Dr. Jason Kelly, Chair
Dr. Michelle Rozo, Vice Chair

Senator Alex Padilla
Senator Todd Young
Representative Stephanie Bice
Representative Ro Khanna
Paul Arcangeli
Dr. Angela Belcher
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Dr. Eric Schmidt
Dr. Alexander Titus
Dr. Dov Zakheim

National Security Commission on Emerging Biotechnology

January 31, 2024

The Honorable Gary Peters
Chair
Committee on Homeland Security and Governmental Affairs
United States Senate

The Honorable Rand Paul
Ranking Member
Committee on Homeland Security and Governmental Affairs
United States Senate

The Honorable James Comer
Chairman
Committee on Oversight and Accountability
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Jamie Raskin
Ranking Member
Committee on Oversight and Accountability
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairman Peters, Ranking Member Paul, Chairman Comer, and Ranking Member Raskin:

We write to express our support for Congressional action on legislation to ban the Federal government from procuring products and services from concerning Chinese biotechnology companies.

The National Security Commission on Emerging Biotechnology (NSCEB) believes it is in our national security interest to use Federal procurement mechanisms to help secure the data of the U.S. Federal government and American citizens, and to discourage others from working with Chinese biotechnology companies that unfairly compete with other biotechnology equipment and service providers, including those based in the U.S.

One of the Chinese companies of concern is Beijing Genomics Institute (BGI), a Chinese company that offers DNA sequencing equipment and related technology and services. BGI is emblematic of the Chinese Communist Party's "military-civil fusion" that blurs the lines between China's commercial sector and their military. This policy gives the CCP the ability to direct commercial resources to advance their security and economic interests.

For example, data security laws require Chinese companies like BGI to share data with the government; the CCP delivers state support to BGI including a $1.5 billion 10-year loan in 2010; and commercial companies partner with the military, including BGI's partnership with the Chinese military. Given these factors, the Department of Defense included BGI on the list of "Chinese military companies" in 2022.

More specifically, BGI offers a prenatal test called NIFTY for "Non-Invasive Fetal TrisomY", which has been used by over 8 million expecting mothers in 52 countries. It has been publicly reported that the data has been stored in a government-funded gene database. It has also been reported that BGI and the People's Liberation Army (PLA) had partnered on multiple studies, one of which focused on ethnic minorities within China, which is consistent with CCP actions to surveil their own population.

BGI's mass collection of genomic data provides the CCP with a strategic advantage and the necessary infrastructure to threaten American national security. The CCP has used biotechnology related advancements to support military purposes, acquire personal data, and surveil and control their own populations.

We are concerned that absent U.S. action, the CCP will employ their pattern of unfair economic practices to position BGI to drive other competitors, including U.S. companies, out of the market for biotechnology equipment and services. The CCP's use of national champions to monopolize a market and use that market control for their own benefit is not new. We can look to the lessons learned from telecommunications company Huawei to see how this strategy might unfold to the detriment of U.S. national security. The telecommunications giant Huawei acquired strategic stakes in 5G telecommunications infrastructure that threatened American national security, so Congress eventually used tools such as Federal procurement bans to remove Huawei technology from U.S. 5G infrastructure. Unfortunately, this action came only after Huawei was well integrated in the U.S. market, incurring substantial costs for their removal. Unlike the Huawei example, we believe there is a moment to act now to prohibit use of certain Chinese products and services before the cost of untangling them from our supply chains becomes prohibitive.

While the NSCEB views this Federal procurement ban as a necessary step, we are mindful that in order for the U.S. biotechnology sector to meet its enormous potential, as detailed in our recent report, American researches and innovators need reliable and cost-competitive access to the biotechnology equipment and services offered by companies like BGI, WuXi and others. We cannot afford to delay biotechnology research, development, and adoption and acknowledge that a procurement ban without complementary action could make it harder or more expensive for U.S. innovators to do their work. In addition to banning companies that present an unacceptable data security risk, we also urge Congress to consider ways to support U.S. companies that offer the same products and services offered by these Chinese companies of concern.

CCP genomic data, particularly when coupled with advances in artificial intelligence, represents a strategic asset that has privacy, security, economic, and ethical implications. The National Security Commission on Emerging Biotechnology (NSCEB) urges Congress to move forward with measures to keep Americans' data safe and to ensure the U.S. retains world-leading capacity for biotechnology equipment and services like DNA sequencing and synthesis.

Sincerely,

Dr. Michelle Rozo, Vice-Chair

Sen. Todd Young, Commissioner

Rep. Stephanie Bice, Commissioner

Paul Arcangeli, Commissioner

Dawn Meyerriecks

Dawn Meyerriecks, Commissioner

Dr. Eric Schmidt, Commissioner

Dr. Alexander Titus, Commissioner

Dr. Dov Zakheim, Commissioner

cc: The Honorable Chuck Schumer, Majority Leader, United States Senate
The Honorable Mitch McConnell, Minority Leader, United States Senate Senate
The Honorable Mike Johnson, Speaker of the House, United States House of Representatives
The Honorable Hakeem Jeffries, Democratic Leader, United States House of Representatives