

International Symposium on the U.S. Financial Services Sector Pandemic Flu Exercise

Amb. John E. Lange, Special Representative on Avian and Pandemic Influenza

Keynote Speech

Washington, DC

January 29, 2008

As prepared for delivery

I would like to thank the U.S. Department of the Treasury for inviting me here today to discuss international efforts to prepare for, and mitigate, the impacts of a worldwide influenza pandemic.

This is the first opportunity I have had to address an audience made up primarily of financial-sector officials and representatives of international financial organizations. As you know, while a pandemic will not physically damage banks or computer networks, it will threaten the financial system by removing essential personnel from the workplace for weeks, or even months. Even a back-up telecommuting strategy that relies on residential Internet access could be significantly affected in the face of school closures and high absenteeism scenarios and may be unusable for large numbers of telecommuters during the peak of the pandemic.

Any strategy to allay the pandemic threat must extend well beyond health and medical boundaries, to include sustaining critical infrastructure, private-sector activities, and the movement of goods and services across the country and the globe, as well as taking into account other economic and related security considerations. And it is, of course, the financial system that makes trade and investment possible by facilitating payments and keeping the markets open for stocks, bonds, and other investment instruments. And to complete a vicious circle, our ability to mitigate the impact of a pandemic and relieve the suffering that results from it will depend to a very large degree on the relative health of the global economy and the financial system that sustains it.

The Nature of the Threat

The pandemic threat is real and it persists. At the risk of repeating some ideas that you may have heard earlier from the Centers for Disease Control and Prevention -- though this message certainly bears repeating -- the threat of a global influenza pandemic stemming from a mutation in the highly pathogenic H5N1 virus is not yesterday's headline. The "staying power" of the virus over the past three years has been remarkable.

H5N1 first appeared in poultry in China's Guangdong Province in 1996, and the first human cases appeared in Hong Kong in 1997. Avian influenza was present in 16 countries as of January 2006 and is now present in over 60 countries. Over 350 humans have become infected and over 60% of those infected have died. Hundreds of millions of poultry have died or been culled. The disease has now become endemic in poultry in countries such as Indonesia, Egypt, Bangladesh, and Nigeria. In the past two months alone, we have witnessed a seasonal resurgence of incidents of avian influenza during the Northern Hemisphere winter, from Germany to Benin to Saudi Arabia to Israel to Pakistan to China.

World Health Organization (WHO) Director General Margaret Chan said in September 2007:

"When resources are scarce and priorities are numerous, it is difficult to balance concern about an unpredictable yet potentially catastrophic event against the need to address so many real and pressing problems. I am often asked if the effort invested in pandemic preparedness is a waste of resources. Has public health cried "wolf" too often and too loudly? Not at all. Pandemics are recurring events. We do not know whether the H5N1 virus will cause the next pandemic. But we do know this: the world will experience another influenza pandemic, sooner or later."

She repeated her concern in a statement on January 21 of this year: "This season has again given us some stark reminders that the threat of an influenza pandemic has by no means diminished."

U.S. National Strategy and Plans

The United States has had a National Strategy for Pandemic Influenza in place since November 2005. The National Strategy outlines how we intend to prepare, detect, and respond to a pandemic. It also outlines the important roles for not only the Federal government, but also for State and local governments, private industry, our international partners, and

individual citizens. The National Strategy is based on three pillars: preparedness and communication; surveillance and detection; and response and containment. A plan for implementing our National Strategy was put in place in May of 2006.

There is one aspect of U.S. preparation for a pandemic that should be of particular interest to this audience and that deserves more attention. I am sure that you are all familiar with the various studies on the economic impact of a pandemic on the global economy. I will cite just two. The World Bank, extrapolating from the SARS experience, estimated a global pandemic would mean a drop of 3.1 percent of global GDP, or around \$1.25 - 2 trillion. McKibben and Sidorenko developed four scenarios, of which the most severe (approximating the 1918 Spanish flu mortality) estimated global losses at \$4.4 trillion.

But how do we maintain our highly interdependent global economy, of which the United States plays such a critical role? What do we do about our borders? The U.S. Government took a long, hard look at various options for managing our borders in the event of a pandemic. We carefully weighed the costs and benefits, from both health and economic perspectives. In the end, we concluded that closing our borders would delay for just a short time, but not prevent, the arrival of a pandemic virus. Meanwhile, closing our borders would seriously harm our domestic economy, adversely affect world trade in general and certain other countries in particular, and undermine the international community's ability to cope with and recover from a worldwide pandemic. The U.S. Government, therefore, plans to keep our borders open during a severe pandemic and maintain the flow of U.S. citizens, non-citizens, and cargo. To delay introduction of a pandemic virus into the United States while a vaccine is being developed, we plan to institute a series of scalable, flexible border measures that may be implemented incrementally during a severe pandemic. These measures may include screening for illness, quarantine, isolation, and restrictions on aircraft arriving from affected areas.

International Engagement

The National Implementation Plan, issued by the Homeland Security Council, calls on the Secretary of State to take the lead in coordinating the U.S. government's international engagement on avian and pandemic influenza issues. My office, which reports to the Under Secretary of State for Democracy and Global Affairs, coordinates our international engagement by working closely with the Departments of Agriculture, Health and Human Services, Homeland Security, Defense, Treasury, the U.S. Agency for International Development, and other agencies.

In September 2005, during the United Nations General Assembly, President George W. Bush announced establishment of the International Partnership on Avian and Pandemic Influenza to: combat the threat of avian influenza and improve global readiness for human pandemic influenza by elevating the issue on national agendas; coordinate efforts among donor and affected nations; mobilize and leverage resources; increase transparency and quality of surveillance; and build local capacity to identify, contain, and respond.

The International Partnership first met in Washington in October 2005, and since that time major international conferences have taken place in Beijing, China (January 2006), Vienna, Austria (June 2006), Bamako, Mali (December 2006), and New Delhi, India (December 2007). The next conference, in collaboration with the International Partnership, will take place in Cairo, Egypt, in autumn 2008.

In December, 111 governments and 29 international and regional organizations attended the New Delhi conference. The U.S. Government increased its pledge of international assistance by \$195 million, to a total of \$629 million. Global pledges of assistance now total \$2.7 billion.

On the technical level, U.S. Government agencies are working in more than 70 countries, in collaboration with WHO, the UN Food and Agriculture Organization (FAO), the World Organization for Animal Health (known as OIE), and other international and in-country partners. We have deployed scientists, veterinarians, public-health experts, physicians, and emergency-response teams to countries to assist in emergency preparedness plans. We have supported efforts aimed at long-term capacity building to improve animal and human disease surveillance systems, laboratory diagnosis and sample-collection capabilities, and early-warning networks in at least 40 countries. Foreign veterinarians and diagnosticians are being trained at the National Veterinary Services Laboratories in Ames, Iowa. U.S., Canadian, and Mexican specialists are coordinating surveillance for early detection of H5N1 in wild birds within, and entering, North America. Working with FAO, OIE and WHO, we are training first-responders to contain animal outbreaks and providing technical assistance for avian influenza containment.

We in the U.S. Government have provided expertise and funding for a new FAO-OIE Crisis Management Center to coordinate and mount multilateral responses to avian influenza outbreaks as well as other dangerous trans-boundary animal disease outbreaks.

We have also positioned a stockpile of antiviral medications in Asia for use in rapidly responding to an incipient human pandemic with the goal of containing or delaying its spread.

And in our immediate neighborhood, we have collaborated with the governments of Canada and Mexico to produce a comprehensive *North American Plan for Avian and Pandemic Influenza* under the trilateral Security and Prosperity Partnership.

Looking to the Future

In a sense, the global community is fortunate because we have had an unprecedented opportunity to prepare for the next pandemic, whether it comes from a mutation of the highly pathogenic H5N1 virus or another virus. We have made substantial progress during the years since the H5N1 virus first appeared. But we now need to shift some of our efforts from the "emergency" phase of identifying and dealing with avian outbreaks, to a greater emphasis on building long-term capacity so that we will all be better prepared to respond – nationally, regionally, and globally -- to any pandemic, as well as to a broader range of emerging infectious disease threats.

The U.S. Government will move ahead to implement our National Plan on schedule. We will continue to engage governments, international and regional organizations, the private sector, non-governmental organizations, and others to deal with avian influenza and prepare for a possible human pandemic. And we will continue to support access to vaccines and other benefits for all countries, while urging all countries to participate fully in, and share samples with, WHO's Global Influenza Surveillance Network.

In closing, I would like to commend the Treasury Department for organizing the financial services section panflu exercise, everyone who participated in it, and everyone who came here today to learn from it. Your participation clearly shows that you take the threat seriously and that you are doing your part to prepare for the day when the next pandemic comes. I am confident that you will take the lessons learned from the exercise to heart and apply them to strengthen your pandemic influenza plans.

Released on February 15, 2008