## Kim, Sabrina

From:

Kim, Sabrina

Sent:

Wednesday, May 6, 2020 8:50 AM

To:

Harris, Emily (SPAC/PSPC)

Cc:

Laycock, Tristan (SPAC/PSPC); Natacha.Engel@international.gc.ca

Subject:

RE: Canada leans heavily on China for personal protective equipment as pandemic-

induced shortage continues

Alright thanks. About 2 weeks ago PSPC and GAC officials said that they were trying to determine whether any of the 89 million poor quality masks that were seized by China were destined for Canada. They said that it is likely that Canadian suppliers were implicated in the seizure.

If you don't mind checking in with your officials on whether that assessment has been completed then that would be very helpful.

Adding Natacha here too. Can you also pls check in?

Sabrina

From: Harris, Emily (SPAC/PSPC) <emily.harris@canada.ca>

Sent: Wednesday, May 6, 2020 8:33 AM

To: Kim, Sabrina <Sabrina.Kim@pmo-cpm.gc.ca>

Cc: Laycock, Tristan (SPAC/PSPC) <tristan.laycock@canada.ca>

Subject: Re: Canada leans heavily on China for personal protective equipment as pandemic-induced shortage continues

Not as far as we are aware no, but we have had a couple of suppliers for masks back out of their contracts because they aren't able to supply. It's a possibility that they backed out knowing they wouldn't meet medical standard, but it also could be other reasons.

So, not as far as we are aware but not completely out of the realm of possibilities that some could have been from suppliers who have since cancelled their contracts.

Sent from my iPhone

On May 6, 2020, at 8:03 AM, Kim, Sabrina < Sabrina.Kim@pmo-cpm.gc.ca > wrote:

What ended up happening to the 89 million masks that were seized. Were any of them Canada's?

Last month, China's own government revealed it had seized 89 million pieces of poor-quality product. Canada has also received at least one million masks from China that don't meet its standards since the pandemic began.

From: News / Nouvelles (PCO/BCP) < News-Nouvelles@pco-bcp.gc.ca >

Sent: Wednesday, May 6, 2020 7:18 AM

To: Kim, Sabrina <Sabrina.Kim@pmo-cpm.gc.ca>

Subject: CBC: Canada leans heavily on China for personal protective equipment as pandemic-induced

shortage continues

CBC: Canada leans heavily on China for personal protective equipment as pandemic-induced shortage continues

<u>Canada leans heavily on China for personal protective equipment as pandemic-induced shortage continues</u>

Health Canada has temporarily lowered its standard for the importation PPE to meet demand

Geoff Leo · CBC News · Posted: May 06, 2020

More than two months into the coronavirus pandemic, federal and provincial governments are using extraordinary measures to supply health-care workers with personal protective equipment, including letting them use expired masks.

And with more than 61,000 cases of COVID-19 coast to coast, and the country reaching the milestone of more than 4,000 deaths on Tuesday, supplies are just trickling in from overseas suppliers.

In March, Ottawa passed an interim order that allows masks, face shields and gowns to be imported and sold in Canada even if they do not meet Health Canada's pre-COVID-19 standards.

Health Canada hasn't responded to questions from CBC News about the ways in which it has relaxed its rules, but the order's description says that the products must still be "manufactured according to comparable standards."

The United States appears to be taking a similar approach. The U.S. Food and Drug administration says that "for the duration of the pandemic," it will allow the importation of KN95 masks, which are respirators manufactured according to Chinese standards.

As of April 30, Health Canada had ordered 1.8 billion units of PPE, from masks to gloves to gowns. Of the 36 devices approved so far under the order, 34 are manufacturers in China, including Wuhan Orient Honest International Trade Co., Shandong Zhushi Pharmaceutical Group Co., and Peek-a-Boo! I A See U!.

Ottawa has not said whether it has yet placed an order with any of these companies.

Much of the global supply of PPE comes from China.

That makes Canada's situation even more complicated, as the Chinese market is currently fraught with troubles, according to Lynette Ong, an associate professor in the department of political science and China specialist

at the University of Toronto. The chief difficulty, she said, "is sorting out the good and the bad apples."

Last month, China's own government revealed it had seized 89 million pieces of poor-quality product. Canada has also received at least one million masks from China that don't meet its standards since the pandemic began.

An 'unprecedented and urgent need'
Health Canada's interim order was prompted by what the agency's website calls an "unprecedented and urgent need for medical devices during the COVID-19 crisis." That demand has caused critical shortages, it says.

The shortage is also leading some provinces to make unusual decisions.

For example, CBC News has learned that the Saskatchewan Health Authority has decided to allow health care workers to start using expired N95 masks from its stockpile.

They were purchased during the H1N1 outbreak in 2009-2010. The province says they expired after five years, meaning they've been expired for about five years.

The province told CBC News the masks were stored in optimal conditions and have been tested by an independent lab "where they passed both inhalation/exhalation and filtration tests."

The province pointed CBC News to <u>a Health Canada directive that said</u> while ordinarily, expired masks should be discarded, in such unusual times, "an expired mask can still be effective at protecting health care providers if the straps are intact, there are no visible signs of damage, [and] they can be fittested."

<u>CBC recently reported that last May,</u> Ottawa threw two million expired N95 masks into the Regina landfill when it emptied its medical supply warehouse in the city. Those masks had also been purchased around the time of the H1N1 outbreak.

## Worried about 'substandard supply'

The president of the Canadian Medical Association, Dr. Sandy Buchman, says such exceptional measures make some doctors anxious.

"That sends a signal, a message to us, that we're getting substandard supply, and that is putting us and our patients ... at risk," he said.

Buchman said he's been hearing from doctors from across Canada who are concerned about a lack of quantity and quality of PPE.

"In certain regions, specifically like in Alberta, the doctors felt the supplies were substandard, and they couldn't be used," Buchman said.

He said this highlights a failure of government planning.

"If we had planned properly and monitored these provincial and federal supplies of the equipment, we wouldn't be scrambling," he said. "We would be stockpiled and ready to go."

'China is our only hope'

On April 22, Sally Thornton a vice-president with the Public Health Agency of Canada, which is responsible for the National Emergency Strategic Stockpile (NESS), told the federal standing committee on health that the stockpile was "doing well."

"The NESS had been actually monitored and stockpiled as it was mandated and funded to do," she said.

Thornton told the politicians that provinces and territories are primarily responsible for stocking their own supplies and Ottawa is merely there to provide "surge capacity" in a time of crisis.

But Wesley Wark, a national security expert from the University of Ottawa who's studied Canada's national stockpile, said the pandemic has exposed a gaping hole in Canada's supply chain that urgently needs to be filled.

"The NESS concept has failed Canada in this current crisis," he said.

Patty Hajdu, the federal health minister, has publicly acknowledged Canada "likely did not have enough" PPE in its national stockpile.

Wark says Canada has made efforts to spur domestic production of PPE but says that's more of a long-term solution.

"We find ourselves in a position where China is our only hope," he said.

'A Wild West market'

The Public Health Agency of Canada is co-ordinating the purchasing of PPE for the provinces and territories.

"Over the coming weeks, some companies that required time to scale up their operations will begin delivering supplies on a regular basis," said an explanatory note attached to the May 1 update on Public Services and Procurement Canada's website.

"Given the high global demand for these goods, there is a possibility that not all contracts will be entirely fulfilled."

Thornton said once a supplier has been chosen, the products are visually inspected in China. Once they arrive in Canada, they're given more rigorous testing in a lab.

She says Canada will need to exercise great due diligence in such an uneven market.

"I know what a Wild West market it is out there. It's very complicated," she said.

There have been a host of concerns about PPE from China.

In a meeting of the standing committee on government operations last month, Bill Matthews, the deputy minister of public services and procurement, confirmed the government had received a shipment of one million masks from China that, when tested, were deemed to be substandard. He said the manufacturer "is going to provide replacement product."

On its list of received supplies, Canada notes that while it has received more than nine million N95 respirators, "a significant portion of these remain under testing."

On April 18, CBC reported that health care workers in Alberta are complaining about the quality of masks brought in from China.

According to an April 27 report in the state-owned China Daily, market regulators seized 89 million masks and 418,000 other protective supplies.

The country's vice-minister of the state administration for market regulation, Gan Lin, is quoted as saying "we mainly clamped down on those producing or selling fake, expired or low-qualify protective materials, including masks and disinfectants, and people who falsified others' trademarks to mislead consumers."

On its website, Makrite Industries, one the manufacturers recently approved under the government's interim order to fast-track PPE to Canada, has sounded the alarm about fraudulent products.

"Please be warned that the 9500-N95 particulate respirator shown in the pictures is a counterfeit product. It is not manufactured by Makrite," the company said in an April 8 news release.

Ong, the China specialist, said that in normal times, China had wellestablished companies that provided the world with quality PPE. But the global pandemic has spurred many new entrants to the market, she said.

"It is only by going to the factory, looking at their quality and looking at the certification one by one, that you're able sort that out."

Canada is 'vetting suppliers' in China

Canada says that's exactly what it's doing. Anita Anand, the federal minister of public services and procurement, told the standing committee on health that Canada has retained the accounting and auditing firm Deloitte, which "plays a role in vetting suppliers and helping us with our supply chain."

When asked why Canada doesn't get the supplies tested in China, Thornton said "we do prefer to do them here. It's good to have our National Research Council, our own testing and our own engineers taking a look at it. [We are] very cautious about what we'd send out to health care workers."

While there will be some challenges, Wark says, the Chinese government will work hard to ensure Canada gets quality products.

"China wants to be able to retain a reputation not just as a mass supplier of goods but as a supplier of goods that work and of sophisticated goods," he said. "That's important to China's self-reputation."

## A lack of co-ordination

Thornton said while Ottawa is playing the role of co-ordinator in the ordering of PPE internationally, early on in the pandemic response, it was flying blind. There wasn't a clear picture of what supplies were held by each province and where the shortages might be.

"We are not that familiar with what provinces had in their respective stockpiles," Thornton told the committee. "So, very quickly, we got a headsup in terms of where there would be national gaps."

She said in early February, provinces were asked to fill out a survey indicating what supplies they had and what they needed.

Wark said if Ottawa doesn't know what the provinces have, then "you can't build NESS on the basis of being sure it's complementary to provincial stockpiles."

In addition, he pointed out, the provinces have no idea what Ottawa has in stock.

"That is, it seems to me, a huge strategic problem," he said.

He said it's a problem politicians had better fix because public health officials are predicting multiple waves of COVID-19 infections, which means this crisis could go on for years.

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