

Testimony of Rosemary Gibson
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on China for Medicine
Before the United States Senate Special Committee on Aging
Hearing on Foreign Dependence: How China Captured America's Drug Supply
March 11, 2026

Introduction

Chairman Scott, Ranking Member Gillibrand, and distinguished members of the Committee, thank you for the opportunity to testify on a matter that affects health of all Americans and our national security.

My name is Rosemary Gibson, author of China Rx, the first publication to expose U.S. dependence on China for medicines and the critical inputs to make them. As in China Rx, my remarks today focus on generic medicines which are 90 percent of drugs dispensed and the workhorse in the U.S. health care system.

U.S. Dependence on China for Medicines Has Increased

China controls approximately 90 percent of the *global* supply of key starting materials (KSMs) to make active pharmaceutical ingredients (API) in generic drugs. This highly centralized system is perfectly designed for catastrophic failure.

If China banned exports, within months the U.S. health care system would cease to function.

China's aim is to disrupt, dominate and displace U.S. advanced industries including pharmaceuticals to maximize U.S. dependence and achieve maximum economic and political leverage to dictate U.S. policy.

A June 2025 statement from within China noted, "If China really decides to take restrictive measures in the field of pharmaceutical raw material, the impact on the U.S. will be much more serious than rare earth controls."

Even as China's intention is crystal clear, U.S. dependence on China continues to rise. Here are two examples. In 2018, China Rx exposed that the U.S. has virtually no domestic production to make antibiotics end-to-end from raw material to pills. Eight year later, China's share of key starting materials to make amoxicillin and ampicillin jumped from 60% to 80% from 2018 to 2024. More recently, China reduced its price of the key starting material by nearly 40% in early 2025 with the likely aim of undercutting other global producers.

The Veterans Administration (VA) has become more dependent on China. It had been procuring medicines according to the Trade Agreements Act (TAA) which requires the VA to source drugs from TAA-compliant countries. China and India are non-compliant countries. In a sudden shift in April 2016, the VA announced that drugs made in China and India would be procured. There appeared to be no mention of Congress amending the law. An internet search uncovered a 2013 strategy paper that was prepared by a Washington, D.C. law firm apparently with offices in

China as part of a coalition of companies including brand-name and generic pharmaceutical firms that sell products to the federal government. The strategy identified tactics that appeared to be aimed at undermining the intent of Congress and to make the case for the VA to buy generics from China and India. The strategy worked and America's veterans were thrown under the bus.

How China Captured the U.S. Drug Supply -- and How the U.S. Gave It Away

While the subject of today's hearing is how China captured the U.S. drug supply, it is useful to consider how the U.S. government and industry allowed China to take it. The answer is this: they gave it away. We gave away production capacity built by the ingenuity of brilliant American pharmaceutical chemists and engineers so, as a country, we could take care of each other when we got sick. It is the duty of government to ensure this.

Having worked in the health care sector for several decades, and while writing *China Rx*, it made no sense that we were dismantling the U.S. industrial base to make life-saving antibiotics and other basic medicines.

In the interest of rebuilding this capacity, as a private citizen in 2019, without any affiliations with special interests, I drafted an idea for an executive order. It would require the federal government to give priority in procurement to domestic manufacturers. This is what China does. It buys from its own companies. I had no political connections but the idea gained attention in the middle of a pandemic and became a core of an Executive Order signed on August 6, 2020.

That same day, the pharma lobby group came out against the Executive Order saying it would "create chaos" and put the "stability of the pharmaceutical supply chain at risk." Common sense would suggest that *more* domestic production capacity would bring greater stability in the middle of a pandemic when medicines were being rationed.

Similarly that year, the U.S. generic drug lobby circulated a draft letter for the White House saying U.S. production of generics would "destabilize the medicines supply chain." Coincidentally, shortly after that during a virtual G20 meeting, the president of China reportedly used a similar talking point, saying global supply chains need to "remain stable."

The truth is that the only stability that might be mildly impacted, if at all, is China's grip on the U.S. medicine supply. After all, it is clear that China's aim is to make the U.S. dependent and keep it that way.

On July 17, 2020, then-U.S. Attorney General Bill Barr gave a speech in Grand Rapids, Michigan that may explain why so little progress has been made to return antibiotic and other essential drug manufacturing to the U.S.

"The Justice Department has seen more and more PRC officials and their proxies reaching out to corporate leaders and ...their pitch is generally the same: the businessperson has economic interests in China, and there is a suggestion that things will go better (or worse) for them depending on their response to the PRC's request. Privately pressuring or courting American corporate leaders to promote policies (favorable to China) presents a significant threat because hiding behind American voices allows the

Chinese government to elevate its influence campaigns and put a “friendly face” on pro-regime policies.”

In sum, special interests in Washington lobby for China’s interests rather than the interests of Americans so they can have a smoother ride for their businesses in China.

The consequences extend way beyond supply chains and adversely affect the quality of generic medicines and the health and well-being of Americans.

Generic Drug Quality Test Results

China Rx predicted that the FDA’s ability to perform its regulatory functions in China would diminish. This prediction has come true.

Because of growing concerns about the FDA’s ability to assure the quality of generic drugs, the Department of War launched a generic drug testing program to test 42 drugs. The aim is to use the data to make procurement decisions. To date, 13 medicines have been tested, and secondary testing has been conducted by multiple labs to validate findings. For each medicine, products from all manufacturers and repackagers are tested.

Fifteen percent of the generics tested have serious manufacturing defects. Table 1 shows results for a subset of the generics tested to date (Source: Valisure).

Table 1: Department of War Generic Drug Testing Program: Sample Results

Drug	Disease Treated	Green	Yellow	Red	Primary Reason for “Reds”
Vancomycin	Infection (antibiotic)	20	0	1	Toxin: Arsenic
Tacrolimus	Organ transplant	4	4	4	Fast Dissolution
Potassium chloride	Hypokalemia	15	3	4	Toxins: Lead, Thallium
Metformin	Type II diabetes	20	7	3	Carcinogen: DMF
Metoprolol	High blood pressure, heart failure	11	5	2	Slow Dissolution

Key findings include:

- thallium, known as the poisoner’s poison, was found in potassium chloride
- tacrolimus, a drug to prevent organ rejection after heart, kidney and other transplants, failed dissolution testing and dissolved too quickly, leaving little therapeutic benefit in

the latter part of the dosage period. Respected cardiologists believe that patients have died because of poorly manufactured generics

- a drug for heart failure and chest pain, metoprolol, was found to dissolve too slowly which can trigger repeated hospital admissions
- high levels of arsenic were found in a common blood pressure medicine
- high levels of carcinogens were found in a diabetes drug, metformin

FDA faces resistance from countries and manufacturers that choose to not comply with U.S. law designed to ensure the quality of the nation's medicine supply.

In testimony before the House Appropriations Committee on the FDA budget in March 2023, then-FDA Commissioner, Dr. Robert Califf, said the following when asked about "red flags" regarding China:

"Relying on China is a problem because it's opaque. Even if we do periodic inspections it is not enough because China is not transparent, it's not the same. I am very concerned about it. We have a lack of access to information from China. We have to be independent. We cannot allow ourselves to be dependent on China -- for all commodities including food."

Further hindering FDA's ability to protect the public is China's anti-espionage law which became effective in 2023. Foreigners can be detained for unspecified national security reasons. Pharmaceutical company executives have been detained. In Germany, where the trade press is more transparent than in the U.S., drug regulators admitted they are very concerned about sending inspectors to China due to the law. This prevents German regulators from performing their functions to assure the quality of the medicine supply.

The message is clear. Now that China's grip on the U.S. medicine supply is so substantial, it has the leverage to tell the U.S. that it doesn't need to follow its law. This portends an increase in the number of substandard generics flooding into the U.S. and increased harm to Americans.

Country-of-Origin Labeling

For decades, the pharmaceutical industry has tried to hide where generics are made because Americans tend to trust drugs made in the U.S. and are wary of medicines made in China and some other countries.

In 2008, a country-of-origin labeling bill was introduced in Congress to provide the public with information on where each active and inactive ingredient was made. The bill disappeared quickly. An industry insider quoted in China Rx said, "They (industry) realized what a firestorm it would create. If I'm a pharma company, I'm thinking it isn't good for my business for people to know."

The federal appeals court decision in 2020, Acetris Health vs. United States, cemented the industry's attempt to blackout the truth. The court ruled that drugs previously labeled "made in China" with 100% foreign content can now be labeled "made in the U.S." if the final tablet making occurs here.

Notably, the law firm representing the generic drug company in the Acetris case has the same name as the firm that prepared the 2013 strategy paper that led to the VA suddenly announcing it would buy generics from previously TAA non-compliant countries, China and India. The

strategy paper further noted that “the ideal solution is for Customs to reconsider its view regarding the transformation of bulk pharmaceutical chemicals into FDA approved products.” Seven years later, in the middle of a pandemic and lockdowns, Customs law was discarded by a federal court.

Recommendations

In 1962, President John F. Kennedy signed into law provisions that gave the FDA more authority to ensure the quality of drug manufacturing. At that time, most drugs were manufactured in the U.S. and other western countries. Now, with global supply chains, it is necessary to strengthen protections to ensure domestic production of the most essential drugs and that all drugs are manufactured according to U.S. standards.

Federal government departments including the Department of Health and Human Services, the VA, and Department of War should be directed to give priority to procuring the most essential generic medicines from domestic producers of finished drugs and their critical inputs using quality and national security criteria as well as cost.

Federal government procurement of generic drugs is typically a race-to-the-bottom on price irrespective of quality. Ethical manufacturers with a track record of uncompromising quality are too often bypassed in favor of companies with a history of recalls, warning letters, and manufacturing defects because price is the sole metric. The marginal difference in cost can be as little as 25 cents more for a 30-day dose. Marginal cost increases would be offset in part by additional federal tax revenues from more working Americans in U.S. manufacturing plants who would pay federal income tax (the multiplier effect).

Invest in antibiotic infrastructure to reshore end-to-end antibiotic manufacturing.

Targeted investments, awards, and partnerships similar to those used to reshore critical minerals are essential to fix a vulnerability of epic proportion: the absence of domestic end-to-end antibiotic production to enable self-sufficiency to treat infectious disease and be prepared for a widespread infectious disease outbreak caused by nature or an adversary.

Expand generic drug quality testing to inform federal government procurement decisions and strengthen health security and national security.

Generic drug test results can guide procurement decisions and will, for the first time, send a signal to the marketplace that taxpayer dollars will not be used to buy medicines that don't work and contain toxins. With regard to national security, medicines produced by an adversary can be weaponized. They can be made with lethal contaminants or sold without any real medicine in them, rendering them ineffective.

Hold U.S. companies that source generics accountable for quality.

A handful of U.S. companies source generics by scouring the world to find the cheapest products irrespective of quality. Generic drug quality testing can be used to inform decision making upstream in the procurement process and hold companies accountable for sourcing toxic and harmful drugs.

The country-of-origin of a drug and its API is essential information for consumers, HHS, VA, and the military to make informed purchasing decisions.

The Clear Labels Act brings welcome transparency on where a drug and its API are manufactured. If API transparency is dropped from the bill due to industry opposition, labeling only the finished drug would codify the Acetris decision into law. As a result, a drug with 100% foreign content that was once labeled “Made in China” would be labeled “Made in the U.S.” This would be deceptive labeling.

Conclusion

Chairman Scott, Ranking Member Gillibrand, and members of the Committee, thank you for your leadership in addressing a threat to our health and way of life. The generic drug testing team would welcome the opportunity to brief Committee members on the results for all 13 generics, testing methods, and next steps.