

Statement of Chairwoman Sue Kelly
Subcommittee on Oversight and Investigations
“Pandemic Influenza Preparedness in the Financial Services Sector”
June 29, 2006

This morning, we will discuss the state of preparedness in the financial services sector for an influenza pandemic.

We are all aware of the growing awareness and concern over “bird flu” and its potential development into a global pandemic.

The term “bird flu” is used for a type of influenza, common among wild birds and easily transmitted to domestic fowl and as such a major concern to the poultry industry. In its present genetic form, it can be transmitted from birds or other host animals to humans, and can cause very serious illness and death. Its most critical human health concern, however, is found with its potential to mutate into a form that could readily pass from human to human.

Should this mutation occur and should the disease then spread widely throughout the globe, we would face a true pandemic, something we have not dealt with since 1918.

Presently, the “H5N1” strain of avian flu has not become a pandemic. It has, however, cropped up in humans in various locations, primarily in Asia. Since the World Health Organization started tracking it closely nearly four years ago, 228 human cases have been identified, and 130 of those individuals have died.

Even though the H5N1 strain is not widespread, its very existence and potential puts the world on notice that the danger for a real pandemic exists here and now.

The attacks of 9/11 and Hurricane Katrina have shown the government and the private sector the need to plan for catastrophic events before they strike. I am very pleased to note that our domestic financial services sector took up the preparedness planning challenge early on. Working with the Federal Government, it has made major advances in preparation and planning.

I am also very pleased by the spirit of cooperation between the public and private sector as well as the leadership shown by the Department of the Treasury on this vital issue.

The past clearly is prologue, and our witnesses today represent financial services businesses – a sector of our economy which has had the vision to champion the need for preparedness. I applaud you and the sector for this leadership.

To start our discussion of preparedness and planning, we will begin with Scott Parsons, Treasury’s Deputy Assistant Secretary for Critical Infrastructure Protection and Compliance Policy.

Mr. Parsons will be followed by a four-person panel representing key components of the financial sector.

First, we will hear from Edward Yingling, head of the American Bankers Association. Then, we have Edwin Collins, President and CEO of the Lockheed Georgia Employees Federal Credit Union. Next, is Dr. Robert Gleeson, Medical Director of Northwestern Mutual Life Insurance Company. Finally, we have Gregory Ferris, Managing Director for Global Business Continuity Planning at Morgan Stanley.