

## **Moving American Pharmaceutical Production Out of China for the Health and Safety of Americans**

**Problem:** Today, most active pharmaceutical ingredients (APIs) used for drugs in the United States are made in China, including 95% of U.S. imports of ibuprofen, 70% of acetaminophen, and 40-45% of Penicillin. This vulnerable state of affairs is due to the Chinese Communist Party having spent a generation cornering this strategic market.

After China covered up the spread of the China virus which led to a global pandemic, a Chinese Communist Party organization asserted that Beijing could “announce strategic control over medical products and ban exports to the United States. Then, the United States will be caught in the ocean of viruses.” China’s duplicity and hostility to the United States has shown that it is past time to move pharmaceutical production out of China.

**Solution:** Tomorrow, Senator Tom Cotton and Congressman Mike Gallagher will introduce the *Protecting our Pharmaceutical Supply Chain from China Act*. It would:

1. **Track Active Pharmaceutical Ingredients:** Require the Food and Drug Administration to create a registry of all drugs and corresponding APIs that are produced outside the United States and are determined to be critical to the health and safety of Americans.
2. **Prohibit purchases from China:** Require that the Department of Health and Human Services, Veterans Affairs, the Department of Defense, and all other federally qualified health facilities purchase pharmaceutical products that have no APIs produced in China.

This requirement will be phased in over two years. The FDA may issue waivers if the APIs are only available in China, however, no waivers may be issued after 2024.

3. **Create transparency in the supply chain:** Require drug companies to list the APIs and their countries of origin on the labels of imported and domestically produced finished drug products.
4. **Provide incentives for manufacturing in the U.S:** The legislation will allow immediate expensing for firms that incur costs associated with expanded pharmaceutical or medical device manufacturing within the United States.

The bill’s text stipulates that none of its mandates can be construed to require the FDA to divert resources or otherwise slow its response to the China virus.