

STATEMENT
OF
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BEFORE
THE
SELECT SUBCOMMITTEE ON THE CORONAVIRUS CRISIS
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“Federal Government’s Efforts for Procurement and Distribution of critical medical equipment
and supplies in Response to the COVID-19 Pandemic.”

Submitted
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Introduction

Good morning, Chairman Clyburn, Ranking Member Scalise, and distinguished Members of the Committee. My name is Rear Admiral John Polowczyk, Vice Director for Logistics, Joint Staff and Lead for the Supply Chain Task Stabilization Task Force. Thank you for the opportunity to discuss the Federal Government's efforts to procure and distribute medical supplies to protect the American people during the coronavirus (COVID-19) pandemic, as well as the ongoing efforts to enhance preparedness for future crises. Let me also offer my condolences to the families and friends who have lost loved ones to this pandemic.

On a personal note, let me share that this pandemic touched close to home as it did for many. I have two family members working on the healthcare front lines in New York. My sister is a nurse in Westchester and my niece is a nurse on Long Island. Daily I hear from them and am very cognizant of the needs of healthcare workers and if they are being met.

On 13 March the President declared a national emergency, and for the first time in the United States' history, there are 57 concurrent Major Disaster Declarations—at least one in every single state, five territories, the Seminole Tribe of Florida, and the District of Columbia. From islands across two oceans to the major metropolitan cities of America, the scale of this historic event has required the Federal Government to adapt its response practices and workforce posture in order to both respond to COVID-19 and simultaneously maintain mission readiness for future concerns.

Joining the FEMA Response

On 19 March, I was asked to support the acquisition and management of critical medical supplies needed to combat the pandemic - specifically ventilators, personal protective equipment (PPE), and equipment for testing.

At the same time under the direction of the White House Coronavirus Task Force, FEMA moved from playing a supporting role in assisting the U.S Department of Health and Human Services (HHS), which was designated as the initial lead Federal agency for the COVID-19 pandemic response, to directing the Whole-of-Government response to the COVID-19 pandemic.

The Federal interagency coordination efforts were organized under the Unified Coordination Group (UCG), which was co-chaired by Peter Gaynor, the FEMA Administrator, and Robert Kadlec, M.D., HHS's Assistant Secretary for Preparedness and Response. Seven Task Forces were quickly assembled to address top priorities for the pandemic response, with focuses ranging from addressing community testing to supply chain disruptions. The Task Forces worked in conjunction with FEMA's National Response Coordination Center (NRCC).

From the outset, a key element of the response has been managing shortages of medical supplies needed to combat the pandemic, such as PPE, ventilators, swabs, and the other materials required

for testing. This effort alone has presented a historic challenge across the nation. COVID-19 has been a global crisis—leaders from over 150 countries have simultaneously been competing for the same medical supplies. We have been further challenged as most of the manufacturing for PPE occurs in Asia, where the virus significantly slowed down private sector production capabilities.

Concurrently, American medical professionals on the front lines of the pandemic have required an exponentially increased volume of PPE and other medical supplies. On average, the United States began consuming a year's worth of PPE in a matter of weeks. The Federal response, including FEMA and HHS, have worked closely to ensure that locations in danger of running out of supplies within 72 hours received life-saving equipment from the Federal Government's reserve within the Strategic National Stockpile (SNS), as administered by HHS. However, we quickly realized the SNS was not designed to, and could not alone address the Nation's requirements.

The Supply Chain Stabilization Task Force

To address the imbalance between supply and demand for PPE and other medical supplies, the Supply Chain Stabilization Task Force was swiftly assembled on 20 March to address widespread shortfalls amidst the global competition for life-saving equipment. The Task Force consisted of a multi-faceted team across the US government, and liaisons from the private sector. In support of this Whole-of-Government effort, there have been over a dozen agencies and departments—such as the DoD (including the Defense Logistics Agency (DLA)), HHS, (including the Centers for Disease Control and Prevention (CDC)), the Department of Homeland Security, and the Department of Veterans Affairs (VA)—embedded within the Supply Chain Task Force to coordinate response efforts.

The Task Force, in conjunction with other agencies and Task Forces, sourced PPE, swabs, ventilators and other critical resources for points of care nationwide, with a special consideration given to supporting healthcare workers on the front line and then other priority groups including first responders and critical infrastructure workers in lifeline industries who are unable to practice social distancing due to the nature of their work.

To maintain the country's existing medical supply chain infrastructure efficiently, the Task Force, along with FEMA and HHS, have sought to supplement – not supplant – the overall supply chain through a variety of strategies. Efforts to date have focused on reducing the medical supply chain capacity gap to both satisfy and relieve demand pressure on medical supply capacity.

To execute a strategy maximizing the availability of critical protective and lifesaving resources, the Task Force applied a four-pronged approach of Preservation, Acceleration, Expansion and Allocation to rapidly increase supply today and expand domestic production of critical resources to increase long-term supply requirements.

- The **Preservation** line of effort focused on providing Federal guidance to responders and the non-medical sector, such as public service (police, fire, EMT), energy distribution and the food industry on how to preserve supplies when possible, or reduce impact on the medical supply chain.
- The **Acceleration** line of effort provided direct results to help meet the demand for personal protective equipment through the industry to allow responders to get supplies they need as fast as possible.
- The **Expansion** line of effort was charged with generating capacity with both traditional and non-traditional manufacturers, such as adding machinery or by re-tooling assembly lines to produce new products.
- The **Allocation** line of effort was the data-informed approach that facilitated the distribution of critically needed personal protective equipment to "hot spots" for immediate resupply.

Through these lines of effort, the Task Force worked with the major commercial distributors to facilitate the rapid distribution of critical resources in short supply to locations where they were needed most. This partnership enables a Whole-of-America approach to combat the pandemic.

A key example of this public-private partnership in action is Project Air Bridge. Project Air Bridge expedited the movement of critical supplies from the global market to medical distributors in various locations across the U.S. FEMA covered the cost to fly the supplies, enabling the delivery of PPE into the U.S. from overseas factories. To be clear, the Federal Government does not own the content of these flights, but simply facilitates the rapid transportation of these materials to the United States on behalf of the six largest American medical distributors who have partnered with the Supply Chain Task Force. This air bridge cut the amount of time required to ship supplies from manufacturers abroad to American cities from months to days. Each flight contained critical PPE (e.g., gloves, gowns, goggles, and masks) in varying quantities.

Once flown in via the air bridge, 50 percent of the supplies on each plane were sent by the distributors to points of care in areas of greatest need. These areas are determined by HHS and FEMA personnel within the National Resource Prioritization Cell (NRPC), based on information provided by states and CDC epidemiological data. In addition, distribution decisions are informed by the immense amounts of data provided by the six distributors who are partnered with Project Air Bridge. These companies are Cardinal Health, Concordance, Owens and Minor, McKesson, Medline, and Henry Schein.

These six distributors allow us to see what inventory is coming in and where it is going – down to the zip code. This data provides the Task Force the ability to prioritize hospitals, nursing homes and other healthcare facilities with the most critical needs and highest COVID-19 rates. This information is updated frequently by the NRPC to provide an accurate view of evolving conditions, PPE accessibility, and shifting hotspots.

The remaining PPE from Project Air Bridge is distributed through the companies' regular networks into the broader U.S. supply chain. Prioritization is given to hospitals, health care facilities, and nursing homes around the country. In some cases, the Federal Government may purchase some of the supplies upon arrival to provide to states with identified and unmet needs.

This is truly a historic accomplishment, resulting in a data-informed process that helps the Federal Government better ensure the right supplies are getting to the right places at the right time to save lives.

Project Air Bridge was integral to the immediate Federal strategy to manage critical shortages of PPE and other medical supplies by accelerating international deliveries until domestic and foreign manufacturers could increase production to well above pre-COVID-19 levels and standard supply chains could begin to stabilize.

From 29 March to 30 June, Project Air Bridge completed 249 flights and expedited the delivery of nearly 4.5 million N95 respirators, almost 1 billion gloves, approximately 122 million surgical masks, and more than 60 million surgical gowns among many other critical medical supplies.

Transition to Expedited Shipping and Increased Manufacturing

Although Project Air Bridge was able to fill critical shortages of PPE and other medical supplies, it was never intended to be a permanent component of a stabilized supply chain. As global production levels continue to increase, we have begun transitioning towards traditional and expedited sea lane shipping with cargo ships able to carry considerable volume. On May 10th, FEMA's first shipment of N-95 respirators arrived by sealift in the Port of Long Beach, California, with a subsequent delivery of N-95s arriving on May 21st. Subsequently, we have scheduled additional sealift delivery through the month of July. This will provide an additional 62.7 million N-95 respirators, 1.3 million gloves, and 6.2 million gowns into the U.S. This is approximately 390 cargo containers of material.

As of June 26th, FEMA, HHS, and the private sector combined have coordinated the delivery of approximately 167.1 million N-95 respirators, 682.5 million surgical masks, 27.3 million face shields, 299.2 million surgical gowns, and over 17.1 billion gloves.

Expansion of the industry is also simultaneously taking place. Manufacturers are enhancing domestic production capacity with additional machinery, and in some cases re-tooling assembly lines to produce new products. As an example of this work, the Food and Drug Administration (FDA) is providing salient information to manufacturers who have produced other products, such as automobiles, on adding production lines or alternative sites for making more ventilators during the COVID-19 public health emergency.

In addition, the Supply Chain Stabilization Task Force is working through over 350 leads to match American businesses who have excess raw materials, workforce, or factory production

capacities combined with an overwhelming desire to provide their support to the national response effort. Task Force members are actively working to facilitate the creation of private sector partnerships to pair companies that have offered their excess factory production capacity, the talents of their workforce and access to their raw material supply chains with critical supply manufacturers who have expertise in producing PPE, ventilators, and other needed equipment.

Like all task forces assembled to confront specific challenges in crisis, the COVID-19 Supply Chain Stabilization Task Force's lines of effort require longer-term institutional solutions to ensure that America is ready for a sustained response to COVID-19 and other pandemics. The expansion of our domestic industry to increase the production of PPE and other supplies is key to our ability to conduct a sustained response, and this expansion continues – both inside and outside of the Supply Chain Stabilization Task Force. One of the most prominent examples of efforts to expand the domestic industry is demonstrated by interagency efforts to leverage the Defense Production Act.

The Defense Production Act

The Defense Production Act (DPA) of 1950, as amended (50 U.S.C. § 4501 et seq.) is an authority the President may use to expand the production of supplies and services from the private sector needed to promote national defense. This course of action includes emergency preparedness and response activities conducted pursuant to Title VI of the Stafford Act, and protection and restoration of critical infrastructure operations. FEMA specifically has relied on the DPA, as delegated, to focus on increasing the production and distribution of ventilators, N-95 masks, and medical countermeasures.

The authority to use the DPA for health and medical resources for COVID-19 was delegated to the Department of Homeland Security (DHS) and HHS in Executive Order 13911, "Delegating Additional Authority under the Defense Production Act with Respect to Health and Medical Resources to Respond to the Spread of COVID-19." The Secretary of Homeland Security delegated its authority to the FEMA Administrator.

In response to the COVID-19 pandemic, DPA authorities can be used to address disruptions in medical and healthcare lifelines necessary for the continuous operation of critical government and business functions which are essential to human health and economic security. The DPA enables the Federal Government to leverage domestic industry's ability to supply materials and services in support of the national defense. In addition to using the DPA to protect essential health resources and combat materials shortages, the Federal Government is also using the DPA to increase domestic manufacturing capabilities. Increasing domestic manufacturing through the DPA will help to ensure the United States' future preparedness for pandemics is not overly reliant upon the foreign production of medical supplies which, as we have seen, may be vulnerable to supply chain disruptions.

Lessons Learned

The Federal Government has responded to this pandemic and is continuing its response efforts. Among the first lessons learned was the need to preserve PPE and prioritize its distribution.

Within the context of a disrupted supply chain, it quickly became apparent that healthcare workers, first responders, patients, and critical infrastructure workers needed prioritization for distributed PPE. While increased production capacity was coming online, FEMA, CDC, and other partners ensured that scarce PPE was allocated to those on the frontlines of the pandemic, and also maximized the utility and useful life of available PPE by releasing guidance to reduce, reuse, and repurpose this PPE. Due to global PPE shortages, the implementation of contingency and crisis capacity plans were sometimes necessary to ensure the continued availability of protective gear.

The BATTELLE Critical Care Decontamination System (CCDS) became another component of the plan to preserve PPE. These units can decontaminate compatible N95 respirators using a mobile CONEX box-based Vapor Phase Hydrogen Peroxide (VPHP) generator. It is the subject of an emergency use authorization issued by FDA, with capacity to decontaminate 80,000 such respirators daily. The Federal Government purchased sixty systems and distributed 45 for use nationwide and we continue to support their distribution.

Moving forward, we must have a ready and responsive SNS, which is why HHS, FEMA, and DoD are continuing to work together on the President's vision for a Next-Generation SNS. A transformation is required for a holistic supply chain ecosystem responsive to the unique needs of each region of the U.S. This includes developing supply chain intelligence, strengthening local, state, and Federal partnerships, and expanding domestic manufacturing for a successful future. This bold initiative to modernize the SNS is necessary for a stronger nation prepared to meet any local, regional, or national event.

Conclusion

In closing, I would like to emphasize my gratitude to our dedicated team, as well as our partner departments and agencies for their adaptability, hard work, and endurance during this unprecedented response. DoD, FEMA, HHS, the whole Federal family, and the private sector have shown a tremendous partnership in this effort.

Furthermore, I would like to thank all Americans. Through coordinated social distancing campaigns across the country, the sacrifices made by millions of Americans bought valuable time as part of this Whole-of-America response. These contributions by the public allowed us to strategically allocate, and then continuously shift, globally scarce resources such as ventilators to hotspots where they could immediately save lives within a 72-hour window. This Whole-of-

America response was personified by leaders in places such as Washington State who voluntarily donated their ventilators to new hotspots in locations like New York.

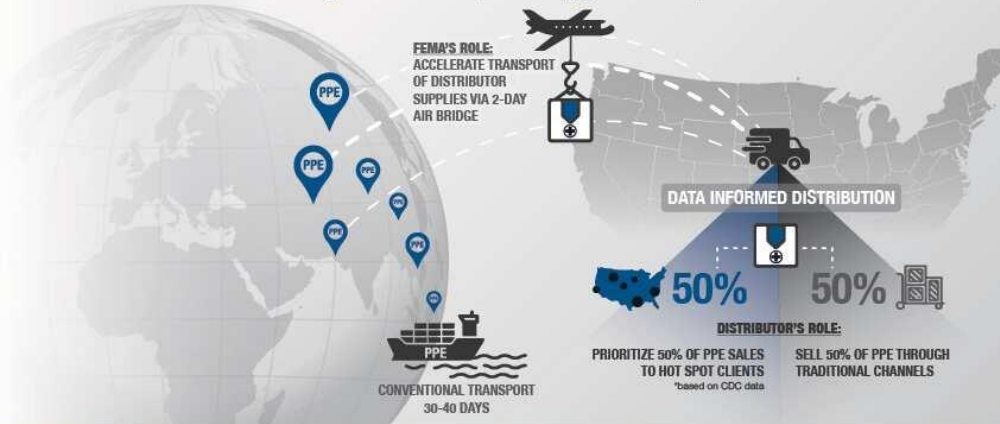
Finally, we again express our appreciation to Congress and the President for providing the necessary resources to meet very complex mission requirements and conditions. This historic and unprecedented response will continue to require a Whole-of-America effort, and I look forward to coordinating with Congress as we work together to protect the health and safety of the American people during the COVID-19 pandemic and for the future.

Thank you for this opportunity to testify. I look forward to answering any questions that you may have.

WHOLE-OF-AMERICA RESPONSE

Project Air Bridge

Stabilizing the Health of People and Supply Chain with Speed



LOCALLY EXECUTED | STATE MANAGED | FEDERALLY SUPPORTED

Industry Enabled Stabilization of the Supply Chain

Distributing supplies and equipment to the right place at the right time

