

COVID-19 Pandemic: Supply Chain Expansion Line of Effort

Release Date: May 18, 2020

Manufacturing expansion is one part of a four-pronged supply chain stabilization approach for the coronavirus disease (COVID-19) pandemic response. The expansion line of effort is focused on increasing manufacturing production capacity of critical medical supplies and equipment needed to defeat the pandemic and make our Nation stronger and better prepared for future needs.

The Supply Chain Task Force works with U.S. manufacturing companies to rapidly increase supply, expand domestic production of critical resources and to also increase long-term supply through two approaches:

1. Increasing existing traditional medical supply and equipment manufacturing capabilities; and
2. Exploring creative opportunities within the private sector to boost manufacturing capacity of critical medical supplies using non-traditional manufacturers.

Examples of Manufacturing Expansion Efforts

- Responded to state requests for more personal protective equipment by contracting and with three textile manufacturers to produce a total of 88.6 million reusable level-1 isolation gowns.
- Connected a U.S. manufacturer with trade associations to partner and expand hand sanitizer production capacity.
- Facilitated a joint initiative between a U.S. medical manufacturer and a retailer to provide 8.4 million isolation gowns to the private market within three months.
- Provided assistance to multiple non-medical manufacturers which allowed them to retool existing facilities to create millions of masks.

The Avenues for Manufacturing Expansion

Identifying Opportunities for American Innovation



FEMA

Page 1 of 5

The Supply Chain Task Force engages with established, traditional medical supply and equipment manufacturers, as well as with other types of manufacturing companies who have the needed materials, workforce, or factory production capacity. By working with traditional medical supply and equipment manufacturers, the Supply Chain Task Force leverages the insights of experienced private sector entities to identify new ways to increase America's production potential of ventilators, personal protective equipment, and other essential items. While traditional medical supply and equipment manufacturers increase in-house production capabilities, they also work outside of their organizations, assisting other companies with retooling efforts to increase the overall production of critical supplies.

America's non-medical manufacturers in auto, fashion, technology, and other industries are also engaged in manufacturing expansion initiatives as part of the supply chain stabilization effort. Many non-medical manufacturing companies nationwide answered a call-to-service and are retooling their facilities to begin production of critical medical equipment and other supplies.

Fostering Relationships

Enabling the private sector to create new manufacturing capacity and develop partnerships between traditional medical supply and equipment manufacturers and non-medical manufacturing companies in order to address supply chain challenges is a priority. These partnerships provide access to specific medical knowledge, manufacturing best practices, and distribution and logistics patterns.

Cross-Sector Collaboration

As part of the national COVID-19 response, the Department of Defense (DoD) created a comprehensive industry portal for defense manufacturers, private-sector companies, and academia to share creative ideas with federal agencies to combat the coronavirus pandemic. Resources and solutions from all sectors are welcome. To share ideas, visit the [COVID-19 Industry Portal](#).

Industry Association Partnerships



America's trade, manufacturing, textile, automotive, and other industry associations are important partners. These groups asked their members to identify opportunities for companies with factories that are currently idle or operating at less than full capacity to retool their manufacturing process and begin to help manufacture medical supplies and equipment critical to the COVID-19 response effort.

Private Sector Partnerships

The expansion effort has fostered collaborative relationships between traditional medical supply and equipment manufacturers and other types of companies with production capacity. This model has produced successes in increased supplies of ventilators, N95 respirators, and other critically needed items as private industries work together.

Breaking Down Barriers

Expanding the supply chain for critical items has focused on one important imperative: empowering American businesses to take the lead in increasing the supply and distribution of critical items. When appropriate, government authorities and resources are being leveraged to help private sector companies expand their production capabilities.

Government Assistance

Where necessary, the team works with interagency partners from FEMA, the Department of Health and Human Services (HHS), DoD, and others to determine what assistance the government can provide to manufacturers interested in contributing to the supply and distribution of critical items to help with the COVID-19 response effort.

American companies with products or production capacity, or those that can expand their manufacturing capacity, can submit requests through the [COVID-19 Joint Acquisition Task Force portal](#). From there, a team of acquisition professionals from the military and DoD agencies will connect viable suppliers to FEMA and HHS so they can prioritize efforts.



Guidance and Regulatory Assistance

The Food and Drug Administration (FDA) has used its regulatory authority expansively to help address the COVID-19 pandemic. The Agency has issued numerous guidance documents that provide targeted regulatory flexibility and support innovation of medical products to diagnose and treat COVID-19, including policies that address development and production of diagnostic tests, drugs, hand sanitizers, ventilators, face masks, gowns, and other critical medical supplies. FDA has also used its Emergency Use Authorizations authority to help facilitate the availability and emergency use of medical countermeasures, including granting EUAs for N95 respirators, medical gowns, gloves, and more. . FDA also published easily accessible information for manufacturers on adding production lines or alternative sites for making more critical items.

Coronavirus Aid, Relief, and Economic Security Act Funding

The Coronavirus Aid, Relief and Economic Security (CARES) Act provides supplemental resources specifically intended to procure and create pathways for increased production of critical items in response to COVID-19. Spending has been closely coordinated within the government to ensure that all resources purchased are items needed for the U.S. domestic response. Further information on CARES Act funding is available [here](#).

Defense Production Act

The [Defense Production Act \(DPA\)](#) can stimulate American businesses with a focus on critical health resources and medical products, all of which are being explored and analyzed as part of the Expansion effort. The use of DPA authorities for priority ratings meets a critical national shortfall by moving federal government contracts for critical supplies to the “front of the line” for fulfillment ahead of other orders. DPA can also support production incentives to provide domestic manufacturers with the resources needed to procure machinery or additional manufacturing space. For the COVID-19 response, the CARES Act provides funding for these production incentives. Finally, DPA allows the Federal government to consult with industry representatives and approve voluntary agreements and plans of action to help provide for the national defense.



Further information on the Defense Production Act is available [here](#).

