

McKenna, Neil

From: Stickney, Matt
Sent: Tuesday, March 31, 2020 11:34 PM
To: Thalmann, Brett
Cc: Clow, Brian
Subject: Re: Blocked ventilators

Yes we discussed this at length. DND is reaching out to DOD.

Sent from my iPhone

On Mar 31, 2020, at 9:36 PM, Thalmann, Brett <Brett.Thalmann@pmo-cpm.gc.ca> wrote:

Flagging. Because Trump enacted the US Defense Production Act, Canadian purchases of medical equipment and supplies manufactured in US are not being filled.

Did this come up on the procurement conference call?

If CDC changes mask policy, we should expect more trouble fulfilling US orders...

Issue: Supply of ventilators from the US to Canadian federal government / PSPC

Background:

- In March 2020, PSPC issued a contract for 200 ventilators with ZOLL Manufacturing, a ventilator plant in Chelmsford, MA. (Zoll is a US-based firm owned by a Japanese parent).
- The first 50 ventilators were to be delivered in Canada on April 1 with a staggered delivery over the course of the next week. As recently as Sunday PSPC was looking to add an order of 10K ventilators for April delivery to the initial order.
- On Sunday March 29 PSPC learned that ZOLL is not able to supply Canada with any ventilators until July, including the 200 already on order.
- On Monday March 30 the Consulate in Boston had an email exchange with Zoll (more below) – in which Elijah White the President stated he must fulfill the Department of Defence (DOD) order and cannot supply Canada until July 2020.
- On Monday March 30 DM Morgan raised Canada's order from Zoll with Deputy Secretary Biegun. He was not aware of the issue but undertook to look into the matter. He was unsure how much he could do, given demand from federal level and US states for ventilators.

- On Tuesday March 31 Minister Hajdu spoke with Sec Azar (aprox 10h30 call) . He promised to raise the issue of a formal exemption for Canada to the Defence Production Act (and at a minimum to get the order of 200 ventilators from Zoll), noting PPE and essential equipment acquisition are being driven out of the WH with involvement of FEMA. He also recommend a leaders call.
- Separately, PSPC also has additional orders of ventilators with GE (Carescape R860V1 contract awarded March 27 for 500 ventilators). Also with Vyair (Trudell Malaysia & USA for 200 ICU ventilators). Associate DM Michael Vandergrift PSPC is the lead for ventilator sourcing at PSPC.

Details from Boston engagement with Zoll:

- Our Consulate in Boston had an email exchange with ZOLL today, where the company indicated that all its ventilator production will go to the US (DOD) for at least the next 60-90 days. ZOLL has had a decades-long relationship with DOD, and DOD recently invoked existing options in current contracts, so they feel they have no choice but to execute.
- Our Boston Consulate reports that the US Administration has been heavy handed in scooping up PPE or medical devices that were destined for the state of Massachusetts, and suggested other US states have found themselves in a similar situation lately.

Related Background:

- It was reported on March 30 p.m. that Ford will produce 50,000 ventilators in the next 100 days in a factory located in Michigan.
- The automaker is partnering with GE Healthcare to produce GE/Airon Model A-E ventilators.
- Together, the companies say, they'll make 1,500 ventilators by the end of April, ramping up to 12,000 by the end of May and 50,000 by July 4. After that, they expect to be able to manufacture 30,000 a month.

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