Testimony of:

Eric Hoplin
President & CEO
National Association of Wholesaler-Distributors

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“Building an AI-Ready America: Safer Workplaces Through Smarter Technology”
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Chairman Mackenzie, Ranking Member Omar, and Members of the Subcommittee:

Thank you for the opportunity to testify on behalf of the National Association of Wholesaler-Distributors (NAW) at today's hearing on "Building an AI-Ready America: Safer Workplaces Through Smarter Technology."

NAW is the "national voice of wholesale distribution," an association comprised of employers of all sizes and national, regional, state, and local line-of-trade associations spanning the $8 trillion wholesale distribution industry that employs over six million workers in the United States. Approximately 35,000 enterprises with almost 150,000 places of business in all 50 states and the District of Columbia are affiliated with NAW.

Wholesale distribution is a business-to-business industry: wholesaler-distributors purchase inventory, generally from manufacturers, and sell it to their customers, generally retailers. The industry is comprised of 19 sectors, covering everything from agricultural goods and clothing apparel to building materials and construction. In practice, wholesaler-distributors move everything that goes through the supply chain.[1] Wholesaler-distributors buy inventory in large quantities, warehouse it, break it down into the quantities their customers want (called "breaking bulk"), and ship to those customers. Distinct from warehouse logistics companies, which move someone else's product from seller to buyer, wholesaler-distributors purchase inventory, take title to it, then re-sell it to customers.

Most wholesaler-distributors are small- to mid-sized private companies, and, except for the largest companies, few have recognized name brands like the manufacturers and retailers which are their supply chain partners. Wholesale distribution's role in the economy is often underestimated, but the industry contributes approximately one-third of U.S. gross domestic product and is essential to our economic supply chain.

As employers of over six million Americans,[2] one of the hallmarks of our industry is our companies' employee-based cultures. Across the industry, it is common to meet chief executives who started at the company as a forklift operator, truck driver or administrative assistant who rose to management roles. Our members are often multi-generational companies that are large employers in small towns. They support

[1] National Association of Wholesaler Distributors. (2026, February). Supplying America's Economy. https://www.naw.org/wp-content/uploads/2025/08/NAW_Capitol_Hill_Infographic_Final_12_2024.pdf
[2] U.S. Bureau of Labor Statistics. (2026). *Wholesale trade: NAICS 42*. U.S. Department of Labor. https://www.bls.gov/iag/tgs/iag42.htm

the local little leagues and invest in their local communities; they are truly the backbone of America.

Workplace Safety and Artificial Intelligence (AI)

The wholesale distribution industry covers a wide range of products and services, which all have unique characteristics and require different considerations to ensure a safe and healthy work environment. NAW's member companies' priority is the safety and health of their employees, and our members share the Occupational Safety and Health Administration's mission to assure a safe and healthful workplace.

As a critical sector of the supply chain, the wholesale distribution industry continually leverages new and emerging technologies to enhance operational efficiency while also strengthening workplace safety. For NAW members, ensuring workplace safety is always paramount. Wholesaler-distributors are committed to the responsible use of new technologies to assist in protecting employees and reducing workplace hazards.

Leveraging AI and Automation-Assisted Technology to Enhance Safety in Warehouse Operations

When AI and automation-assisted technologies are utilized responsibly, it can make workplaces safer. New and emerging technologies enable employers to detect potential hazards in real time, allowing companies to focus on preventive and proactive measures rather than responding after an incident occurs. Although still in the early stages, employers are evaluating ways they can deploy this technology to enhance both safety and operational efficiency. It is important to note, however, that wholesaler-distributors are typically not the developers of these technologies; rather, they are the deployers.

In my testimony, I will provide examples of how these technologies are beginning to be deployed in the wholesale distribution industry. Specifically, emerging technology for workplace safety is being deployed in four general forms: disembodied AI, predictive AI, human-centered AI, and other automation-assisted technology.

<u>Disembodied AI</u>

Despite its connotation, disembodied AI refers to technology that perceives, analyzes, or generates insights about its environment without directly controlling physical actions or machinery. This technology can be used to observe work environments and make operations-related suggestions.

Most notably, wholesaler-distributors are deploying disembodied AI through computer vision technologies. Computer vision is technology that integrates both

cameras and AI models to observe warehouse operations in real time. In many cases, computer vision capabilities can be built upon existing cameras or closed-circuit systems within a location. This technology can provide a multitude of worker safety safeguards including, but not limited to: detection of near misses between warehouse equipment, such as forklifts, identification of missing Personal Protective Equipment (PPE), recognition of unsafe conditions or behaviors, and the creation of visual tools (i.e. heat maps) highlighting high-risk zones within facilities.

Given the scale, complexity, and constant movement within warehouse environments, computer vision is particularly well-suited to enhance workplace safety. Warehouses are large industrial spaces with high ceilings and lined with rows of storage racks to enable efficient movement of inventory. Skilled workers operate forklifts and other equipment to move inventory throughout the warehouse and prepare goods for delivery. A computer vision system in a warehouse, for example, can monitor floor corners or intersections to detect near-miss incidents. The system can then alert a supervisor or employee, allowing corrective education or safety actions to be taken—such as adjusting the warehouse layout or providing additional worker training. This type of technology enables wholesaler-distributors to proactively address potential hazards rather than reacting after an incident has already occurred.

As responsible deployers, wholesaler-distributors take countless precautions to ensure computer vision does not lead to adverse effects that defeat its core purpose. Computer vision is typically trained to detect actions, behaviors, and conditions, and not to identify individual employees. These systems are also generally limited to specific tasks, focused on specific safety-related cases of interest (e.g. collision prevention, rack stacking, PPE compliance, etc.). The data collected from computer vision systems are often aggregated and anonymized with the goal of identifying systemic risks and not individual performance.

As a form of disembodied AI, this technology is not agentic and cannot act on its own. Computer vision only provides supervisors and employees with preventative risk awareness and still requires human judgment and action to remain “in the loop”. Overall, this technology serves as a tool to help wholesaler-distributors promote a safer work environment and support overall worker well-being.

Predictive AI

Wholesaler-distributors have also deployed emerging AI technology for workforce safety that predicts operational and machinery failures. Unlike computer vision that interprets worker safety through visuals, predictive AI uses data to detect risk patterns

that cannot be physically seen in real time. For example, predictive AI may be used to predict equipment failures (e.g. forklift, conveyor belt, etc.) before a potential breakdown creates a disruption or hazard.

The most common application of predictive AI for warehouse equipment is the use of digital twins, or virtual replicas of actual warehouse operations and equipment.[3] A digital twin is created by integrating sensors placed on warehouse equipment with software that continuously monitors performance. Over time, the system learns what normal, safe equipment operation looks like. This enables predictive AI tools to identify irregularities that may signal mechanical wear, malfunction, or safety risk.

In other words, a digital twin can be characterized as a real-time, digital testing environment. Rather than waiting for equipment to fail — or for a workplace incident to occur — predictive AI allows companies to anticipate potential hazards before they materialize. For example, sensors on a forklift or conveyor system can detect vibration changes, overheating, or braking irregularities that may signal an impending breakdown. Addressing these issues proactively helps prevent equipment-related accidents and reduces the likelihood of worker injury.

Digital twins and its predictive AI technology has brought a new element of workplace safety to the wholesale distribution industry. With this technology, companies can simulate operational changes, such as warehouse layout modifications, new equipment introductions, or workflow adjustments within the virtual environment before implementing them on the warehouse floor. This allows wholesaler-distributors to simulate changes or modify equipment without exposing workers to unforeseeable risks. Predictive AI also supports safer maintenance practices. By forecasting when equipment is likely to require repair or replacement, companies can perform targeted maintenance earlier and avoid sudden failures that could endanger employees. The ability to deploy predictive AI through digital twins to pilot upgrades and repair equipment earlier has undoubtedly made warehouses safer for our workers.

Human-Centered AI

Human-centered AI supplements workforce operations as a safety-focused assistant. Successful implementation of this type of technology depends on the commitment and trust of both employees and supervisors. In wholesale distribution, human-centered AI focuses on supporting employees in their daily operations without

[3] Modern Distribution Management. (2025, March). *In pursuit of practicality: 52 real use cases for AI in wholesale distribution today*, p. 31. https://www.mdm.com/real-examples-of-ai-transforming-distribution/

replacing human judgment. Within the industry, such technology is commonly deployed through wearable devices.

Wearable devices can be worn on an employee's body to alert them to a potential hazard. These can materialize in the form of clip-on or belt-attached sensors, smart vests, technology-infused hard hats, and wrist or arm bands. One wholesaler-distributor, for example, deployed wearables the size of a key fob to reduce spinal hazards among warehouse employees. The wearable alerted the employees by vibration and beeped when hazardous movement was detected. This technology, however, does not make decisions or act autonomously but instead provides "active education" and guidance to employees for their own physical well-being. Wholesaler-distributors already utilize a range of tools to prevent workplace injuries. This technology represents an additional option, giving employers the flexibility to select the solution most appropriate for their specific work environment.

Supply chain partners are also exploring the use of AI-driven virtual and augmented reality (VR/AR) tools to support workplace safety training. By creating immersive experiences in a digital setting, VR/AR technology has the potential to allow employees to practice equipment handling and hazard recognition in a controlled environment without exposure to real-world risks. Currently, however, AI-enabled VR/AR technology is not widely deployed within the wholesale distribution industry. Ongoing research and development focused on the safety training benefits of VR and AR technology suggests that these tools may become viable safety training enhancements in the future.[4]

Automation-Assisted Technologies

Some wholesaler-distributors have also begun to supplement their workforce with new automation-assisted technology. Although these innovations rely on varying degrees of AI, they pair well with a skilled workforce to create a safer and more efficient workplace. For example, a growing technology being deployed in more sophisticated distribution centers is automation-assisted storage and retrieval systems. Laid out in a cube-like fashion, these systems generally utilize several dozen robots that move along a grid to retrieve bins of inventory and transport them to human-led workstations. In doing so, the system automates tracking, gathering, organizing and pulling orders from thousands of bins stacked on top of one another.

[4] Al-Hamad, A., Wedyan, M., & Gilányi, A. (2025). *Virtual reality safety training and auditing in warehouse environments: AHP and critical thinking approach*. **Cognition, Technology & Work, 27**, 503–524. https://link.springer.com/article/10.1007/s10111-025-00807-8

Automation-assisted storage and retrieval systems help to limit the need for employees to lift heavy objects, walk a large warehouse, and complete repetitive motions. Additionally, this creates a safer environment by reducing foot traffic to collect smaller-sized inventory as forklifts are moving around a facility. It also allows the skilled workforce to engage in more complex tasks in the facility.

Deployment Considerations for AI and Automation-Assisted Technology

Although the use cases referenced above showcase the value of AI-driven safety tools for early deployers, the larger wholesale distribution industry finds itself in the early stages of adoption. While some of our larger member companies are deploying this technology within their facilities, the majority are not there yet. Over 80 percent of employers in the wholesale distribution industry have fewer than 20 employees.[5] This, coupled with wholesaler-distributors' small margins, makes it more difficult to be an early adopter of newer technology.[6] In order to currently deploy these tools, there is significant upfront investment that must be made to support technological integration, proper protections and employee buy-in. The need for such resources therefore influences the pace and scale of adoption across companies of different sizes. As technology costs decrease and these tools continue to become more widely available in the market, the implementation of AI-enabled tools will continue to provide additional insights to more workplaces.

AI-powered technology can help to supplement existing workplace safety programs, but ultimately, human decision making is always the core of a robust workplace safety program. As AI adoption for workplace safety becomes more widespread, below are considerations for both wholesaler-distributors and policymakers.

<u>Human Judgment Should Always Remain "In the Loop"</u>

As evident in each of the use cases in my testimony, AI technology – particularly those used to enhance workplace safety – should always keep human judgment and decision-making "in the loop." The responsible deployment of AI enhances a company's ability to keep workers safe, but it does not and should not replace human decision-making. AI systems are designed to provide insights, alerts, and risk indicators, while employers and safety professionals retain full authority.

[5] Modern Distribution Management. (2025, August).2025 Annual MDA Economic Outlook: Forecasts & Benchmarks for Wholesale Distribution, p. 14.

Burdensome Regulatory Environments Steepen Barriers to Entry

As AI enhancements for workplace safety programs become more accessible across the industry, these tools should remain available and scalable for responsible deployment based on a company's size and operational needs. Overly burdensome or a patchwork of regulatory frameworks across jurisdictions risk slowing the adoption of these technologies by increasing compliance costs, delaying pilot programs, and discouraging innovation. NAW urges Congress to enact federal AI policy that prevents overly restrictive or conflicting frameworks from undermining wholesaler-distributors' ability to deploy this technology.[7] A streamlined, flexible, and risk-based regulatory approach ensures that wholesaler-distributors of all sizes can responsibly deploy 21st century AI tools that complement proven safety practices.[8]

Conclusion

AI and advanced technologies will continue to shape the future of work by improving efficiency and strengthening workplace safety. As these tools become more accessible, they will offer employers valuable insights that support proactive safety measures and better decision-making. When implemented responsibly and combined with human judgment and established safety practices, AI-enabled technologies can help create safer, more effective workplaces over time.

Thank you again for the opportunity to testify.

[7] National Association of Wholesaler-Distributors. (2025, December 12). *NAW applauds President Trump's executive order on artificial intelligence*. https://www.naw.org/naw-applauds-president-trumps-executive-order-on-artificial-intelligence/

[8] National Association of Wholesaler-Distributors. (2025, September 15). *Comment on "Request for Information on State Laws Having Significant Adverse Effects on the National Economy or Interstate Commerce" (Docket No. DOJ-OLP-2025-0169; Comment ID DOJ-OLP-2025-0169-0200).* Regulations.gov. https://www.regulations.gov/comment/DOJ-OLP-2025-0169-0200