## Congress of the United States

Washington, DC 20515

February 12, 2024

The Honorable Gina Raimondo Secretary U.S. Department of Commerce 1401 Constitution Ave. NW Washington, DC 20230 The Honorable Lloyd Austin Secretary U.S. Department of Defense 1400 Defense Pentagon Washington, DC 20301

The Honorable Janet Yellen, Secretary Department of the Treasury 799 9<sup>th</sup> St SW Washington, DC 20001

Dear Secretary Raimondo, Secretary Yellen, and Secretary Austin,

We write to strongly urge you to investigate WuXi AppTec (药明康德) and its subsidiary, WuXi Biologics (药明生物). WuXi AppTec is a biotechnology company based in the People's Republic of China (PRC) and is closely affiliated with the People's Liberation Army (PLA). We also understand that WuXi AppTec has public ties to the Chinese Communist Party (CCP) and has been involved in perpetrating the CCP's genocide against the Uyghurs in Xinjiang. Therefore, we request you consider adding them to the Department of Defense's Chinese Military Companies List (1260H list), the Department of Commerce's Bureau of Industry and Security Entity List, and the Department of Treasury's Non-SDN Chinese Military-Industrial Complex Companies List.

WuXi AppTec and WuXi Biologics are rapidly becoming a global pharmaceutical and research-services giant that threatens U.S. intellectual property and national security. Both companies have close ties to the CCP and have worked at its behest, in multiple instances. In fact, WuXi AppTec chairman and CEO Dr. Li Ge has personally commended CCP branch work in the company and has called on Party branches and members to play an active role in the company. Additionally, WuXi Biologics CEO, Chen Zhisheng (Chris Chen), has linked the company's success to local CCP support and pledged to work with Party officials to solve the

<sup>&</sup>lt;sup>1</sup> SHLXHD. June, 6, 2013. WuXi AppTec: Party members 'Show your affiliation' + Party branches 'display your badges' = the image of the party organization."

https://web.archive.org/web/20190409054820/http:/www.shlxhd.gov.cn/Bbs2/showtopic.aspx?topicid=5232&page=end

foreign "chokepoint" problem in the field of biomedicine." WuXi AppTec was tapped by the PRC's Ministry of Science and Technology to build and operate the PRC's "State Key Laboratory of Drug Lead Compound Research." As you know, the primary task of the PRC's State Key Laboratories is to carry out research on the frontiers of development, science, and technological fields to support the PRC economy and national security, including PLA military modernization. In 2016, WuXi AppTec signed a strategic collaboration with Huawei, a company already on multiple U.S. government control lists, to store population genomic data on Huawei's cloud infrastructure throughout China. Indeed, China's state-run media has dubbed WuXi AppTec as the "Huawei" of China's pharmaceutical sector.

WuXi AppTec also has numerous and established ties to the PLA. WuXi AppTec has a "management committee" of experts to help identify emerging scholars in the biotech industry that is staffed by officials from the PLA's Second and Fourth Military Medical Universities alongside other units of the PRC government, such as the Ministry of Science and Technology, the National's People's Congress, and the Chinese Academy of Engineering. 6 The company has sponsored Military-Civil Fusion (MCF) events in the PRC, including those designed to "praise the Party's [CCP's] benevolence." In addition, WuXi AppTec has received investment from numerous PLA investment funds, including the "Changxin National Defense Fund," "CSI Military Industry Securities Investment Fund," and the "AVIC Military-Civil Integration Selected Hybrid Securities Investment Fund," with a stated goal of investing in "military-civil integration enterprises that fully participate in military production."89 WuXi AppTec has granted awards to PRC researchers from the PLA's Academy of Military Medicine's for their work in biotechnology and life sciences. <sup>10</sup> As of 2019, the CEO of WuXi Biologics Chen Zhisheng was reportedly an adjunct professor at the Academy of Military Medical Sciences and has given lectures alongside senior PLA officials. 11 In 2016, WuXi Apptec Executive Vice President Chen Shuhui was an advisor to the 13th Five Year Plan National Major Scientific and Technological Project for "Major Drug Innovations"—a position to which he was appointed by the National

<sup>-</sup>

<sup>&</sup>lt;sup>2</sup> Wuxi Daily. June 3, 2022. "WuXi Biotechnology Park Phase II signed contract with Du Xiaogang and Zhao Jianjun met with Chen Zhisheng and his delegation."

https://web.archive.org/web/20240201003611/https://wxrb.com/doc/2022/06/03/176280.shtml

<sup>&</sup>lt;sup>3</sup> CIPNET. July 5, 2012. "State Key Laboratory of Drug Lead Compound Research."

https://web.archive.org/save/http://www.cipnet.cn/bs\_info/Resource/Organ/97bb7ba8-de43-4495-a4a0-66cf068e76ac

<sup>&</sup>lt;sup>4</sup> Wuxi News. March 17, 2016. "Huawei and WuXi Join Forces to Create China Precision Medicine Cloud Platform." https://archive.ph/qTcrK#selection-205.0-205.77

<sup>&</sup>lt;sup>5</sup> People.cn. May 8, 2018. "WuXi AppTec listed on Shanghai Stock Exchange 'Return to A." https://money.people.com.cn/n1/2018/0508/c42877-29970494.html

<sup>&</sup>lt;sup>6</sup> Baidu. Accessed on January 19, 2024. "WuXi Biochemistry Research Award." https://shorturl.at/dGNPZ

<sup>&</sup>lt;sup>7</sup> Sohu. October 1, 2018. "Celebrating the motherland's birthday together and sharing the deep friendship between the military and civilians." https://web.archive.org/web/20240101161112/https://www.sohu.com/a/257275700 100004368

<sup>&</sup>lt;sup>8</sup> Financial Sector Fund. September 1, 2019. "The latest net value of AVIC Military-Civil Integration Select C Fund increased by 1.93%." https://web.archive.org/web/20240101161234/https://m.jrj.com.cn/madapter/fund/2019/09/03065228079102.shtml 9 WuXi Apptec. April 23, 2018. "WuXi Apptec Initial Public Offering of Shares."

https://www.sse.com.cn/disclosure/listedinfo/announcement/c/2018-04-23/603259\_20180423 1.pdf

<sup>&</sup>lt;sup>10</sup>Journal of Clinical Hepatology. December 19, 2018. "The 12<sup>th</sup> WuXi AppTec Life Chemistry Research Award" Announced. https://web.archive.org/web/20240101161342/http://cgdbzz.org/news/hyzx/9536.htm

<sup>&</sup>lt;sup>11</sup> Tsinghua University. May 28, 2018. "Establishing an international-level biopharmaceutical integration platform to promote global pharmaceutical innovation: the story of biopharmaceuticals made 'intelligently' in China." https://archive.ph/F1NHs#selection-325.0-325.181

Health and Family Planning Commission and the Health Bureau of the Logistics Support Department of the Central Military Commission.<sup>12</sup>

WuXi AppTec also has alarming ties to the CCP's genocide in Xinjiang. WuXi AppTec operates one of the PRC's "Genetic Testing Technology Application Demonstration Centers," which are centers established in coordination with the General Logistics Department of the PLA. Another operator of these testing centers is the Xinjiang Production and Construction Corps, which was sanctioned by the U.S. Department of Treasury under the Global Magnitsky program for serious human rights abuses against Uyghurs in Xinjiang. <sup>1314</sup> It is to our understanding that the genetic collection and testing of ethnic minorities in Xinjiang, which allows the CCP to identify and separate Uyghurs from other residents, has been a key pillar of the CCP's genocide in the region. <sup>15</sup>

WuXi AppTec and WuXi Biologics have obscured their ties to the CCP and PLA and, as a result, are rapidly integrating themselves into U.S. supply chains by signing agreements with prominent U.S. biotech entities, including with Lawrence Livermore National Laboratory, according to a 2022 U.S. Department of Energy report. <sup>16</sup> Even more disconcerting, WuXi AppTec is also leveraging the PRC's export control on nonhuman primates to force U.S. biotech companies to transfer their most sensitive intellectual property to the company for their Contract Research Organization (CRO) services. <sup>17</sup> We are deeply concerned that WuXi AppTec's growing role in the global CRO market represents a backdoor means of transferring sensitive U.S. biotech IP to China. The U.S. Government must make clear that contracting with WuXi AppTec and its subsidiaries is contracting with an affiliate of the PLA.

Given WuXi AppTec's clear ties to the CCP and the PLA and its likely role in enabling the genocide in Xinjiang, we urge your departments to consider the inclusion of WuXi AppTec and its subsidiaries on your respective control lists. Biotechnology is rapidly becoming a key component of our technological competition with the CCP and other U.S. adversaries. It is therefore important that the U.S. Government use its licensing, sanctions, and related tools to

<sup>&</sup>lt;sup>12</sup> National Health Commission of the People's Republic of China. November 25, 2016. "

Notice on the establishment of the 'Thirteenth Five-Year Plan' overall group for two major scientific and technological projects: 'Major New Drug Creation' and 'Prevention and Treatment of Major Infectious Diseases such as AIDS and Viral Hepatitis.'" https://archive.ph/ipCfJ.

<sup>&</sup>lt;sup>13</sup> National Development and Reform Commission. June 2015. "The list of 27 genetic testing application demonstration centers of the National Development and Reform Commission was announced."

 $https://web.archive.org/web/20240201033027/http:/www.labtub.com/index.php/index/newsview/cat\_id/4/id/195$ 

<sup>&</sup>lt;sup>14</sup> DNA News. May 22, 2023. "What are the national genetic testing application demonstration centers?" https://web.archive.org/web/20240201033117/https://m.hjynet.com/ask/48738.html

<sup>&</sup>lt;sup>15</sup> Human Rights Watch. December 13, 2017. "China: Minority Region Collects DNA from Millions." https://www.hrw.org/news/2017/12/13/china-minority-region-collects-dna-millions

<sup>&</sup>lt;sup>16</sup> Åndrew Silver. Reuters. February 5, 2024. "US bill poses risk to Wuxi App Tec and its Western drugmaker partners." https://www.reuters.com/business/healthcare-pharmaceuticals/us-bill-poses-risk-wuxi-apptec-its-western-drugmaker-partners-2024-02-05/#selection-2159.15-2179.12; Allen, Jonathan E. Applying the ATOM drug discovery platform to small-molecule antivirals (Annual Report). United States: N. p., 2022. Web. doi:10.2172/1874551.

<sup>&</sup>lt;sup>17</sup> Observer Network. June 15, 2022. "Behind the 160,000 "It's Hard to Find a Monkey": The Impact of the Epidemic and the Acceleration of New Drug Research and Development."

https://baijiahao.baidu.com/s?id=1735699172234415011&wfr=spider&for=pc

address the risks of any PRC biotechnology company that threatens U.S. national security by carrying out human rights abuses or advancing PLA capabilities.

Thank you for your work and expediency on these issues. We look forward to working with you to further protect our nation's security.

Sincerely,

Mike Gallagher

Chairman

Select Committee on China

Raja Krishnamborthi

Ranking Member

Select Committee on China

Gary C/Peters

United States Senator

Bill Hagerty

United States Senator

## CC:

The Secretary of State, The Honorable Antony Blinken The Secretary of Energy, The Honorable Jennifer Granholm