



Chairman's Opening Remarks July 15th Hearing

"Here's a question most people have never thought to ask: do you know who actually makes your medicine?"

Not what's on the bottle, but who owns the facility.

Who controls the ingredients? Does a foreign government have any influence over the decision of what goes into them?

Most Americans don't know, and in many cases, neither does the federal government.

Seniors rely on prescription drugs more than any other age group.

More than 88% of older Americans report being prescribed at least one medication in the past year. Nearly all of those prescriptions are filled with generic drugs. And a huge share of those generic drugs are manufactured in facilities overseas, by companies with complex ownership structures that FDA, CFIUS, and other agencies often can't fully trace.

For most products, that's a trade question. For medicine, it's a matter of life and death. We've seen what happens when something goes wrong with a faulty supply chain – people die.

We've seen what happens when our supply chain gets constrained – people die. I've said it before but there is no reason why we should be letting our adversary, Communist China, control our medicine supply chain.

If they wanted to, they could restrict exports tomorrow of the critical ingredients needed for live-saving medicines.

The difference between a trade disruption and a public health emergency is how dependent we are on the country doing the restriction. Right now, we are very dependent.

Today we're going to examine a different but related problem: not just where drugs are made, but who owns the companies making them. Foreign ownership and control can create leverage over our drug supply that is largely invisible to the federal government today.

There hasn't been a federal agency that's been designed to understand this. FDA doesn't have full visibility into it. And current disclosure rules don't require the transparency needed to even know where the risks are.

And it goes even further than that. Most people think about foreign threats to our drug supply in terms of what's on the shelf. But there's another problem that almost nobody is talking about.

When American patients participate in a clinical trial, American regulators authorize that trial. American patients take on the risk.

But the data those trials produce, what works, what doesn't, what the next generation of treatments should look like, can end up flowing directly to a foreign government. Legally. With no federal agency able to stop it.

That means Communist China doesn't have to steal our medical breakthroughs. We hand them over.

We have witnesses today who have worked on these problems from inside the government, including at CFIUS and the FBI. They're going to help us put this on the record.

Today I'm announcing the Pharmaceutical Investment Oversight and Accountability Act with Senator Warren and Ranking Member Gillibrand, legislation to require the FTC and CFIUS to report to Congress annually on foreign investment in pharmaceutical manufacturing and related technologies.

Transparency is the first step. But it is just the first step. This hearing is going to help us identify what has to come after it.

The American people, and especially seniors, deserve to know who actually controls the medicines keeping them alive."

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