

Clow, Brian

From: Kim, Sabrina
Sent: Thursday, April 9, 2020 5:39 AM
To: Stickney, Matt; Clow, Brian; Wagner, Elise
Subject: FW: POLITICO statement re 3M as only supplier of N95s

Hi – I won't die on this hill but I am just seeing this quote in POLITICO: "Roy said Ottawa is not currently aware of any other imports from the U.S. being blocked by the Defense Production Act."

Not sure that is exactly accurate with ZOLL and all. I cautioned PSPC on language.

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Trump order would have cut off Canadian government's sole U.S. supplier of N95s
3M is currently Ottawa's sole U.S. supplier of N95 masks.

By MAURA FORREST

04/08/2020 01:25 PM EDT

OTTAWA — An order by the Trump administration would have severed the Canadian government's North American supply chain of N95 respirator masks, as 3M is its sole U.S.-based supplier of the critical equipment.

Deputy Prime Minister Chrystia Freeland said Canada and the U.S. achieved a "win-win outcome" this week after 3M announced Monday evening it had reached an agreement with the White House that would allow it to continue to export N95 masks to Canada. The agreement came after the Trump administration invoked the Defense Production Act last week and ordered the company to halt exports to Canada and Latin America, as demand in the U.S. rises.

The episode — and the confirmation from a federal spokesperson that the Minnesota manufacturing giant is currently Ottawa's only American source for the masks, which are critical to prevent Covid-19 infection among health-care workers — sheds light on the vulnerability of Canada's supply chains for essential medical equipment during a global pandemic.

Cecely Roy, a spokesperson for Procurement Minister Anita Anand, told POLITICO that Canada also sources N95 respirators from a number of suppliers in China, and may turn to additional U.S.-based suppliers in the future. On Tuesday, Anand told reporters that Canada is expecting to receive 2.3 million N95 masks this week, including 500,000 that arrived from 3M Tuesday night and the rest from China. She said Ottawa has placed orders for 75 million N95 masks in total, but cautioned that "ordering, of course, does not guarantee a delivery."

Freeland said the White House has assured 3M "that shipments to Canada will continue unimpeded," but did not say whether other U.S. companies exporting medical supplies to Canada could face similar problems.

Roy said Ottawa is not currently aware of any other imports from the U.S. being blocked by the Defense Production Act.

Globally, Roy said, there are more providers of surgical masks than N95 respirators, as they're easier to manufacture. China is a dominant provider of both types of masks to Canada, she said, though Canadian companies are also producing surgical masks, including Quebec-based Medicom. The Montreal company also has plans to begin making N95 respirators in Canada.

Anand said the federal government has ordered 230 million surgical masks and has received 16 million to date, including a delivery Monday of 8 million masks from China.

Canada is currently trying to ramp up domestic production of essential medical equipment to reduce the country's dependence on fragile international supply chains. On Tuesday, Prime Minister Justin Trudeau announced that Ottawa is working with several Canadian companies to produce up to 30,000 ventilators, while others, including outdoor apparel companies Arc'teryx and Canada Goose, are retooling to produce medical gowns.

But Canada does not currently produce N95 masks, leaving the government dependent, for the time being, on 3M and China. Asked how confident she is that international orders will be filled, Anand said she's "sanguine about the numbers but also realistic."

"The reality is that we are operating in a highly competitive global environment," she said. "International logistics are challenging."