

Opening Statement
JEC Hearing on “Vaccinations and the Economic Recovery”
Wednesday, April 14th, 2021, 2:30 p.m. ET
Remote

Good afternoon, and thank you to Chairman Beyer for convening today’s hearing.

After a long COVID winter that included unprecedented strains on our economy and public health, the spring has brought welcome signs of life and hope. Businesses are beginning to reopen, schools are reconvening in person, and friends and family members are finally reuniting. Perhaps what is most encouraging – that has already helped us get on a path of “returning to normal” – has been the development and distribution of vaccines.

But there is still a long way to go. Many Americans have not returned to in-person experiences in the entertainment and travel industries, for instance; and our economy is still

suffering. In order for people to feel safe returning to in-person interactions that support economic activity, we must continue to improve vaccine distribution.

As we consider how to move forward, it's worth taking stock of our trajectory so far: what has helped to rapidly distribute vaccines, what has hindered it, and what the optimal approach might be going forward.

Though vaccine production has had some supply chain setbacks – such as difficulty finding vaccine components like reagents and other chemicals that have led to manufacturing bottlenecks – it has overall exceeded expectations.

Operation Warp Speed, an initiative begun by the Trump administration, sped the development and production of several vaccines – including Moderna, Pfizer, and Johnson & Johnson – by purchasing vaccines in

development and directing resources towards vaccine manufacturing capacity. In total, through advance purchase agreements and grants, the Trump administration purchased more than 800 million doses through the end of July 2022.

The Council of Economic Advisers previously estimated that accelerated vaccine development and distribution by OWS could result in as much as \$2.4 trillion in economic benefit if there was a viable vaccine by January 1, 2021. The effort actually outpaced that timeline, with first doses of the Pfizer vaccine available on December 14, 2020; and the CEA noted that their estimate might even underestimate the full economic benefit of accelerated vaccine development.

In terms of vaccine distribution, there are worthwhile policy proposals to increase the number of people with some protection while vaccines are scarce. We should be open to creative solutions that can get people protected more

quickly by stretching the limited supply as far as we can, and moving the doses we have as quickly as possible. Our main priority should be to extend at least some protection to as many people as possible.

States also have an important role to play in distribution. In some cases, we've seen that restrictive federal guidelines and rigid, complex eligibility requirements have impeded states' progress, leading to many vaccine doses being wasted or administered to unintended populations. Lack of health resources at the final stage of local distribution have also presented problems for many areas.

On the other hand, successful states have implemented simple eligibility criteria and used technology to accelerate distribution. Some have built systems where patients can register online; others have used online event hosting software to schedule appointments. They have also partnered with local businesses and pharmacies.

Despite our challenges, the U.S. has vaccinated more people per capita than most other countries in the world. Nearly 190 million doses have been administered as of April 13th; more American citizens have received a COVID-19 vaccine than tested positive for the virus since the beginning of the pandemic; and nearly a third of the adult U.S. population is fully vaccinated.

There is reason for hope in our economic outlook, as well. Expectations are set for a stronger economic response in the second half of the year – the CBO expects real GDP to return to its pre-pandemic level by 2021, and the labor force is expected to return to its pre-pandemic size by 2022.

But in order to accelerate our economic recovery, we should look for opportunities to improve vaccine distribution policy. The sooner the U.S. reaches herd

immunity through vaccination, the sooner businesses can reopen to full capacity, students can fully return to schools, industries can come back to life, and Americans can return to work and social life without fear.

I look forward to hearing our panelists' contributions today and their insights into how we can do just that.