. But where were you when we voted on the 28 million in
3301 emergency FDA funding? Thanks to Representative Upton and
3302 Representative McKinley for your bipartisan vote to help on
3303 our infant formula shortage. The rest of you, sadly, voted
3304 no.

3305 We want to all make sure the Sturgis plant is reopened
3306 quickly, and that takes more resources. That is why that
3307 vote is so critical. The FDA is short-staffed, and this is
3308 causing further delay. It is time to work on this in a
3309 bipartisan manner, and solve this crisis. And this hearing
3310 goes a long way to doing that.

3311 Commissioner Califf, the House just voted on a \$28
3312 million emergency FDA funding package. Is the FDA short-
3313 staffed in the food safety area, and would this help us along
3314 in reopening the Sturgis plant?

3315 *Dr. Califf. The short answer is yes.

3316 And I just want to take this chance also to make a
3317 statement about the hardworking employees that have been
3318 working on this night and day, weekends, getting very little
3319 sleep. Very talented, but there are just not enough of them.
3320 And we really do need to increase the staffing.

3321 *Mr. Soto. Well, Commissioner, we are going to put our
3322 money where our mouth is. We are going to make sure to work
3323 with the Senate to get you additional funding, to make sure
3324 that we have that -- those extra resources to get that plan
3325 up and running again safely and efficiently.

3326 We are also going into a conference on the America
3327 COMPETES Act, where we are looking at a whole host of items
3328 that are critical to national security and helping with our
3329 supply chain, boosting domestic production of critical goods

3330 for our national security, for our families. Medicines are
3331 part of that negotiation. Would diversifying our infant
3332 formula manufacturing through the America COMPETES Act help
3333 prevent shortages like this in the future?

3334 *Dr. Califf. Absolutely. I am privileged to be a
3335 member of the National Academy of Medicine, and served on the
3336 Supply Chain Resilience Committee. I had to resign when I
3337 was nominated for commissioner. That report, if you read it,
3338 gives every bit of the case that you need that we must
3339 diversify, not just in the U.S., but also in our
3340 international efforts. And we need to link it with digital
3341 technology to make sure that we can get the right products to
3342 the right place at the right time.

3343 *Mr. Soto. And would this additional funding help with
3344 that modernization that you are talking about?

3345 *Dr. Califf. Absolutely. Yes, sir.

3346 *Mr. Soto. Thank you so much, Commissioner Califf.
3347 And I yield back.

3348 *Ms. DeGette. I thank the gentleman. Now the
3349 questioning has ended for this panel, but I would defer to
3350 the ranking member if he has a last question or so.

3351 I don't know if you have any, Morgan.

3352 *Mr. Griffith. Yes, ma'am, I do. I just --

3353 *Ms. DeGette. You are recognized.

3354 *Mr. Griffith. -- a comment. Thank you.

3355 It was interesting that my colleague, Mr. Soto, just
3356 referenced that some of us did not vote for the money last
3357 week to send to the FDA, and the FDA has indicated today they
3358 need money. But Chairwoman of Appropriations DeLauro also
3359 has sent a letter saying that, while Congress funded 2,179
3360 food -- full-time equivalent positions for ORA, the ORA only
3361 allocated 785 positions for food safety, compliance, and
3362 inspection staff. So I think it is a discussion we need to
3363 have. I am not saying I am totally against it, but I would
3364 just remind everybody that sometimes it is good to have these
3365 hearings so we can figure out what we do need. But what we
3366 don't need is just automatically saying there is a problem,
3367 let's throw money at it. And that would be my position.

3368 Now, that being said, I would like to ask Commissioner
3369 Califf. We know that there is one infant formula product
3370 that you all have approved and enforcement discretion on so
3371 that we can bring it in from the UK, a foreign product,
3372 infant formula. How many other enforcement discretion
3373 requests are there for infant formula currently pending with
3374 the FDA?

3375 *Dr. Califf. This has been a tremendous response. So I
3376 will turn to Dr. Mayne, who I think has the latest data.

3377 *Dr. Mayne. Yes, thank you. Since we announced the
3378 flexibilities, the regulatory flexibilities, we also held a
3379 webinar with industry. Over 700 attended our webinar, where

3380 we explained the data and the information that we were
3381 seeking, and we asked for people to apply if they had product
3382 available that they thought would meet our safety and
3383 nutritional standards. As of last night, we have 26
3384 different people who have applied through our portal. As you
3385 heard yesterday, one of those was approved.

3386 *Mr. Griffith. Thank you.

3387 And I yield back, Madam Chair.

3388 *Ms. DeGette. I thank the gentleman. I just have one
3389 final question. And Dr. Califf or Dr. Mayne, you might be
3390 able to answer this.

3391 But what -- everybody talked about this issue, about the
3392 bacterial strains that were found in the infants that were
3393 sick and the ones that died didn't necessarily match the
3394 strains that were found in the two inspections of the Abbott
3395 facility. But I want to make sure that we don't leave
3396 anybody with the impression that that makes -- that that
3397 means that there was no contamination at the facility, or
3398 that there is no problem.

3399 Can you talk again, Dr. Califf or whoever, about the
3400 problems that were found, and why it was necessary to take
3401 the actions the FDA did?

3402 *Dr. Califf. Sure. First, as we said before, the
3403 absence of being able to prove that there was a connection
3404 doesn't mean that there was no connection. We just can't

3405 rule it in, nor can we rule it out. And of course, when you
3406 make a conclusion there is a connection, that is a major
3407 thing, and you have to have the evidence, and we don't. But
3408 that is totally -- that clued us in to what needed to be
3409 done, and we went to the plant.

3410 I mean, I have thought about it. Let's say you had a
3411 next door neighbor who had leaks in the roof. They didn't
3412 wash their hands. They had bacteria growing all over the
3413 kitchen. You walked in, and there was standing water on the
3414 counters and the floor, and the kids were walking through
3415 with mud on their shoes, and no one cleaning it up. You
3416 probably wouldn't want your infant eating in that kitchen.
3417 And that is, in essence, what the inspection showed.

3418 I want to emphasize, again, I think Abbott is on the
3419 way. I think they are working very hard. This is not
3420 emblematic of the Abbott that I have known as a cardiologist.
3421 So I am optimistic, as Mr. Upton said, that we are going to
3422 get over this. The people who work in that plant I know are
3423 hardworking people, and we are not meaning to castigate them.
3424 But these are just the facts that we saw.

3425 *Ms. DeGette. Thank you. Thank you so much,
3426 Commissioner. Thanks to you and your team, to all the
3427 members. We appreciate it.

3428 We do have a second panel today. And so the chair will
3429 announce that we are going to take a very short break for 10

3430 minutes, and we will reconvene at 2:05 p.m. Eastern Time.

3431 Thank you very much.

3432 [Recess.]

3433 *Ms. DeGette. The chair calls the committee back to
3434 order, and welcomes our next panel.

3435 I would now like to introduce the members of the next
3436 panel for today's hearing: Christopher Calamari, president,
3437 U.S. and Canada nutrition, and senior vice president of
3438 Abbott; Scott Fitz, vice president, technical and production,
3439 Gerber Products Company; Robert Cleveland, senior vice
3440 president, nutrition, North America and Europe, of Reckitt.

3441 I want to thank you all again for appearing in our
3442 hearing today.

3443 And I know you are all under -- aware that the committee
3444 is holding an investigative hearing. And when we do so, we
3445 have a practice of taking testimony under oath. Do you have
3446 any objections to testifying under oath?

3447 Let the record reflect that the witnesses have responded
3448 no.

3449 The chair then advises you that, under the rules of the
3450 House and rules of the Committee, you are entitled to be
3451 accompanied by counsel. Do you desire to be accompanied by
3452 counsel during your testimony today?

3453 Let the record reflect that the witnesses have responded
3454 no.

3455 So if you can, gentlemen, please raise your right hand
3456 so you may be sworn in.

3457 [Witnesses sworn.]

3458 *Ms. DeGette. Let the record reflect the witnesses have
3459 responded affirmatively.

3460 And now you are all under oath, and subject to the
3461 penalties that are set forth in title 18, section 1001 of the
3462 U.S. Code.

3463 At this time, the chair will recognize each of our
3464 witnesses for five minutes to provide their opening
3465 statement.

3466 Before you begin, I would like you to be aware, in case
3467 you have never done Webex before, which I find hard to
3468 believe, but there is a timer on your screen that will count
3469 down your remaining time.

3470 And so I will now recognize you. Mr. Calamari, you are
3471 recognized for five minutes.

3472

3473 TESTIMONY OF CHRISTOPHER J. CALAMARI, PRESIDENT, U.S. AND
3474 CANADA NUTRITION, SENIOR VICE PRESIDENT, ABBOTT; SCOTT FITZ,
3475 VICE PRESIDENT, TECHNICAL AND PRODUCTION, GERBER PRODUCTS
3476 COMPANY; AND ROBERT CLEVELAND, SENIOR VICE PRESIDENT,
3477 NUTRITION, NORTH AMERICA AND EUROPE, RECKITT

3478

3479 TESTIMONY OF CHRISTOPHER J. CALAMARI

3480

3481 *Mr. Calamari. Thank you, Chairs DeGette and Pallone,
3482 Ranking Members Griffith and McMorris Rodgers, members of the
3483 subcommittee. My name is Chris Calamari, and I lead Abbott's
3484 U.S. nutrition business.

3485 The current infant formula shortage is heartbreaking.
3486 On behalf of everyone at Abbott, I want to express our
3487 extraordinary disappointment about the shortage. We are
3488 deeply, deeply sorry, and we are committed to ensuring that
3489 this never happens again. Safety comes first, and the recall
3490 and shutdown were necessary steps to ensure that our formula
3491 supply was safe. But both steps have worsened the current
3492 shortage. It will take more time, but we want to assure you
3493 that we are doing everything we can to get more supply onto
3494 shelves for families.

3495 Since issuing the recall and shutting down Sturgis,
3496 we've taken aggressive action to boost supply.

3497 First, we have reworked our global network to create

3498 additional capacity in the U.S. market. We've airlifted
3499 millions of cans of infant formula powder into the U.S. from
3500 our FDA-registered facility in Ireland. We are now up to
3501 nearly 50 flights per week coming in to 12 major airports
3502 across the country. Those flights will continue as long as
3503 necessary.

3504 Second, we have converted other Abbott liquid
3505 manufacturing lines to make Similac liquid that is ready to
3506 feed.

3507 Third, we are running our other U.S. manufacturing
3508 facilities in Ohio, Arizona, and Virginia 24/7 to help
3509 replenish supply in the market.

3510 Fourth, we've been working with USDA and WIC agencies to
3511 ensure that WIC participants will continue to be able to
3512 obtain formula free of charge.

3513 And fifth, for babies with specialized needs, we are
3514 releasing metabolic formulas previously on hold, and working
3515 with other manufacturers to address demand.

3516 We are also taking steps to address the issues arising
3517 from shortages of EleCare, a specialized formula for children
3518 that cannot digest other formulas and milk. We are in the
3519 process of releasing an additional 300,000 cans of EleCare to
3520 individuals needing urgent, life-sustaining supplies.

3521 We are also establishing a \$5 million fund to help
3522 families in need with medical and living expenses. By the

3523 end of June, we expect we will be supplying more formula to
3524 Americans than we were in January, before the recall.

3525 As we do the hard work to increase supply, we've been
3526 truly inspired by our employees across the country who have
3527 done everything they can to get formulas into parents' hands.
3528 Employees like sales representatives Kathy, Tolanda, and
3529 Alex, who each made long drives to deliver formula to those
3530 in need, or Director of Customer Service Operations Lee, who
3531 arranged to have formula delivered same day to Alaska so that
3532 it could be air-shipped to families of active duty service
3533 members in remote parts of the state.

3534 But at Abbott we know that this is not about us, it is
3535 about you. You either don't have the product you need or are
3536 having trouble getting it. We understand the difficult
3537 position you are in. We know we let you down. And we are
3538 going to do everything we can to re-earn your trust.

3539 We are also working closely with our regulators to
3540 restart production at Sturgis, which will further increase
3541 our manufacturing capacity by 40 percent.

3542 As I said earlier, safety comes first. At Sturgis we
3543 regularly take samples across our operations to ensure the
3544 facility and the product we produce is safe. And we
3545 regularly test our formula before, during, and after the
3546 production process, exceeding regulatory requirements.

3547 We will also continue to look for new ways to improve,

3548 because operating a clean and safe plant is a job that
3549 requires constant vigilance.

3550 We plan to start production at Sturgis the first week of
3551 June. We will begin with the production of EleCare before
3552 turning to the production of other formulas and Similac.
3553 From restart we estimate that it will take six to eight weeks
3554 before product is available on shelves.

3555 We are also going to learn from this. Current supply
3556 chains are simply not resilient enough. We have been a
3557 leader supplying food to families for over 50 years, and we
3558 are determined to make sure that this never happens again.
3559 This means we will expand both capacity and redundancy.

3560 In closing, I want to assure you that we will not rest
3561 until we can fully meet the needs of the millions of families
3562 that depend on our products.

3563 Thank you, and I look forward to your questions.

3564 [The prepared statement of Mr. Calamari follows:]

3565

3566 *****COMMITTEE INSERT*****

3567

3568 *Ms. DeGette. Thank you, Mr. Calamari.
3569 Mr. Fitz, you are now recognized for five minutes.
3570

3571 TESTIMONY OF SCOTT FITZ

3572

3573 *Mr. Fitz. Thank you. Chairwoman DeGette, Ranking
3574 Member Griffith, Chairman Pallone, Ranking Member McMorris
3575 Rodgers, and the distinguished members of the subcommittee,
3576 thank you for the opportunity to testify before you today.

3577 Since 2018 I have served as vice president of technical
3578 and production at Gerber Products Company, and I appreciate
3579 the opportunity to discuss Gerber's efforts to address the
3580 current infant formula shortage.

3581 At Gerber our mission is anything for baby, and that
3582 promise has driven our business for generations. As a
3583 father, I can only imagine the anxiety felt by parents who
3584 need formula for their children right now. While Gerber is a
3585 small manufacturer in the U.S. infant formula market at about
3586 an eight percent market share, we are working tirelessly to
3587 help parents and caregivers get the formula that they need.

3588 For 90 years the quality and safety of our products and
3589 the well-being of infants and young children have always been
3590 top priorities for Gerber. We have stringent controls in
3591 place at all levels of production, and our infant formulas
3592 undergo hundreds of quality and safety checks. Our standards
3593 are among the strictest in the world, and many of our
3594 measures exceed FDA requirements.

3595 Like most industries, the infant formula industry is not

3596 immune to global supply chain challenges related to the
3597 COVID-19 pandemic. Given our high safety and quality
3598 standards, the highly-regulated nature of this industry,
3599 adding new suppliers or changing ingredients or changing
3600 packaging materials is a rigorous and time-intensive process.

3601 We have also faced constraints related to availability
3602 of labor and transportation for product distribution. These
3603 challenges were exacerbated by the recent recall in the
3604 infant formula space.

3605 We recognize the gravity of the current shortage, and
3606 have taken decisive actions to respond.

3607 First, we have increased production of infant formula.
3608 Our factories run 24/7 to produce formula as efficiently as
3609 possible, while maintaining our high safety standards. We
3610 are prioritizing the manufacture of products that are most in
3611 demand, as well as specialty formulas that have been in
3612 critically short supply.

3613 Second, we have significantly increased formula
3614 available to consumers and hospitals. We have accelerated
3615 e-commerce availability, we are air freighting product
3616 produced in other countries, and we are releasing our reserve
3617 inventory to get more product to consumers. As a result, we
3618 increased availability of our infant formula in the market by
3619 roughly 50 percent in March and April.

3620 We know more must be done. We believe the steps Gerber

3621 has taken over the past several months have made a real
3622 difference. In the past week we partnered with the Biden
3623 Administration on Operation Fly Formula, which will expedite
3624 the import of the equivalent of 1.5 million bottles of our
3625 specialty hypoallergenic formulas. The first of these
3626 shipments arrived in Indiana on Sunday, and is being
3627 distributed to hospitals. The second shipment arrived in the
3628 U.S. today, and is being transported to Allentown,
3629 Pennsylvania.

3630 Third, we are providing essential information about
3631 infant formula to parents and caregivers. Our Parent
3632 Resource Center has baby-feeding experts available 24/7 to
3633 address questions and concerns.

3634 Finally, we are working with our WIC state partners to
3635 help ensure sufficient supply. While Gerber is a small
3636 player in this space, we are proud to serve our WIC states.

3637 Although we have taken many important steps, more work
3638 remains to be done.

3639 We appreciate the efforts taken by the FDA to date. We
3640 welcome the temporary flexibility regarding the import of
3641 certain infant formulas, and we are actively pursuing
3642 opportunities to import more formula. As of today we have
3643 filed two requests with the FDA to import formula produced at
3644 our facilities outside the U.S.

3645 We believe FDA should also have the authority to provide

3646 greater transparency on the anticipated impact of a recall
3647 when critical products are involved, so that companies like
3648 Gerber can respond more quickly to help fill the gaps.

3649 And the FDA must also have appropriate resources to
3650 review routine notifications from manufacturers.

3651 For the past 90 years, our mission has been anything for
3652 baby. And we look forward to continuing to work with all
3653 necessary parties to ensure that all families are able to
3654 feed their little ones.

3655 Thank you, and I look forward to your questions.

3656 [The prepared statement of Mr. Fitz follows:]

3657

3658 *****COMMITTEE INSERT*****

3659

3660 *Ms. DeGette. Thank you, Mr. Fitz.

3661 And Mr. Cleveland, you are now recognized for five

3662 minutes.

3663

3664 TESTIMONY OF ROBERT CLEVELAND

3665

3666 *Mr. Cleveland. Chair DeGette, Ranking Member Griffith,
3667 and distinguished members of the subcommittee, thank you for
3668 the invitation to appear before you. It is an honor to be
3669 here to discuss our efforts to address the urgent infant
3670 formula shortage in the United States today.

3671 My name is Robert Cleveland, and I am the senior vice
3672 president for the nutrition business unit covering North
3673 America and Europe at Mead Johnson Nutrition.

3674 Mead Johnson was founded in the United States in 1905 as
3675 a premiere producer of pediatric nutrition, and we now
3676 produce infant and specialty formulas under well-known brands
3677 such as Enfamil and Nutramigen. Our major manufacturing
3678 facilities are in northern Michigan and southern Indiana,
3679 where we employ over 1,200 people.

3680 At Mead Johnson we recognize that the formula shortage
3681 is a very serious issue. And as a father, I understand that
3682 nothing is more important than the ability to feed and
3683 nurture one's children. That is why we are working around
3684 the clock and coordinating closely with the Federal
3685 Government to do whatever is possible to address the
3686 shortage. I am immensely proud of the extraordinary people
3687 at my team whose efforts have succeeded in increasing Mead
3688 Johnson's supply of infant formula by more than 30 percent

3689 compared to this time last year.

3690 In response to the shortage, we have all hands on deck
3691 working around the clock to get products to families who need
3692 it. The steps we are taking include the following.

3693 We have added shifts and unlocked unlimited overtime in
3694 our plants to run 24/7.

3695 We have cut our time to market almost in half by having
3696 trucks ready to load the minute we roll products out of our
3697 facilities.

3698 And we are working with our retail partners to ensure
3699 that when those trucks arrive, they are the first at the
3700 distribution centers to ensure that the product gets to shelf
3701 quickly. Because it is not just about more, it is about how
3702 fast can we get it to shelf.

3703 And we are simplifying our supply chain by reducing the
3704 number of different products we make, focusing on those sizes
3705 and formats that allow us to get the most products out in the
3706 fastest time.

3707 We are taking all of these measures while keeping a
3708 close eye on quality and safety to ensure that we always meet
3709 the near pharmaceutical grade safety requirements that apply
3710 to infant formula production. We will take no shortcuts.

3711 We have also been working closely with the Federal
3712 Government to take every step we can to end this shortage as
3713 quickly as possible. Earlier this month Mead Johnson and

3714 other infant formula manufacturers met with President Biden,
3715 after which the Administration invoked the Defense Production
3716 Act to help address manufacturing supply shortages, and
3717 implemented Operation Fly Formula, which directs the use of
3718 military aircraft to import formula from overseas.

3719 We are also working with the FDA to explore ways to
3720 expedite review and approval of some of our infant formulas
3721 manufactured at our facility in Delicias, Mexico. And we are
3722 working with the FDA on imports from our facility in
3723 Singapore.

3724 And finally, we are working with the Department of
3725 Agriculture to make regulatory and administrative adjustments
3726 to the Women, Infant, and Children, or WIC, program, which
3727 will better position that program to provide WIC participants
3728 the nutrition they need, and to ensure that WIC mothers do
3729 not bear the brunt of this shortage.

3730 We also applaud the efforts of Congress to consider a
3731 variety of legislative changes to prevent such a shortage
3732 from ever happening again. We will be happy to work with you
3733 in all of those efforts.

3734 In conclusion, thank you to the subcommittee for the
3735 opportunity to speak with you today about how we can best
3736 meet the needs of families who rely on formula to feed our
3737 children. We are intensely focused on resolving the shortage
3738 as quickly and safely as possible. Thank you.

3739 [The prepared statement of Mr. Cleveland follows:]

3740

3741 *****COMMITTEE INSERT*****

3742

3743 *Ms. DeGette. Thank you so much, Mr. Cleveland.

3744 It is now time for members to ask questions, and I will
3745 remind everybody to mute yourself if you are not asking
3746 questions to prevent feedback. And the chair will now
3747 recognize herself for five minutes.

3748 Mr. Calamari, I want to say that I appreciate that
3749 Abbott has taken ownership of the role that the company's --
3750 the company -- or that the company played in parents being
3751 unable to find the nutrition that their babies need. And I
3752 do also appreciate you saying that you are doing everything
3753 you can to get this facility back up and going, and to get
3754 production going.

3755 But what struck me when Commissioner Califf was
3756 testifying, Abbott does have a great reputation among Members
3757 of Congress and the Administration, particularly in the drug
3758 and device arena. I just can't understand why this factory
3759 in Michigan had such substandard health conditions when it
3760 was inspected in January. And I am wondering if -- as well
3761 as all of the things you talked about that the company is
3762 doing to try to get formula out for families, what new
3763 provisions have -- and protocols has the company put into
3764 effect to ensure that we don't get into a situation like this
3765 again, where a major production facility has to be closed
3766 down?

3767 *Mr. Calamari. Chair DeGette, thank you for the

3768 question.

3769 I was at Sturgis last week, and I can tell you the staff
3770 there, the team there, they make formula as if it were for
3771 their own families. And they -- after the FDA identified
3772 observations where we needed to improve, and we are -- we
3773 needed to address, the teams have been actively working on
3774 taking steps to address those issues.

3775 *Ms. DeGette. Mr. Calamari, maybe you don't understand
3776 what I am asking. I know you are trying to clean it up and
3777 get it back open, but what additional protocols are you
3778 putting in place so that we don't have this happen again?

3779 *Mr. Calamari. Absolutely. So for the 483, it did
3780 identify clear observations which we needed to address. So
3781 some of those key areas that we are improving are including
3782 in the installation of non-porous flooring; where information
3783 of -- improvements across different processes and traffic
3784 patterns within the plant; additional training of employees
3785 to address some of the observations that were identified.

3786 So our improvements range from the physical to the
3787 process, and all throughout the facility.

3788 *Ms. DeGette. And are you institutionalizing that for
3789 the future, not just to remedy these deficiencies?

3790 *Mr. Calamari. Yes, I --

3791 *Ms. DeGette. Okay.

3792 *Mr. Calamari. Chair DeGette, yes, we are.

3793 *Ms. DeGette. Okay, great. Maybe you can supplement
3794 your answer on that.

3795 I want to ask you, Mr. Fitz, in your testimony you said,
3796 "More needs to be done. Much more needs to be done to ensure
3797 every baby can get the formula he or she needs now and in the
3798 future.'" And obviously, we all agree with that. So what
3799 steps can Gerber take to be a part of the future solution to
3800 make sure that we never have something like this happen again
3801 if, say, one of the manufacturers shuts down a key plant?

3802 *Mr. Fitz. Yes, thank you for the question, Chairwoman.
3803 Certainly, again, we are a small player in the U.S. market,
3804 so an eight percent market share. So our ability to respond
3805 to a gap in the marketplace like this is pretty limited.

3806 But we appreciate the steps the FDA is taking for
3807 temporary flexibility in importing products so that we can
3808 tap into Nestle's global network and global capacity. We
3809 appreciate the steps that we are going through with Operation
3810 Fly Formula, where we are importing quickly supplies of the
3811 desperately-needed specialty products that we manufacture
3812 outside the United States.

3813 *Ms. DeGette. Okay, and Mr. Cleveland, I guess I am
3814 going to ask you the same thing, but what is your company
3815 doing to make sure that we can more nimbly respond to any
3816 crisis in the future?

3817 *Mr. Cleveland. Well prior to this -- it is a great

3818 question, and it is a very legitimate concern.

3819 And so prior, just prior to the recall, we had already
3820 filed to bring our Delicias, Mexico facility under the
3821 oversight of the FDA, so that it can produce a product
3822 sustainably for the United States market, as well. And we
3823 are working with the FDA now to address that more urgently to
3824 create that backup, or that additional supply for the U.S.
3825 market.

3826 And then, of course, we will be learning from this
3827 experience, and building contingency plans with our other
3828 facilities so, should an event like this ever happen again,
3829 we can respond even more quickly and better than we are
3830 today.

3831 *Ms. DeGette. Thank you. I will just say, gentlemen, I
3832 appreciate your commitment to rectifying this as quickly as
3833 possible, because it is small solace to my constituents, who
3834 are driving around for three or four hours to try to find
3835 formula. The quicker we can get that to those babies, the
3836 better it is going to be.

3837 With that, I am pleased to recognize the ranking member
3838 for five minutes.

3839 *Mr. Griffith. Thank you, Madam Chair, and thank all
3840 the witnesses for being here.

3841 Mr. Calamari, I think you are a good guy in a bad spot,
3842 but I am going to ask you some tough questions.

3843 So here is the deal. I think you got more than a porous
3844 floor problem, or a roof problem at Sturgis. When you look
3845 at the FDA reports over the years, and you see similar
3846 problems occurring, and then you read the whistleblower
3847 report, which says that members of your team at Sturgis were
3848 hiding information from your office, from the home office,
3849 that could lead to some of the problems that the FDA has
3850 mentioned in their testimony and that you know about, it
3851 seems to me that you have a culture problem.

3852 What steps are you taking to change that culture, and
3853 have any heads rolled?

3854 *Mr. Calamari. So, Representative, thank you for the
3855 questions. I think there are a couple pieces there.

3856 First, on the culture problem, I don't think it is a
3857 problem. I think -- we were there last week. And I saw
3858 generations of employees who worked -- who work in Sturgis
3859 with pride, who feed their own families. And they are
3860 committed to making steps to improve. And we are making
3861 those steps to address in the plant, physically, processes.

3862 [Inaudible] the observations. We are working rigorously
3863 to address them. I think the team's commitment and passion
3864 to quickly address them is there.

3865 And Representative, we are going to learn from this. We
3866 are going to get better as a result of this. The pride we
3867 have feeding families for decades, this has been an

3868 opportunity to improve, and we are going to do so.

3869 *Mr. Griffith. Well, and I understand you are trying to
3870 put the best --

3871 [Audio malfunction.]

3872 *Mr. Griffith. -- in my district last week, and I was
3873 very pleased when they said to me, "You got to put on these
3874 shoe covers.'" I had not been with muddy feet climbing on
3875 the roof.

3876 But the FDA commissioner said that is what they found,
3877 that your folks didn't seem to think that was a problem at
3878 the Sturgis plant, when they had roofers on the roof working
3879 around, and then they walked through the food production
3880 section with mud on their feet. And so, even if a
3881 whistleblower is wrong, and they weren't hiding stuff from
3882 you, when you see things like not inspecting the cans at the
3883 proper time, and when there is food in the seams -- could be
3884 getting in the seams later, causing a bacterial problem, and
3885 you see muddy feet walking through, it doesn't take a food
3886 scientist to figure out you don't want going through a
3887 facility like that somebody who has got muddy feet and just
3888 came off the roof.

3889 So I beg to differ. I think you do have a problem, but
3890 I hope you will address it. Can you at least give me a
3891 commitment that, if you see any signs of that happening in
3892 the future, that you yourself will put eyes on that problem,

3893 and try to rectify it more quickly? Because this was going
3894 on for years at Sturgis, apparently.

3895 *Mr. Calamari. Representative, yes. Yes, we will.

3896 *Mr. Griffith. All right. I appreciate that.

3897 To all the witnesses, when did you first start to see
3898 signs of infant formula supply chain issues?

3899 [Pause.]

3900 *Mr. Griffith. Somebody has got to go first.

3901 Mr. Calamari, you go first, and then we will go to Mr.
3902 Fitz.

3903 *Mr. Calamari. So we first started seeing increased
3904 demand for products really coming out of the COVID time
3905 period. And there weren't more births, there weren't
3906 increases in formula feeding rates. We saw households buying
3907 more, and that would have been coming out against -- coming
3908 out of COVID timeframe.

3909 *Mr. Griffith. All right. Is that the same for you,
3910 Mr. Fitz?

3911 *Mr. Fitz. Certainly related to this current issue we
3912 became aware of the recall at the same time the general
3913 population and the media did. FDA contacted us. I don't
3914 know if it was the next day or within the next week about the
3915 situation, and so we increased our production and increased
3916 our --

3917 *Mr. Griffith. Next day or next week, what is the

3918 timeframe on that?

3919 *Mr. Fitz. Sorry?

3920 *Mr. Griffith. You said about the same time. One was
3921 coming out of COVID, the other was, you said, at about the
3922 same time, and then you got contacted by the FDA. When was
3923 that?

3924 *Mr. Fitz. After the public announcement of the Abbott
3925 recall.

3926 *Mr. Griffith. So, okay, some time in late February or
3927 early March.

3928 Mr. Cleveland?

3929 *Mr. Cleveland. Yes, sir. We had seen an increase in
3930 demand roughly from the middle of last year that was probably
3931 attributed to many shortages in consumer packaged goods at
3932 that time, and consumers rightly concerned, and making sure
3933 they had enough infant formula. But certainly the moment in
3934 time we are talking about right now began immediately after
3935 the recall and -- on February 18th.

3936 *Mr. Griffith. And Mr. Cleveland, was that the first
3937 time you had heard from the FDA about supply chain issues?

3938 *Mr. Cleveland. The FDA reached out to us immediately
3939 after the recall, and began speaking to us about issues that
3940 could be related to it. Yes, sir.

3941 *Mr. Griffith. And if you might give me discretion,
3942 Madam Chair -- but had you heard from the FDA before that on

3943 a regular basis?

3944 *Mr. Cleveland. Sir, we are always in contact with the
3945 FDA. We are --

3946 *Mr. Griffith. On supplies.

3947 *Mr. Cleveland. -- [inaudible] industry with many
3948 discussions.

3949 *Mr. Griffith. I understand, but were they talking to
3950 you about supply chain prior to that?

3951 *Mr. Cleveland. We hadn't been in extensive
3952 conversations about supply chain before that, no.

3953 *Mr. Griffith. Thank you very much.

3954 I yield back, Madam Chair. Thank you for your
3955 discretion.

3956 *Ms. DeGette. Thank you. The chair now recognizes
3957 Chairman Pallone for five minutes.

3958 *The Chairman. Thank you, Chairwoman DeGette.

3959 Gentleman, I have to be honest. If I were listening to
3960 this, to your comments, I wouldn't be very happy right now if
3961 I was looking for baby formula, because all I heard Mr.
3962 Calamari say is we are going to get the plant up by June 1st,
3963 and within six and eight weeks, you know, we will be able to
3964 supply more.

3965 Well, you know, I -- we need to do something to get this
3966 stuff out now. In other words, you know, my constituents
3967 don't want to wait six to eight weeks, if that is what I

3968 heard.

3969 And then, of course, I heard Mr. Gerber say, well, you
3970 know, don't worry too much, because we are flying in stuff
3971 from abroad. And I know that the Biden Administration is
3972 doing a lot with the Defense Production Act and this
3973 operation that they have going.

3974 But what I don't understand is -- to Mr. Calamari, is
3975 there anything you can do to speed this up, or do you have
3976 stuff that can come from abroad?

3977 And then I will ask Mr. Fitz, you know, what does this
3978 mean with this stuff coming in -- working with the
3979 Administration? Can we expect to get to normal in less than
3980 six to eight weeks? And how are you getting the word out to
3981 people, so that they know that it is available?

3982 So let's start with Mr. Calamari. Is there anything you
3983 can do to speed up the six to eight weeks, or can you do
3984 anything that you have supply from abroad? You know,
3985 quickly, because I want to get to Mr. Fitz.

3986 *Mr. Calamari. Chair Pallone, absolutely. We are
3987 taking many actions beyond Sturgis reopening. We are daily
3988 getting six to eight flights from Cootehill, Ireland, our FDA
3989 facility, and we will be delivering millions of cans in the
3990 weeks to come.

3991 We are also --

3992 *The Chairman. All right. So, how is that -- how

3993 quickly can we expect to be getting back to normal then
3994 between that and Sturgis?

3995 *Mr. Calamari. So by the end of June we will deliver
3996 more product in June than we did in January, before the
3997 recall. And from there we are going to continue to sustain
3998 those efforts to make sure we consistently --

3999 *The Chairman. It sounds like it is still another
4000 month, and I am not happy with that. I wish there was some
4001 way you could do better.

4002 Mr. Fitz, same thing. You are taking stuff from abroad,
4003 you are trying to increase production. We are still talking
4004 the end of June?

4005 *Mr. Fitz. Respectfully, Congressman, we are a small
4006 player in the U.S. market, and our capacity is aligned to
4007 that. So the exceptional measures that FDA is taking to
4008 allow us to tap into the global Nestle network is a big step
4009 for us. With these additional filings that we've made we now
4010 have access to more of the global Nestle network, and are
4011 working to quickly replenish supply.

4012 But we can't fill the gap left by a much bigger
4013 competitor here in the U.S., because our capacity is just not
4014 aligned --

4015 *The Chairman. Well, is there anything more that the
4016 Administration can do or you can do collectively to move up
4017 this deadline so people get this stuff quicker?

4018 I will go to the last speaker, if you will. Mr.
4019 Cleveland. Is there anything that can be done collectively,
4020 or with our help that would speed this up so we -- it doesn't
4021 take another month or over to get to a norm, to the -- to
4022 normalcy?

4023 *Mr. Cleveland. Well, frankly, sir we are moving as --
4024 and your concerns are absolutely merited with the shelves
4025 looking the way they are. We are moving as fast as we can,
4026 as well. And we expect to be able to take advantage of the
4027 FDA's import exception very, very soon to bring product in
4028 from our facility in Singapore, especially. And we think
4029 that will make a dent within the market within the month of
4030 June.

4031 And the Defense Procurement Act is helping us -- or
4032 Production Act, excuse me -- is helping us to secure valuable
4033 inputs that should increase our supply in June, as well. But
4034 realistically, it will take some weeks for that to be felt at
4035 the shelf in a significant way.

4036 *The Chairman. And what about -- how are you going to
4037 get the word out that this is available? I asked this same
4038 question to the FDA administrator. I am always worried that
4039 people aren't going to know where to go, how to get this
4040 stuff. Anybody want to take a crack at that?

4041 [No response.]

4042 *The Chairman. Mr. Calamari?

4043 *Mr. Calamari. Chair Pallone, we have a variety of
4044 resources. We have formula finding on our websites. We have
4045 1-800 numbers. We are also arming our sales representatives
4046 with information to help guide parents and families to where
4047 there might be product. And we are continuing to update that
4048 information --

4049 *The Chairman. All right. Well, I know my time is
4050 running out. But through you, Madam Chair, I would like each
4051 of these gentlemen to get back to us about how they are
4052 getting the word out as this stuff comes back online, because
4053 I am very much afraid that people are not going to know how
4054 to get it. So if, through you, Madam Chair, I could ask each
4055 of them to get back to us with that information of what they
4056 are doing. Thank you.

4057 *Ms. DeGette. We will ask the witnesses to supplement
4058 their statements with that. Thank you.

4059 [The information follows:]

4060

4061 *****COMMITTEE INSERT*****

4062

4063 *Ms. DeGette. The chair will now recognize the ranking
4064 member of the full committee, Mrs. McMorris Rodgers, for five
4065 minutes.

4066 *Mrs. Rodgers. Thank you, Madam Chair. According to
4067 the Washington Post editorial by Robert Ford, CEO of Abbott,
4068 "The FDA's investigation did discover a bacteria in our plant
4069 that we will not tolerate.'`

4070 Mr. Calamari, what is Abbott's understanding as to why a
4071 bacteria was discovered in the Sturgis plant?

4072 *Mr. Calamari. Representative, thank you for the
4073 question. So the bacteria in question was found in a part of
4074 the facility that is not in contact with product, which is
4075 absolutely not acceptable, to be clear. And we have taken
4076 action to make sure we put processes and training in place so
4077 that that does not happen.

4078 I will say that the bacteria infection in question is
4079 commonly occurring, and part of our process is to test that
4080 to make sure we catch it before it gets distributed to
4081 product.

4082 *Mrs. Rodgers. Thank you. Does Abbott agree with the
4083 government's view that there were persistent problems at the
4084 Sturgis plant, and that Abbott failed to take sustainable
4085 corrective action?

4086 *Mr. Calamari. Representative, what I can tell you is
4087 we have a decade of reviews and inspections at that -- at the

4088 Sturgis facility. And in 2019, when there was an
4089 observation, we quickly addressed it. In 2021, we've taken
4090 action to address them, those observations.

4091 So we value our relationship with our regulators. We
4092 have a safety-first, and we prioritize compliance, and we
4093 want to make sure we continue to invest in those processes
4094 going forward to come out of this even stronger.

4095 *Mrs. Rodgers. Well, how can you give us confidence
4096 that Abbott is going to address the underlying causes of
4097 continued compliance problems?

4098 *Mr. Calamari. Representative, I was there last week.
4099 And we, as a leadership team, are fully committed, all
4100 resources against it. We are aligned as leaders to make sure
4101 we put the necessary steps and sustained actions in place so
4102 that this doesn't happen again.

4103 *Mrs. Rodgers. When was your company first contacted by
4104 the White House about the emergency response to the shortage
4105 problem?

4106 *Mr. Calamari. Representative, so we've been working on
4107 -- more recently with the White House, coming out of the
4108 recent announcements President Biden has made. But we've
4109 been working on trying to get back to supply, and we've been
4110 working on our action plan from the moment in February and
4111 before, when we became aware that we were going to need to
4112 get more capacity online.

4113 *Mrs. Rodgers. So you have been working on addressing
4114 these issues since February to get back online?

4115 *Mr. Calamari. So we've been working on a variety of
4116 actions. We've been airlifting our product from Cootehill,
4117 Ireland. That's something we've always done, and we've
4118 increased the amounts of doing so.

4119 In February and March, when we became aware of the
4120 recall, that's when we started making the necessary steps to
4121 convert our adult manufacturing lines to liquid. So we've
4122 been acting on this in a variety of workstreams to make sure
4123 we can get as much product available as possible as soon as
4124 possible.

4125 *Mrs. Rodgers. So what is the difference between what
4126 you started doing in February versus where we are today, and
4127 the consent decree and what you are going to be able to
4128 accomplish in the next two weeks?

4129 *Mr. Calamari. I think the big piece with the consent
4130 decree does -- it allows us to go forward with Sturgis with
4131 an aligned set of principles that we can work with FDA, and
4132 make sure we are producing in an aligned fashion. That is
4133 the big step forward, because that will increase our capacity
4134 versus the previous actions by an additional 40 percent.

4135 *Mrs. Rodgers. So how does that differ from the actions
4136 that you were taking in February versus what is in the
4137 consent decree?

4138 *Mr. Calamari. The actions in February, we were working
4139 -- we have a variety of manufacturing facilities, so we were
4140 working on increasing supply in non-Sturgis-related
4141 facilities. The consent decree is very specific to the
4142 Sturgis facility, and allows us to act in an aligned fashion
4143 in production going forward.

4144 *Mrs. Rodgers. Were -- have you been -- since February
4145 have you been taking action in Sturgis to address the
4146 concerns that have been raised around bacteria in the plant?

4147 *Mr. Calamari. Yes, we have. We've been taking a
4148 variety of actions to improve the plant's capabilities and
4149 its infrastructure. And we've taken action from the get-go.

4150 *Mrs. Rodgers. But you haven't been able to satisfy the
4151 FDA yet?

4152 *Mr. Calamari. I think the -- with the consent decree,
4153 we are now in an aligned position to move forward.

4154 *Mrs. Rodgers. I am just trying to understand how we
4155 are going to be able to accomplish this in a two-week period,
4156 when over months, it sounds like, the company has been
4157 attempting to address the bacteria that was that was found.

4158 *Mr. Calamari. So Representative, what we've done is
4159 we've made a variety of updates to the plant. And now we are
4160 in the stages -- it is a 700,000-square-foot facility. So
4161 now we are cleaning, testing, validating to make sure every
4162 process step is in place, every quality check is in place to

4163 make sure, when we get up and running, we could do so in a
4164 sustained fashion.

4165 *Mrs. Rodgers. Okay. Well, thank you.

4166 Thank you, Madam Chair, for holding this hearing today.
4167 It is very important that we get -- address this crisis. I
4168 appreciate the chance to ask the question. Thank you.

4169 *Ms. DeGette. Thank you so much.

4170 Ms. Kuster, you are recognized for five minutes.

4171 *Ms. Kuster. Thank you so much, Madam Chair. I am
4172 grateful for this hearing, and for these -- this second panel
4173 of witnesses.

4174 Here in the Granite State, in New Hampshire, families
4175 are -- and families all across the country -- are scrambling
4176 for baby formula, driving miles across state lines, forming
4177 local donation pools, even falling victim to scams and
4178 counterfeit products out of desperation.

4179 And while Abbott bears responsibility for why its
4180 product recalls were necessary at all -- and, by the way, we
4181 are all shocked to hear about the conditions in the Sturgis
4182 plant -- it was ultimately the safe thing to do, to recall
4183 the product to ensure the health and well-being of infants
4184 across this country.

4185 Now, however, it is going to take an industry-wide
4186 dedication to increase production so retailers can keep
4187 shelves stocked for desperate families.

4188 Mr. Fitz, your testimony states that Gerber recognizes
4189 "the gravity of the current shortage, and the impact it is
4190 having on families and babies across the country.'" When
4191 specifically did Gerber understand that American consumers
4192 would experience an infant formula shortage, and how soon
4193 thereafter were you able to escalate production efforts at
4194 Gerber?

4195 *Mr. Fitz. Thank you for the question, Congresswoman.
4196 Certainly, the -- we at Gerber, many of us are parents, and
4197 that has been our inspiration. And I am proud of the way we
4198 have risen to the challenge being, again, in the U.S., a
4199 small supplier, to attempt to fill the void.

4200 So we became aware, as I mentioned in my earlier
4201 testimony, when FDA notified us that there was a recall at
4202 Abbott, but we had no visibility to the scale or the extent
4203 of the outage.

4204 What we did do is, during the immediate months following
4205 in March and April, supply an additional 50 percent of
4206 product, or release an additional 50 percent of product to
4207 the market, which is substantial for us. And we are
4208 continuing to increase our production as much as possible to
4209 support the current need.

4210 *Ms. Kuster. Thank you. Would it change your business
4211 plans generally, overall -- and this is hypothetical, but I
4212 think it is something we need to consider -- if the WIC --

4213 Women, Infants, and Children -- formula was not sole source,
4214 but if you could participate in that program, would that make
4215 a difference in your business model?

4216 *Mr. Fitz. Well, I can tell you, as, again, a small
4217 player in the U.S. market, it is difficult for us to compete
4218 against two larger competitors.

4219 *Ms. Kuster. And if you had a larger potential market,
4220 would you see growth in Gerber production of baby formula?

4221 *Mr. Fitz. Well, as you are probably aware, Nestle is a
4222 large manufacturer of infant formula, globally. And if we
4223 saw the market opportunity here, I am sure we would invest to
4224 satisfy that need, opportunity.

4225 *Ms. Kuster. Thank you. The Biden Administration has
4226 announced multiple measures to help expedite supply chain
4227 solutions to get manufacturers the raw materials needed to
4228 get products to market.

4229 According to your testimony, Mr. Cleveland, Reckitt has
4230 been working with the Administration at all levels. How
4231 specifically has Reckitt been working with the FDA and the
4232 White House to get products to families faster?

4233 And have these joint efforts been effective to date?

4234 *Mr. Cleveland. Well, thank you for the question, and
4235 the answer is yes, they have. The White House has been a
4236 strong partner since the time we spoke to them. We have been
4237 -- they have been helping us work on input issues we've been

4238 having. We've started to have some real victories there. We
4239 are starting to see some inputs where we had struggled, and
4240 some of those are freed up and now headed to our plants. And
4241 that is really what is going to be needed to ensure we can
4242 run those at full capacity. And if we can do that, we know
4243 we can supply more to the market than we are even today.

4244 *Ms. Kuster. And I would ask you a similar question.
4245 If you knew that you had an opportunity to participate in the
4246 Women, Infant, and Children program, would that make a
4247 difference in your business model going forward?

4248 *Mr. Cleveland. We are an active participant in the WIC
4249 program today. We've been supporting it for many years. It
4250 is a good program. It was challenged during this period of
4251 time, due to the shortage. And the USDA, we've worked with
4252 them to make changes to make it more flexible, and so that
4253 formula is more available to those participants because they
4254 are the most vulnerable, and they are our top concern. And
4255 we've made a lot of progress in that area, as well.

4256 *Ms. Kuster. Great, thank you. And finally, American
4257 families need to rest assured that companies are not cutting
4258 corners on safety as they ramp up production. So back to
4259 you, Mr. Cleveland. What is Reckitt doing to make sure that
4260 your own facilities and products maintain high quality and
4261 safety for American infants as your company expedites its
4262 production schedule?

4263 *Mr. Cleveland. Well, this is -- it is near
4264 pharmaceutical grade manufacturing. Infant formula is a --
4265 it is a sole source of nutrition for a very vulnerable
4266 population. Safety must be first. While we have definitely
4267 ramped up our production as much as we can, we are taking no
4268 shortcuts for safety. We can't.

4269 *Ms. Kuster. Thank you.

4270 *Mr. Cleveland. And now, especially. So no, we are --
4271 this is our number-one concern.

4272 *Ms. Kuster. Thank you, Madam Chair. I yield back.

4273 *Ms. DeGette. Thank you so much.

4274 Mr. Burgess, you are now recognized for five minutes.

4275 *Mr. Burgess. I thank the chair.

4276 Mr. Calamari, let me ask you. According to Dr. Califf's
4277 testimony, an infant got sick with cronobacter. The powdered
4278 formula was identified as a nutritional source. And so the
4279 FDA notified Abbott the third week in September. Is that
4280 correct?

4281 *Mr. Calamari. So, yes, there was a report of an infant
4282 illness in September. Yes.

4283 *Mr. Burgess. And then the -- well, let me just ask
4284 you. Did that set off a series of investigations in your
4285 plant?

4286 You have referenced things like the non-porous floors.
4287 We've heard about a leaky roof. Were there things that you

4288 thought maybe we ought to start seeing some of these things,
4289 or did we have to wait for a whistleblower?

4290 *Mr. Calamari. We absolutely -- we have processes and
4291 protocols in place. When there is a signal for an illness, a
4292 reported illness, we have -- we look to our batch records
4293 that link to that product in question. We look at the
4294 complaint rates. And we did that in this example. And there
4295 were no signals from those reviews and processes that there
4296 was anything more -- any more to the instance.

4297 *Mr. Burgess. Well, okay, fair enough. So then four
4298 weeks goes by, and a whistleblower complaint is delivered to
4299 the FDA. And I presume they contacted you straight away
4300 after they got the whistleblower complaint, is that correct?

4301 *Mr. Calamari. Representative, no. We became aware of
4302 the whistleblower complaint in the end of April, when it was
4303 made public by Congress.

4304 *Mr. Burgess. So the time lag between October and
4305 February was internal to the FDA, and not part of your normal
4306 quality assurance process.

4307 *Mr. Calamari. Correct. I became aware of it in the
4308 April timeframe, when it was made public by Congress.

4309 *Mr. Burgess. That is actually disturbing, that there
4310 was not better communication. I recognize Dr. Califf said
4311 something got lost in the mail. Absolutely unacceptable.
4312 And surely we at the Federal level need to correct that.

4313 Let me just ask you this, Mr. Calamari. Dr. Califf said
4314 that a cronobacter infection or cronobacter isolation should
4315 be a reportable incident. Is -- would that be your
4316 understanding, and would you be accepting of that?

4317 *Mr. Calamari. Representative, yes. We have processes
4318 in place where we signal the identification of cronobacter.

4319 *Mr. Burgess. So -- but CDC says cronobacter can occur
4320 in the environment, that -- so it would have to be a
4321 cronobacter infection in a child, or would it be the
4322 isolation of cronobacter in a non-porous floor?

4323 *Mr. Calamari. We would support that. We would support
4324 that.

4325 *Mr. Burgess. Well, so if the whistleblower complaint
4326 was not made immediately available to you, but then, when it
4327 was, was it your decision then to cease operations at the
4328 plant in Sturgis until you got the difficulties corrected, or
4329 was that an FDA decision?

4330 *Mr. Calamari. Representative, regarding the
4331 whistleblower complaint, it is an ongoing review, and it is
4332 an ongoing investigation. And given the independent nature
4333 of that inquiry, I wouldn't want to speak to that.

4334 But what I can tell you is I have been at Abbott 17
4335 years, and the Abbott I know prioritizes compliance. It
4336 encourages employees to speak up.

4337 *Mr. Burgess. And correct, that is what you would want.

4338 I mean, just like Dr. Califf, I -- in my professional career
4339 I dealt with Abbott, I dealt with Mead Johnson, I dealt with
4340 Gerber. I know all of you to be -- I mean, you do have the
4341 best interests of your clients, your patients, at heart. But
4342 somehow things didn't quite measure up this time.

4343 And so I guess Mr. Califf -- when, then, in the
4344 decision-making chain -- when did it become obvious to you
4345 that we were going to have to close the Sturgis plant, or
4346 halt the Sturgis plant?

4347 *Mr. Calamari. So we agreed to a voluntary recall in
4348 the February timeframe. It was -- with the information we
4349 had at the time, with the unknowns, and given the nature of
4350 this patient population, safety and the -- for the most
4351 vulnerable is important, and the most critical thing.

4352 So looking back now, we would have done it again with
4353 the information we had at the time, and that was in the
4354 February timeframe.

4355 *Mr. Burgess. But the voluntary recall is not the same
4356 as just complete cessation of activity at the plant, correct?

4357 *Mr. Calamari. We -- it would have been in the
4358 mid-February timeframe.

4359 *Mr. Burgess. I have got some other questions I will
4360 submit in writing, but I would like to -- I would be
4361 interested in how you notified the downstream consumer and
4362 the other participants in the supply chain that this,

4363 unfortunately, was occurring, and that we would need to be
4364 prepared for it. But I will submit those in writing.

4365 [The information follows:]

4366

4367 *****COMMITTEE INSERT*****

4368

4369 *Mr. Burgess. Thank you, Madam Chair.

4370 *Mr. Calamari. We can follow up with --

4371 *Ms. DeGette. Thank you so much. Thank you.

4372 Miss Rice, you are now recognized for five minutes.

4373 *Miss Rice. Thank you, Madam Chair.

4374 Mr. Calamari, if I could just continue along the lines

4375 of -- I just want to clarify. You were informed of the

4376 whistleblower and their report. They went directly to

4377 another source. They did not go to you. Is that right?

4378 With the problems in --

4379 *Mr. Calamari. Yes. I would have become aware in the

4380 end of April timeframe.

4381 *Miss Rice. So tell me what -- I mean, what system do

4382 you have in place to ensure that things like this don't

4383 happen, and that you are leaving it to a whistleblower to

4384 bring it to the public -- to Federal agencies' attention in

4385 order -- before you can -- before you even know about it? I

4386 mean, what are your procedures that you have to ensure that

4387 you find out about these problems first, through an oversight

4388 program that you implement?

4389 *Mr. Calamari. Representative, I think it is a very key

4390 area you have -- you are commenting on.

4391 We do have a process in place where employees can raise

4392 their voice, and speak up, and --

4393 *Miss Rice. Talk about that. What is that process?

4394 *Mr. Calamari. So it is independently administered. So
4395 there -- it respects the confidentiality of the employee, and
4396 it is administered through part of the organization outside,
4397 you know, that is set apart and independent, so that any
4398 questions and inquiries can be independently administered and
4399 reviewed.

4400 *Miss Rice. And are people made aware that they have
4401 this avenue to report things that they see within a facility
4402 that they think are -- is not right?

4403 *Mr. Calamari. Yes, they do. We encourage employees to
4404 speak up, and we -- and safety and compliance is a top
4405 priority.

4406 *Miss Rice. So why was this not brought directly to
4407 your attention?

4408 *Mr. Calamari. Representative, this -- the nature of
4409 this process is this -- when it was made public, it was
4410 shared with FDA. And I was not directly aware of the
4411 investigation until that time.

4412 *Miss Rice. Well, I guess I am -- my question is, if
4413 you have what you are describing as a specific program to
4414 allow employees to go directly to someone within the company
4415 to register an issue with something that is going on in any
4416 one of your facilities, why didn't that happen here?

4417 *Mr. Calamari. Representative, what -- I just want to
4418 make sure I -- when I say Abbott did not find out about it

4419 until the -- it was made public in the end of April. And it
4420 was the -- the particular individual who raised the
4421 complaint, it was their choice to use that mechanism to raise
4422 the complaint.

4423 *Miss Rice. Okay. So what are you going to do to
4424 ensure that people go to you first, and not do what they did
4425 -- have to go to take the steps that they did here? Because
4426 these -- it sounds to me like this is not an isolated
4427 incident. These things have happened at your facilities.
4428 Maybe not this specific thing leading to this incredible
4429 shortage of essential nourishment for babies. But why did
4430 your system fail here?

4431 And what are you going to do to make sure that it
4432 doesn't happen again, that this -- that there is a quality
4433 control within your company that employees respect and
4434 believe is going to be effective and not come back on them?

4435 *Mr. Calamari. Representative, we encourage employees
4436 to speak up. We are going to reinforce that we are a culture
4437 where we support employees to raise concerns if they see
4438 them. And I think that is one of our ongoing commitments as
4439 an organization.

4440 *Miss Rice. Do you offer any kind of reward for people
4441 who bring this information forward, to actually encourage
4442 people to be on the lookout, and to not fear coming forward
4443 to higher-ups in the company?

4444 *Mr. Calamari. We encourage it by reinforcing that
4445 their voice counts, that we have a zero tolerance policy for
4446 retaliation against these types of complaints. And that is
4447 our commitment to support those employees to speak up.

4448 *Miss Rice. And so it failed. Clearly, you are not
4449 getting that message out to your employees, or you would have
4450 been aware of this before anyone else was. Would that be
4451 correct?

4452 *Mr. Calamari. I think it is always important that we
4453 could always use this as an opportunity to reinforce our
4454 principles.

4455 I will say that the individual chose to raise their
4456 concerns in this matter, and I think we have to -- you know,
4457 we have to revisit how we make sure we get -- reinforce that
4458 we are a culture of speaking up and supporting training and
4459 compliance.

4460 *Miss Rice. Are you just making that decision now, or
4461 is this something that you were aware of before me asking you
4462 these questions?

4463 You -- do you understand that that is something that you
4464 have to work on in your company?

4465 *Mr. Calamari. Representative, absolutely. We are
4466 committed to those principles.

4467 *Miss Rice. Madam Chair, I yield back the balance of my
4468 time.

4469 *Ms. DeGette. Thank you. The chair now recognizes Mr.
4470 Long for five minutes.

4471 *Mr. Long. Thank you, Madam Chairman.

4472 For Mr. Calamari, prior to Abbott's recall in February,
4473 what percentage of Abbott's total U.S. infant formula was
4474 made in your Michigan facility?

4475 *Mr. Calamari. Approximately 40 percent.

4476 *Mr. Long. And prior to the recall in February, what
4477 percent of the U.S. market did your company's infant formula
4478 produce or account for?

4479 *Mr. Calamari. Abbott is approximately 40 percent of
4480 the market.

4481 *Mr. Long. Okay. And then for Mr. Fitz the same
4482 question.

4483 Prior to the Abbott recall in February, what percentage
4484 of the U.S. market did your company's infant formula product
4485 account for?

4486 *Mr. Fitz. Our -- we represent about eight percent
4487 market share.

4488 *Mr. Long. I am sorry?

4489 *Mr. Fitz. We represent about eight percent market
4490 share.

4491 *Mr. Long. Eight? Okay. So for Mr. Cleveland, same
4492 question.

4493 Prior to the recall in February, what percent of the

4494 U.S. market does your infant formula product account for?

4495 *Mr. Cleveland. We were approximately 34 percent of the
4496 U.S. market before the recall.

4497 *Mr. Long. Okay, and has that changed, post-recall?

4498 *Mr. Cleveland. Yes, sir. With the recall, many
4499 consumers that were no longer able to use the Abbott brand
4500 switched to ours, and our share is now approximately 56
4501 percent of the U.S. market.

4502 *Mr. Long. And same question for Mr. Fitz on
4503 [inaudible].

4504 *Mr. Fitz. I think you are asking the same question of
4505 us. Our market share has inched up about one percentage
4506 point, so we are about nine percent now.

4507 *Mr. Long. Okay, yes, I was trying to ask the same
4508 question of both of you.

4509 So with that, I think [inaudible] Madam Chairwoman, and
4510 yield back.

4511 *Ms. DeGette. Does the gentleman yield back?

4512 *Mr. Long. Yes, I yield back.

4513 *Ms. DeGette. All right. Thank you so much.

4514 Ms. Schakowsky, you are recognized for five minutes.

4515 *Ms. Schakowsky. Thank you, Madam Chair.

4516 I have to tell you, Mr. Calamari, that I am actually
4517 livid at what happened at Abbott's Sturgis plant, and I have
4518 -- really having a hard time figuring out how that was

4519 allowed to happen.

4520 We've all heard about the inspections that were done
4521 and, quite frankly, it is pretty disgusting, what we heard
4522 about the water on the floors, and the water leaking from the
4523 ceiling, and conditions that could lead to contamination.
4524 And I don't know how a company that has a reputation like
4525 yours and a responsibility like yours could actually get into
4526 a situation like that. So I am not surprised it is going to
4527 take you a while to get your act together and clean the place
4528 up to get it out.

4529 And I also heard your apologies. And I just want to say
4530 something. You don't owe an apology to this Congress. You
4531 owe an apology to the parents of children who got sick, and
4532 possibly a couple that have died, and to all the families out
4533 there who are really struggling and suffering because they
4534 can't get the product that you produce so much of -- and in
4535 fact, I think probably too much of it. And we talked a
4536 little bit earlier about the concentration of power.

4537 So, you know, Mr. Calamari, I also note that we've been
4538 talking about the whistleblower, that Abbott actually -- I
4539 will talk about that in a second, but Abbott only took action
4540 to recall formula after the FDA learned that more babies had
4541 become sick, and after four babies were actually already
4542 sick, and it looks like two died.

4543 So I want to ask. Mr. Calamari, the witness -- the

4544 whistleblower suggests that safety and quality have not been
4545 always at the top of your agenda. So I want to ask you, will
4546 you take responsibility for your current employers to make
4547 sure that they comply with the FDA, all of the safety
4548 requirements for infant formula?

4549 *Mr. Calamari. Yes.

4550 *Ms. Schakowsky. I also want to ask -- let's see -- in
4551 Mr. -- I am sorry -- oh, for Reckitt, Mr. Cleveland.

4552 So in your testimony, Reckitt has been working with the
4553 FDA on ways to do -- to expedite the appropriate behaviors.
4554 And I am just wondering if you could just tell us a little
4555 bit about what you are doing in the -- especially in the
4556 Mexico facility.

4557 *Mr. Cleveland. Thank you, Madam. The Mexico facility
4558 has been making infant formula for Latin American infants for
4559 many, many years, and grown thousands of babies very
4560 successfully and healthily, and with quality infant formula.
4561 And we had begun just before the recall the process of
4562 getting that plant certified by the FDA so it could be a
4563 permanent source of supply for the U.S. market.

4564 Obviously, since the recall we've been working with FDA
4565 on can we compress the timeline to that approval so that
4566 product from that plant can be available to address the
4567 shortage right now to fill the shelves. And that is an
4568 ongoing process. And the FDA is moving quickly with us on

4569 it.

4570 We are also taking advantage of the FDA's import
4571 exception to submit for approval to bring product from our
4572 plant in Singapore, which has also been making infant formula
4573 for children throughout Asia for many, many years, and very
4574 successfully, and we think could go a long way to helping
4575 with the current shortage at the shelf here in the U.S. And
4576 those are active conversations, practically every day with
4577 the FDA, on how to get both of those options in line and
4578 moving very quickly.

4579 *Ms. Schakowsky. Thank you. We are looking forward to
4580 that.

4581 Mr. Fitz, how is Gerber coordinating with the FDA to
4582 make sure that these products are quickly delivered to
4583 American families without compromising quality and safety
4584 standards?

4585 *Mr. Fitz. Yes, so thank you for the question.
4586 Certainly, the current urgency is there, and we have already
4587 applied for two -- made two requests to FDA for exceptional
4588 approval to temporarily import product from a German facility
4589 that makes product for all European and global markets. And
4590 we are -- we've submitted those two applications within the
4591 past week.

4592 *Ms. Schakowsky. Thank you.

4593 Thank you, Madam Chair, for your indulgence. I yield

4594 back.

4595 *Ms. DeGette. I thank the gentlelady.

4596 Mr. Palmer, you are now recognized for five minutes.

4597 *Mr. Palmer. Thank you, Madam Chairman.

4598 And following on my colleague, Ms. Schakowsky, I am
4599 going to just lay out some things here, Mr. Calamari, that I
4600 am going to ask you to respond to in a moment.

4601 But in 2019 Abbott found a cronobacter, a potentially
4602 deadly pathogen in your product. It was also determined that
4603 an inadequate pathogen testing was being done at your Sturgis
4604 plant to ensure that the required quality standards were
4605 being met. Your company had received complaints from nurses
4606 and parents who believed your product was making infants
4607 sick. I think you received 16 of those between 2019 and
4608 2021. Yet there were no inspections from October 2019 until
4609 2021 by either the FDA or Michigan, despite the fact that you
4610 knew there were problems.

4611 The 2021 inspections, when they did start back, found
4612 numerous violations, mishandling raw materials, mishandling
4613 packaging and equipment, pitting in the dryers that could
4614 result in growth of bacteria, failure to maintain the
4615 building and clean and sanitary conditions, as has been
4616 mentioned several times in this hearing and the previous
4617 panel.

4618 And what is interesting to me is that, when the

4619 inspections finally started -- the pattern of the FDA
4620 routinely was surprise visits, but Abbott was notified
4621 several days in advance of that inspection. Were you
4622 informed? Were you notified that the FDA would be inspecting
4623 the plant?

4624 *Mr. Calamari. So the -- there is an annual inspection
4625 process, and we would have known that, and each year we
4626 anticipate a scheduled --

4627 *Mr. Palmer. That is not what I am asking you. Were
4628 you notified that the FDA was coming to that facility?

4629 *Mr. Calamari. No, I was not.

4630 *Mr. Palmer. Okay, so I will follow up on that later.
4631 Of course, it is not the usual manner that the FDA does these
4632 inspections.

4633 The other interesting thing about the inspection is
4634 that, even though these issues were identified, they were not
4635 included in the FDA's report. And I am wondering if there
4636 was a discussion between Abbott management and the FDA in
4637 regard to what the inspection found. Was there a discussion
4638 that -- between Abbott and the FDA about the problems at the
4639 plant?

4640 *Mr. Calamari. Representative, I am not aware of any
4641 such discussion.

4642 *Mr. Palmer. Were you aware of these issues before the
4643 FDA inspection?

4644 *Mr. Calamari. I personally was not.

4645 *Mr. Palmer. Okay. Who would have been?

4646 *Mr. Calamari. Our team in Sturgis would regularly be
4647 working on the processes and steps necessary to make sure we
4648 are producing to satisfaction.

4649 *Mr. Palmer. Could you give us -- submit to the
4650 committee the names of the people who would have had access
4651 to this information, who would have known that you had these
4652 issues with the mishandling of your materials and your
4653 packaging and your equipment, who would have known about the
4654 complaints, would have known that the cronobacter pathogen
4655 was found in some of your products, that would have known
4656 that you were not doing adequate product safety testing?
4657 Could you give us the names of those people who would have
4658 known that ahead of the FDA inspection and post-FDA
4659 inspection?

4660 *Mr. Calamari. Representative, we can follow up with
4661 that information.

4662 *Mr. Palmer. Madam Chairman, would it be appropriate
4663 for the committee to officially request that those people be
4664 identified?

4665 *Ms. DeGette. The witnesses are always requested to
4666 answer questions submitted by the committee members, so they
4667 will be asked to do that in due course.

4668 *Mr. Palmer. Well, my concern about this is that we now

4669 have a major problem with this, not just the supply chain.
4670 This is a failure across the board with your company. I
4671 mean, you testified that Abbott represents about 40 percent
4672 of the product that is out there. It is closer to 50
4673 percent, I believe, and 40 percent of it is produced at the
4674 Sturgis factory.

4675 And what I don't understand, and what I would like for
4676 you to answer in these remaining seconds, is why Abbott
4677 didn't immediately address these issues without having to be
4678 told to by the FDA or anybody else.

4679 *Mr. Calamari. Representative, we prioritize safety and
4680 compliance in our plants, and we are committed to doing so
4681 and getting better coming out of this event.

4682 *Mr. Palmer. Madam Chairman, for the record, I am not
4683 satisfied with the witness's answers, and I appreciate your
4684 indulgence, and I yield back.

4685 *Ms. DeGette. Thank you. I thank the gentleman.
4686 Mr. Tonko, you are recognized for five minutes.

4687 *Mr. Tonko. Thank you, Madam Chair.

4688 While the recall of Abbott products is responsible for
4689 the severity of the formula shortage facing Americans today,
4690 reporting shows that supply challenges existed prior to the
4691 February 2022 recall and Sturgis facility shutdown. In fact,
4692 pandemic-related supply chain disruptions contributed to
4693 higher out-of-stock rates than usual in the second half of

4694 2021. We can't overlook the role of these raw materials and
4695 transportation strains may have on the longer-term resiliency
4696 of the infant formula supply in our United States.

4697 So, Mr. Cleveland, you referenced these continuing
4698 supply chain challenges connected with the COVID-19 pandemic
4699 in your testimony. What type of supply chain challenges did
4700 Reckitt experience in 2021, and what measures did the company
4701 employ to try to mitigate the impacts?

4702 *Mr. Cleveland. Yes, sir. And I don't think in this
4703 regard we are very different than most manufacturers in
4704 America. Supply chains are complex, and they are often
4705 global.

4706 So input challenges could be anything such as packaging
4707 problems. It could be we couldn't get paperboard. Maybe we
4708 lacked certain oils that go into our products. Really, the
4709 list is -- it is long, and it is complex, and, frankly, it
4710 changes on a regular basis.

4711 We've been able to overcome it and keep production
4712 flowing, and been able to increase since the recall because
4713 of, frankly, heroic efforts from our procurement team. And
4714 whenever one of these shortages appears, they reach out to a
4715 network of backup suppliers and alternates seeking, you know,
4716 inputs that could substitute the ones that we were no longer
4717 able to get. They have been very successful at doing so,
4718 although, you know, certainly we could have produced more if

4719 we had had a constant and steady stream of inputs, and hadn't
4720 struggled with the issues we've had.

4721 And again, the White House and -- has been very helpful
4722 with us, the Administration, in helping to secure inputs
4723 during the midst of this crisis. And we are starting to see
4724 an improvement on many fronts.

4725 *Mr. Tonko. Mr. Fitz, your testimony also mentions
4726 global supply chain challenges as a factor the company has
4727 had to contend with. What, if any, steps has Gerber taken to
4728 maintain its production and distribution supply?

4729 *Mr. Fitz. Yes, thank you for the question. Certainly,
4730 our industry is not immune to the global supply chain
4731 challenges brought on by the pandemic. We struggled with
4732 material supply issues, intermittent material supply issues,
4733 whether it be ingredients or packaging components. We
4734 struggled with material quality issues related to the
4735 pandemic. We've had transportation and logistics issues,
4736 just getting trucks and truck drivers available to move the
4737 products and supplies that we need. And we've had COVID-
4738 related labor challenges and higher turnover than normal,
4739 with all things that have impacted us.

4740 Through the course of the pandemic, though, we've
4741 resolved these on an ongoing basis, one at a time, as they
4742 have come up. We are putting -- trying to put in more robust
4743 business continuity plans in place for critical components

4744 and ones that we know we will have challenges with in the
4745 future.

4746 *Mr. Tonko. Okay, and I would like to know whether
4747 there were conversations, obviously, about the supply
4748 concerns as the challenges grew over the past year. All
4749 three manufacturers testifying today have been coordinating
4750 with the Biden Administration in recent weeks. But what
4751 about efforts over the past year?

4752 Mr. Fitz, did Gerber engage in any discussions with the
4753 FDA or with other Federal agencies regarding the growing
4754 supply chain concerns prior to February's Abbott product
4755 recall and Sturgis plant closure?

4756 *Mr. Fitz. So we have regular involvement with FDA. I
4757 don't think we've highlighted these issues in particular.
4758 Again, for us, they have been intermittent and periodic and
4759 different in every time. And we've made significant efforts
4760 through the -- through our teams, through our procurement
4761 organizations to solve them, and resolve them, and continue
4762 to produce.

4763 And over the past --

4764 *Mr. Tonko. But did you not think that FDA should be
4765 notified, or at least aware of your struggle?

4766 *Mr. Fitz. Should FDA be aware of our struggle on --

4767 *Mr. Tonko. Yes, should you have -- yes. Should you
4768 have shared those concerns for supply chain?

4769 *Mr. Fitz. If it could help, we would certainly be
4770 willing to do that, yes.

4771 *Mr. Tonko. Well, should you have during the last year?

4772 *Mr. Fitz. Well, as I testified, the issues that have
4773 come up for us, we've been able to resolve. Through the last
4774 six months our in-stock rates have averaged 86 percent.

4775 *Mr. Tonko. Well, Mr. Cleveland, at what point after
4776 noticing supply chain disruptions did Reckitt begin
4777 coordinating with the FDA, or with WIC agencies and retailers
4778 to address potential disruptions?

4779 *Mr. Cleveland. Well, as soon as the recall occurred,
4780 we reached out to our retailers to discuss with them the
4781 significance of what that event would be. We made sure that
4782 we had all the existing inventory available to us to push out
4783 to those retailers and then encourage them to push their
4784 inventory to shelf, as well.

4785 Since then we've been working with the USDA to increase
4786 flexibility of the program to meet the WIC consumer's needs,
4787 because that is our top priority consumer. And finally, with
4788 the Administration, the effort has been on inputs to
4789 manufacturing, so that we can increase the total amount we
4790 make, and get that to shelf much quicker.

4791 *Mr. Tonko. Well, my time is done, but if you could
4792 respond in writing about actions that you had taken before
4793 February, that would be helpful, too.

4794 [The information follows:]

4795

4796 *****COMMITTEE INSERT*****

4797

4798 *Mr. Tonko. Thank you, Madam Chair --

4799 *Ms. DeGette. I thank the gentleman.

4800 *Mr. Tonko. -- I yield back.

4801 *Ms. DeGette. The chair now recognizes Mr. Joyce for
4802 five minutes.

4803 *Mr. Joyce. Thank you, Madam Chair and Ranking Member
4804 Griffith, for holding this.

4805 And thank you to the second panel of witnesses for
4806 appearing today, because we all recognize it is very
4807 important that we hear from industry and manufacturers as
4808 well as government regulators in this whole process. And to
4809 that end, I would ask that all three of you -- Mr. Calamari,
4810 Mr. Fitz, and Mr. Cleveland -- that you weigh in on the
4811 following question.

4812 We've heard at length in this hearing, which is now in
4813 its fourth hour, about regulations, about supply chain. But
4814 my question is going to take a different approach to this,
4815 and I need to know what effectively government can do right
4816 now to ease supply constraints. And I would ask each of you
4817 what regulations could be modified to ease or increase infant
4818 formula supply -- Mr. Cleveland, you stated that -- to fill
4819 the shelves. I think all the parents, all the caregivers for
4820 infants right now want to know how we can get to that. But
4821 how do we get to that point without compromising the safety
4822 of the products that you produce?

4823 So, Mr. Fitz, I am going to start with you. What -- if
4824 you could change -- if you could, make recommendations to
4825 this oversight committee to increase infant formula supply,
4826 but not compromise the safety of the products for the
4827 families, the children who rely on them.

4828 *Mr. Fitz. Yes, thank you for the question,
4829 Congressman. I think it is a very good one in the current
4830 situation.

4831 But I do believe that the steps the FDA is taking to
4832 allow temporary flexibility for importing products from safe
4833 manufacturers overseas that are approved in foreign
4834 countries, as we are doing now, at least for Nestle, that
4835 allows us to tap into our global network and quickly respond
4836 to the situation at hand.

4837 *Mr. Joyce. And we talked earlier in the hearing today.
4838 I agree that that is certainly a viable solution. I
4839 represent a rural area in Pennsylvania, and I look to see how
4840 the rural areas can be supplied with that, as well.

4841 Mr. Calamari, as a representative here for Abbott -- and
4842 I definitely respect you being here and taking these
4843 difficult questions, I respect you as a leader answering that
4844 -- but if you could, address what regulations you felt could
4845 be changed to increase, without compromising safety,
4846 increasing, as Mr. Cleveland said earlier, to fill the
4847 shelves.

4848 *Mr. Calamari. Representative, thank you for the
4849 comments and for the question. I think I would characterize
4850 two key areas where we could continue to improve.

4851 One is on securing ingredients. The road ahead, as we
4852 think about continuity of supply, is something we have to
4853 make sure we are very much prepared for. So continuing to
4854 work on secure supply of ingredients.

4855 And distribution. Distribution is a speed to market,
4856 never cutting the quality steps, never cutting the testing
4857 steps, but making sure we have accelerated distribution and
4858 ability to get it to the customers and the consumers would be
4859 the areas I would say we need now, and we are going to
4860 continue to need in the weeks and months ahead.

4861 *Mr. Joyce. Mr. Calamari, address that just a little
4862 bit further for me, if you would, please. Specifically in
4863 the supply chain, are there specific ingredients that you
4864 look right now are challenged?

4865 *Mr. Calamari. On the horizon we see, in the
4866 manufacture of infant formula, agricultural oils are
4867 absolutely essential. Paper is absolutely essential. The
4868 cost of fuel to supply and distribute the product is
4869 essential. So I would call out those key elements, ranging
4870 from agricultural oils to the cost to deliver the product,
4871 would be the biggest areas of focus.

4872 *Mr. Joyce. Thank you. I appreciate it. And now our

4873 final panelist.

4874 You are going to be the cleanup batter. What, as far as
4875 government regulation, Mr. Cleveland -- because I used your
4876 quote about filling the shelves -- and I stopped this morning
4877 at a local supermarket, and you are right, those shelves are
4878 not filled, and parents and caregivers are quite concerned
4879 about that. So how -- and from a government point of view --
4880 can we, without compromising safety of your product, how can
4881 we work -- what regulations could be modified to ease what
4882 you are facing right now?

4883 *Mr. Cleveland. Well, thank you for the question, sir.
4884 And as cleanup batter, I -- you know, I can add incrementally
4885 to the -- what has gone before me, because many of the
4886 suggestions that ourselves and I am sure the other
4887 manufacturers have made to the Administration and other parts
4888 of the government have been implemented.

4889 So focusing on those most at medical need through the
4890 import exceptions, I think, is an excellent idea. And then
4891 making sure that we increase the flexibility of the WIC
4892 program to make sure that the vulnerable women and infants in
4893 that program are taken care of, and they have safe access to
4894 product, I think, was essential. And I think the USDA has
4895 implemented at this point all of our suggestions to do that,
4896 which has been very helpful.

4897 But the one final thing I will end on the inputs is

4898 really the logistics, because the agricultural oils is a very
4899 good point. That is an essential input to our process, as
4900 well. But one of the things we find is the logistics of
4901 getting those from our supplier to our plants with sufficient
4902 trucks to do so has also been challenging. So it is not only
4903 just the inputs, but, as we've heard before, it is also
4904 getting the trucks and the logistics in place, as well.

4905 *Mr. Joyce. Thank you for the comments.

4906 Madam Chair, I see my time has expired. But again, I
4907 thank you for this important hearing today.

4908 *Ms. DeGette. Thank you. Thank you so much.

4909 Mr. Ruiz, you are now recognized for five minutes.

4910 *Mr. Ruiz. Thank you.

4911 Every aspect of the current infant formula shortage is
4912 alarming, and I am most disturbed that the parents,
4913 caregivers, babies, and children most impacted by the supply
4914 strains are those who are already living meal to meal with
4915 food insecurity. That is particularly true for families that
4916 rely on the Special Supplemental Nutrition Program for Women,
4917 Infants and Children, the WIC program. And this committee
4918 does not have jurisdiction of WIC, but the manufacturers'
4919 relationships with the program is central to the
4920 disproportionate impact of the shortage on low-income
4921 families.

4922 As I understand it, Abbott contracts with approximately

4923 34 state WIC agencies, and serves more than 47 percent of the
4924 1.2 million children receiving WIC formula benefits. This
4925 means that, when Abbott's products were recalled, caregivers
4926 who are already in vulnerable and precarious financial
4927 positions felt the product's absence from the shelves the
4928 most.

4929 So Mr. Calamari, as the primary supplier of infant
4930 formula for WIC beneficiaries, does your company have
4931 obligations to these families?

4932 And if so, what specific actions has Abbott taken to
4933 ensure that its non-recalled products or even competitor
4934 options are available to these vulnerable families?

4935 *Mr. Calamari. Representative, we take our WIC
4936 commitment and our WIC obligations very seriously.

4937 One of the key actions I identified in my opening
4938 comments was when we airlift product, we are airlifting
4939 Similac from Ireland. That product we are shipping over is
4940 the number-one product we provide on the WIC program. We
4941 prioritized that early in our action plan, and are going to
4942 continue to sustain that in our action plan going forward.

4943 In addition, what we've also done is we've paid
4944 competitive rebates. In other words, when our product is not
4945 available, we will pay the rebate on other manufacturer's
4946 products so families can continue to get access to the
4947 nutrition they need.

4948 Going forward, we are going to pay those rebates through
4949 August, and it is an area that we will continue to look at as
4950 we think about the improvement going forward.

4951 *Mr. Ruiz. How do you do the outreach, the education to
4952 the families that you would pay the rebate?

4953 And are you doing them in Spanish, as well as in
4954 English?

4955 *Mr. Calamari. So we work very closely with two key
4956 stakeholders -- USDA, but also the state WIC agencies, where
4957 we provide materials bilingual, and we work with the agencies
4958 to make sure we are providing the necessary information
4959 customized by state to make sure we are communicating the
4960 current status to their constituents.

4961 *Mr. Ruiz. Mr. Cleveland, your company, Reckitt, also
4962 supplies with WIC beneficiaries with infant formula in the
4963 United States. According to company statements, as of 2020
4964 Reckitt held the WIC contract in 15 states, and was providing
4965 formula for approximately 44 percent of all WIC-eligible
4966 infants in this country.

4967 How has Reckitt been coordinating with states and WIC
4968 beneficiaries to expand its product availability to low-
4969 income Americans in this current crisis?

4970 And what additional steps must we take to avoid similar
4971 disruption in the lives of these marginalized families in the
4972 future?

4973 *Mr. Cleveland. Well, thank you for that question. And
4974 since the recall began, we are the next largest manufacturer
4975 of scale to meet the needs of those WIC consumers now in all
4976 states, not just ours, but the others as well. And that is a
4977 tremendous responsibility.

4978 To be able to do that effectively, we reached out and
4979 spoke to the USTA almost immediately seeking flexibility, for
4980 example, in the size format. And while that sounds small, it
4981 is very significant, because what that means is the WIC
4982 consumer doesn't have to look for one particular size of
4983 product at the shelf. They can find any size of the shelf to
4984 fulfill their benefits with [sic]. And that has allowed us
4985 to continue production and step up to meet the requirements
4986 of those consumers.

4987 We've since worked with the USDA to find a number of
4988 other ways to flexibly administer the program, because,
4989 really, the focus for the WIC consumer is the same as the
4990 others, making sure she has safe access to formula, and
4991 doesn't have to compete with non-WIC consumers to get it. So
4992 the more sizes, the more formats, the more manufacturers that
4993 the program can support, the more likely she is to have her
4994 needs met. And that is really where we've been focused, is
4995 make as much as we can, and then make sure that the WIC
4996 consumer can access that through her benefits.

4997 And again, the USDA has implemented just about every

4998 suggestion we've asked them for over the last few weeks. And
4999 we think we are doing as good of a job as we can.

5000 *Mr. Ruiz. Well, I -- you know, I commend the
5001 Administration for being responsive, and action -- and the
5002 swift action to meet the needs of these families, and hope
5003 that the manufacturers continue to do the same in the years
5004 to come. Because I am deeply concerned that low-income
5005 families are bearing the brunt of this crisis of supply.

5006 And I yield back.

5007 *Ms. DeGette. I thank the gentleman. Mr. Peters, you
5008 are now recognized for five minutes.

5009 *Mr. Peters. Thank you, Madam Chair. I have got some
5010 questions for Mr. Calamari.

5011 In your testimony you indicated that Abbott has invested
5012 "billions of dollars" in things like growing production
5013 capacity, creating new specialized formulas, enhancing safety
5014 and quality. I am particularly interested in that latter
5015 point.

5016 So how much of your resources, either as a percentage or
5017 -- of annual expenditures or a ballpark figure does Abbott
5018 devote to ensuring the safety of the infant formula products
5019 it produces?

5020 *Mr. Calamari. Congressman, what I could tell you is we
5021 spend tens of millions of dollars on quality and on
5022 maintenance. And specific to Sturgis, we -- that was a

5023 foremost investment, as well.

5024 *Mr. Peters. Do you think, given what you know now,
5025 that you should be spending more, you should be devoting more
5026 to ensuring the safety of your product on the market?

5027 *Mr. Calamari. Representative, I think we are
5028 absolutely committed to investing in doing what it is going
5029 to take to make sure we consistently make product to the
5030 standards we all want, and that we are -- that this never
5031 happens again. So we are going to invest and make sure those
5032 resources are available.

5033 *Mr. Peters. Since 2009 the FDA has conducted
5034 approximately 20 inspections of Abbott's Sturgis facility.
5035 As I understand -- this has been discussed a little bit
5036 before -- even prior to FDA's recent investigation in
5037 January, the two inspections before that also found
5038 objectionable conditions or practices.

5039 The 2021 inspection in September found that Abbott did
5040 not maintain its building in a clean and sanitary condition.
5041 FDA inspectors observed standing water near dryers used in
5042 the production of infant formula, saw personnel working
5043 directly with infant formula not washing their hands.

5044 You know, I have got to say, it has been a while since I
5045 had infants in my household, but we never gave a second
5046 thought to the cleanliness of baby formula. I don't imagine
5047 most people even have a second thought about the reliability

5048 of that product.

5049 But the FDA left the corrective actions up to Abbott
5050 following the 2019 and 2021 inspections. Can you -- Mr.
5051 Calamari, can you specify all the corrective actions that
5052 Abbott took to address the citations following each of those
5053 inspections?

5054 *Mr. Calamari. So we took in each of those instances
5055 immediate action to address the observations. Some of the
5056 key areas of improvement where we've taken action including
5057 the installation of new flooring, the identification of new
5058 processes for how to manage traffic in the plant, and also
5059 very specific training on individuals to what -- the safety
5060 protocols they need to do, so that this does not happen
5061 again.

5062 *Mr. Peters. It is really unfortunate that the inaction
5063 over the years has contributed to -- indirectly to this
5064 burden, through the recall and so forth, families just trying
5065 to feed their children. That is falling heavily, as I think
5066 Dr. Ruiz pointed out, on the under-served -- 4,000 families
5067 get WIC in -- women and children's assistance -- in my in my
5068 district.

5069 I am happy that we had this hearing, and I hope that the
5070 things will change. But it is really unfortunate that
5071 inaction has contributed to this burden.

5072 And I will yield back.

5073 *Ms. DeGette. I thank the gentleman. The chair now
5074 recognizes Ms. Schrier for five minutes.

5075 *Ms. Schrier. Thank you, Madam Chair. And I am going
5076 to tee off a little bit what my colleague, Mr. Peters, was
5077 just talking about.

5078 I just first want to thank our panel of witnesses for
5079 being with us today, for feeding America's infants. I want
5080 to make sure we get some questions answered, and hopefully
5081 reassure parents who have rightfully been very concerned by
5082 the shortage and by the safety issues.

5083 As some of my colleagues have already mentioned, the
5084 baby formula industry in our country is really unique in that
5085 about 90 percent of the product is made right here in the
5086 United States, and the vast majority is made by your 3
5087 companies. And so it should be no surprise that, when
5088 something goes wrong, like what happened in Sturgis, it
5089 really rocks the whole industry.

5090 And the facility in Sturgis is responsible for 40
5091 percent of Abbott's formula on the market, and makes up about
5092 20 percent of the total formula on the market in the U.S.
5093 And that is really significant, especially when this year
5094 Similac has the contract with WIC.

5095 So I think there is these two main questions on parent's
5096 minds right now. And the first is, knowing those statistics,
5097 how could you not have anticipated that shutting down the

5098 Sturgis facility would affect the market and the ability to
5099 find formula, especially while people were stocking up
5100 because of the pandemic?

5101 And why didn't you do anything at that point to mitigate
5102 the shortages?

5103 So I guess, as I said in the first panel, you know, for
5104 babies under four to six months, this is their nutrition,
5105 this and breastfeeding, and that is it. And most babies rely
5106 on formula. There is no other option. So, you know, it is
5107 especially the case if you have babies relying on these
5108 specialty formulas.

5109 So, Mr. Calamari, can you tell me when you started
5110 importing formula from Ireland? Because to most of us, it
5111 seems like that just happened in the last week.

5112 *Mr. Calamari. Representative, thank you for the
5113 questions.

5114 So we started increasing our imports from Ireland. We
5115 did it in January. We did it in February, and we really
5116 started increasing it in the months to follow. But that was
5117 one of a series of actions we took. We also took immediate
5118 action after the recall to convert our adult liquid
5119 manufacturing lines to make Similac. We also started taking
5120 action on addressing in the 483 observations what needed to
5121 be done at Sturgis. And we also increased production at our
5122 Ohio, Virginia, and Arizona plant.

5123 So while we were working on Sturgis, we took a series of
5124 actions to make sure we were getting more product into the
5125 marketplace.

5126 *Ms. Schrier. Thank you. And, you know, while you are
5127 mentioning Sturgis and getting that up and running, that is
5128 the second question on parents' minds and pediatricians, and
5129 it is about trust, and why should we trust that, once the
5130 factory is reopened, that those contamination problems will
5131 have been corrected?

5132 Because there was a problem in 2019 that evidently
5133 didn't get fixed. There was no inspection in 2020. In 2021,
5134 that inspection kind of coincidentally happened when one baby
5135 got sick. And we just heard from the FDA commissioner some
5136 pretty damning reports. And we read the whistleblower
5137 reports about, you know, the roof and the floor, for sure.
5138 And I understand you have replaced those, but also the lack
5139 of handwashing, unsanitary conditions, the shoes, the
5140 falsifying records, the testing empty cans instead of full
5141 cans so that you could be assured that it would have a
5142 negative or a normal test result.

5143 Like, it seems like there is this a cultural problem at
5144 the Sturgis facility -- I hope it is not at other ones --
5145 that really raises questions in my mind about -- you can put
5146 all these requirements on, but if we have a culture and
5147 management at that facility that is falsifying results, why

5148 should we trust that?

5149 So I want to know what is happening there. Is
5150 management being fired, and what kind of oversight are you
5151 going to have?

5152 *Mr. Calamari. Representative, I think there is two key
5153 elements to what you are referring to.

5154 One is specific to we -- trust, and getting Sturgis back
5155 to producing at the level we all want. And we are very much
5156 aligned with FDA on the standards and the process steps, and
5157 what needs to be done in the facility. And we are taking
5158 action on that right now.

5159 *Ms. Schrier. So you are. What I want to know is the
5160 people who for the past several years have been covering up,
5161 skirting around the rules, misreporting how much formula is
5162 in cans because there were inconsistencies with weights --
5163 like, this lackadaisical disregard for standards. I
5164 understand that you get it, and I understand your standards.
5165 What about them?

5166 *Mr. Calamari. Representative, respectfully, the
5167 whistleblower allegations, we don't know them to be true.
5168 That is an open investigation, and it is ongoing.

5169 What I can tell you is I was at Sturgis last week. The
5170 employees I saw are committed to the highest quality. They
5171 are committed to learn going forward, to get even better. So
5172 I would really just want to reemphasize that, because that is

5173 so critical.

5174 And the whistleblower allegations, again, have not been
5175 proven to be true, and that is an ongoing investigation that
5176 is very much being done independently.

5177 *Ms. Schrier. Fair point. Thank you.

5178 I yield back.

5179 *Ms. DeGette. Thank you. Mrs. Trahan, you are now
5180 recognized for five minutes.

5181 *Mrs. Trahan. Thank you, Madam Chair.

5182 Mr. Calamari, I represent a diverse district which is
5183 home to one of the most under-served cities across the entire
5184 state of Massachusetts. The City of Lawrence is a minority
5185 majority city with a poverty rate of 21 percent. On a per
5186 capita basis the city suffered greater numbers of COVID-19
5187 infections than any other city or town in Massachusetts.
5188 Now, this has already stretched the city's limited resources,
5189 and adversely impacted the hardworking families there.

5190 So it is almost unthinkable that now the very same
5191 families who suffered the most throughout the pandemic are
5192 those who are once again disproportionately impacted, this
5193 time by the baby formula shortage. You know, for Bay
5194 Staters, Abbott's Similac baby formula is the exclusive brand
5195 for WIC. Although Abbott's recall has impacted states across
5196 the country, it has fallen hardest on states like
5197 Massachusetts that have contracted with Abbott.

5198 So on May 17th, I, along with my colleagues from the
5199 Massachusetts delegation, we sent you a letter. We haven't
5200 received the response yet, so I would like to follow up on
5201 some of the questions now.

5202 I was pleased to hear, obviously, that Abbott entered
5203 into a consent decree agreement with the FDA, committing to
5204 fully correct all five of the deficient observations from the
5205 January through March 2022 FDA inspection, and to develop
5206 plans to reduce and control the risk of bacterial
5207 contamination in its products. But it also never should have
5208 got to this point if you, in fact, had proper safety
5209 protocols in place that were reinforced with a culture of
5210 surfacing problems, as my colleagues, Congresswoman Rice and
5211 Schrier have pointed out.

5212 Mr. Calamari, Abbott has publicly stated that the
5213 company could restart the Sturgis plant within the two weeks
5214 of FDA approval. Your testimony walks through several
5215 specific improvements in states that Abbott is "installing
5216 non-porous, easily cleanable sanitary floors," and
5217 "confirming process consistency by validating the dry-out
5218 test method and verifying the dry-out procedures."

5219 It seems like these are things that should have already
5220 been in place well before the recall was necessary. So why
5221 is Abbott only taking these steps now?

5222 And how can we feel certain that there aren't other

5223 systemic problems at the Sturgis plant being left
5224 unaddressed?

5225 *Mr. Calamari. Representative, thank you for the
5226 question.

5227 Sturgis is a facility that has been inspected annually
5228 for a decade, and it had many, many years of no observations.
5229 It is a plant that has been feeding families for decades.

5230 In 2019 and 2021 we did find and identify areas where we
5231 needed to improve. Those observations were identified, and
5232 we took immediate action.

5233 Specific to 2022, we are prepared and we are working
5234 around the clock, every -- all hands on deck to address the
5235 issues raised so we can get the facility up. The first week
5236 of June is our goal, and that is what everyone's working
5237 towards.

5238 *Mrs. Trahan. So some prior observations from FDA's
5239 Sturgis facility reflect a potentially lax culture when it
5240 comes to maintaining a sanitary product environment.

5241 You mentioned protocols where employees are encouraged
5242 to flag safety lapses. Prior to the whistleblower how many
5243 times have employees registered complaints with safety
5244 internally to managers in the company?

5245 *Mr. Calamari. Representative, I appreciate the
5246 question. I am going to have to get back to you with the
5247 specific numbers.

5248 *Mrs. Trahan. How about additional training or
5249 controls? What are you putting in place to ensure that this
5250 is not an issue when you reopen the Sturgis plant and,
5251 according to your testimony, "more than double your
5252 production'`?

5253 *Mr. Calamari. So we will continue to investigate all
5254 reports, and make sure we have a zero conduct -- zero
5255 tolerance policy for retaliation or misconduct.

5256 We have our ethics and compliance office and our
5257 hotlines there as additional resources to make sure our
5258 employees are heard, and that there is an avenue to speak up,
5259 and hear your voice, and have your voice raised if you see
5260 something.

5261 *Mrs. Trahan. Well, hopefully those employees that
5262 speak up will be rewarded. The fastest way for you to turn
5263 around your culture, I think, is to show folks that you are
5264 so committed to surfacing problems that you will reward
5265 employees who actually bring those problems to your
5266 attention, so that you can get working on fixing them.

5267 Finally, Mr. Calamari, what is Abbott planning to do
5268 with the infant formula held but not recalled at the Sturgis
5269 plant since February 17th?

5270 Are you planning to release any of these products? And
5271 if so, how is the company ensuring the safety and quality of
5272 these products?

5273 *Mr. Calamari. So Representative, I think you are
5274 assuming -- you are referring to the product that is on hold.
5275 That product will remain on hold, consistent with the consent
5276 decree.

5277 We have made an amendment to the consent decree to
5278 release EleCare product, in alignment with FDA.

5279 *Mrs. Trahan. Okay, thank you.

5280 Madam Chair, I yield back.

5281 *Ms. DeGette. Thank you. The chair will now go to
5282 members who are not members of the subcommittee. And with
5283 that I will first recognize Mrs. Dingell for five minutes.

5284 *Mrs. Dingell. Thank you, Madam Chair and Ranking
5285 Member Griffin [sic], for convening this second panel, as
5286 well.

5287 You know, I have to be really clear about why we are
5288 here today, because Abbott Nutrition has consistently failed
5289 for years to implement basic safety procedures at Sturgis,
5290 Michigan. And it hurts me to say that, because I am a
5291 Michigan girl.

5292 But we know that back in 2010 Abbott was forced to
5293 recall baby formula produced at the facility due to
5294 contamination with beetles and larvae. And the FDA
5295 inspection reports in 2019, 2021, and 2022 show Abbott failed
5296 to implement safeguards to keep its infant formula free from
5297 contamination at the facility. And indeed, the FDA did

5298 recover cronobacter bacteria from at least one swab of what
5299 appears to be a contact surface earlier this year at the
5300 Sturgis facility.

5301 And this is all in addition to the whistleblower
5302 complaint, which alleges a culture of putting -- and I don't
5303 like saying this, but I am worried about all these babies and
5304 families across the country -- putting profits ahead of
5305 safety. And the inspector general report says, "Abbott has
5306 failed to implement and actively enforce adequate internal
5307 controls with respect to the Sturgis site.'`

5308 So Mr. Calamari, has there been any accountability in
5309 Abbott for these egregious safety failures?

5310 Why has the company continuously neglected basic safety
5311 procedures at this facility, as documented by FDA and the
5312 Abbott whistleblower?

5313 *Mr. Calamari. Representative, thank you for the
5314 questions.

5315 And first, I want to reiterate our commitment to
5316 families and commitment -- we take our responsibility very
5317 seriously.

5318 Specific to the Sturgis plant, it has a regular
5319 inspection calendar. Over the last 10 years there we were
5320 inspected, and we had no observations but for the 2019 and
5321 the 2021 observations. And we quickly addressed those
5322 issues, and we are committed to addressing all the elements

5323 as outlined in the consent decree where we are aligned on the
5324 step forward.

5325 Specific to the whistleblower, though, we do not know
5326 those allegations to be true. It is an -- we take it very
5327 seriously. It is an open investigation. And given its
5328 independence, I wouldn't want to comment. But I would tell
5329 you I have been at Abbott 17 years. The Abbott I know
5330 encourages compliance, and encourages employees to speak up.

5331 *Mrs. Dingell. Well, it is going to take more than
5332 words. And I want to believe you. And this isn't something
5333 that, you know, can be spun. So I know that you have to, as
5334 a company, rebuild people's trust in Abbott's products, and
5335 the safety failures that have occurred.

5336 And because of what has happened at the Sturgis plant,
5337 American families and Americans across the country are
5338 continuing to search for infant formula in stores and online,
5339 where scammers and scalpers have been taking advantage of the
5340 shortage. Mr. Calamari, is Abbott engaging with state or
5341 Federal agencies to identify or report online scams involving
5342 its infant formula brands?

5343 *Mr. Calamari. Representative, I -- to your comments,
5344 first, we are not just going to offer words. We are going to
5345 offer concrete actions, and we are committed to working
5346 around the clock to making sure we address the issues that
5347 have been raised in the hearing.

5348 Specific to pricing, we have no tolerance for price
5349 gouging, and we are working closely to make sure our products
5350 get to consumers affordably and safely.

5351 *Mrs. Dingell. So are you working to help report scams?
5352 Is anybody working to identify people trying to scam people
5353 online with fake product?

5354 *Mr. Calamari. So we work with our retail partners in
5355 coordination to make sure that we are getting our products
5356 listed -- the appropriate pricing, and the appropriate
5357 product is listed.

5358 *Mrs. Dingell. I am going to ask Mr. Cleveland very
5359 quickly.

5360 Does Reckitt monitor for counterfeit or other scams
5361 involving its products? And if so, what is the process in
5362 place for reporting such scams?

5363 *Mr. Cleveland. Thank you, Representative. This was --
5364 this -- these behaviors of price gouging online were one of
5365 the first -- one of the things I mentioned with President
5366 Biden, and he was taking it very, very seriously.

5367 And for our own purposes, if we are aware of stolen
5368 product, or it becomes -- we become aware of it, we have
5369 corporate security. And if necessary, they can work with the
5370 appropriate law enforcement authorities or with the retailer,
5371 where that might be occurring, to try to put a stop to it.
5372 So we do have processes for that, yes.

5373 *Mrs. Dingell. And --

5374 *Mr. Cleveland. And we take it very seriously.

5375 *Mrs. Dingell. Mr. Fitz, I have 10 seconds, so I want
5376 to commend you for Gerber's partnership with the Biden
5377 Administration to bring your products produced in Europe
5378 here, and ask you too, is the -- are you working with the FDA
5379 to ensure foreign-produced formulas don't give scammers an
5380 opportunity to [inaudible] families looking for alternatives?

5381 *Mr. Fitz. Thank you for the question, Congresswoman.
5382 Yes, we certainly monitor that. Similar to the previous
5383 answers, we have our call centers that look into that. And
5384 when we identify fake product, take action.

5385 *Mrs. Dingell. Thank you, Madam Chair. I yield back.

5386 *Ms. DeGette. Thank you. The chair now recognizes Mr.
5387 Bucshon for five minutes.

5388 *Mr. Bucshon. Thank you, Madam Chairwoman. Mead
5389 Johnson Nutrition, with a major liquid formula manufacturing
5390 facility in Evansville, Indiana, in my district, was acquired
5391 by Reckitt in 2017, and I want to take this opportunity to
5392 thank the employees at this facility for their hard work
5393 during this crisis to help get formula back on the shelves.

5394 Mr. Calamari, a couple of things -- and a lot of this --
5395 some of this has been covered. But is the plant -- does the
5396 plant in Sturgis use paper records for work orders and other
5397 things, or are they -- come into the electronic age?

5398 *Mr. Calamari. So we work with the FDA on the process
5399 for how to appropriately document information, and do so in
5400 that collaboration.

5401 *Mr. Bucshon. Okay. So that is not the answer to the
5402 question, which means you use paper records. I will take
5403 that as a -- that you use paper records, if you won't say yes
5404 or no on that.

5405 *Mr. Calamari. Representative, we have a combination of
5406 both electronic capabilities and paper capabilities.

5407 *Mr. Bucshon. Okay. Does the Sturgis -- does or did
5408 the Sturgis plant follow Abbott's company-wide systems of
5409 internal controls or accountability, or are they kind of on
5410 their own?

5411 *Mr. Calamari. Sturgis is very much connected with our
5412 quality system and our accountability measures. So they
5413 would be part of that.

5414 *Mr. Bucshon. Okay. And yes, and so you obviously have
5415 evidence of that, since you are under oath.

5416 Does Abbott, as a company -- again, I am a big private-
5417 sector guy, but this is a really serious issue here. Does
5418 Abbott have an employee-driven health, safety, and compliance
5419 program or programs at its facilities? Because that has
5420 clearly been one of the potential issues here at Sturgis, is
5421 that the people there don't feel like they have the ability
5422 to be part of a team that works toward a common goal of

5423 having a safe, healthy, in-compliance facility. Does Abbott
5424 have an employee-driven health, safety, or compliance program
5425 in its company or at its facilities?

5426 *Mr. Calamari. Representative, I was at Sturgis last
5427 week, and that -- I saw the employees there. I saw the team
5428 members there. They are empowered to speak up, and they are
5429 passionate about the products that they make, and they make
5430 those products as if they were for their own family. I saw
5431 generations of employees working there --

5432 *Mr. Bucshon. Sure, and I believe that. But is there a
5433 coordinated program that meets -- a lot of places meet on a
5434 daily basis, and -- or do they have a -- you know, an
5435 electronic way to communicate their concerns that is
5436 considered by the management there, literally, in many of
5437 these facilities on a daily basis?

5438 I have some of these type of manufacturing facilities in
5439 my district.

5440 Or is this just -- you know, it is one thing to talk to
5441 the employees and say, hey, and everybody talk about it, but
5442 is there really a structure in place?

5443 *Mr. Calamari. So we have electronic means to submit
5444 and speak up if you see something. We also have anonymous 1-
5445 800 numbers. So we have mechanisms for our employees to
5446 speak up if they see something, and do so anonymously.

5447 *Mr. Bucshon. Yes, so -- because it just seems -- you

5448 know, look, again, I am a big private-sector guy, and I just
5449 hate this situation we are in here. But it just seems like
5450 that facility's culture is a problem. And this has been
5451 mentioned by members on both sides of the aisle. It is a
5452 longstanding, large cultural problem that you see in some
5453 facilities that have been open for decades with
5454 multigenerational people, both in and out of management. And
5455 it seems to me that the company needs to do better in -- with
5456 oversight.

5457 Mr. Cleveland, we have spoken recently, and you -- a lot
5458 of the questions that may -- I might have asked you have been
5459 answered. But I just want to give you the last minute here
5460 to say -- is there anything that you haven't been able to
5461 mention that would help get baby formula back on the shelves
5462 today?

5463 *Mr. Cleveland. Sir, the number-one thing we need --
5464 and thank you for the opportunity to reinforce it -- is
5465 access to -- consistent access to sufficient input materials
5466 to our manufacturing facilities, so that we can make as much
5467 as possible [inaudible] shelves as quickly as possible
5468 [inaudible] put this behind us.

5469 And we are --

5470 *Mr. Bucshon. Thank you for that --

5471 *Mr. Cleveland. -- [inaudible] the government to do
5472 that.

5473 *Mr. Bucshon. -- that answer. Yes, and I know you are
5474 doing a lot of other things, including working on getting
5475 formula from some of your overseas manufacturing facilities,
5476 and I appreciate that.

5477 So I appreciate all the witnesses, and I yield back.

5478 *Ms. DeGette. I thank the gentleman.

5479 Mr. Carter, you are recognized for five minutes.

5480 *Mr. Carter. Thank you, Madam Chair, and thank each of
5481 you for being here.

5482 Look, this is a serious problem, as I know all of you
5483 are aware of. I told the first panel, you know, I am blessed
5484 with six grandchildren. I have a six-month-old grandchild in
5485 Atlanta. I have got them all over the country. We sent out
5486 a family text with a picture of the milk that Mary Emma
5487 needs, just hoping that somebody somewhere could find it. I
5488 mean, it is just serious.

5489 In fact, I had a mother in one of my cities that I have
5490 the honor and privilege of representing in Brunswick. And
5491 she wrote to me, "I have had issues finding my son's formula
5492 since March. Now my son's formula is no longer in stock. I
5493 pray that I have enough to get him through his first
5494 birthday.'`

5495 Look, we need an Operation Warp Speed for infant formula
5496 right now. There is no question about that. We need to get
5497 it on the shelves as quickly as we can.

5498 But this was something that was happening before the
5499 plant was shut down in Michigan. This was something that was
5500 evolving over time. What do you think is the root cause?

5501 Mr. Calamari, I will ask you. What do you think was
5502 leading to this? I mean, was it COVID-19? Was it Ukraine?
5503 We need to know, because we don't want this to ever happen
5504 again. This is -- I think this is one of the worst things we
5505 have had happen in a long time.

5506 *Mr. Calamari. Representative, I think it is a really
5507 fair point, and a really key question you are raising.

5508 We think about the backdrop of COVID, supply and demand,
5509 some of those fundamental relationships really got challenged
5510 in what has become a very sustained fashion. On the supply
5511 side we saw a lot of the things we've talked about:
5512 ingredients becoming increasingly challenging to get, cost to
5513 get those ingredients to the critical places became harder.

5514 But we also saw demand increase, and demand increase not
5515 because there were more births, not because of more formula
5516 feeding, but some kind of changes that were subtle but just
5517 increased very significantly.

5518 So when I think back on the reflection that we're all
5519 going to need to look back on this is how could we be in a
5520 situation, as I said in my opening comments, for capacity and
5521 redundancy, so that we're never in this situation again?

5522 *Mr. Carter. Okay, and the supply chain issues, is that

5523 because some of the ingredients were coming from other
5524 countries?

5525 *Mr. Calamari. Representative, yes. So the -- we --
5526 global supply chains are such that we have ingredients coming
5527 from global sources, and that is the nature of our supply
5528 chain.

5529 *Mr. Carter. And so one of the solutions would be
5530 manufacturing in America, so that we are not held hostage by
5531 other countries. Is that what -- I am not trying to put
5532 words in your mouth, but I am trying to understand.

5533 *Mr. Calamari. So we have five manufacturing facilities
5534 in the United States, and we do our production overwhelmingly
5535 in the United States.

5536 I think a key element would be how do we make sure --
5537 and I think this is some of the stuff with the DPA -- where
5538 we can ensure those ingredients, supplies are secured, and
5539 those inputs are secured, which could be a great step about
5540 improving the situation, both in the near term and the longer
5541 term.

5542 *Mr. Carter. Mr. Fitz, I will ask you. What do you
5543 think led to this, outside of what happened with the plant in
5544 Michigan?

5545 Obviously, that amplified it, made it worse. But it was
5546 already a problem. What -- Mr. Fitz, what can we make sure
5547 -- what can we do to make sure that this doesn't happen

5548 again?

5549 *Mr. Fitz. Yes, thank you for the question. Certainly,
5550 there have been challenges throughout the pandemic and the
5551 global supply chain issues related to that for material
5552 supply, again, transportation issues and labor issues. But
5553 we've been consistently been able to attack those and manage
5554 through those with minor disruptions. It really has been
5555 exacerbated by the absence of a major manufacturer from the
5556 marketplace right now for us.

5557 *Mr. Carter. Okay. Mr. Cleveland, I will ask you the
5558 same question.

5559 *Mr. Cleveland. I agree with some of the previous
5560 comments that were made.

5561 The one thing I would say is, in many ways -- and an
5562 example I will use is the Women, Infant, and Children
5563 program, the WIC program -- when something like this happens,
5564 because I don't think we can ever be 100 percent guaranteed,
5565 the key is to be flexible in how we respond to it, either
5566 through administration or things like the WIC program, the
5567 way that we can bring imports into the country from other
5568 facilities. I think that is the major lesson to learn from
5569 this in the future, is how to be more flexible in response to
5570 something like this.

5571 *Mr. Carter. Yes. Well, thank you all for your
5572 responses. It is important we never let this happen again.

5573 It is important -- as I said earlier, we need an Operation
5574 Warp Speed for infant formula right now, and we need to get
5575 it on the shelves as soon as possible, or get it from
5576 overseas if it is acceptable and meets all of our quality
5577 standards. But we need it now. People in the districts --
5578 in my district, they need it.

5579 So thank you, Madam Chair, for allowing me to waive on,
5580 and I yield back.

5581 *Ms. DeGette. Thank you, Mr. Carter.

5582 Well, we have come towards the end of our hearing now.
5583 I would like to recognize the ranking member, Mr. Griffith,
5584 for any final comments or questions he might have.

5585 *Mr. Griffith. Yes, I am going to make some comments.
5586 Thank you, Madam Chair. I appreciate that. This has been a
5587 good hearing, and I want to thank you, Madam Chair, for
5588 having this hearing.

5589 And I want to thank the witnesses for participating. It
5590 has not been an easy hearing for a lot of the witnesses, nor
5591 should it have been.

5592 We have learned some things. One, notwithstanding
5593 comments to the contrary, I am convinced that Abbott needs a
5594 change of culture at the Sturgis plant. Something is not
5595 right there, and there has been problems there for a number
5596 of years. That is something they will have to decide, but
5597 something that we need to keep an eye on to make sure they

5598 don't continue to have recurring problems.

5599 The FDA needs to help us help them. And it is not all
5600 about money. It is about using the authority that -- for
5601 food inspection that they already have, and to use the
5602 processes that they already have, and to try to figure out
5603 how to be a little more nimble, and figure out how they can
5604 acquire information on supply chains without necessarily
5605 having to use subpoenas, or have some new division of their
5606 agency created.

5607 And for us, whether it is inspections of food products
5608 or medicines, as the appropriate committee we need to examine
5609 how we can improve the inspection process that the FDA does.

5610 For example, surprise inspections are a good thing.
5611 This is not the first hearing that I have been involved in
5612 where folks were more concerned about getting subpoenas, or
5613 making sure that they notified the plant they were coming in.
5614 And I know it is more polite to notify them than to just show
5615 up and say, hey, we are from the FDA, we are here to look
5616 around. But this is not about being polite. This is about
5617 making sure that what we are inspecting is actually being
5618 inspected, and not dressed up for a special holiday or
5619 special inspection. It is about making sure that things are
5620 safe, and things are being done right.

5621 And then we have to make sure that they understand that
5622 you don't always have to send in a big squad to do a surprise

5623 inspection. You know, a single employee with a cell phone
5624 and a camera would have picked up at the Sturgis plant a
5625 recurring problem with standing water in the facility. It
5626 might not have caught muddy boots going through the food
5627 preparation area, or the infant formula preparation area, but
5628 it would have caught standing water on a more regular basis,
5629 and you would have said, whoa, whoa, whoa, this is a serious
5630 problem. It breeds the likelihood of bacteria growing.

5631 Now, that is just one, but -- of the areas that we can
5632 look at. There is dozens. And I hope, as we move forward
5633 over the next few years, Madam Chair, that you and I, working
5634 together, can figure out what other hearings we need to have
5635 to make sure these things happen. And the rest of the
5636 committee will work to make sure that we can make the FDA a
5637 more responsive agency when it comes to making sure that our
5638 food supply is safe.

5639 And with that, I yield back.

5640 *Ms. DeGette. I thank the gentleman. And I will say in
5641 closing my constituents are frequently surprised when I tell
5642 them that Congress is a lot more bipartisan than people
5643 realize. But what you saw in the hearing today is concern
5644 from all of us about our constituents whose babies and
5645 children don't have the nutrition that they need because of
5646 this unfortunate situation, and a desperation on everybody's
5647 part to figure out how we can get this formula to our

5648 constituents as quickly as possible.

5649 I do agree with my colleague that money doesn't always
5650 help in these situations. But in my years of experience
5651 overseeing the FDA, it surely would help us if we had more
5652 inspectors and more people who could take some of these
5653 whistleblower complaints, especially in sensitive areas like
5654 this, and process them more quickly so we don't end up with a
5655 catastrophe like this. But we also need to look at the FDA's
5656 authorities to see if they need them.

5657 With respect to the companies who are here today, I just
5658 have two comments.

5659 Mr. Calamari, you know, I believe that this has,
5660 obviously, been a shock to Abbott, what has happened. And I
5661 do believe that there is a commitment to fixing it. But as
5662 Mr. Griffith just said, and others, this plant has had issues
5663 for quite some years, not just the last year. They had
5664 issues going back to 2010. And when I and other people asked
5665 you about what new protocols you were putting in place to be
5666 able to identify problems like this if they occur again, and
5667 then address them immediately without waiting for FDA
5668 interference, I frankly found your answers to be vague. You
5669 talked about how you were putting in new flooring, how you
5670 were doing this or that.

5671 So what we would ask -- I think we would all ask -- is
5672 as Abbott develops new procedures, to actually not just hope

5673 that the employees want to change the corporate culture, but
5674 how you are going to embed that in the culture. If you can,
5675 please let us know so that we can assure our constituents
5676 that we won't have a crisis like this again.

5677 And then I just want -- I have one last question, which
5678 I am going to ask to Mr. Cleveland. And we asked some of the
5679 witnesses these questions before, but I never really got much
5680 of an answer. Like, if my constituent or -- like, let's say
5681 my daughter, who has a six-week-old baby, called me up and
5682 said, "I need to get some formula for my baby, and my store
5683 shelves are bare," what can we tell them between now and all
5684 of the emergency measures we put into place -- start putting
5685 formula on the shelves? Who should they call? Where can
5686 they go to try to get some of this limited product right now?
5687 What is the practical suggestion?

5688 *Mr. Cleveland. It is very unfortunate you have to
5689 answer that question or ask that question. And -- but let me
5690 do my best to answer it.

5691 *Ms. DeGette. Thank you.

5692 *Mr. Cleveland. I think the shelves -- the reality is
5693 they don't have anywhere near the product that they do [sic].

5694 So one of the things I have often said during this
5695 crisis is, you know, it takes a village to raise a child. In
5696 this case, sometimes it is taking a village to find infant
5697 formula.

5698 So the first thing to do is work with your network of
5699 family and friends. And as they go to the stores, look for
5700 the product that is there. And I have seen many mothers and
5701 grandmothers and fathers and cousins doing this on the shelf.

5702 You can call our consumer response center. Now, to be
5703 fair, those folks are doing a phenomenal job of fielding
5704 waves and waves of calls. But we will help you, if you call.
5705 That is one other resource.

5706 The physician's office is another. Sometimes they do
5707 have the samples that are required, and they can help
5708 transition between finding product on the shelf.

5709 And then I would be sure to look online, as well as in
5710 person at the store, and be open to other formats. Many
5711 mothers have a particular -- or fathers have a particular
5712 type of format they like. You may need to be more flexible
5713 in the format that you use, but all infant formula regulated
5714 by the FDA is safe for your infant, whether it is a liquid or
5715 a powder or what size it is in.

5716 And so I would say shop widely, see your doctor, enroll
5717 your family friends, give us a call if you need to, and be
5718 flexible. And I think those are the best approaches you can
5719 take right now, while we work to fill the shelves as quickly
5720 as we can.

5721 *Ms. DeGette. And we are going to get it done as
5722 quickly as we can. I know all three companies here are

5723 committed to doing that. So thank you, and thank you to our
5724 other witnesses, all three of you, for participating.

5725 Pursuant to Committee rules -- and we have discussed
5726 this during the hearing -- members have 10 business days to
5727 submit additional questions for the record to be answered by
5728 the witnesses who have appeared before the subcommittee. And
5729 I would ask all of you gentlemen to please do that.

5730 In addition, we would like to insert into the record by
5731 unanimous consent an article from Politico regarding FDA's
5732 food safety authorities and oversight, published April 8,
5733 2022 that Ms. Schakowsky offered.

5734 And without objection, so ordered.

5735 [The information follows:]

5736

5737 *****COMMITTEE INSERT*****

5738

5739 *Ms. DeGette. And with that, the subcommittee is
5740 adjourned.

5741 [Whereupon, at 4:17 p.m., the subcommittee was
5742 adjourned.]