PRINCIPAL to PRINCIPAL

Reimagining the Global Supply Chain Post COVID-19

The Task Force will divide the global supply chain "issue" in to three buckets and prioritize the first for phase one action.

1. **Pandemic Response**: pharmaceuticals, medical supplies, personal protective equipment (PPE)

2. **Emerging Technology:** semiconductors, artificial intelligence, rare earth minerals, Made in China 2025 products

3. **Manufactured Goods:** components and finished products, consumer and industrial

PHASE ONE – Pandemic Response

- **Pharmaceutical supply chain security and oversight:** Which government agencies play a role in overseeing our drug supply chain? Do each of these agencies have sufficient visibility into the drug supply chain, e.g. an understanding of critical data necessary to inform preparedness and response measures? Who holds them accountable and how? What communication mechanisms exist to connect with the private sector outside of the procurement process?

- **Expanding domestic medical manufacturing and improving distribution:** How can the U.S. ramp up manufacturing of testing supplies, including swabs and reagents, vaccines, and other critical drugs and medical supplies? Once produced and acquired how can we disseminate these items efficiently and effectively to front-line workers?

- **Increasing surge manufacturing capacity to meet public health needs:** What level of surge capacity and redundancy is necessary to meet demand shocks like COVID-19? What can the USG do to ensure manufacturers have sufficient surge capacity and redundancy for critical drugs and medical devices? How should that surge capacity and redundancy be maintained during periods of normal demand?

- **Incentivizing and mandating re-shoring:** How can the USG incentivize US-based companies to diversify and re-shore supply chains for critical drugs and medical devices back to the U.S.? (Or, out of China and/or other non-allied nations?) What is the potential to, and limits of, expanding domestic content requirements (e.g. Berry Amendment, Buy American Act, Trade Agreements Act)

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- **Diversification versus re-shoring:** How should policymakers determine when production of critical drugs and medical supplies should be re-shored to the United States, or when diversifying outside of China is "good enough"? What are the triggers or thresholds?

- **Working with international partners:** What steps can the United States take to encourage like-minded countries to diversify, or re-shore, their supply chains?

- **Government procurement and incentives:** How and to what extent does the USG send consistent demand signals to the relevant manufacturers? Is it through long-term contracting? What other mechanisms are possible?

- **Importance of data to manufacturers and government:** Would increased availability of information about medical supply location, quality and quantity help calibrate government response? Could this information improve decision making by companies with complex supply chains?

- **Federal investment in research and development:** What is the USG's role in investing in advanced manufacturing and R & D for critical medicines, PPE and other essential medical equipment?

- **Defense Production Act** – usage and alternatives: To what extent has the Defense Production Act proven successful for achieving surge capacity and domestic production of critical pandemic response items? Should these authorities be used differently? Should new, alternative tools be considered?