



Biden Administration Plans to Boost US Biotechnology Manufacturing

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In an executive order signed Monday, President Joe Biden announced steps by his administration to bolster the “bioeconomy” in the United States, a classification that covers research and development across a broad swath of products, including medical supplies, sustainable new fuels and food, as well as technologies meant to help fight climate change.

The order comes barely a month after Biden signed a major piece of legislation, the CHIPS Act, meant to supercharge U.S. manufacturing of semiconductors, an area in which the U.S. has lost its once-dominant global position.

The effort to boost the U.S. biotech sector further underscores the administration’s apparent belief that deeper engagement by the federal government with domestic manufacturing operations is necessary to preserve U.S. competitiveness in the global economy.

In a briefing over the weekend, administration officials made it clear that the administration’s push to bring more U.S.-based biotechnology manufacturing online comes as a response to other countries — particularly China — investing heavily in the sector.

Administration officials stressed that biotechnology-based products and “biomanufacturing” present a promising alternative to many current products — fuel, plastics and other materials — that are currently made using the byproducts of carbon-laden petrochemicals.

Order text

The executive order reads, in part, “It is the policy of my Administration to coordinate a whole-of-government approach to advance biotechnology and biomanufacturing towards innovative solutions in health, climate change, energy, food security, agriculture, supply chain resilience, and national and economic security.”

It continues, “Central to this policy and its outcomes are principles of equity, ethics, safety, and security that enable access to technologies, processes, and products in a manner that benefits all Americans and the global community and that maintains United States technological leadership and economic competitiveness.”

Caution urged

Among the Biden administration's promises in the executive order is a vow to "substitute fragile supply chains from abroad with strong chains at home." But not everyone agrees that a government effort to manipulate the supply chain is the smartest strategy for the long run.

"Government can play a role in funding basic research, university labs and the rest, but when it starts micromanaging supply chains, you end up with more fragile supply chains than robust ones," Scott Lincicome, a director for general economics and trade at the Libertarian-leaning Cato Institute, told VOA.

Similarly, he said, government decisions to privilege "onshore" production over foreign producers can be dangerous.

"There's nothing wrong with domestic manufacturing, but as we've learned throughout the pandemic, there's a big problem with putting all of your eggs in one basket, either all foreign or all domestic," Lincicome said.

"While onshoring can insulate you from foreign shocks, it makes you far more vulnerable to domestic shocks," he added. "And in the process, it makes you poorer and weaker overall. The best approach is to have a very open, diverse global supply chain with domestic networks, foreign suppliers, and a very light government touch on trade, investment, talent and the rest."

Multiple aims

The executive order lays out a number of areas in which the Biden administration plans to flex the federal government's muscle, including the domestic manufacturing of biotechnology products. The aim is to encourage both the creation of domestic manufacturing facilities, as well as the supply chains of fuel and raw materials needed to operate them.

The administration also promises to help create markets for biotechnology products by increasing mandatory purchasing requirements for federal agencies.

In addition, the executive order proposes to push more funding into research and development and to provide innovators support in the form of federal data that helps identify unmet needs. Other efforts will include job training programs, streamlined regulatory approval of new products, and cooperative programs with international partners.

Mending fences

The administration's push to help U.S. biotechnology firms could go some way toward mending fences with the industry, which was angered by elements of the Inflation Reduction Act (IRA), which Biden recently signed into law.

The IRA, for the first time, allows Medicare, the government health insurance program for senior citizens, to bargain with pharmaceutical firms over the prices of some prescription drugs. Many in the industry strongly opposed the measure, claiming it would reduce incentives to innovate.

The executive order comes less than a week after the Biotechnology Innovation Organization sent a letter to the administration requesting it to "take additional steps to foster the development and deployment of pioneering technologies that will further reduce greenhouse gas emissions in

manufacturing, transportation, and agricultural supply chains to build a stronger, more resilient, and environmentally sustainable economy.”

Biden signed the order before traveling to Boston, where he was scheduled to tout the results of the infrastructure bill he signed last year, which pumped federal money into a wide array of construction projects.

Also on Monday, Biden named Renee Wegrzyn, a biotechnology executive, to head the new Advanced Research Projects Agency for Health. The announcement came as part of a discussion of Biden’s “moonshot” initiative to drive new research on treatments for cancer.