

Wes Wheeler Commerce Subcommittee on Transportation and Safety Testimony 12/10/20

Good Afternoon Chairwoman Fischer, Ranking Member Duckworth, and members of the Subcommittee. My name is Wes Wheeler, and I am the President of UPS Healthcare, the company's healthcare and life sciences division. Thank you for the opportunity to appear before you to discuss our involvement in COVID-19 vaccine distribution. I will focus my testimony on our capabilities, our involvement in Operation Warp Speed and the solutions we are implementing to ensure the safe and effective delivery of vaccines upon approval. I trust that my testimony today will clarify UPS's involvement in this effort and I look forward to answering your questions.

While UPS is known primarily for its network of brown trucks and drivers, members of the subcommittee may not be aware that UPS is also a longstanding provider of supply chain services for many healthcare companies. We handle regulated medicines in more than 10 million square feet of facilities in 32 countries. Our temperature controlled facilities are designed to handle biologically derived drugs such as vaccines at any temperature. We also offer an end-to-end cold chain transportation service by air, ground or ocean and we deliver 50,000 shipments per day of lifesaving medicines.

UPS has been at the forefront of the COVID-19 fight since February of this year. We supported FEMA and Project Air Bridge by moving over 24 million pounds of PPE and we opened up our facilities to the National Stockpile program. We also supported 32 states in distributing millions of diagnostic test kits and biologic samples for COVID-19.

We are also involved on the clinical side. UPS Healthcare was proud to be the logistics partner for Pfizer's COVID-19 vaccine clinical trial. In fact, we are providing logistics support for eight of the ten leading vaccines in clinical trials today. Our experience with these trials is helping us prepare for the vaccines when they come to market.

UPS is proud to be a partner in Operation Warp Speed. We are in daily contact with each member company and the OWS team itself. Just last week, General Perna and Dr. Slaoui visited one of our newest healthcare

facilities in Louisville, KY. We reviewed our supply lane plans and the preparations we have in place with their guidance. We discussed how we will handle ultra-low temperature shipments and in particular, how our dry ice replenishment program will be managed. I believe they left feeling confident with our degree of readiness.

Let me elaborate on the subjects of transportation security and temperature-controlled shipping, as I understand these are areas of interest for the subcommittee.

Please understand that UPS has spent many weeks designing the supply routes and expected data flows for these vaccines. Capacity has been reserved in our air network, operating hubs and ground operations. Our pilots and drivers will know they are carrying vaccines. We will monitor all vaccine shipments in a newly dedicated 24/7 command center which collects data from all sources including our client's temperature recorders. Each package will also carry a UPS-exclusive active tag which provides visibility in our network. Command center staff have been trained to monitor and, if required, recover any vaccine package. UPS has also designed software that can detect network disruptions before they occur, and then recommend counter-measures in real time.

On the issue of temperature control, allow me to correct any misperceptions about our ability to deliver vaccines at ultra-low temperatures. UPS has extensive experience with storage and transport of any material at any temperature. However it is important to note that, in the case of these vaccines, the temperature-in-transit will be maintained by its packaging, which is designed to keep its internal temperature - at temperature - for several days. Pfizer and McKesson have chosen appropriate, validated and environmentally-friendly packaging for the first two vaccines, and we have prior experience handling them.

UPS has also invested in dry ice manufacturing capacity for replenishment at dosing sites where needed. UPS will produce over 24,000 pounds of dry ice per day in our Louisville facility and we will ship a box with 40 pounds of dry ice to all Pfizer dosing locations a day after the vaccine arrives. UPS is also nearing completion of very large coolers and freezers in the same facility for storage of future vaccines in the pipeline. We have also invested in a 'freezer farm' for -80C storage and we offer a program to supply

portable ultra-low temperature freezers for dosing sites where dry ice may not be available.

I'd like to take a moment to thank the thousands of UPSers who have devoted their time and energy into making sure our network is prepared for the challenges ahead. Without their dedication, none of this would be possible.

Thank you for the opportunity to testify, and I look forward to answering your questions.