

United States Senate Committee on Commerce, Science, and Transportation
Subcommittee on Transportation and Safety
Hearing on the Logistics of Transporting a COVID-19 Vaccine

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Chairman Fischer, Ranking Member Duckworth, and Members of the Committee:

Thank you for inviting me here today to speak about our efforts to support the upcoming distribution of vaccines to combat the spread of COVID-19. We recognize that this is complex and critical work and appreciate the Subcommittee's focus on this mission. Before I begin, I would like to express my sincere appreciation for the courageous work of our more than 600,000 FedEx global team members who have been on the frontlines since the start of this pandemic providing essential transportation services and keeping critical supply chains moving. As a result of their dedication and commitment to the communities we serve, we have delivered over two billion face and surgical masks, 55 kilotons of personal protective equipment, and over 9,600 humanitarian aid shipments to support the global response to COVID-19 to date. Earlier this year when the pandemic reached the United States, we worked quickly to support over forty community testing sites, spanning across ten states, delivering test kits and samples for analysis. I am very proud of the significant, positive impact the FedEx team's work has had on the response to this pandemic and will continue to have as we enter this next critical phase. I am

grateful for and humbled by their continued, unrelenting commitment to service, which we refer to at FedEx as delivering the Purple Promise.

Forty-seven years ago, FedEx was created for the exact purpose and service required for today's mission: fast, reliable delivery of time-sensitive, high priority goods. As the largest global express transportation provider, FedEx has an unparalleled world-wide network serving over 220 countries and territories, connecting more than 99% of the world's gross domestic product. Within the U.S., we can deliver to every ZIP code. With the largest fleet of cargo airplanes (over 670), and over 180,000 motorized ground vehicles, we deliver more than 17 million packages a day. Every day at FedEx, we focus on what we can control and prepare for the things we cannot. We invest in our team members and innovative technologies, all in preparation to serve the needs of our customers and communities. FedEx has a long history of supporting critical relief efforts around the world and we are ready for the challenge ahead.

For the past several months, we have been working closely with our healthcare customers, both the vaccine manufacturers and distributors, as well as the Centers for Disease Control and Prevention, U.S. Department of Health and Human Services, U.S. Department of Defense, U.S. Department of Transportation, and U.S. Department of Homeland Security on vaccine distribution plans. We have years of experience in this area, shipping flu vaccines every flu season and moving vaccines globally for decades, as well as transporting over 80 million vaccine doses to combat H1N1 in 2009. We also regularly carry vaccines for commercial and government organizations, both domestic and international, including Defense Logistics Agency Troop Support and Logistics Health, a U.S. Army contractor. Our dedicated, experienced healthcare team has been able to leverage this experience, flex our comprehensive network, and work with various stakeholders to build customized solutions to achieve our collective goal:

moving COVID-19 vaccine shipments as safely, securely, and quickly as possible. This is who we are and what we do.

Once the vaccines are approved and ready for distribution, vaccine and related healthcare shipments will be the top priority for the FedEx Express network, with support provided by our FedEx Logistics and Custom Critical teams. Our established FedEx Priority Alert team will actively monitor and track vaccine shipments for our healthcare customers using a suite of advanced tracking and monitoring tools to ensure the integrity of the shipments as they move through the system, including SenseAware ID (which uses FedEx patented technology), as well as our FedEx Surround platform. These technologies provide increased visibility and near real-time updates on sensitive packages. Our FedEx Priority Alert teams and healthcare customers will have access to this information, enabling us to intervene and intercept a shipment if necessary. Long ago, we recognized that information about the package was just as important as the package itself and invested in these innovative tracking and monitoring solutions for this exact purpose.

In addition to our tracking and monitoring technologies, we have made significant investments in our infrastructure over the years to develop temperature-control solutions throughout the network, including our packaging, aircraft, motorized vehicles, and facilities. At present, we have more than 90 cold chain facilities across five continents, with plans to open additional facilities in the coming years. In 2016, we opened the Cold Chain Center at our world headquarters in Memphis, Tennessee, creating over 20,000 square feet dedicated to temperature-controlled storage. This facility incorporates the latest temperature control solutions, allowing us to maintain packages at frozen, refrigerated, and room temperatures in the event of unforeseen delays. We are also expanding our network of ultra-low temperature freezers, capable of

maintaining temperatures as low as -94°to -112°F. As demonstrated by these investments, we have planned for the various contingencies required for missions like this and are prepared to respond as needed.

Finally, maintaining the health and safety of our essential frontline workers will remain our top priority throughout this effort. To date, we have invested over \$225 million in personal protective equipment and cleaning services to keep our employees safe. We will continue to invest in our employee health safety and monitoring programs, providing the recommended health safety equipment, cleaning our facilities regularly, and ensuring that our employees have access to COVID-19 testing, if needed. We encourage our team members to take any signs of illness seriously and seek medical attention as needed. Their health and fitness remain vital to this effort and we will follow and promote the health safety guidance issued by the leading health organizations to ensure their safety.

As evidenced by the above, from day one of our operation, FedEx has taken the necessary steps and is well-positioned to respond on a domestic and global level to events like we currently face. We will continue to support our healthcare customers throughout this effort, and work with the various federal and state agencies as necessary to ensure a coordinated, safe, secure, and efficient vaccine distribution effort.

This concludes my statement. I appreciate your time today and look forward to answering any questions you may have.