Statement Before the Subcommittee on Health, House Committee on Energy and Commerce, United States Congress

A Hearing on "Preparing for and Responding to Future Public Health Security Threats"

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Statement by

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The Manhattan Institute for Policy Research does not take institutional positions on legislation, rules, or regulations. Although my comments draw upon my research and writing as an Institute scholar, my statement to the Subcommittee is solely my own, and not that of the Manhattan Institute.

Good afternoon. To Chair Guthrie and Ranking Member Eshoo, distinguished members of the subcommittee: I am honored and grateful to have the opportunity to testify about how best to prepare for and respond to future public health security threats.

My key points all relate to enhancing private sector biodefense and may be useful for PAHPA reauthorization.

First, there needs to be more actionable information and financial incentives for effective emergency preparedness and response by the private sector. Second, there should be more public involvement in the CDC's risk communications. Third, we need greater transparency in federally supported research about public health and communicable diseases.

Pre-COVID pandemic warnings lacked actionable information. Information on probability and severity was missing but necessary to calculate the merit of costly additional prevention and mitigation measures. Private executives could not have justified costly investments in, say, improved indoor ventilation without evaluating their cost-effectiveness in protecting building occupants. Such evaluations require information about the probability of a new infectious respiratory disease of given infectivity occurring by a specific date—information that was and still is lacking.

Three complementary approaches to actionable, quantitative estimates of pandemic risk are worth pursuing.

1. Bruin et al., in 2006 applied structured expert judgment to address pandemic influenza risks from the bird flu known as H5N1. They concluded that there was a 15% chance of efficient human-to-human transmission within three years. Such explicit and easy-to-interpret estimates are not found in federal reports on pandemic preparedness, but they could offer useful insights about pandemic risk, especially if issued periodically.
2. Nobel prize winning economists have argued for prediction markets to aggregate information from large numbers of people about the likelihood of uncertain events. A 2016 study of prediction markets in Taiwan considered five disease indicators, such as severe and complicated influenza, flu-like illnesses. (Eldon et al., 2016). For three out of five disease indicators, market predictions outperformed conventional surveillance though longer-lasting markets with more participants might perform even better.
3. Big data solutions would estimate the risk of a pandemic by collecting, organizing and synthesizing big data. This approach would require upgrading and updating the USAID's now-defunct PREDICT program, including surveillance and testing of livestock, poultry, and wildlife of special concern for viruses either novel or of special interest. It would be time-consuming, require more investment and international cooperation, and new data integration systems. And it would go beyond the 2022 National Biodefense Strategy by explicitly seeking a quantitative risk assessment for new pandemics.

Congress should support all three approaches to improve pandemic risk assessment—periodic structured expert judgment, prediction markets, and big data solutions.

Catastrophe bonds could allow firms to better manage pandemic risks. Such bonds could be modeled in part on the pandemic catastrophe bonds developed and marketed through the World

Bank and benefiting from Bank-related subsidies. Medder and Schwarcz (2022) suggested that unsubsidized pandemic catastrophe bonds for unintentional pandemics could be feasible.

Congress should ensure that no legislative or regulatory obstacles inappropriately hinder the development of prediction markets or pandemic catastrophe bonds.

Last year the CDC Director acknowledged substantial public dissatisfaction with COVID-19 risk communications in justifying her proposal for reform.

FDA's 2000 good guidance practice regulation is a good model for CDC. That reg establishes a standardized and regularized process for nearly all formal use of statements about what non-federal entities "should" or "ought to" do. FDA guidance documents explicitly state that entities need not follow FDA recommendations if they meet existing statutory and regulatory requirements.

Importantly, FDA's process requires it to open a public docket to get public comment on all guidance that it issues. FDA solicits public comment both on draft guidance and on final guidance that it determines it must issue without prior public comment.

Congress should direct the CDC to adopt good guidance practice rules like those of FDA.

The pandemic undermined confidence in public health policies and in the role of science in informing health policy. Scientific journals controlled by HHS are exceptions to the widespread practice of top scientific journals, including *Proceedings of the National Academy of Sciences (PNAS)* and *Science*, to make public access to computer code and data a condition of publication.

Emerging Infectious Diseases (EID), Environmental Health Perspectives,[3] *Morbidity and Mortality Weekly Report (MMWR)* have no comparable transparency policies.

Congress should require federally controlled and supported peer-reviewed health journals to adopt transparency measures comparable to the *PNAS*.

I am happy to take questions.

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