



Written by [James Murphy](#) on December 31, 2021

Biden Signs \$137 Million Deal With German Company to Produce COVID Test Material

On Wednesday, the Biden administration officially announced that it had signed a \$136.7 million deal with German company MilliporeSigma to produce a key component of rapid coronavirus tests in the United States. The new facility will not be completed until late 2024 at the earliest.

The new facility will be built in Sheboygan, Wisconsin, and will, eventually, produce nitrocellulose membranes (aka lateral flow membranes) — the paper that displays the test results. Construction on the new facility is scheduled to begin in the second half of 2022 with a MilliporeSigma spokesman telling the *Daily Mail*: ‘We estimate that the facility will be capable of providing lateral flow membranes in the latter part of 2024.’



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The lateral flow membranes are among the hardest to get portions of the rapid coronavirus tests and can create a bottleneck at times when demand for the tests are high.

“It’s probably the most constrained piece of technology in expanding capacity, in making more of these over-the-counter or point-of-care tests,” a senior administration official told Reuters. “This amount they’re going to produce is roughly equivalent to another billion over-the-counter tests being able to be made,”

MilliporeSigma is a subsidiary of the German conglomerate Merck — a global life science business. At capacity, the plant is expected to produce enough lateral flow membranes to support 83.3 million COVID-19 test kits per month.

“The DoD’s Defense Assisted Acquisition Cell (DA2) led this effort in coordination with the Department of the Air Force’s Acquisition COVID-19 Task Force (DAF ACT). This effort was funded through the American Rescue Plan Act (ARPA) to support domestic industrial base expansion for critical medical resources,” read a [statement](#) from the Defense Department.

Test kits are currently in short supply as the United States is facing a surge in COVID-19 cases largely due to the so-called omicron variant of the virus, with new cases now averaging 277,000 per day. An almost unbelievable 489,267 new COVID cases in the nation were reported on Wednesday.

The new omicron variant of the Chinese virus is reportedly highly infectious but also far milder than previous incarnations of the virus. The more serious Delta variant is also still contributing to the high number of cases.

The new plant will not assist President Biden in keeping his promise made earlier this month to distribute 500 million free at-home Covid-19 tests for Americans. The administration has not set an



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official time period for all 500 million tests to be available but has said that the first batch of them will be going out in January.

The Biden administration has invoked the [Defense Production Act \(DPA\)](#) to authorize the purchase. The DPA is a holdover from the Korean War and “is the primary source of presidential authorities to expedite and expand the supply of materials and services from the U.S. industrial base needed to promote the national defense,” based on the flawed assumption that a market unfettered by government regulations would not be able to fill those needs.

The new purchase is funded by money from the [American Rescue Plan Act](#) (aka the COVID-19 Stimulus Package), the first major legislation passed by the current congress and signed into law by President Biden on March 11.

The Defense Production Act is an emergency powers act intended to support the industrial base at a time of war. Over the years it has been expanded to include national emergencies, which could then be construed to be related to national defense in order to give the government overreach an appearance of constitutionality.

We can quibble over whether the need for more COVID-19 tests is an actual emergency — but how can the funding of a plant run by foreign interests that won’t be up and running for nearly three years be construed as an American emergency?

Apparently, the Biden administration is planning on high rates of COVID-19 infection to be with us for the foreseeable future. It seems to be in their best interest to be able to use those “emergency” powers whenever they want.



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