

The Massive Trump Coronavirus Supply Effort that the Media Loves to Hate



President Donald Trump, joined by members of the White House Coronavirus Task Force, listens to a reporter's question at a coronavirus briefing at the White House, March 22, 2020. (*Tia Dufour/White House*)

The administration has used deft improvisation to secure huge supplies of PPE.

There is a new cardinal rule in journalism — never write anything favorable about the Trump administration's coronavirus response, even about its successes.

It's why the story of how the administration handled the potential ventilator crisis has gone almost entirely untold, and why its effort to secure supplies of personal protective equipment, or PPE, has been gotten largely skeptical or hostile coverage.

Any government response to a once-in-a-generation crisis is going to be subject to

legitimate criticism, and there's no question that almost every major government in the Western world, including ours, should have acted sooner. But to read the press, there is basically *nothing* good that the Trump administration has done over the last three months.

This is manifestly false. In a briefing for reporters last week on FEMA's work securing PPE, FEMA administrator Peter Gaynor laid out the raw numbers: FEMA, HHS, and the private sector have shipped or are currently shipping 92.7 million N95 respirators, 133 million surgical masks, 10.5 million face shields, 42.4 million surgical gowns, and 989 million gloves.

According to Admiral John Polowczyk, head of the supply-chain task force at FEMA, we manufactured roughly 30 million N95 respirators domestically a month before the COVID-19 crisis. He says we are on a path now to ramp up to 180 million N95 respirators a month.

None of this happened by accident. At a time of unprecedented stress on the supply chain and a yawning gap between supply and demand in the market, it required considerable clever improvisation and determined hustle. This was not your average bureaucratic response. It was a partnership between the public and private sector to get supplies to the United States on an urgent basis and ship them to the places that needed them most, and then begin to ramp up manufacturing here at home.

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A team around White House adviser Jared Kushner and the supply-chain task force under Admiral Polowczyk worked to fly supplies from overseas to the U.S. quickly, to vet leads for additional PPE (the work of volunteers from the business world mustered by Kushner's team), and to build a cooperative relationship with 3M, the country's most important manufacturer of N95 respirators.

The story of what they've done is a key part of the administration's response, even if it has been obscured by a press that has an allergy to anything that has worked.

Kitchen-Sink Attacks

The initiative to secure PPE has been the subject of constant criticism, whether it makes much sense or not.

Senator Chuck Schumer (D., N.Y.) has repeatedly said that the president needed a military leader to take charge of the supply chain — when Admiral Polowczyk, the vice director of logistics for the joint chiefs, was already in charge.

The administration has been urged over and over again to invoke the Defense Production Act — when it has indeed used this act many times to prod and guide the supply chain, just not to take over industries wholesale.

Stories in the press have tended to relay complaints that FEMA has “commandeered” supplies headed for states or other entities. According to FEMA, this is erroneous. After looking into supposed instances of commandeering, Gaynor says, FEMA believes that shady brokers have been using this line an excuse for their own failures. “FEMA has become a convenient scapegoat for malicious actors who are unable to deliver on the promises they had made or are engaging in illegal activity,” he says.

They might make a promise to various potential buyers and then pull the rug out from under them when they get a higher bid, explaining that the situation is out of their control because FEMA swooped in and took the material. Gaynor is emphatic that “FEMA does not have the authority to conduct seizures.”

A typical journalistic tack has been to find someone who had a frustrating experience with the administration and make him representative of the entire effort.

A large, quintuple by-lined *New York Times* feature on Kushner’s volunteers was a particularly egregious example of the genre. It found a doctor named Jeffrey Hendricks who approached the federal government with information that he had “longtime manufacturing contacts in China and a line on millions of masks from established suppliers.”

This wasn’t earth-shattering information, given that many tipsters said exactly the same thing. According to the *Times*, Hendricks was disappointed when it took weeks to act on his request before a site visit was finally set up to inspect the masks.

After the story appeared, Hendricks said it “did not fully reflect my experience.”

The *Times* cited other examples of the effort supposedly gone awry. “At least one

tip the volunteers forwarded turned into an expensive debacle,” the report said. The administration passed along procurement papers to senior officials in New York from “Yaron Oren-Pines, a Silicon Valley engineer who said he could provide more than 1,000 ventilators.”

New York went ahead and awarded him a nearly \$70 million contract and got exactly nothing for it. This is indeed a story of haste making waste — although one that implicates New York State, not the federal government.

A senior administration official scoffs at how the *Times* blamed the Trump administration for New York’s screw-up. “I saw the email that was sent” to New York, he says, noting that it was from a federal-government employee, not a volunteer. The employee had just seen coverage of the governors of New York and New Jersey’s need for ventilators and simply forwarded it “because she wasn’t sourcing ventilators and wanted to help. ‘Hey, take a look.’ That was it.”

Another passage in the *Times* piece related the story of “Dr. Albert Hazzouri, a Pennsylvania dentist and visitor of Mar-a-Lago.” According to the *Times*, he “repeatedly pressed FEMA officials to buy from his associates, after being referred by Rep. Brian Babin, a Texas Republican, and fellow dentist.” It seemed that the story was leading up to a gross instance of cronyism, and then it ended with a whimper: “None of his tips resulted in FEMA supply deals.”

Oh.

Don’t Nationalize Companies, Work with Them

A couple of insights guided the effort.

Right from the beginning, everyone realized that the strategic stockpile alone couldn’t possibly cover what we needed in the crisis and that the most sought-after supplies were overseas. “We had outsourced most of the medical supply chain to Asia,” as Polowczyk puts it.

At the outset, HHS was the lead agency but, as a White House official notes, it is more of a policy than an implementing agency. The supply-chain effort would be moved to FEMA, which is routinely involved in execution. States are also used to dealing with it.

It wasn’t considered feasible to nationalize the entire supply chain under the

Defense Production Act. We'd "have to figure out where every single piece of equipment is going to go, and where every single thing is going to be distributed," an HHS official explains. "So the amount of information that you would need and the amount of judgment you would have to be making about where things were needed was going to be exceptionally high."

Besides, the market players were hardly recalcitrant. "Nobody needed coercion," the White House official says. "Everyone was willing to step up and do what was right."

The Defense Production Act has still come into play; it's been invoked 14 times, according to Gaynor, for PPE and other equipment. "Our goal," he says, "has always been to supplement not to supplant America's PPE supply chain."

This pointed to a cooperative arrangement with companies, using their existing operations, knowledge of the market, and real-time data, while at the same time redirecting supplies to hot spots — and doing it as quickly as possible.

The PPE Airlift

Project Airbridge was one result.

The impetus for the initiative was simple: Supplies we needed right away were in Asia, and it would take it them three weeks to get here via ship, the standard means of transport.

A senior administration official recalls everyone thinking at the time, "We've got all these things that have been procured by distributors, but they're going by boat, and we need them today."

The answer was flying them instead, cutting the transit time from more than 30 days to less than two.

FEMA worked with the top six medical distributors — Cardinal Health, Owens & Minor, Henry Schein, McKesson, Medline, and Concordance — covering about 90 percent of facilities in the country. It contracted with FedEx and UPS for the flights. "We made FedEx and UPS our Air Force," says the White House official. FEMA didn't actually purchase the materials, but allocated 50 percent of it to the places that needed it most (the other 50 percent fed facilities elsewhere, which still needed the gear for more routine work and to prepare for COVID-19).

The government-driven allocation was important. Distributors were feeling pressure to send stuff to their largest customers, which weren't necessarily in the hardest-hit areas.

To get visibility into the supply chain, FEMA mustered the data of the companies. Polowczyk says FEMA fashioned "six disparate business systems into one visualization tool to make data-informed allocation decisions." According to Polowczyk, FEMA can track material as it comes in from suppliers, what's being held in inventory, and what's being delivered, down to the county and the customer level.

FEMA also has its own metrics, drawing on FEMA, HHS, and CDC data streams, for where the PPE is needed most. It has concentrated the allocation on roughly the 100 hardest-hit counties.

Since March 29, there have been 139 Project Airbridge flights, bringing in a mountain of material.

A number of criticisms are lodged at the project. One is that the federal government is subsidizing the distributors by paying their transit costs. But another way of looking at it is the government got an enormous amount of PPE where it wanted it to go, without actually buying it — just paying to fly it here.

It's also said that Project Airbridge should have used the Department of Defense planes. "When you use a DOD plane, it's super expensive and slow," the senior administration official explains. "You generally don't want to use military aircraft unless it's absolutely necessary."

A *Washington Post* story somewhat bizarrely noted that many counties it contacted didn't know whether they had received Project Airbridge supplies or not. But the material doesn't come specially marked (this is a classic Catch-22 — if there were fanfare about Project Airbridge deliveries, the administration would surely be accused of politicizing the supply effort).

A critical NBC News story highlighted the example of DuPont. It noted how DuPont gets Tyvek material sewn together into bodysuits in Vietnam and how it takes months to ship it back and forth. The federal government agreed to pay for chartered flights to reduce the total transit time to about a week and a half. "For some government officials familiar with the supply-chain end of the coronavirus

fight,” according to the report, “it was yet another example of Trump’s task force serving industry.”

But what was the alternative? To let desperately needed gowns take months to get here from Vietnam? To wait until DuPont relocated its entire supply chain in the United States, obviating any need to grapple with shipments to and from Asia?

If the government wasn’t going to nationalize the supply-chain — for understandable reasons — it wasn’t an alternative to let companies operate under standard procedures either.

The senior administration official considers the counterfactual of leaving the companies to fend for themselves. “What would have happened is you have these distributors that sourced all these supplies; they were theirs,” he says. “They all would’ve come over by boat, and it would have taken three weeks to get here, and then they would just be distributed to hospitals based on their customer relationships.”

The administration settled on a path between full nationalization, with the potential disruption that would have brought, and business as usual.

Separating the Wheat from the Chaff

Meanwhile, hundreds of leads were coming into the government for PPE. They came in from all over the world, with prices 14 to 15 times higher than usual, and from brokers new to the medical supplies. Kushner had a team of people drawn from business — the volunteers — comb through them.

Sifting through the leads was a gargantuan task, given the sheer volume and how many were dubious. “There was a lot of messy stuff there — a lot,” says the senior administration official.

One main line of attack against the volunteers is that they were inexperienced. Obviously, they weren’t experts in government procurement. But, largely drawn from the world of consulting and investing, they had done relevant work performing due diligence on businesses.

The HHS officials say that it was “very similar to the work they were doing in the private sector,” comparable to kicking the tires on early-stage companies —

“figuring which ones are legitimate, which ones have legitimate management teams, legitimate customers.”

It wasn't as though the volunteers examined and adjudicated every lead on their own, either. They'd do the initial vet — asking, for instance, if the broker knew what manufacturing facility the material was coming from. If the answer was “no,” it was a sign that the broker wasn't what he seemed.

If a lead passed muster, then it went through a series of hoops before anything happened.

Someone from the FDA would make sure that the product could be used in America. Someone from the State Department would check to see if it could be exported from the country that it was in. Then, using the existing network of distributors overseas, a site visit would take place to examine the materials and make sure they were as advertised.

Only after those four steps would the information be packaged together and sent over to FEMA for the final procurement decision.

“Without doing thorough vetting,” says the HHS official, “we would have ended up in a place that many other folks have ended up in, of purchasing low-quality goods, which I don't think has really happened.”

Stories in the press routinely allege political favoritism. If a lead came in from, say, a member of Congress, he or she would be apprised of where it stood (if this hadn't happened, the critique would have been that the administration wasn't communicating). If any lead was ultimately forwarded on to FEMA, the volunteers would check on where it stood. But officials involved in the effort insist that every lead went through the same funnel and was evaluated the same way.

The *New York Times* says that Fox News personality Judge Jeanine Pirro made the case to get PPE for an unspecified hospital, and it indeed got supplies. If it was a New York City-area hospital, it's hard to see how it wouldn't be getting additional supplies regardless.

What no one has pointed to is any case where the volunteers and FEMA gave a contract to someone not genuinely suited to deliver quality products. Indeed, one of the administration's most significant actions has involved forging a close

relationship with the very opposite of a fly-by-night operator, the multinational conglomerate 3M.

From Shanghai to U.S. Hospitals

After a public spat with President Trump at the outset — culminating with the president invoking the Defense Production Act in early April to get 3M to make more respirators — 3M and the government have worked together to massively scale up the company's production and import respirators here from overseas.

3M is the only significant domestic manufacturer of N95 respirators. It had a relatively recent experience with what a pandemic does to a supply chain during the SARS outbreak in the early 2000s. The company had surge manufacturing capacity that it turned on as the coronavirus crisis developed, maxing out at about 100 million N95 respirators per month in mid-February, double its usual global output.

Seeking to get more masks into the health sector, the company flipped its production entirely over to medical needs, whereas it usually produces for both medical and industrial users. Meanwhile, the FDA issued a so-called emergency use authorization to allow different types of respirators to be used in a hospital setting.

From early on, 3M embedded a contact with FEMA to facilitate the relationship and provide expertise on the masks.

Typically, 3M sells almost all its respirators produced in the U.S. to American distributors, and all of its respirators in China to Chinese distributors. The respirators in its Shanghai factory could have possibly become another source of supply to the U.S., but Beijing had been requisitioning all that production. 3M on its own got China to allow 10 million to be brought to the United States.

That was just a start. More ambitiously, as the White House official explains, “we signed a contract with them for those [Shanghai] masks, and then we went to the Chinese government and said, ‘We have a contract with the company.’”

This opened the spigots. The deal would secure 166.5 million respirators for the U.S. in the course of April, May, and June. “That’s more than anyone has sourced ever,” says the senior administration official.

The procedure is that FEMA takes custody of the material in China and becomes the importer of record, flying it back to the United States. Initially, it took the company and FEMA three hours over the phone to work out the finer points of the logistics of these flights. Now, it has become so routine that coordinating each flight takes more like 10 minutes.

According to FEMA administrator Gaynor, over last month 42 flights carrying nearly 44 million FEMA-procured masks and respirators from 3M have landed in the U.S.

Meanwhile, 3M has been ramping up domestic production even further, on the strength of orders from the federal government. 3M is slated to produce 50 million respirators in June, up from 22 million a month prior to the crisis. Then it will produce 74 million in July and 94 million a month by October 1.

This is a signal contribution to what Admiral Polowczyk calls the “expansion” phase of the supply effort, enhancing the U.S. manufacturing capacity for the long haul.

Credit Where It's Due?

There's no doubt that some hospitals, especially public hospitals, lacked the gear they needed at the outset of the crisis, and even those that didn't have shortages felt as though they were living on the edge.

Polowczyk says that he believes every place that needed PPE got it, although he had “the unenviable job of managing scarcity as we went through March into April and now May, where the volume of supplies has increased.”

He explains that during the worst period, “people, hospitals, point-of-care, were getting supplies on the numbers-of-days amounts instead of, ‘Hey, I want like a month, two months.’” He says he can understand how this just-in-time allocation method “would make you feel uncomfortable,” adding that as supplies were focused on hot spots, “other areas of the country that did not have such significant COVID outbreaks certainly got less of an allocation and were fed as needed.”

How the administration worked through this and got to a better place would seem an interesting story, if the press weren't too vehemently opposed to Trump to even consider occasionally giving some credit where it's due.

Source:

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