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March 29, 2024

The Honorable Lloyd Austin
Secretary
U.S. Department of Defense
The Pentagon
Washington, D.C. 20301

Dear Secretary Austin,

We write urging you to swiftly implement Section 1312 of the National Defense Authorization Act for Fiscal Year 2024 - *Analysis of Certain Biotechnology Entities* – requiring the Department of Defense (DoD) to identify and place problematic People’s Republic of China (PRC) biotechnology companies on the DoD’s 1260H list of Chinese Military Companies within 180 days.¹

The PRC’s 14th Five-Year Plan identifies dominance in biotechnology as critical to “strengthen the PRC’s science and technological power” and calls to deepen military-civil science and technology collaboration in the sector.² PRC military and academic literature further stresses the importance of biotechnology to national power, arguing success on the future battlefield will require “achieving biological dominance,” with one former president of the People’s Liberation Army’s (PLA) National Defense University openly discussing biotech’s ability to create synthetic pathogens that are “more toxic, more contagious, and more resistant.”³ Urgent action is needed to identify the PRC biotechnology entities at the forefront of this work.

¹ National Defense Authorization Act for FY2024, Sec.1312(a)

² Center for Security and Emerging Technology. March 12, 2021. “Translation: Outline of the People's Republic of China 14th Five-Year Plan for National Economic and Social Development and Long-Range Objectives for 2035” https://cset.georgetown.edu/wp-content/uploads/t0284_14th_Five_Year_Plan_EN.pdf

³ Kania, Elsa and VornDick, Wilson. The James Town Foundation. October 8, 2019. “China’s Military Biotech Frontier: CRISPR, Military-Civil Fusion, and the New Revolution in Military Affairs.” <https://jamestown.org/program/chinas-military-biotech-frontier-crispr-military-civil-fusion-and-the-new-revolution-in-military-affairs/>

Under Section 1260H of the National Defense Authorization Act of 2021, the Secretary of Defense publishes a list of “Chinese Military Companies.”⁴ Such companies are defined to include any non-natural person entity that is “identified as a military-civil fusion contributor to the Chinese defense industrial base,” and is “engaged in providing commercial services, manufacturing, producing, or exporting.”⁵ Among other qualifying considerations, a company is a “military civil fusion contributor” if such company is “receiv[ing] assistance from the Chinese Communist Party (CCP) through science and technology efforts.”⁶ Based on this criteria, we believe the below entities warrant consideration for inclusion on the 1260H list.

1. **MGI Group (华大智造科技) and Complete Genomics:** MGI Group and Complete Genomics are subsidiaries of PLA-affiliated firm BGI, which has been implicated in human rights abuses, illicit collection of genetic data, and is already a company on the DoD’s 1260H list.⁷ MGI uses Complete Genomics in the U.S. market to compete, often obscuring Complete Genomics’ ties to MGI, BGI, and the CCP.⁸ As direct affiliates of BGI, MGI and Complete Genomics should be added to the 1260H list without delay.
2. **Innomics and STOmics (华大时空组学):** Innomics and STOmics are subsidiaries of PLA-affiliated firm BGI, operating in the United States. According to corporate filings, Innomics recently registered to conduct business operations in the State of Kentucky under the name “BGI Americas Corporation” and it shares the same “Attorney of Record” as BGI with the U.S. Patent and Trademark Office.⁹ Innomics website makes no mention of its affiliation with BGI or MGI, but its sales materials for genetic sequencing reference product codes for machines produced by BGI subsidiaries, MGI and Complete Genomics.¹⁰ STOmics is a similarly situated subsidiary, making no mention of its ties to BGI on its English-language website, but STOmics Mandarin-Chinese language website proudly identifies it as a subsidiary of BGI.¹¹ STOmics English-language website links it to MGI and Complete Genomics, which are also subsidiaries of BGI.

⁴ National Defense Authorization Act of 2021, Sec. 1260H(b)(2).

⁵ Id., Sec. 1260H(d)(1)(B)(i)(I), (ii).

⁶ Id., Sec. 1260H(d)(2)(B).

⁷ Warrick, Joby and Brown, Cate. The Washington Post. September 21, 2023. “China’s quest for human genetic data spurs fears of a DNA arms race.” <https://www.washingtonpost.com/world/interactive/2023/china-dna-sequencing-bgi-covid/>

⁸ Anna Puglisi, “China’s Hybrid Economy: What to Do about BGI?” Center for Security and Emerging Technology. February 2, 2024. <https://cset.georgetown.edu/article/chinas-hybrid-economy-what-to-do-about-bgi/>.

⁹ Kentucky Secretary of State. Accessed February 28, 2022. “BGI Americas Corporation, Branch of INNOMICS INC.” https://opencorporates.com/companies/us_ky/1131252; and U.S. Patent and Trade Office. August 8, 2023. “Innomics Inc.” <https://uspto.report/TM/98127721>

¹⁰ Innomics. January 1, 2024. “Spatial Transcriptome-Stereo-Seq.” <https://www.innomics.com/Spatial-transcriptome-Stereo-seq-2024.pdf>

¹¹ STOmics. Access February 28, 2024. “About STOMics.” <https://en.stomics.tech/about/about-stomics/index.html>

3. **Origincell (原能细胞科技):** Origincell operates a cell bank network and bio storage technologies, with ties to the PLA and CCP. Origincell was the prime supplier for a Military-Civil Fusion project to build bio-sample storage bank, and the company has hosted officials from the CCP's United Front Work Department at their company headquarters.¹² Origincell has also held workshops for scholars from the PLA's National Defense University.¹³
4. **Vazyme Biotech (诺唯赞生物科技):** Vazyme Biotech is a global leader in the design and manufacturing of bioactive compounds. Vazyme's investors include the "Military Index Securities Fund," "Defense and Military Industry Hybrid Securities Investment Fund," "China Securities Military-Industrial Securities Investment Fund," and 12 other PLA-affiliated investment funds.¹⁴ In 2022, the Propaganda Department of the CCP's Jiangsu branch awarded Vazyme's Chairman, Cao Lin, an award for his work in science and technology. When receiving the award, Cao Lin heralded the 20th National Congress of the CCP's focus on science and technology.¹⁵ The Ministry of Industry and Information Technology has designated Vazyme as a "little giant" in a pledge of state support for the company.¹⁶
5. **Axbio (安序源生物科技):** Axbio engages in research and development in next-generation genetic sequencing equipment and smart biochips. It is directly funded, in part, by the PRC's State Development and Investment Corporation.¹⁷ Axbio has alarming ties to Russian entities, including the Russian Academy of Sciences and Russian Research Centre of Medical Genetics. Axbio has also repeatedly engaged with the PLA-affiliated company BGI during the course of the company's work.¹⁸

¹² Lizfin. December 6, 2023. "China's first million-level fully automated biological sample bank settled in Shanghai Changzheng Hospital."

<https://web.archive.org/web/20240104190022/https://www.ljzfin.com/news/info/35879.html>. Origincell. July 7, 2022. "Huang Hong, executive deputy director of the United Front Work Department of the Municipal Party Committee and director of the Municipal Overseas Chinese Affairs Office, and his delegation visited the Original Cell Technology Group for investigation." https://web.archive.org/web/20240104190254/https://www.origincell.com/news/company-news/data_77.html

¹³ Shanghai Jiaotong University. October 13, 2023. "Diqing Prefecture's high-level expert talent national conditions training and talent worker training class was successfully held at the Lifelong Education College." <https://web.archive.org/web/20240104191026/https://lec.sjtu.edu.cn/PressReleases/info.aspx?itemid=3142>

¹⁴ Novezin. November 2, 2021. "Novezin's initial public offering." <https://web.archive.org/web/20240203043659/https://q.stock.sohu.com/cn,gg,688105,8308766380.shtml>

¹⁵ Jiangsu Organization Department of the Provincial Party Committee. November 11, 2022. "Cao Lin: Looking for enzymes with passion, he is willing to be a 'madman' and a 'fool.'" <https://web.archive.org/web/20240203044729/http://www.jszsb.gov.cn/col18/83270.html>

¹⁶ National Invitro Diagnostic Network. May 18, 2022. "Several IVD companies were selected into the public list of national-level specialized and new 'little giant' companies." <https://www.caivd-org.cn/article.asp?id=13264>

¹⁷ Antpedia. June 21, 2022. "Anxuyuan Biotechnology raises US\$100 million in Series B financing." <https://web.archive.org/web/20240101160115/https://wiki.antpedia.com/n-2773962-news>

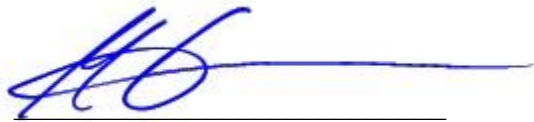
¹⁸ Axbio. January 26, 2020. "Axbio released the latest single-molecule gene sequencer and smart biochip." <https://web.archive.org/web/20240101160203/http://www.axbio.com/axbio-released-the-latest-single-molecule-gene-sequencer-and-smart-biochip/>

Axbio has signed strategy cooperation agreements with Russia's Institute of Biomedical Chemistry and the Chinese Academy of Sciences.¹⁹

We respectfully request a briefing with Select Committee staff by May 1, 2024 to hear the Department of Defense's plan to implement Section 1312.

Thank you for your attention to this important matter and we look forward to hearing your reply.

Sincerely,

A handwritten signature in blue ink, appearing to be 'AG', followed by a horizontal line.

Mike Gallagher
Chairman

A handwritten signature in blue ink, appearing to be 'Raja Krishnamoorthi', followed by a horizontal line.

Raja Krishnamoorthi
Ranking Member

¹⁹ Shenzhen Business Daily. June 29, 2019. "Gene sequencing can be so simple."
https://web.archive.org/web/20240101160312/https://szsb.sznews.com/MB/content/201906/29/content_681421.html