

Biden Rolls Out Industrial Policy Plan To Overcome Government-Created COVID-19 Testing Shortages

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President Joe Biden announced his six-pronged [COVID-19 Action Plan](#) this evening. One prong of the plan aims to dramatically ramp up testing for the coronavirus throughout the country—something that should have been done a [long time ago](#).

In that prong, Biden will invoke the Defense Production Act to spend nearly \$2 billion on procuring 280 million rapid point-of-care and over-the-counter at-home COVID tests from multiple COVID-19 test manufacturers. That's just over \$7 per test.

As Cato Institute senior fellow Scott Lincicome [tweeted](#):



Scott Lincicome ✓
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At-home rapid tests are expensive & hard to find in the US. So instead of just approving/importing the *dozens* of cheap tests now sitting at the FDA (& already approved in EU), the WH is gonna fix the problem w...industrial policy & a discount coupon 🤔
whitehouse.gov/covidplan/#tes...

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As I pointed out earlier today, the reason that Americans don't have access to cheap, fast COVID-19 self-tests right now is because the hypercautious regulators at the Food and Drug Administration (FDA) [have been ridiculously slow](#) to approve such tests. In fact, many of the self-tests widely and cheaply available now in Europe were developed here in the U.S. As the pandemic has worn on, FDA incompetence stymied the competitive processes that in private markets would have provided cheap, fast COVID-19 self-tests.

The president also appears to have cut a deal with major retailers including Walmart, Kroger, and Amazon to sell at-home, rapid COVID-19 tests at cost for the next three months. "This means that Americans will be able to buy these tests at their local retailers or online for up to 35 percent less starting by the end of this week," asserts the administration. One other tine in Biden's COVID-19 testing prong is to expand the number of retail pharmacy sites around the

country where anyone can get tested for free through the Department of Health and Human Services' free testing program, in which 10,000 pharmacies currently participate.

One huge immediate problem: COVID-19 self-tests are already increasingly hard to find in stores at current prices. Lowering the prices of already scarce tests will not make more magically appear. The Biden administration's industrial policy response to government-created COVID-19 testing shortages is a prime example of how one government failure has cascaded into yet another.