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INSIGHTS

Summary of Hearings on Pharmaceutical Supply Chain Security and Biomedical Innovation

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On July 15, 2026, the House Select Committee on China, the House Energy and Commerce Health Subcommittee, and the Senate Aging Committee held hearings on the Federal Research Security Enterprise, the role of the Food and Drug Administration (FDA) in biomedical innovation, and foreign control of America's drug supply. The hearings provided useful context on how members of these committees view the issues surrounding drug development and the threats posed by overreliance on foreign countries for the nation's pharmaceutical supply chain.

HOUSE SELECT COMMITTEE ON CHINA HEARING ON THE FEDERAL RESEARCH SECURITY ENTERPRISE

Opening Statements

- Chairman John Moolenar (R-MI-2)
- Ranking Member Ro Khanna (D-CA-17)

Witness Testimony

- Jeremy Ison, Chief of Staff to the Under Secretary for Science, U.S. Department of Energy (DOE)
- Dr. Patricia Valdez, Chief Extramural Research Integrity Officer, National Institutes of Health (NIH)
- Dr. Rebecca Keiser, Acting Chief of Staff and Chief of Research Security Policy and Strategy, National Science Foundation (NSF)

Member Discussion

Throughout the hearing, members from both parties expressed concerns that the Chinese Communist Party is exploiting American taxpayer-funded research by leveraging universities, labs, and researchers to accelerate their own developments. Questions centered around research security protocols and the impact of funding and workforce cuts.

Research Security Protocols

Republicans focused on how the Department of Energy (DOE), National Institutes of Health (NIH), and National Science Foundation (NSF) utilize the Restricted Entity List to protect American advancements from foreign entities. Chairman John Moolenar (R-MI-2) opened by asking the witnesses about the current policies at their respective agencies for ensuring federal funding does not fund research involving entities on the list. Dr. Keiser described NSF's Dear Colleague Letter from July 8 notifying the research community of a forthcoming policy to prohibit entities from using NSF funds to collaborate with entities on the restricted parties lists. However, Dr. Keiser said they are waiting on the comment period to finalize before moving forward. Dr. Valdez and Mr. Ison explained that NIH and DOE do not have their own policy, but they are actively reviewing NSF's and have a series of risk mitigations in place. Rep. Darin LaHood (R-IL-16) and Rep. Ashley Hinson (R-IA-2) asked Mr. Ison to go into more detail about the current DOE guidance in place. He explained that they use physical and cyber security, counterintelligence, and a layered approach to assess conflict of interest and prior commitments. Mr. Ison further stated that they have an escalation clause to bring any findings to the correct federal office should they find high-risk influence.

Funding and Workforce

Democrats largely used their time to highlight funding and workforce cuts at NSF, DOE, and NIH. Ranking Member Ro Khanna (D-CA-17) and Rep. Tom Suozzi (D-NY-3) asked whether the witnesses were concerned about workforce and funding cuts affecting their agencies. Dr. Keiser explained that NSF has had 5 employees choose to leave since 2024, and they are currently working on rebuilding and ensuring all the research community takes responsibility for safe research practices. Dr. Valdez stated that NIH security team has not experienced any cuts, but she understands there have been cuts elsewhere. Mr. Ison explained DOE is executing the President's budget and is adequately addressing security concerns.

HOUSE ENERGY AND COMMERCE HEALTH SUBCOMMITTEE HEARING ON FDA'S ROLE IN BIOMEDICAL INNOVATION

Opening Statements

- Health Subcommittee Chairman Morgan Griffith (R-VA-9)
- Health Subcommittee Ranking Member Diana DeGette (D-CO-1)
- Full Committee Chairman Brett Guthrie (R-KY-2)
- Full Committee Ranking Member Frank Pallone (D-NJ-6)

Witness Testimony

- Cynthia Verst, PharmD, MS, President, Design and Delivery Innovation, R&D Solutions, IQVIA
- Susan C. Winckler, RPh, Esq., CEO, Reagan-Udall Foundation for the FDA
- Aaron J. Kowalski, Ph.D., CEO, Breakthrough T1D
- Thomas Hwang, MD, Assistant Professor of Medicine, Brigham and Women's Hospital and Harvard Medical School
- Thomas K. Bollyky, JD, Bloomberg Chair in Global Health, Senior Fellow for International Economics, Law, and Development; and Director of the Global Health Program, Council on Foreign Relations

Member Discussion

There was bipartisan support for increasing patient access to clinical trials as well as concerns about the impacts of drug research and development overseas. There was also bipartisan concern raised about uncertainty at the FDA and how it may be hurting pharmaceutical innovation.

Risks of Reduced US Innovation

There were bipartisan concerns raised about the impacts of drug research and development moving overseas, specifically to China. Full Committee Chairman Brett Guthrie (R-KY-2) asked what was risky about the US failing to remain competitive in clinical trials. Dr. Verst highlighted that while clinical trials are needed, the US also needs to encourage translational science and collaboration with biotech companies to ensure research and development remains domestic. Full Committee Ranking Member Frank Pallone (D-NJ-6) asked how important it was for the US to support biomedical innovation. Dr. Hwang highlighted that almost every new drug application includes research supported by the NIH and that increased Chinese investment will shift clinical trials overseas. Rep. Buddy Carter (R-GA-1) wanted to know which policies can ensure the US holds on to its competitive edge. Dr. Verst highlighted Operation TrialBlazer, a plan from the Department of Health and Human Services (HHS) to maintain U.S. leadership in early clinical research and development, and the importance of ensuring cooperative work across federal agencies.

Health Subcommittee Vice Chair Diana Harshbarger (R-TN-1) and Rep. Kim Schrier (D-WA-8) were especially worried about the effects of foreign-generated clinical data on drug safety and development. Dr. Hwang noted that foreign governments often have different data standards and that the FDA should be empowered to inspect foreign clinical sites to ensure US data standards are upheld. Ms. Winckler highlighted that when data is collected domestically, local researchers have a much better understanding of the product and better control of data procedures. Mr. Bollyky shared that foreign data needs to be scrutinized and held to high standards.

Clinical Trials

There was bipartisan support for increasing patient access to clinical trials, especially for those from rural areas and underrepresented populations. Subcommittee Chairman Morgan Griffith (R-VA-9) asked how to get more rural care sites involved in clinical trials. Ms. Winckler emphasized the positive impacts of hub-and-spoke models in allowing rural providers to engage their patients in clinical trials without many of the administrative burdens that follow trial design, as well as the potential positive impacts of remote patient monitoring technologies.

Reps. Raul Ruiz (D-CA-25) and Robin Kelly (D-IL-2) wanted to highlight the importance of diverse patient populations in clinical trials and how to best ensure minority communities are represented. Ms. Winckler shared that often the challenge is that community providers are not aware of what clinical trials their patients are eligible to participate in. Dr. Verst emphasized that diversity in clinical trials is critical for good science and results in increased success for drugs and that community physicians need increased support for improving the process of referring their patients to potential clinical trial investigators. Dr. Kowalski highlighted that Breakthrough T1D mandates representative trials with clear methods to ensure representation as part of its grant-agreement process. Rep. Kat Cammack (R-Fl-3) questioned how to improve the underrepresentation of women in clinical trials. Ms. Winckler suggested that clinical trial designs should be clear about how sponsors plan to address potential sex-based differences in their participant mix. Rep. Troy Balderson (D-LA-2) asked the panel what actions they would like to see Congress take to improve enrolling patients in clinical trials. Dr. Verst emphasized that guidance on patients' access and standard of care for clinical trials, as well as the need for simple trial designs, are the most critical steps that Congress could take.

Federal Rulemaking

Multiple Democratic members took the opportunity to express concerns about the potential impacts of a rule proposed by the Office of Management and Budget (OMB) that expands agencies' authority to suspend or terminate discretionary grant awards if it is determined that the grant no longer aligns with agency priorities or national interest. Subcommittee Ranking Member Diana DeGette (D-CO-1), as well as Reps. Lori Trahan (D-MA-3) and Troy Carter (D-LA-2) all asked witnesses to explain how this proposed rule could affect the grantmaking and peer review process. Dr. Kowalski highlighted that merit-based peer review is imperative for science and drives clinical benefits. Dr. Hwang shared that the proposed rule could potentially disrupt current clinical trials and could make it much harder for international collaboration and argued the proposed rule should be withdrawn.

FDA Uncertainty and the Impact on Drug Development

Members highlighted the ongoing uncertainty at the FDA. Rep. Debbie Dingell (D-MI-6) asked Dr. Kowalski if companies shared concerns about getting new therapies approved by the FDA. Dr. Kowalski shared

that he is aware of multiple companies making contingency plans to get therapies approved in other countries if they cannot reach agreements with FDA regulators.

Reps. Tom Kean (R-NJ-7), Jake Auchincloss (D-MA-4), and Kevin Mullin (D-CA-15) asked for witness input on how to improve the FDA and modernize FDA processes. Ms. Winckler said we should encourage use of and conversations with patients about clinical trial endpoints as well as clarifications from the FDA on how to operationalize hub and spoke models. Ms. Winckler also emphasized the need for consistent messaging across the FDA, Congress, and stakeholders about what is expected during the drug development process. Dr. Verst shared that biotech companies are looking for greater certainty, clarity, and guidance on FDA processes.

Other Topics

- Rep. John Joyce (R-PA-13) discussed H.R. 9000, the SCREEN for Type 1 Diabetes Act, which would help ensure patients are properly screened for Type 1 diabetes. Dr. Kowalski voiced his support for the bill.
- Rep. Nick Langworthy (R-NY-23) asked about opportunities to reduce the use of animal models and encourage the adoption of new approach methodologies (NAMs). Dr. Verst shared that NAMs can speed drug development and that the FDA should provide guidance on their use.

SENATE AGING COMMITTEE HEARING ON FOREIGN CONTROL OF AMERICA'S DRUG SUPPLY CHAIN

Opening Statements

- Chairman Rick Scott (R-FL)

Witness Testimony

- Nazak Nikakhtar, Partner & Chair of the National Security Practice, Wiley Rein LLP
- Stephen Ezell, Vice President for Global Innovation Policy, Information Technology and Innovation Foundation (ITIF)
- Edward You, Founder & Principal Consultant, EHY Consulting LLC
- Rush Doshi, Ph.D., C.V. Starr Senior Fellow for Asia Studies and Director of the China Strategy Initiative, Council on Foreign Relations, Assistant Professor, Georgetown School of Foreign Service

Member Discussion

Throughout the hearing, members from both parties expressed alarm that foreign ownership and investment, particularly from China, have created hidden vulnerabilities across the pharmaceutical and biotechnology supply chain, extending beyond visible drug ingredients to clinical trial data, corporate ownership structures, and biomanufacturing capacity. Committee Chairman Rick Scott (R-FL) and Committee Ranking Member Kirsten Gillibrand (D-NY) both emphasized that current law is not sufficient to identify these risks, and members discussed the newly introduced Pharmaceutical Investment Oversight and Accountability Act as a first step toward addressing the gap.

Foreign Investment and CFIUS Oversight Gaps

Chairman Scott, Ranking Member Gillibrand, and Sen. Elizabeth Warren (D-MA) announced the Pharmaceutical Investment Oversight and Accountability Act, which would require the Federal Trade Commission (FTC) and the Committee on Foreign Investment in the United States (CFIUS) to report annually to Congress on foreign investment in pharmaceutical manufacturing and related technologies. Ms. Nikakhtar testified that CFIUS jurisdiction does not extend to most greenfield investments and joint ventures, board seats obtained without an equity stake, or licensing and data-access deals that involve no investment, and that many qualifying transactions are simply never filed for review. She recommended a presumption of denial for Chinese biotech transactions that do fall under CFIUS jurisdiction and urged Congress to pass legislation to close the greenfield and joint-venture gap. Senator Warren pressed Ms. Nikakhtar on why biotech acquisitions continue to escape review despite 2018 reforms expanding CFIUS's scope; Ms. Nikakhtar attributed the gap to voluntary filing, executive branch self-limiting of its own authority, and China's use of legal counsel to structure deals around CFIUS jurisdiction.

Supply Chain Dependency and Weaponization Risk

Chairman Scott and Mr. Ezell highlighted that China controls 94% of the key starting materials (KSMs) for amoxicillin, 74% of heparin, and effectively all of the KSMs for common blood pressure medications, and that nearly 700 medicines approved for use in the United States depend on at least one upstream input produced solely in China. Dr. Doshi warned that "Made in America" labeling can mask upstream dependency on Chinese-sourced KSMs and active pharmaceutical ingredients (APIs). Mr. Ezell, Ms. Nikakhtar, and Mr. You each warned that China is positioning these chokepoints as leverage over the United States, comparable to its dominance in rare earths and critical minerals, and could restrict supply at a time of its choosing.

Biotech Innovation and Clinical Trial Data

Mr. You testified that clinical trial data generated by American patients in FDA-authorized trials can legally flow to Chinese-linked companies with no federal agency able to stop it, citing FDA-cleared Chinese CAR-T cell therapy startups whose U.S. trial data feeds back into Chinese drug development while U.S.

companies license and Medicare reimburses the resulting products. Dr. Doshi added that China's looser regulatory requirements for first-in-human trials let American pharmaceutical companies obtain de-risked clinical data faster from Chinese assets than from domestic ones, a dynamic that has driven $53 billion in U.S. licensing deals with Chinese biotech over the past five years that now account for one-third of new drug pipelines. Mr. Ezell and Mr. You both flagged Chinese "brand obfuscation," citing BGI's Complete Genomics and WuXi AppTec as companies with undisclosed ties to the Chinese Communist Party (CCP) and the People's Liberation Army (PLA) that operate within the U.S. pharmaceutical supply chain.

Legislative and Policy Responses

Senator Warren discussed her broader Pharmaceutical Supply Chain Defense and Enhancement Act, which would pair the Pharmaceutical Investment Oversight and Accountability Act's investment transparency requirements with greater use of federal procurement power to build sustained domestic demand for allied-sourced medicines. Witnesses recommended complementary measures, including passage of the Biotech Investment National Security Act (BINSA), expanded export controls on biological materials and data, "clear labels" legislation to expose upstream KSM and API dependencies, tariff and reimbursement incentives favoring allied inputs, and a Manufacturing USA institute for critical minerals and APIs. Several witnesses urged deeper coordination with allies, including South Korea, Mexico, and India, to diversify away from Chinese-controlled inputs.

Other Topics

- Senator Warren asked how two recent Chinese decrees, 834 and 835, could affect U.S. regulators' ability to inspect Chinese API facilities. Mr. Ezell warned the decrees create legal risk for any U.S. company operating in China and urged Congress to insist on continued inspection access and to properly resource the FDA's foreign inspection program.
- Senator Warren also asked which federal agency should be accountable for mapping foreign ownership across the drug supply chain. Dr. Doshi called for a White House-level coordinating body to combine FDA, Commerce, and Customs data, while Ms. Nikakhtar argued that any new designation authority should be structured, like CFIUS determinations, to be non-litigable.
- Senator Jon Husted (R-OH) asked what the offshoring of pharmaceutical manufacturing has cost the United States in engineering and manufacturing talent, drawing a parallel to the semiconductor industry. Mr. Ezell and Ms. Nikakhtar agreed that the U.S. lost significant manufacturing talent and investor expertise in other sectors, but noted that biotech talent can still be rebuilt if reinvestment continues.

We trust you found this summary useful. Please reach out to us with any questions.