

Opening Statement
Ranking Member Rob Portman
U.S. SENATE COMMITTEE ON HOMELAND SECURITY
& GOVERNMENTAL AFFAIRS
*“COVID-19 Part II: Evaluating the Medical Supply Chain and Pandemic
Response Gaps”*
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“Thank you Mr. Chairman, I look forward to hearing from the witnesses today.

“Last month we held an oversight hearing on this general topic to help us understand some of the early failures that reduced the effectiveness to the pandemic response. This is a continuation of that. I was pleased that at our last hearing, we tried to keep politics out of it and focus on solutions.

“Today’s hearing will focus on a really important aspect of the pandemic response, which was the supply chain vulnerability that we all experienced and continue to experience. And to help this Committee, in my view, to develop legislation to help solve these problems for the future. I think we owe it to those who lost their lives during this pandemic and all the disruptions it has caused to get this right.

“We studied this issue because it became apparent that by the time the virus reached our shores, there was little we could do to prevent the shortages of critical supplies. The spike in demand for medical supplies was too high, the production of those supplies too far away, and too centralized in places hit hard by the virus. At the same time, the Strategic National Stockpile was underprepared. The roots of these issues extend far past December 31, 2019 when a cluster of cases was first reported in Wuhan, China.

“So what does this mean? Preparation for the pandemic should have begun years in advance, obviously. The constraints experienced by federal, state, and local agencies, as well as hospitals, responders, and frontline workers, is the result of a supply chain and preparedness culture that seems to have suffered a failure of imagination regarding those worst case scenarios.

“While many factors contributed to our poor state of medical supply preparedness—which we will discuss here today—the state of the Strategic National Stockpile is chief among them, and that’s our responsibility here in the federal government. The stockpile’s mandate has been to respond to discrete emergencies, not a simultaneous 50-state pandemic. And for more than a decade, the stockpile focused on local chemical, biological, radiological, and nuclear threats often at the expense of pandemic preparedness. It also did respond effectively during the H1N1 pandemic with millions of PPE items and antivirals, but those were confined outbreaks, and the stockpile was never replenished after that episode. In the intervening years, of course, the stockpile’s mission continued to be less of a pandemic response and the question is why?

“Compounding these preparation failures by the stockpile, the past two decades have seen a consistent off-shoring of medical supply manufacturing. We all know about that, and we’ll hear about that more today, particularly the U.S. relying on China for 75 percent of sanitary and hospital bed articles and 50 percent of our PPE, including N95 masks.

“Today, I look forward to hearing from our witnesses on three broad questions. First, what steps should the United States take to reduce overreliance on foreign countries for critical medical supplies? We need to understand how to diversify supply chains away from China, reshoring manufacturing to the United States, and incentivizing production in the Western Hemisphere.

“Second, how do we foster a strong ‘Industrial Commons’ for medical supplies in the United States? It’s a key part of our competitiveness going forward, I think. It’s where you have a manufacturer, you have suppliers, inventors, skilled workers, and distributors, all networked and integrated together. It’s not just about assembling gowns or pharmaceuticals, but about building out a supply chain that brings together the producers of the components of those items with the innovators also. These networks offer efficiencies, make it more difficult to offshore in the future, and increase innovation.

“Third, as we develop this effort for medical supplies, how do we ensure that we have the right supplies, in the right quantities, and effective distributions for the future crisis? I also am concerned about the inadequacies of the SNS, as we talked about – the stockpile. Going forward we need to properly define the role of that stockpile and be sure that it has the resources and capabilities we need to succeed.

“Thanks again to our witnesses for testifying today, I look forward to hearing your thoughts on the path forward. And, of course, look forward to continuing our approach to this, which I hope can remain nonpartisan and focused on actually how do you come up with solutions so that we can be more prepared in the future. Thank you.”

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