

**JEC Hearing Opening Statement:
“The Economic Effects of America’s Failure to Contain the Coronavirus”**

Sen. Mike Lee
September 22, 2020

Thank you, Vice Chair Beyer, for chairing today’s hearing on this important topic.

The novel coronavirus, as it has swept across the nation and the world this year, has left a trail of devastation in its wake. It has imposed not only serious physical disease, but severe economic ills, as well. Jobs have been lost, businesses have been shuttered, and whole sectors of industry have been disrupted.

In response to such an unprecedented crisis, we have taken unprecedented government action. But, as in the successful treatment of any illness, we must first make sure that we are using the proper remedies.

So as we take stock of our response to the current pandemic, we should consider how policy has both hurt and helped so far, and what we can improve to have the right solutions going forward – for this public health crisis and the next.

While some have called for a still more aggressive federal response through more stimulus, a nationally coordinated response led by the administration, and more widespread lockdowns, the benefits of such policies must be weighed against both their economic costs and their unintended consequences.

For instance, we know that large scale stimulus exacerbates our already whopping national debt and can crowd out private investment. Additionally, the enhanced unemployment benefits included in the CARES Act provided a disincentive for those who are unemployed to return to work, thus inhibiting economic recovery.

In addition to economic devastation, lockdowns have had other negative effects. Mandated isolation has spurred or worsened mental health issues for many people; and stopped others from getting routine health screenings and vaccinations, causing death or illness that otherwise might have been prevented.

In fact, as the second wave of the coronavirus has been rebounding across Europe, the continent’s governments are now intent on avoiding large-scale lockdowns and instead focusing on tailored, localized measures to combat outbreaks, based on the knowledge we have today on how to best manage infections.

Finally, we ought to make sure that the federal policy is not *inhibiting* sound and effective solutions. Unfortunately, evidence shows that it already has – especially in the early days of the crisis. For instance, outdated “Certificate of Need” rules prevented hospitals from acquiring

new beds and equipment; and the FDA and CDC laws against at-home testing posed an early barrier to disease control. But perhaps the worst failure of all was that the sheer bureaucratic chaos that fatefully delayed effective testing for an entire month.

Thankfully, we have already removed some regulations that were impeding a more effective pandemic response. Two important changes have been allowing doctors to practice medicine across state lines, as well as allowing doctors to provide telemedicine. This is exactly the kind of regulatory flexibility we should consider going forward so that we can quickly, creatively, and freely administer care to those who need it.

As we continue to respond to the coronavirus, we must acknowledge the ways that sweeping, centralized, “one-size-fits all” government policies can ultimately worsen our attempts at recovery.

If we are to have flexibility and resiliency – in the face of this crisis and the next – we ought to instead empower our states and localities, who best understand their own resources, needs, and communities.

The American people have always played a critical role in governing locally, volunteering, and innovating to respond in times of crisis. I look forward to hearing our panelist’s contributions today as to how we can continue doing just that.