WORKING THROUGH AN OUTBREAK: PANDEMIC FLU PLANNING AND CONTINUITY OF OPERATIONS

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BEFORE THE

COMMITTEE ON
GOVERNMENT REFORM

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WORKING THROUGH AN OUTBREAK: PANDEMIC FLU PLANNING AND CONTINUITY OF OPERATIONS

THURSDAY, MAY 11, 2006

HOUSE OF REPRESENTATIVES,
COMMITTEE ON GOVERNMENT REFORM,
Washington, DC.

The committee met, pursuant to notice, at 10:10 a.m., in room 2154, Rayburn House Office Building, Hon. Tom Davis (chairman of the committee) presiding.


Staff present: David Marin, staff director; Lawrence Halloran, deputy staff director; Ellen Brown, legislative director and senior policy counsel; Jennifer Safavian, chief counsel for oversight and investigations; Patrick Lyden, parliamentarian; John Hunter, counsel; Chas Phillips, policy counsel, Rob White, communications director; Andrea LeBlanc, deputy director of communications; Susie Schulte, professional staff member; Teresa Austin, chief clerk; Sarah D’Orsie, deputy clerk; Allyson Blandford, office manager; Leneal Scott, computer systems manager; Karen Lightfoot, minority communications director/senior policy advisor; Robin Appleberry and Sarah Despres, minority counsels; Richard Butcher and Tania Shand, minority professional staff members; Earley Green, minority chief clerk; and Jean Gosa, minority assistant clerk.

Chairman Tom Davis. Good morning. The committee will come to order.

We are going to have two very distinguished panels of witnesses here today to discuss what health experts describe as one of the largest dangers facing our Nation—the threat of pandemic flu.

We don’t know when or where the next pandemic will strike. We don’t know what strain of influenza will be the culprit, although much evidence points to the avian flu. The virulent H5N1 strain has already caused 115 deaths in Southeast Asia, China, and the Middle East. Nor do we know if avian flu will turn out to be more like swine flu, a pandemic that never materialized.

But regardless, we need to improve our readiness because we can be sure that the next flu pandemic is a matter of when, not if. And when that time does come, the stakes will be enormous.

Experts have projected that more than half a million Americans could die. Over 2 million could be hospitalized. Forty percent of the
work force would be unable to report to work in the event of a U.S. pandemic flu outbreak.

It is our responsibility to make sure America is prepared, not just prepared to address the massive health implications of a pandemic, but prepared for the enormous economic and societal disruptions as well. Beyond efforts to protect human health, Government agencies and private sector businesses must have the ability to maintain essential functions through an outbreak. Recent natural disasters and terrorist attacks raise questions about how the Federal Government will continue to operate during emergencies.

Last week, President Bush released the administration’s Implementation Plan for its National Strategy for Pandemic Influenza. The plan designates the National Response Plan [NRP], as the primary mechanism to coordinate the Federal Government’s response. Under the NRP, the Department of Homeland Security is the lead agency to coordinate all Federal activities.

As seen during Hurricane Katrina, the NRP can be ambiguous, and individual authorities among agencies are not clearly identified. It is the committee’s hope that lessons learned from Katrina are being applied to any deficiencies in the NRP so the country is more readily prepared for future disasters.

A key part of the Government’s implementation plan is its emphasis on telework to ensure essential Government operations can continue during a pandemic, when it may not be possible or advisable for employees to report to work and be in close quarters. Much to my frustration, the Federal Government has long lagged behind the private sector in promoting telework, despite the traffic, energy, cost, productivity, and employee morale benefits it can provide.

I was pleased to see the pandemic implementation plan requires the Office of Personnel Management to develop guidance for Federal departments on continuity of operations planning criteria and telework to provide instructions for alternative workplace options during a pandemic.

This is an important step forward, and I am hopeful the pandemic implementation plan will spur the Government to take serious strides in getting more employees to become teleworkers. I am also hopeful that this will help the Federal Government address several inadequacies in the COOP planning including—we call it the COOP planning—including deficient guidance to identify essential functions and ensure continued delivery of services during a crisis.

The Government’s implementation plan also acknowledges the limits of the Federal Government while highlighting the importance of preparedness by individuals, communities, and the private sector. I think all of us here today agree that our State and local health officials will be on the front lines of pandemic response. It is our job to provide them with the adequate support and essential guidance they need to effectively prepare for and respond to a pandemic.

Our experience with last year’s hurricane season is a sad reminder of the need for State and local authorities to be prepared for anything. Disasters or pandemics don’t happen according to
plan. Response requires agility, flexibility, and a willingness by leaders to take action when needed.

We have many important issues today to discuss within the context of pandemic flu. I look forward to a constructive dialog with our witnesses on these life-and-death issues.

[The prepared statement of Chairman Tom Davis follows:]
Chairman Tom Davis
Opening Statement
“Working Through an Outbreak: Pandemic Flu Planning and Continuity of Operations”
May 11, 2006

Good morning. Today, we have two very distinguished panels of witnesses here to discuss what health experts describe as one of the largest dangers facing our nation: the threat of pandemic flu.

We do not know when, or where, the next pandemic will strike. We do not know what strain of influenza will be the culprit—although much evidence points to avian flu. The virulent H5N1 strain has already caused 115 deaths in Southeast Asia, China, and the Middle East. Nor do we know if avian flu will turn out to be more like the swine flu—a pandemic that never materialized.

Regardless, we need to improve our readiness—because we can be sure that the next flu pandemic is a matter of when, not if. And when that time does come, the stakes will be enormous. Experts have projected that more than half a million Americans could die, over two million could be hospitalized, and 40 percent of the workforce would be unable to report to work in the event of a U.S. pandemic flu outbreak.

It is our responsibility to make sure America is prepared—not just prepared to address the massive public health implications of a pandemic, but prepared for the enormous economic and societal disruptions as well. Beyond efforts to protect human health, government agencies and private sector businesses must have the ability to maintain essential functions through an outbreak. Recent natural disasters and terrorist attacks raise questions about how the federal government will continue to operate during emergencies.

Last week, President Bush released the Administration’s Implementation Plan for its National Strategy for Pandemic Influenza. The plan designates the National Response Plan (NRP) as the primary mechanism to coordinate the federal government’s response. Under the NRP, the Department of Homeland Security is the lead agency to coordinate all federal activities. As seen during Hurricane Katrina, the NRP can be ambiguous, and individual authorities among agencies are not clearly defined. It is the Committee’s hope that lessons learned from Katrina are being applied to any deficiencies in the NRP so the country is more readily prepared for future disasters.

A key part of the government’s implementation plan is its emphasis on telework to ensure essential government operations can continue during a pandemic, when it may not be possible or advisable for employees to report to work and be in close quarters. Much to my frustration, the federal government has long lagged behind the private sector in promoting telework—despite the traffic, energy, cost, productivity, and employee morale benefits it can provide. I was pleased to see the pandemic implementation plan
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Our experience with last year’s hurricane season is a sad reminder of the need for state and local authorities to be prepared for anything. Disasters, or pandemics, don’t happen according to plan. Response requires agility, flexibility, and a willingness by leaders to take action when needed.

We have many important issues today to discuss within the context of pandemic flu. I look forward to a constructive dialogue with our witnesses on this life-and-death issue.
Chairman Tom Davis. And I would now recognize the distinguished ranking member, Mr. Waxman, for his opening statement.

Mr. Waxman. Thank you, Mr. Chairman, for holding this hearing, and thank you for your leadership on this important issue.

Experts tell us there will be another influenza pandemic. We don’t know if it is going to be the avian flu or not, but pandemics happen every so often. They also tell us that the Nation is not prepared to confront this threat. There are multiple holes in our capacity to respond.

We need to increase our vaccine production capacity, strengthen our public health infrastructure, create adequate hospital surge capacity, and draft contingency plans that will ensure the continued operation of important Government functions.

Because we do not know when or how severe the next pandemic that will strike us will be, we don’t have the luxury of time. We need to act quickly and move beyond the planning stage to the implementation stage.

The administration has taken some important steps. In particular, they have produced several planning documents. But this is not enough, and some of their actions have actually been counterproductive.

According to the President’s pandemic preparedness plan, the burden of responding to a flu pandemic will largely fall on State and local governments. Yet the President’s fiscal year 2000 (sic) budget cuts more than $200 million from the public health programs at the Centers for Disease Control and Prevention that fund State and local training and preparedness efforts.

Pandemic preparedness also requires a clear and coherent leadership structure that is capable of responding in an emergency. Unfortunately, the President’s implementation plan, which was released last week, creates divided authority. It would establish the same type of structure that led to the tragic confusion and delay in the response to Hurricane Katrina.

Under the President’s plan, HHS is in charge of the medical response, but DHS is in charge of the overall response. There is no clear delineation of how that will work or who will have final authority over medical operations. This approach ignores the adage that when everyone is in charge, no one is in charge.

A related weakness is that the core Federal medical asset, the National Disaster Medical System, is currently a part of DHS. To lead a medical response, therefore, HHS has to rely on personnel, supplies, equipment, and communications systems that are actually controlled by the Department of Homeland Security. Well, this is the same arrangement—medical assets separated from those charged with leading the medical response—that was a major factor in the chaos after Hurricane Katrina.

According to the administration officials, there is a plan to move the National Disaster Medical System out of DHS to HHS. But these plans are not imminent. We cannot afford to wait until next year to be ready with a medical response.

Preparing for a flu pandemic will not be easy, and the Federal plans will change as we learn more about the threat and the best means of response. But the Nation has a right to expect that the
Federal Government will not repeat its mistakes, which is what it seems intent on doing.

One important part of the Federal response is ensuring continuity of operations, and I would like to thank Representative Danny Davis for his leadership in this area. Today, he will introduce legislation that would require the Federal Government to establish a demonstration project to test and evaluate telework from alternate work sites, including from employees’ homes.

This demonstration project will be important for our understanding of the effectiveness of telework and will give us an opportunity to identify and fix problems that arise.

I want to thank the witnesses for coming today, and I look forward to your testimony.

[The prepared statement of Hon. Henry A. Waxman follows:]
Statement of Rep. Henry A. Waxman, Ranking Minority Member
Committee on Government Reform
Hearing on
“Working Through an Outbreak: Pandemic Flu Planning and
Continuity of Operations”

May 11, 2006

Mr. Chairman, thank you for holding this hearing today and thank
you for your leadership on this important issue.

Experts tell us that there will be another influenza pandemic.
And they also tell us that the nation is not prepared to confront this
threat.

There are multiple holes in our capacity to respond. We need to
increase our vaccine production capacity ... strengthen our public health
infrastructure ... create adequate hospital surge capacity ... and draft
contingency plans that will ensure the continued operations of important
government functions.

Because we do not know when the next pandemic will strike, we
do not have the luxury of time. We need to act quickly and move
beyond the planning stage to the implementation stage.
The Administration has taken some important steps. In particular, they have produced several planning documents. But this is not enough. And some of their actions have actually been counterproductive.

According to the President's pandemic preparedness plan, the burden of responding to a flu pandemic will fall largely on state and local governments. Yet the President's FY 2007 budget cuts more than $200 million from the public health programs at the Centers for Disease Control and Prevention that fund state and local training and preparedness efforts.

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A related weakness is that the core federal medical asset – the National Disaster Medical System – is currently a part of DHS. To lead a medical response, therefore, HHS has to rely on personnel, supplies, equipment, and communications systems that are actually controlled by DHS.

This same arrangement – medical assets separated from those charged with leading the medical response – was a major factor in the chaos after Hurricane Katrina. Officials at HHS had no idea where disaster medical teams had been deployed; teams on the ground could not obtain critical medical supplies; and victims of the hurricane waited hours or days for treatment while trained medical personnel waited for an assignment.

According to Administration officials, there is a plan to move the National Disaster Medical System out of DHS to HHS. But these plans are not imminent. We cannot afford to wait until next year to be ready with a medical response.

Preparing for a flu pandemic will not be easy, and the federal plans will change as we learn more about the threat and the best means of response. But the nation has a right to expect that the federal
government will not repeat its mistakes, which is what it seems intent on doing.

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I thank the witnesses for coming today and I look forward to your testimony.
Chairman TOM DAVIS. Thank you, Mr. Waxman.
Mr. Shays.
Mr. SHAYS. Thank you, Mr. Chairman.
Mr. Chairman, one, thank you for having this hearing. In this same room—and it is very eerie because I look around, and I don't see any TV media here. We are talking about one of the biggest issues, in my judgment, facing our country. Not unlike a hearing, I had a few years ago where a doctor of a major medical magazine said his biggest fear was that a small group of scientists would create an altered biological agent that would wipe out humanity as we know it.

If we know that influenza killed approximately 30,000 to 50,000 persons a year in the United States and 1 million to 3 million Nation (sic) wide when you don't have a pandemic, and when we realize that we have had 10 pandemics in the last 300 years—the one most severe in 1919, when our population was one third the size worldwide, and we lost 50 million to 100 million people—it should get our attention. And it is getting the attention of this committee, and it is getting the attention of some in Government.

But I think what we are going to find is that we need a much more unified effort to make sure that we minimize the deaths we know will occur. And I just salute you and others who are working on this. This is a very, very important hearing we are having today, and the work of the people that are appearing before us can't be measured lightly.

Chairman TOM DAVIS. Thank you very much.
Any other Members wish to make opening statements?
Ms. WATSON. Mr. Chairman.
Chairman TOM DAVIS. Yes, ma'am? The gentlelady from California.
Ms. WATSON. I, too, want to thank you for this hearing.
Biological preparedness is considered crucial in the current world climate. Our Government has no control over a natural phenomena that will threaten citizens every year. But the Government Reform Committee has an important public service to perform in regard to preparedness for a flu pandemic.

Flu pandemic has the ability to cause death in catastrophic proportions. On one hand, Government should not place the public into a state of fear. But on the other hand, Government should educate the public and have a clear plan for action in case of an outbreak.

Do we have a plan in place? Has this administration and Congress fully funded the resulting solution? Do we have the domestic manufacturing capability to cover the needs of the United States during a crisis?

Only one of the two FDA-approved flu vaccine manufacturers in America, and Chevron Corp. does not have a production facility located on the U.S.-controlled soil.

Mr. Chairman, the administration’s May 3, 2006, Implementation for the National Strategy for Pandemic Influenza leaves too many concerns. The complete breakdown of DHS leadership, responsiveness, and accountability during the Hurricane Katrina places congressional oversight into question if we allowed a similar structure to be approved. “Fool me once, shame on you. But fool me
twice”—we are approaching a hurricane season again. Is the DHS structure equipped to handle the elemental fury of mother nature again—are we prepared—much less at the same time as her biological scorn?

So, Mr. Chairman, I am looking forward to today’s testimony and the positive solutions that our witnesses can provide. The President has requested $7.1 billion, and the Congress appropriated $3.8 billion in the DOD appropriations act. Is the funding sufficient?

I am interested to hear the panel’s assessment of the Danny Davis legislation, the Continuity of Operations Demonstration Project Act. We need a much better system in place to accommodate a flu pandemic or a large natural disaster situation.

So let us put a plan in place that answers the questions and not creates them. I yield back the balance of my time.

Chairman Tom Davis. Thank you very much.

Mr. Davis, do you want to say anything?

Mr. Davis of Illinois. Yes. Thank you very much. Thank you, Mr. Chairman.

I want to thank you and Ranking Member Waxman for calling this hearing and for your leadership of the Government Reform Committee.

In the late 1990’s, the Government Reform and Education and the Workforce Committees held oversight hearings to examine the barriers to telecommuting and the development and promotion of telework programs by Federal agencies.

It was then thought that the primary benefits of telecommuting were a reduction in traffic congestion and pollution, improvements to the recruitment and retention of employees, a reduction in the need for office space, increased worker productivity, and improvements to the quality of life and morale of Federal employees.

These benefits continue to be compelling and valid reasons for implementing agency-wide telework programs. Representative Frank Wolf is to be commended for continuously pushing agencies to increase the number of Federal employees who telecommute.

However, with the Oklahoma City bombing, September 11th, Hurricane Katrina, and now the possibility of a pandemic, we have other very compelling reasons to push Federal agencies and ourselves to develop and to implement the infrastructure and work processes necessary to support telecommuting.

Federal agencies must be able to continue operations during an emergency. The question we must ask ourselves is this. In the event of an emergency, are we—this committee, our staffs, and all of the Federal agencies—prepared to serve the American people if our primary places of work are no longer available to us?

In conjunction with this hearing, the Government Accountability Office [GAO], will issue a report entitled “Continuity of Operations.” Selected agencies could improve planning for use of alternate facilities and telework descriptions. From the population of alternate facilities, GAO selected six to evaluate for compliance with Federal Preparedness Circular [FPC] 65 guidance.

The report, which was requested by Chairman Tom Davis, found that most of the agencies’ documented plans and procedures related
to alternate facilities included site preparation and activation plans. However, none of the agencies had conducted all of the applicable tests and exercises required by FPC 65, including annual exercises that incorporate deliberate and pre-planned movement of COOP personnel to an alternate facility.

Further, agencies did not fully identify the levels of resources necessary to support essential functions, thereby creating the lack of assurance that facilities are adequately prepared.

Today, I will introduce legislation that will push agencies to address the contingency planning failures detailed in GAO's reports. The legislation, a modified version of H.R. 4797, which I introduced in the 108th Congress, would require the chief human capital officer to conduct and to evaluate a 10-day demonstration project that broadly uses employees' contributions to an agency's operations from alternate work locations, including home.

The outcome of the demonstration project would provide agencies and Congress with approaches to gaining flexibility and to identifying work processes that should be addressed during an extended emergency. The number and types of potential emergency interruptions are unknown, and we must be prepared in advance of an incident with the work processes and infrastructures needed to establish agency operations.

In a world where anything is possible, we must be prepared for all of the possibilities, and I trust that Chairman Davis will join with Ranking Member Waxman and others to co-sponsor this bill.

And I thank you, Mr. Chairman, and yield back the balance of my time.

Chairman TOM DAVIS. Thank you. Well, I probably will.

We have a vote on. I have sent Mr. Shays over to vote so he can come back. And when he comes back, hopefully, we can keep this moving because I know we have some time constraints on some of our witnesses.

Anybody else need to make an opening statement? Mr. Kucinich.

Mr. KUCINICH. I thank the gentleman.

"You are on your own." That has been the credo for the administration's approach to health care, and it summarizes their approach to avian flu. The implementation plan gives a little guidance to State and local governments and businesses and then wishes them luck.

First, there is the leadership vacuum. The plan calls for HHS to coordinate the medical response, but calls for Homeland Security to coordinate Federal operations and resources.

A bipartisan report out of the Senate released in April found that the department has lagged in fixing the problems that plagued its atrocious response to Hurricane Katrina. It found that major structural reforms were necessary and that little has changed in the department so far.

So how can we expect Homeland Security to adopt a similar motto to the one they adopted last summer? The point is we can expect them to adopt that motto. "You are on your own."

What is more is that the plan has been called "the mother of all unfunded mandates." While $7.1 billion for avian flu preparedness is a step in the right direction, it is simply not enough. Dr. Irwin Redlener, director of the National Center for Disaster Preparedness
at Columbia University’s Mailman School of Public Health, called the budget “completely unrealistic.”

A big part of the reason it is insufficient is that it has to make up for years of steady erosion of the public health infrastructure due to lack of funding. In fact, Dr. Redlener points out the need for $5 billion just for staff, equipment and supplies, and general resiliency. Yet the vast majority of the administration’s funding is going toward the antiviral and vaccine stockpile.

This plan, therefore, gives us inadequate leadership and inadequate funding, which leaves the clear impression that we truly will be on our own in a pandemic. And a crisis is precisely the time we need to look out for each other the most.

However, we can be assured that everyone is not left to his or her own devices. On November 4, 2005, in front of this committee, HHS Secretary Michael Leavitt stated during the Q&A that he would not be issuing a compulsory license for the antiviral drug Tamiflu. He also declared that he was in negotiation with Roche, manufacturer of Tamiflu, over the cost of the drug being purchased for the national stockpile.

On one hand, Secretary Leavitt has a congressional mandate to stockpile enough Tamiflu for 25 percent of the Nation. On the other hand, he withdrew the threat of compulsory licensing even if Roche tries to price gouge. In doing so, Mr. Leavitt undercut his own negotiating power and effectively surrendered control of the price to Roche.

On November 10th, 6 days after the hearing, the New York Times reported that Roche announced they would be charging developed countries for Tamiflu 15 euros or about $19 for a course of treatment. Wondering how the price negotiations between HHS and Roche went, my office recently asked HHS what they were paying for Tamiflu for the stockpile—the asking price of 15 euros or $19?

Even with the bulk purchasing power of 810 million pills, HHS did not bother to get a better deal than the asking price. Lest you get the impression that this price is fair, allow me to point out that Roche did not sink a dime into research on their drug. They simply licensed it from its inventor, Gilead Sciences. That means there is no need to recoup research costs.

Furthermore, we know it can be sold for a profit for much less. Cipla, a generics manufacturer in India, for example, is selling Tamiflu for only $12. That is 36 percent less than what the Federal Government here is paying. If we paid Cipla’s price instead of Roche’s, we would save over a half billion dollars.

Now I bet local health agencies and hospitals could save a lot of lives with that kind of money. Think of what we could do with a half billion dollars. We could reduce the deficit, put teachers in classrooms, invest in renewable energy, provide health care to some of the uninsured.

Those that stand to gain from the inflated prices for pandemic pharmaceuticals are doing well. Roche’s sales for the first quarter of 2006 are up 22 percent to $7.7 billion. Gilead Sciences, the company that originally developed Tamiflu and continues to receive royalties on its sales, outperformed RBC Capital Markets estimate of $350 million in Tamiflu sales by $163 million.
In essence, we are telling State and local governments there is not enough money to fund things like medical personnel and equipment while we are giving away bags of money to the already incredibly profitable pharmaceutical industry. In other words, you are on your own unless you are a big pharma.

Thank you. I yield back.

[The prepared statement of Hon. Dennis J. Kucinich follows:]
You’re on your own.

This has been the credo for the Administration’s approach to health care and it summarizes their approach to Avian Flu. The Implementation Plan gives a little guidance to state and local governments and businesses and then wishes them luck.

First, there is the leadership vacuum. The plan calls for HHS to coordinate the medical response but calls for Homeland Security to coordinate federal operations and resources. A bipartisan report out of the Senate, released in April, found that the Department has lagged in fixing the problems that plagued its atrocious response to Hurricane Katrina. It found that major structural reforms were necessary and that little has changed in the Department so far. So we can expect Homeland Security to adopt a similar motto to the one they adopted last Summer: you’re on your own.
What’s more is that the plan has been called the mother of all unfunded mandates. While 7.1 billion dollars for avian flu preparedness is a step in the right direction, it is simply not enough. Dr. Irwin Redlener, director of the National Center for Disaster Preparedness at Columbia University’s Mailman School of Public Health, called the budget “completely unrealistic.” A big part of the reason it is insufficient is that it has to make up for years of steady erosion of the public health infrastructure due to lack of funding. In fact, Dr. Redlener points out the need for 5 billion dollars just for “staffs, equipment and supplies, and general resiliency.” Yet the vast majority of the Administration’s funding is going toward the anti-viral and vaccine stockpile.

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However, we can be assured that everyone is not left to their own devices.

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1 Barrett, Jennifer, A Dramatic Disconnect, Newsweek, May 3, 2006 http://www.msnbc.msn.com/id/12610942/site/newsweek/
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Lest you get the impression that this price is fair, allow me to point out that Roche did not sink a dime into research on the drug. They simply license it from its inventor, Gilead Sciences. That means there is no need to recoup research costs. Furthermore, we know it can be sold for a profit for much less. Cipla, a generics manufacturer in India, for example, is selling Tamiflu for only 12 dollars. That is 36% less than what the Federal Government is paying. If we paid Cipla’s price instead of Roche’s, we would save over a half a billion dollars. I bet local health agencies and hospitals could save a lot of lives with that kind of money. Think of what we could do with a half billion dollars – we could reduce the deficit, put teachers in classrooms, invest in renewable energy, provide health care to some of the uninsured.

Those that stand to gain from inflated prices for pandemic pharmaceuticals are doing well. Roche’s sales for the first quarter of 2006 are up 22% to 7.7 billion dollars. Gilead Sciences, the company that originally developed Tamiflu and continues to receive royalties on its sales, outperformed RBC Capital Markets estimate of 350 million dollars in Tamiflu Sales by 163 million dollars.

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3 Herper, Matthew, Roche Profits Spike on Flu Scare Sales, Forbes.com, April 27, 2006
4 Kang, Peter, Gilead’s Debt Sale Seen Fueling Potential Deals, Forbes.com, April 27, 2006
In essence, we are telling state and local governments that there’s not enough money to fund things like medical personnel and equipment while we’re giving away bags of money to the already incredibly profitable pharmaceutical industry. In other words, you’re on your own .... unless you’re big Pharma.
Chairman Tom Davis. Thank you. The gentleman from Maryland?

Mr. Cummings. Thank you very much, Mr. Chairman, for holding this critically important hearing.

Hurricane Katrina demonstrated with abundant clarity that Government incompetence and poor preparation during a time of national peril are not victimless crimes. Those failures, coupled with the Government’s inability to secure sufficient quantities of vaccine courses in a recent flu season, compel us to rigorously question our Nation’s pandemic flu and continuity of operations plans.

It should give us all pause that a pandemic could result in the deaths of over 500,000 Americans and infect 25 percent of the world’s population. The Baltimore Sun on June 12, 2005, reported in an article entitled “Fears of Flu Pandemic Spurring Preparations” that, “The threat of an avian flu pandemic from Asia could cause 12,000 deaths in the State of Maryland early on, with the possibility of many, many more later.”

Make no mistake. Such a loss of life would fundamentally undermine our economy and our society. With H5N1 considered likely to cause a global pandemic, the time is long overdue for our Nation to have a comprehensive plan to withstand the onslaught of a pandemic.

The White House recently released the Implementation Plan for the National Strategy for Pandemic Influenza in an effort to provide clarity to the public and to private entities about their respective roles and responsibilities. Unfortunately, this plan suffers from critical deficiencies that need to be immediately addressed.

To begin, I am concerned that the Department of Homeland Security is charged with coordinating all Federal operations and assets. In no uncertain terms, DHS failed to ably respond to Hurricane Katrina. Nearly a year later, calls for major structural reforms and a substantive change in leadership at DHS have fallen on deaf ears.

With a pandemic being described as “Hurricane Katrina hitting all of America at the same time,” how can we be confident in DHS’s ability to coordinate effectively, dispense resources rapidly, or provide the type of leadership needed to steer this Nation out of a flu pandemic?

Second, the plan fails to identify a specific individual at the White House who is charged with the Federal response coordination. As illustrated in Hurricane Katrina, the lack of an identified ultimate decisionmaker at the White House could result in, one, unnecessary delays in addressing the needs of State and locals and, two, an unnecessary delay in comprehending the scope of human suffering and a loss of life in devastated communities on the ground.

Furthermore, the plan disturbingly fails to specify how States ought to distribute limited supplies of vaccines and antivirals. Make no mistake, who and under what conditions citizens get vaccinated or medicated with antivirals in the midst of a flu pandemic will be one of the greatest challenges that confront all levels of government.
Indeed, those decisions will literally be a matter of life and death for many, and it is not enough to say the Federal Government is working with the State governments to establish distribution plans.

And finally, Mr. Chairman, I am also deeply concerned that this Congress could find $70 billion for tax cuts that will disproportionately benefit the wealthy, but could not find the resources or the will to fully fund $7.1 billion requested to expand our vaccine capacity, purchase antivirals, conduct research, and support State and local preparedness.

The American people are closely watching how its Government responds to this challenge. One that will no doubt test the wisdom of our priorities, our ability to effectively govern in a time of international crisis, and the firmness of our resolve to protect our citizens from threats both seen and unseen.

These threats demand that we improve our preparedness efforts on everything from ensuring our governmental entities are clear as to their roles and responsibilities, to strengthening our continuity of operation plans that are essential to keeping Government up and running in the wake of a disaster.

And with that, Mr. Chairman, I thank you, and I yield back.

[The prepared statement of Hon. Elijah E. Cummings follows:]
Opening Statement

Representative Elijah E. Cummings, D-Maryland


Committee on Government Reform
U.S. House of Representatives
109th Congress

May 11, 2006

Mr. Chairman,

Thank you for holding this critically important hearing to evaluate our nation’s pandemic flu preparedness.

Hurricane Katrina demonstrated with abundant clarity that government incompetence and poor preparation during a time of national peril are not victimless crimes. Those failures, coupled with the government’s inability to secure sufficient quantities of vaccine courses in a recent flu season, compel us to rigorously question our nation’s pandemic flu and continuity of operations plans.

It should give us all pause that a pandemic could result in the deaths of over 500,000 Americans and infect 25% of the world’s population. The Baltimore Sun on June 12, 2005 reported in an article entitled, Fears of Flu Pandemic Spurring Preparations, that
“the threat of an avian flu pandemic from Asia...[could cause] 12,000 deaths in the state [of Maryland] early on, with the possibility of many more later.”

Make no mistake, such a loss of life would fundamentally undermine our economy and society. With H5N1 considered likely to cause a global pandemic, the time is long overdue for our nation to have a comprehensive plan to withstand the onslaught of a pandemic.

The White House recently released the Implementation Plan for the National Strategy for Pandemic Influenza in an effort to provide clarity to public and private entities about their respective roles and responsibilities. Unfortunately, this plan suffers from critical deficiencies that need to be immediately addressed.

To begin, I am concerned that the Department of Homeland Security (DHS) is charged with coordinating all federal operations and assets. In no uncertain terms, DHS failed to ably respond to Hurricane Katrina. Nearly a year later, calls for major structural reforms and a substantive change in leadership at DHS have fallen on deaf ears. With a pandemic being described as “Hurricane Katrina hitting all of America at the same time,” how can we be
confident in DHS’ ability to coordinate effectively, dispense resources rapidly, or provide the type of leadership needed to steer this nation out of a flu pandemic?

Secondly, the plan fails to identify a specific individual at the White House who is charged with federal response coordination. As illustrated in Hurricane Katrina, the lack of an identified “ultimate decision maker” at the White House could result in: (1) unnecessary delays in addressing the needs of state and locals; and (2) an unnecessary delay in comprehending the scope of human suffering and a loss of life in devastated communities on the ground.

Furthermore, the plan disturbingly fails to specify how states ought to distribute limited supplies of vaccines and anti-virals. Make no mistake, who and under what conditions citizens get vaccinated or medicated with anti-virals in the midst of a flu pandemic will be one of the greatest challenges that confront all levels of government. Indeed, those decisions will literally be a matter of life and death for many, and it is not enough to say the federal government is working with state governments to establish distribution plans.
I am also deeply concerned that this Congress could find $70 billion for tax cuts that will disproportionately benefit the wealthy, but could not find the resources or the will to fully fund the $7.1 billion requested to expand our vaccine capacity, purchase anti-virals, conduct research, and support state and local preparedness.

In closing, the American people are closely watching how it’s government responds to this challenge, one that will no doubt test the wisdom of our priorities, our ability to effectively govern in a time of international crisis, and the firmness of our resolve to protect our citizens from threats both seen and unseen.

These threats demand that we improve our preparedness efforts on everything from ensuring our governmental entities are clear as to their roles and responsibilities, to strengthening our continuity of operation plans that are essential to keeping government up and running in the wake of a disaster.

I yield back the balance of my time and look forward to the testimony of today’s witnesses.
Chairman TOM DAVIS. Thank you, gentlemen.

We now welcome our witnesses. We have before us the Honorable David M. Walker, who is the Comptroller General of the GAO. We have the Honorable John O. Agwunobi, Assistant Secretary for Health, Department of Health and Human Services. The Honorable Jeffrey W. Runge, Acting Under Secretary for Science and Technology, Chief Medical Officer, Department of Homeland Security. The Honorable Linda Springer, Director, Office of Personnel Management.

Thank you all for being here. As you know, we swear you all in. So if you would rise?

Chairman TOM DAVIS. I would note for the record that our witnesses have responded in the affirmative.

Comptroller Walker, you have the floor. Thank you for being here.

And it is my understanding that you have convened a GAO-sponsored conference on Inspector General Act, and that Linda Koontz, Director for Information Management Issues for GAO, will remain and answer our questions. Did she stand to be sworn in?

Mr. WALKER. She did, Mr. Chairman.

Chairman TOM DAVIS. OK. Well, that is great. Thank you for doing that.

So you have a statement and then will be replaced by someone who will ably be able to answer the questions as well.

Mr. WALKER. Thank you, Mr. Chairman.

Chairman TOM DAVIS. Thank you, Mr. Walker.

Mr. WALKER. I want to thank you, and I want to thank the staff for your understanding.

The Congress had asked me to convene a panel on the IG Act. I am chairing it. It is going on right now, and so I appreciate your indulgence.

Chairman TOM DAVIS. It is easy to understand, and we appreciate and the staff appreciates you even being here.

STATEMENTS OF DAVID M. WALKER, COMPTROLLER GENERAL, GOVERNMENT ACCOUNTABILITY OFFICE, ACCOMPANIED BY LINDA D. KOONTZ, DIRECTOR FOR INFORMATION MANAGEMENT ISSUES; LINDA SPRINGER, DIRECTOR, OFFICE OF PERSONNEL MANAGEMENT; JOHN O. AGWUNOBI, M.D., ASSISTANT SECRETARY FOR HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES; AND JEFFREY W. RUNGE, M.D., ACTING UNDER SECRETARY FOR SCIENCE AND TECHNOLOGY, CHIEF MEDICAL OFFICER, DEPARTMENT OF HOMELAND SECURITY

STATEMENT OF DAVID M. WALKER

Mr. Walker. Thank you very much.

I appreciate the opportunity to participate in the committee's hearing on pandemic influenza and continuity planning. As each of you are well aware, the Government plays many important roles in responding to emergency situations, such as natural disasters, terrorist events, and pandemic flu outbreaks should they occur.