

RPTR BRYANT

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THE CCP'S ROLE IN THE FENTANYL CRISIS

Tuesday, April 16, 2024

House of Representatives,

Select Committee on the Strategic Competition Between

the United States and the Chinese Communist Party,

Washington, D.C.

The committee met, pursuant to call, at 8:04 a.m., in Room HVC-210, House Visitor Center, Hon. Mike Gallagher [chairman of the committee] presiding.

Chairman Gallagher. The select committee will come to order. At the outset, I want to recognize that we are privileged to be joined today by families who have been directly impacted by the fentanyl crisis here in the United States.

This hearing and the information that we are about to provide is for them and for those that they have lost.

The clerk will now play a video.

[Video played.]

Chairman Gallagher. Thank you. In remembrance of all those we have lost to a crisis that's really unprecedented in its magnitude, I just would ask for a brief moment of silence.

[Moment of silence.]

Chairman Gallagher. Thank you. Thanks again to the families. Nothing we can do can bring back the loved ones you have lost. All we can do is work together, on a bipartisan basis, to ensure that future families aren't dealing with the loss of similar magnitude.

And that is what our bipartisan investigation that we just released intends to do.

Without objection, I ask that it be entered into the record.

[The information follows:]

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Chairman Gallagher. As President Reagan once said, "If you want more of something, subsidize it." And, through its actions, as our report has revealed, the Chinese Communist Party is telling us that it wants more fentanyl entering our country. It wants the chaos and devastation that has resulted from this epidemic. And, yes, that means more dead Americans, and that's what we are trying to stop.

With that, I recognize the Ranking Member, Raja Krishnamoorthi, for his opening statement.

[The statement of Chairman Gallagher follows:]

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Mr. Krishnamoorthi. Thank you, Mr. Chair.

And thank you, everyone, for being here today, especially the many members of our audience whose lives have been upended by the scourge of fentanyl.

It is estimated that 97 percent of illegal fentanyl entering the U.S. comes from the People's Republic of China, which I'll refer to as the PRC, as you can see right here, 97 percent.

Now, here are the fentanyl deaths in China in 2022 compared with the fentanyl deaths in the United States that same year. As you can tell, there were zero reported fentanyl deaths in China and over 76,000 in the U.S. in that year alone.

In America, we can't understand for the life of us why the world's leading producer of fentanyl experienced zero deaths while we had 76,000. And this is not just an American problem. Across the world, fentanyl deaths are soaring, but apparently not in the PRC. That discrepancy is the reason we are here today, and that is why we conducted a bipartisan investigation to better understand the CCP's role in the global fentanyl crisis.

We certainly have a demand problem, and that is something that we need to work on in the United States. But it is undeniable that there is also a supply problem and that the overwhelming majority of fentanyl precursor chemicals are being supplied by PRC chemical companies.

Across multiple administrations, Democratic and Republican, the U.S. has requested that the CCP take action against PRC companies that export fentanyl precursors for illicit purposes. But, simply put, as our bipartisan investigation shows, the CCP has not taken enough action.

This lack of action is simply unacceptable. We have a few points on this

particular issue. First, we have called on the CCP to prosecute the companies and individuals in the PRC who export illegal fentanyl and fentanyl precursors. But the CCP has not taken action, even when we handed the CCP the names of those responsible and reams of evidence implicating them in crimes.

Second, the CCP promised us that they would crack down hard on online drug networks that make it easy for Americans and other foreign buyers to access these drugs. But, as our investigation shows, unfortunately, the CCP has not performed this crackdown either.

Further, we asked the CCP repeatedly to regulate their chemical companies and put them on notice that the drug trafficking they do abroad is illegal under their own laws, but they didn't issue a public notice to their companies about this issue until just a few months ago. They should have done this much sooner, but they delayed and they delayed and only put out a public notice because of the personal intervention of President Biden.

It is a positive sign that President Biden and Xi Jinping have reestablished the Counternarcotics Working Group, and members of this group are actually meeting in Beijing right now. But Congress needs to act alongside the President in getting the CCP to take immediate action to stop the fentanyl crisis now. The American people are demanding it. There must be accountability.

Recently, a young man from my home district in the Chicago suburbs, Shaun Poremba, who you can see here, was found dead from fentanyl poisoning. He was found dead lying on a cold bathroom floor where he had been for more than 4 hours.

Shaun was an actor, a guitar player, and a five-time national champion in the American Karate Association. He left behind a fiancée, two kids, and his two parents. He was only 27 years old when he died.

We are here today because of the searing pain of Shaun's family and of so many families like Shaun's, who are here today. And that is why we conducted our investigation into the CCP's role in the fentanyl crisis, and that is why we must act, we must act on our report's policy recommendations. It is time to address this crisis now.

Thank you, and I yield back.

[The statement of Mr. Krishnamoorthi follows:]

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Chairman Gallagher. I thank the ranking member.

If any other member wishes to submit a statement for the record, without objection, those statements will be added to the record.

We are privileged today to be joined by a panel of witnesses with deep, deep expertise in this ongoing tragedy.

The Honorable William P. Barr served as both the 77th and 85th U.S. Attorney General. Has anyone else ever done that, twice?

Mr. Barr. Yes.

Chairman Gallagher. So it's not as unique as I thought, sir. Well, you're still very accomplished.

Mr. Ray Donovan is former Chief of Operations for the Drug Enforcement Administration. Thank you, sir.

And Mr. David Luckey is a senior international defense researcher at the RAND Corporation.

Thank you all for being here. I welcome you. I thank you.

If you could please stand and raise your right hand, because we do things old school here on this committee, I will now swear you in.

[Witnesses sworn.]

Chairman Gallagher. You may be seated.

Let the record show that the witnesses have answered in the affirmative.

Thank you all.

Mr. Barr, you are now recognized for 5 minutes for your opening remarks.

TESTIMONY OF THE HONORABLE WILLIAM BARR, 77TH AND 85TH UNITED STATES ATTORNEY GENERAL; RAY DONOVAN, FORMER DEA CHIEF OF OPERATIONS; AND DAVID LUCKEY, SENIOR DEFENSE/INTERNATIONAL RESEARCHER, RAND CORPORATION.

TESTIMONY OF THE HONORABLE WILLIAM BARR

Mr. Barr. Thank you, Chairman Gallagher, Ranking Member Krishnamoorthi, and honorable members of this committee. I'm honored to have the opportunity to speak with you this morning.

This committee stands as an example of what can be done when serious leaders who love their country come together, working thoughtfully and in a bipartisan manner on behalf of the American people.

Your investigation and report on China's role in the production and distribution of fentanyl and other synthetic narcotics is groundbreaking and a major contribution to the effort to defend Americans from the scourge of these illicit drugs.

Fentanyl is a deadly poison. The tiniest amount is lethal. It is typically distributed in disguised form so that the people who take it think they are taking prescription drugs, like Xanax and Percocet and Adderall. These fake pills are readily available over social media. And, even when the drug is taken as an opioid, its victims have no idea that it contains potentially lethal doses of fentanyl.

I think it's a euphemism to describe the distribution of fentanyl as drug trafficking. It's outright murder. It's like shooting into a crowd randomly. Those who ply and enable this trade know with moral certainty that they are killing people on a mass scale, and the scale of carnage is intolerable and getting worse.

Drug overdoses in this country in total stand at 112,000 a year, and most of that is driven by fentanyl. And, as you pointed out in that clip, that's like a packed 737 crashing every day.

To put this in perspective, the bloodiest year of World War II, we lost 106,000 troops killed in action. So we are now sustaining, year in and year out, a casualty rate from drug overdoses that exceed the death toll we suffered in waging a world war.

The families here today who have lost loved ones remind us that behind these numbers is the wrenching reality of immense human suffering. And we have long known, the United States that is -- and I certainly was aware when I was Attorney General -- that the PRC is the source of the fentanyl that is slaughtering Americans.

China produces nearly all the illicit fentanyl precursors used in the fentanyl introduced into the United States. These are the indispensable ingredients that drive the fentanyl trade. There is no practical alternative for anywhere near the volume of precursors necessary to fuel this trade.

Simply put, without China's production and export of fentanyl and fentanyl precursors, there would be no fentanyl crisis in the United States and the mass slaughter would effectively stop.

But, up till now, there's always been a crucial question: What is the role of the PRC and the Communist Party of China? Has this been an illicit business carried out by organized crime, Chinese organized crime and corrupt businessmen and officials with the Chinese Government simply reluctant to spend too much effort trying to help the U.S. stop something that they view as primarily our problem, or is this effectively an intentional program to wreak havoc in the U.S., given impetus, support, and encouragement by the CCP and the PRC?

Many of us have suspected the latter. It's simply hard to believe that a country

with the most pervasive system of social control and surveillance in the world was not fully aware of the massive drug trafficking. Yet the question was murky until now.

And, thanks to the trailblazing work of this committee, we now have a much clearer picture. The committee's work has uncovered persuasive evidence that the PRC and the CCP are not just bystanders. They are prime movers. They are knee deep in actively sponsoring, encouraging, and facilitating the production and export of fentanyl and fentanyl precursors for distribution in the United States.

The committee's report issued today canvasses this eye-opening evidence, but let me just cite some of the facts that I find most convincing. First, the committee's investigators found a hidden PRC government website currently fully active that offers complete tax rebates incentivizing the export of all fentanyl analogs and precursors as well as other synthetic narcotics, drugs that are illegal in the U.S., illegal in China, and have no legitimate purpose. The tax rates are among the highest offered and allow companies to effectively operate tax-free when they export fentanyl precursors.

Second, the committee's evidence shows that the PRC provides grants and awards to companies that are engaged in open and notorious synthetic narcotic manufacturing and drug trafficking.

Third, the committee found that the PRC Government has ownership stakes in certain Chinese chemical companies exporting significant amounts of illicit fentanyl products as well as publicly traded Chinese companies that openly and notoriously host on their websites illicit drug sales to Americans.

Fourth, in contrast to the PRC's aggressive prosecution of domestic drug trafficking -- and we've all seen clips of the stadium executions -- the committee found no sign that the PRC has pursued cases involving illegal export of narcotics, this despite being supplied compelling evidence of violations by Western law enforcement and despite

China's notorious system of intense social surveillance and control.

Fifth, the role played by the PRC in producing and exporting illicit drugs dovetails with the emergence of Chinese organized crime as the principal financiers and money launderers for the drug cartels.

The CCP has been tightening its alliance with Chinese organized crime to gain influence outside of China, and U.S. law enforcement investigating Chinese money laundering have found evidence indicating that some schemes involve Chinese Government officials and Communist Party elites.

Some may find it hard to believe that a modern state would be so complicit in a campaign of mass murder against the citizens of another country, but the committee's work now provides powerful evidence that it is.

As we go forward in trying to defend our country against the onslaught of deadly drugs, not now just fentanyl but even new generations of hideous Chinese drugs like nitazenes and xylazines, we must be clear, clear-eyed as to what we are dealing with.

Thank you very much.

[The statement of Mr. Barr follows:]

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Chairman Gallagher. Thank you, sir.

Mr. Donovan, you are recognized for your opening remarks.

TESTIMONY OF RAY DONOVAN

Mr. Donovan. Good morning, Chairman Gallagher, Ranking Member Krishnamoorthi, and distinguished members of the committee. My name is Ray Donovan. I would like to thank you for giving me the opportunity to testify before you today on the pressing issue of the fentanyl crisis and China's role in feeding this emergency, striking Americans in areas of public health, law enforcement, and national security.

In 2023, I retired after 28 years with the Federal Government from the Drug Enforcement Administration as the Chief of Operations, the third highest ranking official in DEA, overseeing all enforcement operations worldwide.

Prior to that post, I served as the special agent in charge of the DEA's New York Division, the flagship office for DEA and central inflection point for many of the highest level narcotics, money laundering, and narcoterrorism cases globally.

Prior to New York, I was the special agent in charge of DEA Special Ops Division, the central operations coordination point for all counternarcotics operations governmentwide, including other law enforcement, intelligence community, defense assets and Five Eye partners.

My extensive experience as an investigator and leader in DEA has afforded me a unique perspective of the evolution of this crisis and the role of the Chinese Communist Party and the People's Republic of China in supporting the intersection of the fentanyl

trade, money laundering, Mexican cartels and Chinese transnational criminal organizations.

Please allow me to share a brief history of how we arrived at this point.

DEA has historically focused investigations on source regions/countries for traditional narcotics, primarily Mexico, Central and South America, and the Caribbean for transshipment. We have representatives in 93 offices globally to help partner nations fight the proliferation of drug trade and the associated money laundering.

Mexican transnational criminal organizations have been DEA's primary focus in narcotics trafficking space in recent years. Specifically, the Sinaloa Cartel, formerly headed by the notorious Chapo Guzman; and the Cartel de Jalisco Nueva Generacion, currently led by Nemesio Oseguera Cervantes a/k/a El Mencho.

These criminal organizations act as wholesalers and logistical orchestrators of the movement of illicit narcotics over the southern border of the United States. Over the course of the last 10-plus years, we have seen a significant increase in the number of super labs or high-value narcotics manufacturing labs used to mass produce synthetic narcotics in Mexico, and a correlated increase in the adulteration of what we at DEA consider to be traditional narcotics, heroin, cocaine and methamphetamine, with fentanyl.

When these labs were interdicted, extensive evidence of Chinese-produced chemicals, the blue barrels, Chinese labeling, bills of lading, were found in clandestine laboratories all throughout Northern Mexico.

We also know that the labs were not only mixing fentanyl into narcotic supplies, but also pressing fentanyl into pills intentionally designed with colors and markings mimicking those of pharmaceutical synthetic opioids, such as OxyContin, Percocet, and other widely known and highly addictive opioids used to treat pain. Now they are increasingly pressed in nonopioid pills, such as counterfeit Xanax or Adderall, dramatically

increasing the risk of accidental overdose.

DEA noted a sharp uptick in the use of Chinese precursor chemicals gathered from the super labs as well as significant increasing Chinese money laundering organizations operating globally in the narcotics trafficking space.

Based on these factors and other intelligence gathered regarding the fentanyl precursor chemical trade, DEA responded with the creation of Operation Sleeping Giant. The operation utilized a collaborative whole-of-government approach, utilizing assets from law enforcement, the intelligence community, and the Department of Defense, Treasury, and State, as well as the Five Eyes consortium.

Operation Sleeping Giant targeted the two primary areas where Chinese criminal organizations were gaining prominence, manufacturing and trafficking of fentanyl precursor chemicals and money laundering.

I have had the opportunity to review the investigation conducted by the bipartisan select committee. Based on my knowledge and experience, I have determined the findings and the information with respect to the involvement in this activity by Chinese chemical manufacturers and the brokers supporting the sanctions by the CCP and the government of the PRC to be valid and correct.

The dominant role China plays in the primary fentanyl precursor supply was demonstrated in early 2020, when the CCP locked down the Wuhan Province where chemical manufacturing, especially fentanyl precursor production, is concentrated. This lockdown caused the U.S. fentanyl supply to dwindle and prices to skyrocket.

The PRC has actively evaded all United States-led efforts aimed at stopping the outflow of fentanyl and the fentanyl precursors from China and, instead, has supported synthetic drug manufacturing, production, and distribution, resulting in the problem continuing to grow in both size and scope.

As a former DEA special agent leader, I'm taken aback with the speed and effectiveness the Chinese criminal organizations exhibit in partnering with the Mexican transnational criminal organizations to assume control of the fentanyl distribution and money laundering trades.

The assistance and complicity of PRC and the CCP show the activity is not only law enforcement or public health, but a genuine threat to national security, killing Americans at a rate of well over 100,000 per year.

I have had the honor of serving in senior positions under both Republican and Democratic administrations, most recently under President Biden. This is not a question of politics. This is a question of humanity. We must all come together and combat this narcotics threat coming from the PRC that has taken our neighbors and loved ones from us.

I would like to thank Chairman Gallagher and the Ranking Member Krishnamoorthi and thank the committee for the opportunity to share information surrounding these deadly threats and look forward to fielding any questions you may have. Thank you.

[The statement of Mr. Donovan follows:]

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Chairman Gallagher. Thank you, Mr. Donovan.

Mr. Luckey, you are recognized for 5 minutes.

TESTIMONY OF DAVID LUCKEY

Mr. Luckey. Chairman Gallagher, Ranking Member Krishnamoorthi, and distinguished members of the committee, thank you for inviting me to testify on China's role in synthetic opioid trafficking.

This testimony is primarily drawn from the research and analysis I led for the bipartisan, bicameral, joint legislative/executive branch Commission on Combating Synthetic Opioid Trafficking.

The surging reemergence of illegally manufactured synthetic opioids in the United States in the past decade has complicated the already difficult illegal drug supply and demand reduction efforts.

Fentanyl and other synthetic opioids confound traditional efforts to raise drug prices by reducing the quantity of drugs available to users. The United States should devote resources to drug reduction efforts that are expected to produce the greatest return on investment. Of course, it is also necessary to make equal, perhaps even greater demand and harm reduction efforts, but in this testimony, I will focus only on China's role in the supply side of the equation.

The production, distribution, and use of illegally manufactured fentanyl should be thought of as an ecosystem, and the People's Republic of China is at the beginning of that global supply chain. RAND found that the PRC produces and distributes the vast majority of the precursor chemicals used in illegal fentanyl production.

There are several actions the United States can take to disrupt China's role in this supply chain. These involve money laundering and cryptocurrency use to marketing on the internet and social media as well as in the more commonly understood roles of border security and law enforcement.

To highlight the point, a single 55-gallon drum of synthetic opioid precursor chemicals equals potentially millions of doses of fentanyl on the street in the United States. Preventing precursor production in and trafficking by China is likely the most effective means of reducing the amount of fentanyl available to users in the United States.

The United States must not only continue to collaborate bilaterally with China in areas related to the production and distribution of synthetic opioids and precursors to affect the flow indirectly, but the United States must also act unilaterally to do everything to stem the flow directly.

Whereas China scheduled fentanyl in 2019, it appears the CCP might not be doing all it can to stem production and distribution. Some examples of actions the United States Congress might consider are mandating filling all unfilled critical executive branch appointments and ensuring proper staffing levels for related jobs, and reviewing, assessing, and working with the executive branch to update U.S. legislative and regulatory drug control frameworks to reduce drug supply by enhancing intelligence and surveillance and improving data analysis and sharing.

Reducing drug supply requires a multidimensional approach, such as restricting the distribution of chemicals needed to manufacture synthetic opioids, disrupting online sourcing and tackling the enabling functions of critical elements, primarily in China but also in Mexico.

Improving the oversight of large chemical and pharmaceutical sectors and

enhancing investigations of vendors and exporters in China, transshippers in the United States, Canada, and elsewhere, and importers in Mexico will almost certainly help to disrupt the flow of drugs into the United States.

For example, a greater focus on maritime container and air cargo shipments departing the PRC will concentrate interdiction efforts where quantities of precursor chemicals are largest and most concentrated.

Available material and human resources in Mexico, such as port screening for fentanyl precursors arriving from China, have proven inadequate to assist the United States in this struggle. Working to revise existing law and rules at home and abroad is necessary to ensure that U.S. assistance improves partnership capacity to prevent incoming fentanyl and precursors.

The United States should strive to enhance its own interdiction capabilities, especially in the mail and express consignment systems that facilitate fentanyl trafficking.

Although the United States has identified and closed several gaps with Advanced Electronic Data for international mail and ensuring that data are comprehensive and more available for inbound items to allow enhanced screening, vulnerabilities remain.

Chinese money laundering operations are a potential ancillary service for the Mexican transnational criminal organizations. Mexican TCOs have made tens of millions of dollars of cryptocurrency payments in recent years to Chinese chemical producers for fentanyl precursors.

RAND found an online presence of illegal fentanyl vending on the open web that was almost entirely based in the PRC. Aggregated data we uncovered yielded contact information on 166 unique and illegal Chinese sellers, 58 of which directly included affiliations indicative of a PRC corporate entity.

We did deep dives on 11 randomly selected websites we found. The country of

registrar for all 11 of these domains was the PRC, 10 of which were hosted and managed in China.

Fentanyl and precursor chemical listings can be added to many platforms and easily concealed using chemical abstract service numbers or other coded words to circumvent traditional website monitoring efforts.

The use of public online platforms to attract buyers interested in fentanyl precursors thus requires constant and continuous monitoring by Federal authorities. The Commission's report contains 21 key action items, supported by 78 specific recommendations called enabling action items, many of which are directed at Congress and involve China.

These action items are binned into five overarching pillars: policy coordination and implementation, supply reduction, demand reduction and public health, international cooperation, and research and monitoring.

Examples of key action items most relevant to this committee include pressing the People's Republic of China to adopt clear rules to improve regulatory oversight and enforcement over industries, control over movements of chemicals and related equipment and other restriction on exports, targeting the distribution of synthetic opioids and related chemicals advertised online and, with the help of private entities, reducing online advertising and sales, intensifying efforts to counter transnational criminal organizations' money laundering, strengthening coordination with multilateral institutions to promote enhanced control and international reporting of drugs and other chemicals, directing Federal efforts to improve understanding the illegal synthetic opioid supply chain, analyzing emergent trends in drug markets and related behaviors using a systematic and standardized approach, and utilizing novel, high-frequency, and realtime data systems to enhance market surveillance.

It is understandably difficult to know where even to start with just this brief extract of key action items, let alone the many associated enabling actions.

I suggest assessing these and other recommendations from across several dimensions that might include information on the level of supply chain or market that the recommended action affects, for example, production, processing, export, import, wholesale, retail or user; anticipated fiscal impact, cost and return on investment; timeframe for implementation; and prioritization of the expected impact on reducing the harms caused by illegal synthetic opioids and their trafficking.

I'd like to thank the committee for the opportunity to submit this testimony on such an important topic that affects millions of Americans' lives and well-being and on our overall national security. Thank you.

[The statement of Mr. Luckey follows:]

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Chairman Gallagher. Thank you, Mr. Luckey.

Attorney General Barr, to your knowledge, did the Chinese ever acknowledge any of the policies that we highlight in our bipartisan investigation to you or anyone else in the Federal Government?

Mr. Barr. No, Mr. Chairman.

Chairman Gallagher. So, even -- that includes even when we were negotiating with them in good faith on the fentanyl crisis?

Mr. Barr. That's right.

Chairman Gallagher. So would it be fair to say they were juicing up subsidies for fentanyl at the same time they were promising us to help save lives?

Mr. Barr. That's what this evidence suggests.

Chairman Gallagher. What implication do you think that has for our foreign policy towards China?

Mr. Barr. Well, I think, you know, the question in my mind has been, is this just the sins of omission, or does it also involve sins of commission?

I think the evidence is convincing that it involves sins of commission. However, whether it does or not, I think it's prudent to approach this from the standpoint that to assume that it involves some sins of commission. And that means it goes to their will and whether they're acting in good faith.

And I don't think we can count on their goodwill as we have in the past. We certainly did when we were seeking them -- asking them to schedule analogs. I think we have to push them, bring a lot of pressure to bear on them and make them live up to their obligations.

Chairman Gallagher. Thank you, sir.

Mr. Donovan, our investigation revealed a PRC nationwide subsidy that gives money to Chinese companies if they sell illegal drugs outside of China, including to America.

You've spent decades working in narcotics law enforcement, in narcotics policy, and you know these drugs better than anyone, I would submit.

So I'm going to list a handful of drugs that we discovered the CCP was subsidizing to send into America and around the world. And, for each one, I want you to tell me if you are aware of there being any legitimate purpose for them.

So I'll start with 3-methylfentanyl.

Mr. Donovan. There is no -- sir, there is no legitimate purpose for 3-methylfentanyl.

Chairman Gallagher. How about thiofentanyl, alpha-thiofentanyl, and, methyl-thiofentanyl?

Mr. Donovan. Likewise, there is no legitimate purpose.

Chairman Gallagher. How about alpha-methylfentanyl, OME fentanyl and fentanyl?

Mr. Donovan. The same thing, sir.

Chairman Gallagher. How about MPPP, PEPAP, also known as synthetic heroin?

Mr. Donovan. There is no legitimate purpose.

Chairman Gallagher. How about PCP, also known as angel dust?

Mr. Donovan. The same thing, sir, no legitimate purpose.

Chairman Gallagher. And, finally, how about JWH-018, also known as Spice?

Mr. Donovan. The same thing, sir, no legitimate purpose for Spice.

Chairman Gallagher. And there are many, many others, including all fentanyl analogs and precursors, for which there is no legitimate purpose, correct?

Mr. Donovan. That is correct.

Chairman Gallagher. So all these drugs that the CCP -- the CCP paid good money to send around the world have no legal use worldwide. So how deadly are these drugs, particularly the opioids?

Mr. Donovan. Extremely deadly, sir. The 3-methylfentanyl is between 400 and 6,000 times more powerful than morphine. There is no legitimate purpose for it. It is absolutely deadly. The entire list that you just spoke about, there is no purpose for it. There is no need --

Chairman Gallagher. Some would characterize -- I'm sorry, go ahead.

Mr. Donovan. There is no need. It is part of the illicit Schedule I drugs that DEA has listed for that reason.

Chairman Gallagher. Some have characterized 3-methylfentanyl in particular as a chemical weapon. Is that an overstatement? Is that histrionics?

Mr. Donovan. No. I think it is a legitimate statement insofar as it was reported that 3-methylfentanyl was utilized in the Moscow theater terrorist attack that killed many of the hostages and the terrorists as well.

Chairman Gallagher. So what we're seeing here is that the CCP subsidized the export of an addictive drug that is basically guaranteed to kill people around the globe.

Mr. Donovan. That is correct.

Chairman Gallagher. And how many Americans died from drugs like these in the last year?

Mr. Donovan. 112,000 Americans.

Chairman Gallagher. And so, to you and then to Attorney General Barr, based on these shocking revelations -- I know we've highlighted a lot of our recommendations in our bipartisan investigation. The Commission, as Mr. Luckey described, had a lot of very

productive recommendations.

If you could do one thing, if you had your one wave the magic wand thing, what would you force Congress to do on this issue?

Mr. Donovan. So I would go back to 2020 during the lockdown in Wuhan Province. What we noticed is, as soon as China locked down Wuhan, we saw an immediate impact in Mexico and the United States.

It slowed down the trafficking of chemicals into Mexico and, therefore, the production of fentanyl and methamphetamine. So, in fact, the Mexican cartels started stockpiling what they did have, and they were unable to get it across the border, and the prices skyrocketed.

So I think the impact in China of being able to slow down that chokepoint of production as it relates to the Western Hemisphere would have an immediate dramatic impact on the United States.

Chairman Gallagher. So, like anything, the further upstream you get at the problem, the better -- the greater your impact is likely to be.

And quickly, I'm out of time, Attorney General Barr, would you highlight one or two recommendations for us to take action on?

Mr. Barr. I think we have to approach economic policy vis-a-vis China with this in mind. We have to use trade and economic power to press them to act responsibly and take enforcement action against what's going on. It's easily detectible within China.

The other thing I think we should think about is unleashing the private sector, that is, the victims, so that they can bring actions against the companies involved in distributing the drugs and in money laundering, and take judgments and figure out a way of helping them recover.

I think, if we bring all of those people to bear to chase after these companies, I

think it will have a salutary effect.

Chairman Gallagher. Thank you, sir. I now recognize the ranking member.

Mr. Krishnamoorthi. Thank you, Mr. Chairman.

Mr. Luckey, the CCP says that it will never allow drug traffickers to kill and poison the Chinese people. And, in fact, the Chinese Government is true to its word. You saw in my previous graphic there were zero, no reported fentanyl-related deaths in China.

Unfortunately, while they're zealous about prosecuting and going after drug traffickers internally, they are not zealous or concerned about going after drug traffickers who sell their deadly products abroad, including in the U.S.

For years, we've asked the CCP to prosecute hundreds of individuals, hundreds, but, to our knowledge, the CCP has acted only once, based on all of those requests.

Take let's one example of the CCP's inaction. This father and son duo, Guanghua and Fujing Zheng, the Zheng brothers, were indicted by the Cleveland U.S. Attorney's Office in 2018 for making and shipping fentanyl to 37 U.S. States and 25 countries.

Now, we actually brought these individuals to the attention of the CCP to prosecute. As you can see, there's a \$5 million reward for their capture. They are so well-known in Mexico that they are known as the Los Zheng Cartel in Mexico.

Mr. Luckey, despite these wanted posters and years and years of the U.S. going after these folks, these guys are still operating freely, correct?

Mr. Luckey. That's my understanding, yes.

Mr. Krishnamoorthi. Now, Mr. Donovan, when we request the CCP to cooperate with us on hundreds and hundreds of cases, they just haven't stepped up in the vast majority.

Isn't that right?

Mr. Donovan. That is correct.

Mr. Krishnamoorthi. Now I'd like to turn your attention to another topic, and that is PRC-based vendors selling illicit fentanyl precursors and synthetic opioids online. Last July, the PRC's Embassy here in Washington acknowledged the need to go after drug-related activities through online platforms.

However, they haven't addressed that issue. Just last night we took a screenshot of a PRC-based website called Chemical Book -- this is a screenshot of that website -- where we found it's possible to buy a new synthetic opioid called Protonitazene.

Now, Mr. Luckey, Protonitazene is a Schedule I drug with no known medical uses, correct?

Mr. Luckey. Yes.

Mr. Krishnamoorthi. And it's much deadlier and more potent than any form of fentanyl, right?

Mr. Luckey. That's my understanding, yes.

Mr. Krishnamoorthi. And, as we can see here, you can actually contact this maker, Wuhan Boyuan Import and Export. You can buy one kilogram for -- I'm sorry; this is the CCP calling. You can buy one kilogram of this stuff for 20 bucks, which can kill about 170,000 people, and you can do that today online.

Would you agree with me, Mr. Barr, that this type of post has to be taken down immediately?

Mr. Barr. Absolutely. There's no excuse for it. And one of the compelling aspects of the committee's report is all the evidence of this kind of activity that's going on open and notoriously in China.

Mr. Krishnamoorthi. And there are hundreds of these website posts, hundreds. This is completely unacceptable.

Let me turn your attention to my final topic. In China, the government knows how to take down information from the internet, and it does it regularly. In fact, it turns out that even Winnie-the-Pooh, pictured here, is banned from the Chinese internet because some people think that poor Winnie looks like Xi Jinping. This is true. I'm not making this up.

But the CCP, even though it knows how to take down images and it knows how to take down Chinese terms on the internet, they also know how to censor English words critical of the regime, such as "Free Tibet" or "Xinjiang genocide." But it's a different story when it comes to English terms related to buying fentanyl.

And, again, this is what Linda, Linda Zhang of my staff actually looked up on Baidu in the last couple days. You can find these English terms widely on Baidu: Make an offer to buy fentanyl, looking to buy Alfentanil. You can find the cache numbers. Those are those serial numbers associated with illicit drugs.

Now, Mr. Luckey, isn't it clear that they know how to censor Chinese terms related to buying fentanyl because they don't want Chinese people buying fentanyl internally, right?

Mr. Luckey. Correct.

Mr. Krishnamoorthi. But, when it comes to English terms, they allow those to proliferate widely on the Chinese internet, suggesting that they want people abroad to be able to buy fentanyl on the Chinese internet.

Mr. Luckey. That seems reasonable.

Mr. Krishnamoorthi. The CCP says that they're addressing the fentanyl issue, but they're not prosecuting criminals. They are letting companies openly sell this stuff online, and they're letting people, but only those outside of China, to easily find the stuff online.

Isn't this the biggest sign to you, Mr. Luckey, that they're just not doing anything substantive to combat the fentanyl problem?

Mr. Luckey. It absolutely appears so.

Mr. Krishnamoorthi. Thank you, Mr. Luckey.

I yield back.

Chairman Gallagher. Mr. Wittman is recognized for 5 minutes.

Mr. Wittman. Thank you, Mr. Chairman.

I'd like to thank our witnesses for joining us today.

Attorney General Barr, I wanted to get your perspective. We uncovered some evidence that's even more alarming, and that is that the Chinese Communist Party is paying people in China to sell, not just -- not just market, but to actively sell these horrible drugs to folks across the globe. So people in person being there wanting to peddle these drugs. That to me is incredibly troubling.

Another element is, as we saw in the earlier presentation, is the coordinated effort that is directed by the CCP in how they are going to encourage the manufacture of precursors, of fentanyl itself, fentanyl derivatives. I mean, this is an all-out attack on American citizens by what they're doing here in the United States.

And then you combine that with recent numbers that come out and look at the number of illegal crossings of military age males across the southern border. It all is pretty confounding to me to look at, you know, what -- this overall effort to me is at a crisis point. I think it's been at a crisis point, but especially with what China is doing.

Your experience there at the Justice Department is incredibly telling in what you have done to address this particular issue, but I wanted to get your perspective. We've heard a lot of action items here about the things that need to be done.

If you were to look at not only your suggestions but others, what would you say is

the immediate development of this threat, how it's developed and just morphed just in the past 6 months? And then what would be the most immediate actions that the United States Government needs to take in order to have the biggest effect on the Chinese Communist Party in order to get their attention and get them to stop this, because, at this particular point, there hasn't been anything that seems to me that has been effective or in any way, shape or form slowing down. In fact, I would argue it's only accelerated what China is doing not just to the United States but across the world.

Mr. Barr. Well, as this committee knows better than anyone else, the threat of the CCP is multidimensional. But focusing here on the drug threat, especially fentanyl and other deadly drugs, my view is the priority is to stop production and distribution from China closest to the source.

You know, we can do a lot of other things, you know, along the pipeline, but the most effective thing you can do is stop it at its source. And, as I said, I think this trade and activity has become interwoven with their economic policy and their strategic policies. And I think it's going to take a tough posture, at least leverage, to get them to change their course and actually take effective action.

So I would say it would be strong -- the threat and the willingness to carry through on strong economic sanctions unless we see a change in course, followed by other kinds of sanctions.

Mr. Wittman. Thank you.

Mr. Barr. Right now, there are no consequences.

Mr. Wittman. No, I agree. And it continues unabated, and it gets worse and worse and worse, because the Chinese see that there's no downside to this.

And I would argue too it's one of the elements of what Xi Jinping puts forward as to their objectives and how the Chinese Communist Party is going to have essentially rule

and control over everything that's not CCP-related. And that's pretty troubling.

Mr. Barr. I would just say this is --

Mr. Wittman. Yes.

Mr. Barr. To me, it's akin. I say it's akin, but it's sort of like how we have to approach terrorism. And this goes back to the idea of allowing the victims to go after these people. We do in the case of terrorism. And I think we should think about that here.

Mr. Wittman. That's a great point, to be able to open up the statutes for folks here who have lost loved ones to go after the source of the fentanyl that's killed their loved ones.

I think that's an incredibly powerful way to go after the CCP, hold them accountable. Even though there's not a good chance that they would actually pay any damages, at least as you start to stack those cases up, the world pays attention.

And one thing we know about the CCP is they don't like being embarrassed. Those things would deeply not only call them I think to accountability, but also deeply embarrass them as to their culpability for these deaths not only here but around the world.

Director Donovan, I wanted to ask you, in your experience there at DEA, what interactions did DEA agents have with their counterparts in China in the law enforcement realm?

Mr. Donovan. So the interactions that DEA would have with counterparts is at the working level. Everything is through an official request. That's why -- we would request information in regards to an investigation, we would have to go through official channels. And, quite frankly, DEA wouldn't normally get much back, and that is the challenge of operating, working in China.

I wanted to add to one point that AG Barr made, if you don't mind.

Mr. Wittman. Please.

Mr. Donovan. That there are chokepoints that law enforcement and the U.S. Government could really focus in on. The chokepoint clearly is production in China. That would change the entire trade, right?

But there's other chokepoints. Transportation. The ports in Mexico is another major chokepoint. The illicit fentanyl labs in Mexico is another major chokepoint that can be focused in on to really hamper down the ability of the cartels to traffic and distribute fentanyl throughout the United States.

Another chokepoint would be social media platforms. It is -- social media platforms are the new vehicle of distribution for illicit drugs throughout the entire United States.

Mr. Wittman. Thank you.

Mr. Chairman, I yield back.

Chairman Gallagher. Ms. Castor is recognized for 5 minutes.

Ms. Castor. Well, thank you, Chair Gallagher. And I want to start by thanking you for your leadership of this committee. You've done a very good job. And I hope that the committee can continue its bipartisan work and continue your legacy. And this report and the recommendations are a very good example of the bipartisan work.

One of the recommendations, Mr. Donovan, is to do -- is to bring a higher level of concentration of kind of an all-of-government approach, Intelligence Community, law enforcement, trade, economics.

Is there another model in the past that has used that kind of all-of-government approach to tackle a tough drug trafficking problem like this?

Mr. Donovan. There is. So DEA has a Special Ops Division, which is comprised

of 35 different agencies, IC, MIL, law enforcement. And the main purpose of SOD is to share, deconflict, and coordinate investigations worldwide.

I think if we were to, based on the select committee's recommendation, to focus as a whole-of-government specifically on the chemicals, I think you would see immediately an impact. The challenge for law enforcement has been that we focus on gathering evidence and bringing a prosecutable case to justice.

And intelligence is another realm that we have to deploy, especially in China. To be honest with you, knowing that many of these chemical companies are directly tied to the PRC or CCP is where the problem really lies. Many of these chemical companies have CCP board members as executives within the companies or they are directly supported by the PRC itself.

Ms. Castor. Mr. Luckey, as we prioritize actions here to tackle the flood of this deadly fentanyl into America, where do you rank the action on the de minimis threshold for duty-free import?

Mr. Luckey. Yes, that's certainly important. The financial aspects of this are one tool that we can use to leverage China to act in our interests, and I think that certainly should be done.

Ms. Castor. So what are -- Mr. Luckey, what are the principal payment systems? How are these illicit drug traffickers in production, the producers in China, how are they getting paid?

Mr. Luckey. I would suggest through cryptocurrency, which the Chinese Government does not like, because it potentially removes their cut from profits from these Chinese companies. So it's -- China would like to see cryptocurrency go away, just as we would. However, cryptocurrency is the number one form of payment.

Ms. Castor. What do you recommend for the -- for congressional action when it

comes to cryptocurrency and the payment system?

Mr. Luckey. I would suggest that Congress should look at regulating cryptocurrency more, particularly as it applies to illegal drugs.

Ms. Castor. And then what do you recommend in relation to the web sale? How else should the Congress be tackling web sales of fentanyl?

Mr. Luckey. I would suggest that Congress should look at passing laws, working with the executive branch on creating greater regulatory roles as they apply to illegal drug sales online.

Ms. Castor. And our report also highlights the fact that, for many of the precursor producers in China that this is a side hustle, that some of those producers are producing legal drug precursors that we need around the globe. How do we discern what's right and what's wrong and get at those producers?

Mr. Luckey. Yes, what you stated. These chemical manufacturing companies generally produce legal chemicals. That's their business. However, some of these chemicals take the form of dual use or multipurpose and are used in illegal synthetic opioid production.

And I would suggest to the committee that is one of the points of leverage that we have is the financial effects, through pressuring them in their legal businesses, their legal role, which would theoretically, at least, put pressure on this illegal production.

Ms. Castor. Thank you very much. This is a call to action. And for all the families who are here today and representing folks who have suffered tragedies across this country, we need your help in pressing Congress to act.

Thank you very much. I yield back.

Chairman Gallagher. And now, just for today, the second most Barr in the room, Andy Barr.

Mr. Barr of Kentucky. Thank you, Mr. Chairman. And definitely the second most important.

Mr. Chairman, thank you for your leadership on the committee. Thank you for the bipartisan manner in which you have led our committee. Your leadership will be missed.

Attorney General Barr, to our other witnesses, thank you for highlighting this. And, to the families who have lost loved ones to this scourge, thank you for being here and sharing your stories with us.

I represent the Commonwealth of Kentucky, which, unfortunately, suffers from the fourth highest drug overdose mortality rate in the country, according to recent statistics by the -- published by the CDC. And 72 percent of our overdose deaths in Kentucky are attributable to fentanyl. So this is personal to me and to my constituents.

Attorney General Barr, you testified that we should use our economic power to hold the CCP accountable for its role in producing 97 percent of illicit fentanyl precursors and promoting its distribution.

In July 2023, the House passed my bill, the Stop Chinese Fentanyl Act, which changes the definition of foreign opioid trafficker to specify that the term includes certain Chinese entities and government officials that fail to take steps to prevent opioid trafficking, potentially subjecting them to sanctions. As the report stated, many of these opioid traffickers rely on legitimate businesses to stay alive and get products into the United States.

What would be the impact on the fentanyl trade if we were to fully sanction many of these known precursor producers that are identified in the report?

Mr. Barr. I think -- you're putting your finger I think on one of their vulnerabilities. The fact that a lot of companies are, in fact, engaged in substantial

lawful enterprises and do this on the side is a vulnerability. And you sort of have to ask your question: Why does the PRC Government have to subsidize this activity to get them to do it?

Nonprosecution, just, you know, letting them do it, you know, they would do it. But they actually have to be incited to do it by the government, which means to me that, if we create strong disincentives, like consequences for their legal business, sanctions personally and against their business, and the ability of people with judgments to chase the property of these companies around the world, I think we would change their state of mind very quickly.

Mr. Barr of Kentucky. Thank you. And General Barr, in February, at the Biden-Xi meeting at APEC, an agreement was struck to delist China's Institute of Forensic Science, which has been tied to human rights abuses against the Uyghur population, from the -- from Commerce's entity list in exchange for cooperation from the Chinese on stopping fentanyl precursor production.

That was November of 2023. Based on the findings of the committee's report, it seems the subsidies for the production and export of fentanyl precursors from China is still very much alive and well.

So the question is, since the Biden-Xi meeting, would you say that China has upheld its end of the agreement?

Mr. Barr. It doesn't appear to me that they have. And I think the problem with China is not carrots to live up to their obligations. We need some sticks.

Mr. Barr of Kentucky. Mr. Donovan, would you agree with that, that the APEC agreement has failed to curb the CCP's production and distribution of fentanyl?

Mr. Donovan. I'd say that it has not changed. The CCP's willingness to support the chemical industry, the illicit chemical industry to the Western Hemisphere. So they

continue to support that. We need to apply more pressure.

Mr. Barr of Kentucky. Mr. Luckey?

Mr. Luckey. I would suggest it was a good agreement reached, but the action and response on China to the agreement has not been upheld.

Mr. Barr of Kentucky. So I think these upfront concessions in the hopes that, on the back end, there will be some reciprocity by the Chinese is a fool's errand and that we need to pursue sanctions as a way of deterring further bad activities.

Since the Biden-Xi meeting, would you say, based on your own knowledge, Mr. Barr, and the findings of this report, that the PRC has in any way meaningfully taken any steps to reduce the production of fentanyl precursors?

Mr. Barr. I'm not aware of any material steps that they've taken.

Mr. Barr of Kentucky. Well, my time has expired, but, once again, I think the policy solution needs to be sanctions holding the CCP accountable. And we're not doing enough on the sanctions front to hold them accountable.

This is a scourge, and I appreciate the ranking member and the chairman for highlighting this. And, for the families who are here, we are working on this for all of you and for my constituents back home.

And, with that, I yield.

RPTR SCHOETTLE

EDTR ZAMORA

[9:10 a.m.]

Chairman Gallagher. Thank you.

I just would like to say, I mean, obviously I share the skepticism that the CCP is going to be a reliable counternarcotics partner, but generally my hope is that our report enhances the leverage that we have, America, legislative and executive branch, to force them to crack down on fentanyl precursor. We're not trying to, you know, blow anything up. We just want to be in a position of strength so that we can change behavior that we know is having a destructive impact on Americans. That's the spirit in which we have approached this investigation.

Mr. Moulton is recognized.

Mr. Moulton. Thank you, Mr. Chairman, and I certainly share that spirit as well. It's incredibly important. And to the victims' families who are here today, we're standing with you. And I cannot imagine your loss, but it hits home with every one of our communities. So there's clearly much more work that we must do.

It's also clear that we can't just treat, punish, or imprison our way out of this crisis. As this report and our witnesses testimony points out, we need to stop the flow of fentanyl to the United States at its source. And with 97 percent of precursors coming from the PRC, that source is China.

And one of the most shocking aspects of this report is the fact that the P -- is PRC policy to actively support the export of fentanyl, and yet that's not shocking to me at all.

Attorney General Barr, were you surprised?

Mr. Barr. I always suspected it. But I think this makes a very compelling case.

Mr. Moulton. Mr. Luckey, Mr. Donovan, were you surprised?

Mr. Luckey. Not surprised. I applaud the committee's report for shining a light on this problem.

Mr. Moulton. Were you surprised?

Mr. Donovan. Not at all, sir.

Mr. Moulton. Now, Attorney General Barr, under the Trump administration, you were able to achieve some significant victories in reducing fentanyl trafficking, including getting the PRC to schedule fentanyl-related substances in 2019, collaborate on joint investigations resulting in convictions of traffickers, and make progress on Customs data sharing. Is that right?

Mr. Barr. Yes, Congressman.

Mr. Moulton. And it certainly didn't solve the problem, but any idea how many lives those actions saved?

Mr. Barr. No, I don't. I really don't have --

Mr. Moulton. To be honest, I don't know either. But when you see the photographs held by the victims' families behind you, I mean, frankly, even if it was just a few lives, it matters.

Would any of that have been possible without engaging with the PRC?

Mr. Barr. No, Congressman. You know, I think we went -- our priority was to get it scheduled, to get the analogs scheduled because the Chinese would keep on saying, well, you know, they change a molecule and it's not illegal. So we wanted to take that argument off the table, and we did succeed in taking it off the table.

Mr. Moulton. Now, Mr. Donovan, the U.S. and China effectively stopped counternarcotics cooperation from 2020 to 2023. During that window when we weren't talking, was there any progress made on the flow of fentanyl precursors out of the PRC?

Mr. Donovan. No, there was not.

Mr. Moulton. And finally, Mr. Luckey, let me ask you this: Since President Biden and President Xi agreed to reopen talks on fentanyl issues last November, have we seen the Chinese make any progress on this front?

Mr. Luckey. I have not seen any.

Mr. Moulton. I mean, I think the reality is actually they have. We have seen them do several things to crack down on fentanyl production and fentanyl export and improve intelligence sharing. So I totally disagree with you.

I think there -- it certainly has not solved the problem, but the fact that we have engaged with the PRC the same way that the Trump administration did has actually made some progress.

And, you know, the reality is we have a lively and productive debate on this committee about whether we should engage diplomatically with China at all. I'm certainly under no illusions that we can trust the PRC, that the PRC is acting in good faith, or that we can solve all of our problems through discussion. But there's a long history of both Republican and Democratic administrations engaging diplomatically with our adversaries, such as President Reagan and Kennedy's partnerships -- the path-breaking deals, rather, with the Soviets. So we should engage, even as we must be incredibly clear-eyed in doing so because, in this case, that engagement literally saves lives.

Now, Attorney General Barr, is it true or not true that most fentanyl coming into the U.S. comes through official ports of entry?

Mr. Barr. The last time I looked at that, that's the case.

Mr. Moulton. About 90 percent of fentanyl is interdicted at ports of entry, according to DHS.

Mr. Donovan, what kinds of authorities or resources would be most useful to counter the illicit flow of fentanyl into the U.S. through ports of entry?

Mr. Donovan. So obviously, technology, more staff at the POEs, the ports of entry, would allow CBP, Border Patrol, to interdict more narcotics into the country, although they do a decent job as it is. There's a lot more that we can do.

Once drugs get through the POE, or ports of entries, and it's into -- in the United States, law enforcement is working from behind.

Mr. Moulton. Yeah. No, I think that every single one of us understands here how important it is that we crack down on the border. And while we know that no border deal is perfect, the Senate-passed border deal that would expand hiring authorities and training for CBP and Border Patrol would invest \$20 billion to hire new agents and would expand technology.

Look, it's not perfect, but it's a problem that we can't get that past the House, because our failure to act serves Mexican drug cartels, it serves Chinese-organized crime, and it serves the PRC.

Mr. Chairman, I yield back.

Chairman Gallagher. Mr. Newhouse.

Mr. Newhouse. Thank you, Mr. Chairman. And let me say thank you too for your strong leadership on this committee as we are enjoying your last committee hearing of your engagement in Congress.

First of all, let me say thank you to all of you that are providing testimony today, and also for your continued dedication to keeping our Nation just as safe as possible.

We all know this issue is critically important to the people of this country, and it's certainly important to the people that I have the honor of representing in central Washington State. And unfortunately, as many of those sitting in the audience today and those tuning in virtually at home know all too well, this fentanyl epidemic has taken just so many American lives. A lot of comparisons can be made. I many times say

more Americans die from fentanyl than we lost in the entire Vietnam war. That happens every single year.

Last year, a father in Yakima, Washington, Andy Wonacott, reached out to me to share a story of his tragedy. It's deeply saddening, his personal experience with fentanyl is. Over the span of about 18 months, he lost both of his sons in separate instances to substances laced with fentanyl. After hearing his story, I knew we had to do something. So I introduced the William and James Wonacott Act in honor of his two sons, which in this act focuses on enhancing enforcement and increasing penalties for fentanyl distribution.

We soon learned that there really is no silver bullet to solve this complex crisis, which is why we created the Central Washington Fentanyl Task Force. It's a working group comprised of more than two dozen experts on the front lines and those directly impacted by the crisis. We're finalizing a yearlong report that outlines all relevant data and funding and policy and educational efforts on the subject. And this is where we really appreciate your collective expertise on the source of the problem, which is China.

As our committee investigation unveiled today, the CCP is subsidizing, awarding, and investing in chemical companies that are responsible. They're failing to prosecute these companies or collaborate with U.S. law enforcement, essentially conducting forms of legal and illegal statecraft to unleash an all-out drug warfare in a, what I think, not so covert effort to weaken their opponents and overthrow the democratic system.

Mr. Barr, like many others, I'm interested in how you think U.S. strategy should change to enhance our enforcement capabilities and hold the CCP accountable. And you've answered extensively on that subject. I appreciate that a lot.

Do you also see, as we witnessed the CCP use this subsidy playbook in several other industries, the subsidies, awards, tax incentives -- are there lessons that we can

learn and apply to these state-sponsored fentanyl operations that you could expound on?

Mr. Barr. Well, first, I have no objection to engaging with the Chinese diplomatically. I think we should always stay engaged and, you know, present our case as forcefully as we can and get what we can through those discussions, and offer cooperation and so forth.

But in the case of China -- and there are some other countries involved in drug trafficking that I think are the same -- I simply do not trust that we have -- that there are enough consequences to have them change their playbook. And I think we need to bring some consequences to the table or at least the prospect of it.

But I think the highest priority has to be going after the source. Waging the drug war here at home just means putting a lot of people in prison and stacking them up. I think that -- we're dealing with a fundamental shift in drugs from organic to synthetic. To do what's being done on the synthetic front, you need two things: an industrial base and nonenforcement of law.

It's going to be hard to shift this business anywhere else but China. India is a place that has the industrial base, but they have stronger enforcement and more cooperation with us. So this is the key vulnerability of all synthetic drug trafficking. It's getting the Chinese to stop, and that's where I would put all my -- not all, but most of my effort.

Mr. Newhouse. Mr. Chairman, just real quickly, if I could ask Mr. Donovan. As an appropriator, we're looking at ways that we can enhance the DEA's capabilities. Are there anything, specific divisions or programs within the DEA that we should keep top of mind?

Mr. Donovan. Yes. I think that the Special Ops Division, that is the whole-of-government approach to going after this problem set. I think that is an area

where, if we can increase funding there, then you'd see somewhat of a change or an impact in international drug trafficking organizations. The more people we have, the more resources, the more we can do.

Mr. Newhouse. Very good. Thank you very much.

Chairman Gallagher. I worked there for about 6 months when I was in uniform on loan. I really just got coffee for important people, but I got to see how incredible the work that SOD is. So I would note that.

Senator Kim. Oh, sorry. I jinxed it.

Mr. Kim. Thank you, Mr. Chair.

Mr. Donovan, I wanted to start with you. You said something earlier, and I just wanted to hear it again. When we were talking about 3-methylfentanyl, you talked about how potent it was. Can you tell us that again, how much more potent it is than other --

Mr. Donovan. Of morphine. That's correct, sir. So 400 up to 6,000 times more powerful than morphine.

Mr. Kim. Yeah. I just have to say, I mean, I think it's so important that we just really highlight what we're talking about here, right? You know, this is just magnitudes beyond, you know, just in terms of the potency and its ability, you know, to kill not just one person, but so many people as we've seen.

And, look, to the American people who might be watching this, I hope you can see what I can see, what those of us up here can see, just this room here, you know, filled with the families of victims here holding up the photographs of their loved ones. I just have to say, this is one of the most powerful things I've certainly seen at a hearing in terms of my time here in Congress.

So I just want to say to the families here, just I'm sorry for what you've gone

through. And every single person up here in these jobs here in Congress, we should do everything we can to be able to try to do, you know, what we can to stop just this horribleness of what's been happening. So I just want you to hear that from me, and I promise you I'll do my best, and I know everybody else will.

You know, when we try to think through how do we take this on, Mr. Luckey, I wanted to ask you. We were talking about some of the things we're doing with this task force and whatnot. And I think we're having trouble kind of understanding, like, what do we actually think we can achieve? So I guess my question to you is, in this bilateral push, like, how would you describe what success would look like for us or, like, what objectives we think we can try to achieve through that sort of bilateral working group task force approach right now?

Mr. Luckey. I think that's an excellent question. I think the goal should be doing all that we can to save lives. I think the ultimate goal of this is saving lives, and everything that we can do in furtherance of that we should do.

I would suggest that a coordinated approach is necessary. And by coordinated, I mean both from the Congress and the executive branch. We know that when this country works together, we can achieve great things. Every one of these lives lost is a tragedy, and saving, as you mentioned, saving one life is tremendously valuable.

We've seen success in this space before, both this committee's report and the Commission on Combatting Synthetic Opioids' report that I mentioned in my testimony. There are many, many recommendations that can be implemented in furtherance of saving those lives.

And if I could, sir, I'd just like to go back and clarify my comment to Representative Moulton. I didn't mean to imply that China had taken no action following the President Xi-President Biden meeting. What I meant to convey was that we have not realized the

results from that meeting.

Mr. Kim. Yeah. I guess my followup to you would be, you know, we're taking this bilateral action now. But, you know, so much of what our strength comes from as the United States is marshaling a global coalition, you know, the multilateral type approach that we have seen. And certainly when it comes to, you know, some of the biggest challenges that we face right now as a world, we've taken that approach.

I guess my question to you is, how does the multilateral effort kind of fit into this? You know, we're taking this bilateral task force but, you know, what can we be doing in marshaling? Because as we said, this tragedy is not just unique to the United States. We're seeing so many other countries being decimated, so many more lives lost.

What can we do to try to marshal a multilateral global effort to be able to bear down even more pressure?

Mr. Luckey. Yeah. I agree with your comments. And as I mentioned in my testimony, there are things that we must do unilaterally as a Nation, but our strength on this front will come from our multilateral engagement with other nations. What we're seeing here in the United States is likely to be seen elsewhere in the world.

The shift, as former Attorney General Barr mentioned, from organic illegal drugs to synthetic illegal drugs is only -- in my estimation, is only going to increase in the future. So everything that we're doing now to get a handle on the synthetic production of illegal drugs will only pay more dividends in the future, and our strength lies in working bilaterally with other nations, China and Mexico, and multilaterally with other nations of the world to present a unified front against this scourge.

Mr. Kim. Okay. Thank you. I yield back.

Chairman Gallagher. Thank you, sir.

Next, the future chairman and a man of high integrity who I've watched for

8 years sincerely try and build bridges and personal relationships across the aisle, which I think is essential to the future success of this committee to ensure it doesn't get sucked into a partisan vortex, Mr. Moolenaar from Michigan.

Mr. Moolenaar. Thank you, Mr. Chairman. And thank you for your leadership. And we are grateful for you working with Representative Krishnamoorthi and making this the committee that it is. So thank you so much.

I also want to thank the families who are here. My hope is that this report, this hearing will bring good out of the tragedy and the suffering that you've experienced. And thank you for your advocacy. We will not forget. And thank you for being here.

I wanted to start with Mr. Donovan. You mentioned you were not surprised about the PRC's intentionality on this. And you've read the report. You know many of the companies that are listed that the PRC owned or gave money to -- Yafeng, Gaosheng -- these types of companies were prolific drug traffickers. Is that correct?

Mr. Donovan. That's correct, sir.

Mr. Moolenaar. And what do you think the odds are that these companies sold narcotics, addicted Americans, maybe killed Americans? And we've seen the PRC's awarding money to these companies. You've spent countless hours with victim families. How does that make you feel?

Mr. Donovan. It's why I'm here. It's why I do this. It's because ultimately what Mr. Luckey said means everything to me personally. This is about saving lives. I do think we are under attack, and I think it's intentional. And I think as a Nation we have to take a hard look at what our response is going to be.

Mr. Moolenaar. Attorney General Barr, the CCP has publicly-traded companies with their own internal party committees inside of them facilitating the fentanyl trade. Are you familiar with PRC laws involving golden shares in Chinese public companies that

essentially gives the CCP control of the public company?

Mr. Barr. Yes, Congressman. Generally.

Mr. Moolenaar. Does this raise concerns for you about the CCP's knowledge of these companies enabling the fentanyl trade? And what is the CCP's ability to stop this behavior if they chose to?

Mr. Barr. Well, I think that's the key point. We can't -- the key point here is that the PRC and the CCP have the capacity to shut this down. This is not taking place in the rain forests of Burma. This is taking place among a manageable number of companies in industrial parks in a modern surveillance state.

The Chinese can push a button and with a keystroke find somebody in one of their cities within less than a minute, know exactly where they are. They know what's on the internet. There's no question they're aware of what's happening, and they're aware of the specifics. The question is, to me, you know, are they involved in it? Are they actually complicit in trying to encourage it? I think the answer is yes. But they have the capacity to do it.

Multilateralism and putting together coalitions and all that is good and essential, but there's a coalition of one. There's one player here that controls the source, and as I say, that is not a source that can be easily moved. And so the game here is to force the PRC to do what we know they can do.

When the ranking member held up that chart at the beginning, that was compelling. Zero on the Chinese side, even if they are some. The point is they can control it when they want to. They execute people publicly because they want to send a message: This is intolerable. We won't have drug trafficking in China. Nothing. Crickets when it comes to the massive tracking. And they know it's going on. It's open and notorious. And all the intelligence points to the involvement, through ownership,

through visits, through awards and so forth, that the Chinese Government and the CCP know exactly what's going on.

Mr. Moolenaar. You mentioned there needs to be consequences. There need to be some sticks in terms of our policy. It seems that sanctions is one tool. You know, my understanding of sanctions is it needs broader participation from other countries in order for it to really have teeth.

Are there other countries that are affected in the same way the United States is by this?

Mr. Donovan. Absolutely. Australia is one of the Five Eyes partners that is directly impacted by methamphetamine from China into their country. Europe as well. There are many countries throughout the world that are impacted by illicit drug trade coming out of China.

Mr. Moolenaar. Thank you. And I yield back, Mr. Chairman.

Chairman Gallagher. Thank you.

Ms. Sherrill is recognized for 5 minutes.

Ms. Sherrill. Thank you, Mr. Chairman.

And thank you to all the families who are here with us today. I think it's so important for you to be here to put a face on what is going on in this country as we have this hearing.

Because the fentanyl crisis is really devastating families and communities across our country, it's taking the lives of seven New Jerseyans every single day. With 97 percent of illicit fentanyl precursors coming from China, it's long past time we look closely at the CCP's integral role in this crisis and how Congress can effectively respond.

Increasingly, drug traffickers are targeting young people through social media and online platforms. I've heard from too many parents and principals in New Jersey about

the rapid spread of fentanyl and other opioids among teens, which too often leads to tragedy and broken communities.

Fentanyl today is both a public health and national security issue. It's essential that this Congress act now on the President's national security and border supplemental request to fund fentanyl, detection, technology, and additional law enforcement officers, as well as finally crack down on the CCP-linked companies driving the global supply of fentanyl.

So, Mr. Luckey, President Biden's national security and border supplemental funding request from October 2023 includes \$1.2 billion to crack down on illegal drug trafficking. These resources would fund the deployment of 100 cutting-edge fentanyl detection machines, 1,000 additional law enforcement personnel to combat drug trafficking, and 1,300 additional Border Patrol agents at both the southern border and key port facilities, like the Port of Newark.

Can you discuss how this funding would impact Customs and Border Patrol and the DEA's ability to intercept more fentanyl at ports of entry?

Mr. Luckey. Yeah. I think it would have a tremendous effect. As I mentioned in my testimony, we need to take a risk-based metrics-driven approach to how we're funding this effort. We need to prioritize our efforts, and this specifically is one thing that will likely have a tremendous, positive effect on this.

Ms. Sherrill. And conversely, without this funding, do our law enforcement agencies currently have the capability to prevent large scale fentanyl trafficking that's more than quadrupled since 2019?

Mr. Luckey. Again, as I mentioned in my testimony, fentanyl has confounded our historic drug efforts. Fentanyl is not just another drug or a new drug; it has substantively changed how we need to address this issue. We need to have a

coordinated approach. We need to assess data. We need better data and better data sharing amongst all the agencies involved so that we can maximize our efforts.

Ms. Sherrill. Thank you.

And, Mr. Donovan, you've spoken about how drug traffickers now use social media platforms extensively to advertise drugs like fentanyl, connect dealers with buyers, and facilitate cash transfers. In New Jersey, I've heard from police chiefs and principals that dealers use platforms like Instagram and Snap to reach school-aged children. Indeed, the Major County Sheriffs of America last year said that social media platforms are exploited by fentanyl trafficking networks to spread poison into American communities.

Can you discuss how important social media is to the fentanyl trade and, in particular, how effective it is in reaching younger Americans?

Mr. Donovan. It's extremely effective. It is an access point in everyone's home to many kids. It is the first thing they want to go on when they obtain a phone. And it is very easy for a dealer to then start marketing and advertising those illicit narcotics to those young kids.

The challenge for law enforcement is trying to work with those social media platforms in this overwhelming number of distribution points all throughout these platforms and trying to target those networks that have now gone to that side of distribution.

Gone are the days where you go in a dark ally and you meet up with a dealer. It is now the dealers are online in that space. And they've made it easier because it's not only having drugs delivered to your doorstep, it's also paying for it via Cash App, Venmo, Zelle. So even the money, the financial means going back to the network is a lot faster and it's lot more efficient.

Ms. Sherrill. And this committee in particular has been concerned about the use of TikTok by the CCP. Is there any evidence TikTok in particular is being used to advertise fentanyl or other drugs?

Mr. Donovan. Yes, there is. TikTok is another social platform that is absolutely being used to distribute narcotics throughout the U.S.

Ms. Sherrill. Thank you. And I yield back.

Chairman Gallagher. Dr. Dunn.

Mr. Dunn. Thank you very much, Mr. Chairman. I'd like to add my comments to those of Mr. Moolenaar and Newhouse. Thank you for your service on this committee. You've done a terrific job, along with Raj, in getting us a terrific, very bipartisan launch. I think it's been a great, great committee to work with. I know the families gathered here, appreciate the efforts that you and Raj have put together. So it's been an honor to work with you for the last few terms.

Distinguished gentlemen of the panel, I've been an outspoken proponent of the need to end the fentanyl epidemic. I'm a doctor by training. We tend to use the term "fentanyl" as shorthand for this massive synthetic drug industry. And it's also the world's leading money laundering operation that accompanies that. So we're talking about a lot of different chemicals here, but fentanyl is a nice, short handle for that.

We should clearly point out that the industry also drives the human slave trade across our southern border. And that's what sheriffs in Texas call that, a human slave trade, the largest slave industry in the history of the world.

The PRC remains the primary source of fentanyl precursors and all these other synthetic drugs into the United States and, in fact, around the world. And, of course, most of these seem to come into our country across our poor southern border, but also through our international mail. And this is why I've taken action and introduced a

resolution to classify illicit fentanyl-related substances as weapons of mass destruction. They're not drugs, they're not medicines; they're weapons of mass destruction.

And that also, it's not just a -- that's not just for show. I mean, it actually gives the government other tools that they can use to fight these chemical substances and treat it differently, diplomatically as well. I also sponsored legislation to close the de minimis trade loophole that allows direct shipping of these drugs and their precursors to the United States. I hope that that will find the light of day across our floor soon.

I look forward to working with all my colleagues to appropriately address the national security and health crisis issues that this has generated.

If I may start with Attorney General Barr. It's good to see you again, sir. How sophisticated is the PRC surveillance state? If it wanted to, how easily could the PRC Government find these drug traffickers in China?

Mr. Barr. I think it's very sophisticated, especially on monitoring the internet, being able to control the internet. There's no question in my mind that they know exactly what's going on on these sites. And again, we're talking about a manageable number of companies.

One of the findings of the committee's report is that, although there are a lot of different names and so forth, they usually come down -- a lot of them just sort of collapse into one organization. And they operate out of, you know, easily accessible places.

So, you know, I think for the same reason that the Chinese can control drug trafficking in China, which is a big complicated country --

Mr. Dunn. Right.

Mr. Barr. -- they can control the exportation of these drugs that are made by a few.

Mr. Dunn. Right. I was heartened to hear you say earlier that you thought we

might be able to incentivize the CCP to actually go after these with economic sanctions and disincentivize the production of those drugs. So I think we should be pursuing that. I'm very grateful for that. Thank you.

Mr. Donovan, can you reconcile the fact that, you know, in Congress, you know, for us in Congress, that your colleagues have no trouble finding thousands of drug traffickers online, and the PRC is saying they can't find them? I mean, does this make any sense to you?

Mr. Donovan. It makes no sense to me, especially since every PRC citizen, Chinese citizen, has a national ID card when they go online in the internet. They're able to be located via tracking on that card. And so when I look at the PRC and the CCP's inability or unwillingness to go after many thousands of these sites that are selling, not only the fentanyl and fentanyl analogs, but other really schedule I narcotics throughout the world, I know that they can immediately shut that down.

Mr. Dunn. Yeah. It does feel like they're not doing their part.

Mr. Luckey, thank you for your testimony. Thank you for drawing attention to the report by the Commission on Combatting Synthetic Opioid Trade. I think that's a helpful resource for us in Congress and for the administration.

Do you have any specific advise on implementation you'd like to share in the last few seconds we have?

Mr. Luckey. Yeah. The one point I'd like to make is highlighting that a coordinated effort is required. It's been discussed in this hearing thus far. The United States should make every effort to coordinate its role in this space. That means utilizing existing organizations and bringing these existing organizations together through better data and data sharing so that we can maximize our effects.

Mr. Dunn. Thank you very much.

Again, thank the entire panel. Very distinguished panel.

Mr. Chairman, I yield back, for the last time.

Chairman Gallagher. Thank you.

Mr. Auchincloss.

Mr. Auchincloss. Chairman, you've had a successful and productive tenure as the leader of this committee, and you're leaving on a high note here. This investigation and the accompanying testimony has been eye-opening in yielding compelling evidence of the complicity of the Chinese Communist Party in the fentanyl crisis.

We have seen that through the value added tax, the CCP is using awards and subsidies to actively promote and finance the export of fentanyl. We've seen that the elites of the Chinese Communist Party are sharing in these illicit profits. And we've seen that the Chinese Communist Party, despite having the most comprehensive and panopticon social surveillance system in history, is refusing to enforce the law right in front of them, despite the fact, as the former attorney general said, it really is a couple of central nodes. This is not a diffuse system.

And then, finally, of course, we've had a compelling natural experiment in the pandemic closures of Wuhan province, where, as Mr. Donovan said, supply dried up overnight.

There's just no question that what we see here is the state-sponsored poisoning of the United States on behalf of the Chinese Communist Party. And the families here are families of victims of that state-sponsored poisoning of America, and Congress needs to act.

For Congress to act, we need to understand the why behind this Chinese Communist Party complicity. The corruption angle I think is easy to digest. It's easy to understand that there might be some CCP officials who are sharing in these illicit profits

and are turning a blind eye. But I find that hard to believe as the sole answer here.

The CCP has had numerous anticorruption drives. If this were purely a problem of corruption that was antithetical to state policy, it's creating a big liability for them globally now that I imagine would outweigh the personal benefits. So I would invite our panel here to help us, to help me understand, what might be the strategy behind this? Why would the Chinese Communist Party want to actively promote this?

And, Mr. Barr, perhaps you can start.

Mr. Barr. I think one aspect is strategic. I think that this is a major social problem for the United States and impose great costs on our society. It's dispiriting. And it also is an example of how they can show the world, you know, how corrupt the American society is.

Mr. Auchincloss. Decadent.

Mr. Barr. Decadent, right.

Mr. Auchincloss. It buys into their narrative of a declining and decadent West --

Mr. Barr. Right.

Mr. Auchincloss. -- unable to take the mantle of leadership in the 21st century.

Mr. Barr. Right. And so I think that's an aspect of it: strategic.

Mr. Auchincloss. So to be clear then, this is not simply negligence. This is comission. You think this is part of a strategy.

Mr. Donovan?

Mr. Donovan. Yes, I do think it's comission. I think this would be an opportunity, and it is an opportunity, for the CCP to undermine our economy through billions in black currency. Certainly, throughout their drug trade. I think it also tears at the social fabric of America with drug addiction and them fueling it.

Mr. Auchincloss. So it's your belief this is part of a long-term strategy to

undermine what the CCP views as their primary competitor for 21st century leadership?

Mr. Donovan. I do.

Mr. Auchincloss. Because of the time here, I'm going to move on to my next question, which is, I recently met with a senior diplomat from the Chinese Embassy and raised with him the question of, in particular, the money laundering that the Chinese are facilitating for fentanyl trafficking. He denied really any knowledge or agency in that problem.

My understanding, Mr. Donovan, is that, because of the Chinese facility for money laundering, it's become very challenging for United States law enforcement to have pressure points on what used to be a real liability. And we've seen that with the decreased premiums that the Mexican drug cartels have to pay to launder their money down from 10 or 15 percent. Now they're closer to 2 percent.

What would empower U.S. law enforcement to be able to find these money laundering pressure point points and take advantage of that?

Mr. Donovan. So the pressure points -- so the vig, what you're referring to, sir, it's sometimes down to 0. So in other words, Chinese money brokers will not charge anything.

Mr. Auchincloss. Which, by the way, further underscores that there might be some political benefit rather than purely a financial one.

Mr. Donovan. Yes. Exactly. I think that we've seen an uptick in Chinese money brokers throughout Mexico working with numerous cartels over the years. They've completely taken over money laundering the apparatus throughout Mexico on behalf of Mexican cartels. That is a focus point for DEA and other Federal law enforcement partners. That is a major concern for us. It's not only in chemicals; it's also in money laundering globally Chinese organized crime.

Mr. Auchincloss. I appreciate that.

Mr. Chairman, I would encourage the committee, one, to make the recommendations from this fentanyl report its highest priority for the completion of the 118th Congress, and two, to accompany the very good recommendations we have for fentanyl precursors in China with elements to crack down on the money laundering. As the saying goes, we got to follow the money.

Chairman Gallagher. I very much appreciate the drilling down on the why. And to some extent I think that's the overarching question we've been asking since the inception of this committee -- or, rather, what is their long-term goal. So I very much appreciate that.

Senator Banks.

Mr. Banks. Thank you, Mr. Chairman.

Chairman Gallagher. This committee is really just a stepping stone to greatness, or obscurity in my case.

Mr. Banks. This is Logan Bauer. He was a stand-out athlete and a senior commander of the JROTC at Concordia High School in Fort Wayne. I met Logan here at the Capitol in 2018, when he was visiting the Capitol with his school. He died before his 21st birthday of a fentanyl poisoning. His dad, a captain with the Fort Wayne Fire Department, Chad Bauer, now dedicates his life to educating kids and families about the dangers of fentanyl.

This is Theresa Juillerat and her son Christopher. Christopher was a father and an uncle. He died at the age of 23, also of fentanyl poisoning. On top of working a full-time job and taking care of her grandkids, Theresa Juillerat, Christopher's mother, dedicates her life to speaking out about the dangers of fentanyl as well.

Last year, I received a box of 100 letters and photos and obituaries from parents

like many of you who are here today who lost children to fentanyl poisonings.

I've repeatedly asked the Biden administration and President Biden himself to meet with these families to give them an audience in his office to talk about these issues. And I've been completely blown off by the Biden administration in simply requesting a meeting between the President of the United States and families like all of you who are with us today to talk about what this committee is addressing.

Last year, I offered and passed an amendment in the defense bill, the NDAA, that forces the Biden Department of Defense to release evidence of the Chinese Government's role in fentanyl exports, exactly the subject that we're talking about today. The Biden administration put out a Statement of Policy opposing my amendment, a very simple amendment asking them to provide proof, whether we have it or not, if the Chinese are complicit in flooding our country with the poison that is fentanyl.

Mr. Barr, help us understand. I mean, what does a President, what does an administration gain from ignoring what we're all discussing here today? Why do you think the Biden administration is completely ignoring this and refusing to address these families? What do they have to gain from it?

Mr. Barr. You know, I really can't speculate as to the -- you know, the basis for their decisions. You know, we may disagree -- I may have disagreements or do have disagreements with drug policy of this administration, but I think the reason I'm here today is because I think this committee has been able to move the ball on a number of issues by, you know, a nonpartisan approach or a bipartisan approach of trying to get the facts and try to come up with a common strategy for dealing with it.

And I'd like to give the Biden administration an opportunity to digest the work of this committee because I think it counsels a stronger stand against China and focusing much more attention on pushing the Chinese on this front. So I hope it bears fruit in

that respect.

Mr. Banks. You've been there, though. What is your advice to get their attention? We're begging for the President's attention. What's your best advice to get their attention to listen to what's going on here?

Mr. Barr. I think this report should get their attention. I think it's a critical report. As I say, this has been a question of, what are the PRC's and the CCP's motives here? Is this omission or commission, and what exactly is behind it? And I think this is the single best report that gathers all the information we have, especially the public information. And I think it should get people moving on this front.

Mr. Banks. In August of 2022, then-Speaker Pelosi visited Taiwan, and the Chinese retaliated after that by stopping sharing information about suspicious shipments and suspected drug trafficking into the United States. They actually retaliated against us because our Speaker of the House, of the President's own party by the way, visited Taiwan. How is that not an act of war?

Mr. Barr. I think some people would say I'm a China hawk across the board, you know, and I'm very concerned about a lot of things the Chinese are doing. And, you know, their military buildup, their threats against Taiwan, and their inroads in South America, their spying in the United States, their now move into the marijuana production business in the United States. So there's a lot of things that I'm very worried about. But there's no issue that's more important than this one, because this, as I say, is -- we're sustaining casualty rates at world war levels.

And this is, in my mind, a deliberate poisoning of the United States. And, you know, it's not just a diplomatic talking point. This is major. And I think they have the key in their hand to stop it, and we have to pull out every tool we have to force it.

Mr. Banks. I agree. I yield back.

Chairman Gallagher. Thank you.

I know Pelosi got the press for that trip, but the ranking member was there. And that was probably the source of the retaliation.

Ms. Brown is recognized.

Ms. Brown. Thank you, Mr. Chairman. You will be missed.

I appreciate the topic of this hearing to address the fentanyl epidemic taking the lives of far too many Americans. For adults under the age of 45, overdosing on fentanyl is the leading cause of death. In fact, in 2022, fentanyl was involved in over 80 percent of overdose deaths in Ohio, most of which were found to be unintentional. This is heartbreaking and unacceptable, and we all have a role to play in doing even more to combat this issue.

We know almost all the chemical ingredients of fentanyl originate in China. And 90 percent of the fentanyl trafficked into this country is stopped at the ports of entry, not through unlawful crossings. The bipartisan immigration proposal, unfortunately killed by Republicans in the Senate at the behest of the twice impeached, four times indicted ex-President, would have delivered billions toward addressing this significant problem. We must put people over politics.

As we all know, fentanyl did not cause the opioid epidemic, but only made it worse. We have talked today about what must be done to stop the import of fentanyl into our country, but it is also important to discuss how to deal with the crisis which is already here in every State, in every district, in every community. Preventing the influx of fentanyl is not enough. We need to meet people suffering from addiction, which is a medical condition, not a moral flaw, where they are.

Shining a light and expanding access to preventative resources is essential to save lives. These include medication-assisted treatment; fentanyl testing strips, which detect

fentanyl and other substances; and naloxone or Narcan, a safe medicine which prevents an overdose as it is happening before it becomes fatal.

So, Mr. Luckey, do you agree, if we were to completely stop the flow of fentanyl-related chemical compounds from the People's Republic of China, the U.S. would still have to address the drug related challenges, and if so, why?

Mr. Luckey. Yes, I do. As I noted in my testimony, we need to make efforts across supply reduction, demand reduction, and harm reduction if we're to get a better handle on this problem. I would theorize that we could stop all supply. There would still be drug problems in this country. We have a demand issue in this country, and the things that you mentioned, fentanyl test strips and naloxone, can help to save lives. So those efforts in demand and harm reduction need to go hand-in-hand with our efforts in supply reduction.

Ms. Brown. Thank you.

Additionally, how would increasing Federal funding for substance use disorder, recovery, treatment, and education impact people across America, especially in Black and Brown communities?

Mr. Luckey. I think it would have a tremendous effect. Again, while there are issues with drugs being supplied to our country, as I mentioned, there are also demand and harm reduction issues. That would benefit Americans and save lives. And we need to make efforts in those areas as well, perhaps even more so than our supply reduction efforts.

Ms. Brown. Thank you so much for your insight. I truly look forward to working with community centers, law enforcement, advocacy groups, and my colleagues on both sides of the aisle, to prevent more unnecessary deaths from fentanyl and other opioids.

And with that, Mr. Chairman, I yield back.

Chairman Gallagher. Thank you.

Mr. Johnson.

Mr. Johnson. Just amazing we've been talking about state-sponsored poisoning today. I want to make sure that I've tracked this properly.

Mr. Attorney General, you noted that you feel as though this is a deliberate attempt by China to strategically weaken their primary global competitor. Did I hear that right?

Mr. Barr. Yes, I think that's part of the motivation.

Mr. Johnson. Mr. Donovan, I think I heard you say that this is China's attempt to tear at the American social fabric and to undermine our economy so we're less able to compete against China globally. Did I hear that right?

Mr. Donovan. That's correct.

Mr. Johnson. And so, Mr. Attorney General, I know in November of 2023 -- we've talked about it a few times today -- there was an agreement between China and the United States to cooperate more. We have heard today that a little progress has been made on that front. What should that tell us about the motivations of the Chinese Communist Party?

Mr. Barr. I think one of the services that this report provides our country is, you know, pretty firm evidence that this is not -- that they are not acting in good faith and that, right now, they are not experiencing consequences for their failure to enforce the law and to prevent this kind of predatory behavior. And we have to hold forth the prospects of very serious consequences, otherwise it's not going to change.

Mr. Johnson. So, in essence, the Chinese willingness to cooperate on fentanyl is all posturing?

Mr. Barr. Yes, I believe it is. I think by -- this is not unusual. I think we face the same thing with Mexico. Every once in a while they'll flip us something to suggest that they're cooperating, but it's largely meaningless.

Mr. Johnson. Mr. Donovan, Mr. Luckey, do you agree with that assessment?

Mr. Donovan. I do.

Mr. Luckey. I think that we need more information. I think demonstrating intent is, as we know in legal cases, the most difficult thing to understand. I have not done specific research on understanding the intent of the Chinese Government regarding this, but the indications would suggest that more needs be done for sure.

Mr. Johnson. I get the sense that our country has been very slow to wake up to this reality. According to this report, which I commend highly -- I mean, I think it's an impressive piece of work. It will help to move the ball down that field. But I still get the sense, when I talk to leaders in corporate America who will publicly praise China, that they don't understand how likely that China is acting strategically in a malicious way.

Do any of you have any counsel for us in what we can do to grab corporate America by the lapels and focus their attention somewhat more strongly on, I think, the very -- the critically important, moral, ethical, competitive, strategic focus they should all have on not playing nice with China when they're working to undermine us?

Mr. Luckey. As I mentioned in my testimony, I would suggest we need to do all that we can, working bilaterally with China, but I would also stress that there are things that the United States can do unilaterally. We can take action of our own to attempt to reduce this harm that's being caused. For example, we have a fairly diffuse regime of drug policy in this country, and coordinating that effort and the funds that support it would be highly beneficial I suggest.

Mr. Johnson. Mr. Chairman, I would close by noting that you, I think, chief

among the committee have been willing to call out business leaders who have tried to play pat-a-cake with China while not acknowledging their actions that work to undermine and cripple this country. And as you move on to do other things, I just think it's going to be incumbent upon me and others to take up that mantel. And I know that these can be uncomfortable conversations, because we all know there a buck -- you know, there's a lot of money to be made in China. But Americans are being slaughtered, and this is not the time for polite talk. This is the time for truth. Those conversations need to continue to happen, even in your absence. Thanks for your leadership, sir.

I yield back.

RPTR BRYANT

EDTR SECKMAN

[10:07 a.m.]

Chairman Gallagher. Well said, sir.

Mr. Khanna.

Mr. Khanna. Thank you, Mr. Chairman. I want to join my colleagues in commending your leadership of this committee in a very serious way, a bipartisan way, and I think you've really served the Congress and the country well.

I also want to join my colleagues in really recognizing the families here today and your emotion. I've seen the wiping away of tears. Listening to the testimony, I think everyone here has been moved by what you have gone through.

And I would hope that, in addition to tackling China, one thing that this committee could do -- perhaps you, Mr. Chairman -- is a bipartisan bill for the families of the victims of fentanyl. I mean, this has destroyed communities. It has destroyed neighborhoods. It has created mental health challenges. It has hurt our talent, taking away some of the youngest, most productive members of society.

And I would think that this Congress can come together not just on a China policy but on doing something for the families who have suffered this incredible loss. And I would hope maybe, Mr. Chairman, you would consider introducing something bipartisan on that.

On China, in a bipartisan spirit, people know I have almost no agreement with Attorney General Barr, but I will give him credit on one issue, which is, in 2019, I think the work that you did, building on also some of the work that the Obama administration did, to get an agreement with China on the narcotics, the fentanyl, the packaged fentanyl was significant.

And I guess my question to Attorney General Barr is, how did you get that, what were the levers, and what does that mean in terms of the levers we could use to get precursors?

Mr. Barr. Well, you know, I wouldn't give myself credit for that. There was a big buildup to that. There was a lot of diplomatic pressure. I think China didn't like being held up before the world as the source of the fentanyl, and so I think they were willing to take a step.

So it was a long period of pressure. It created a climate where we were able to get that agreement, but I'm not sure that that agreement has actually borne fruit. I mean, it was an important step to take. It's taken away the initial argument that China would frequently raise, which is, well, you know, these aren't exactly illegal because they've changed this molecule or that molecule. It's taken away that argument. But I still don't see the will in China to enforce the law. So we have to do a lot more.

Mr. Khanna. Have you seen any decrease in the exports of fentanyl itself from China. I'm not talking about the precursors, but, you know, the work in 2019 was on the fentanyl itself being shipped. Was there any decrease in that?

Mr. Barr. Well, I've been out of office for a while so maybe Ray would be better, yeah.

Mr. Khanna. Mr. Donovan.

Mr. Donovan. So we did see a change in methodology, trafficking into -- directly into the United States. So, prior to that, fentanyl was being sold on the open net as well as the dark web.

In May 2019, as soon as all fentanyl was regulated, we saw a drop in that. And they just pivoted to still sending fentanyl and precursors into the United States but through freight carriers instead. We did see also an increase in the amount and the

level of trafficking directly into Mexico.

Mr. Khanna. I would just say, Mr. Chairman, that -- two things: One, I appreciate the report. One of the recommendations I think of getting rid of this de minimis exception up to \$800 is important, because my understanding is that some of the fentanyl, even the final package, is still coming across into the United States, because it comes under \$800, and that that is not being monitored. And I think that that is something we should do.

And then I think we have to continue to think of what pressures we can impose on China in addition to the recommendations, because the reality is they have 160,000 of these small businesses that are producing fentanyl. And we can indict, we can sanction, but we can't get all 160,000 until we get their cooperation.

And so we need to look at what sanctions can actually -- or diplomatic pressure can get their cooperation.

Chairman Gallagher. On de minimis, my understanding is Ways and Means is actually wrestling with this right now. It's going to require some give and take on both sides, but that goes all the way back to the hearing we did on the Uyghur genocide. That was one of our core recommendations.

So we're hoping there's a productive outcome and that we don't let the perfect be the enemy of the good in that case. Because we have an opportunity to actually get that passed this Congress.

Mrs. Steel.

Mrs. Steel. Thank you, Mr. Chairman. And thank you for your service and thank you for your leadership. I serve on five different committees, but this is the most bipartisan committee that I really love the most. And I cannot say that I love the most, but you know what? One of the most.

Chairman Gallagher. That's what I heard.

Mrs. Steel. Thank you so much.

Thank you to the witnesses for appearing before the committee today. And thank you for all the family members who lost one or two of your family members. It must be really, really hard. And it's just mind-boggling that you are holding your pictures, and thank you for coming out.

I'd like to submit for the record testimony of Orange County Sheriff Don Barnes, who is the vice president of homeland security for Major County Sheriffs of America. He wrote on the impacts of fentanyl on the local communities.

And, by the way, I came from Orange -- I serve in Orange County in southern California, so I see this fentanyl moving back and forth on the border.

Sheriff Barnes initiated a local investigation that confirmed the CCP role in the production of precursors. The Orange County Sheriff's Department is working with the local and Federal regional partners to identify precursors and track their sources. So I am submitting, Mr. Chairman.

Chairman Gallagher. Without objection.

[The information follows:]

***** COMMITTEE INSERT *****

Mrs. Steel. Thank you.

Mr. Donovan, our local law enforcement in southern California is working hard to help identify precursors and track their sources.

How do fentanyl precursors get to Mexico cartels? Because I heard most of precursors coming through California and then goes down to Mexico and then coming back as fentanyl.

So what happens between the ship and cartel and coming back to the United States?

Mr. Donovan. So that's a valid point, ma'am. So a lot of the precursor chemicals do hit the Port of Los Angeles before their ultimate destination of the Ports of Manzanilla, Mazatlan, and Veracruz in Mexico.

Once they are at the ports in Mexico, obviously, the cartel picks it up, and it's destined for the clandestine laboratory, where it's converted into fentanyl and methamphetamine, where it's eventually smuggled back up through POEs into the United States.

So the ports in the U.S. and specifically in California is often the first stop in the Western Hemisphere, but not saying that it's exclusive. There are other ports that it goes directly from China into Mexico or Central America as well.

Mrs. Steel. Thank you. So you mentioned that Chinese criminal organizations were manufacturing and trafficking in fentanyl precursor chemicals and money laundering.

Why are fentanyl precursors so important for cartel fentanyl production, and why should there be greater monitoring and enforcement against the sale of precursor

chemicals?

Mr. Donovan. So precursors are very cheap to make for the Chinese chemical industry, and so the value is greatly increased once those chemicals are converted into an illicit synthetic opioid or stimulant.

And so, as an example, one kilo of fentanyl in New York City can go for \$32,000, in Chicago \$23,000, in El Paso \$17,000 to \$19,000. The further away from the border, it increases.

But that same kilo in New York could be turned into 300,000 pills sold at \$5 a pill, so generate millions of dollars off of just one kilo. That's what drives -- that's the business model behind the cartel.

Mrs. Steel. Thank you very much. I yield back.

Chairman Gallagher. Mr. Torres.

Mr. Torres. Thank you Mr. Chair. I'm not sure if you're going to miss Congress, but Congress will surely miss you.

China's story of itself and the CCP's grievance against the West often centers around the century of humiliation. During the century of humiliation, the Western world, particularly the British empire, once destabilized China with opium. Now, China is the one destabilizing the world with opioids like fentanyl. The CCP has become the very evil it claims to resent and resist.

The greatest victim is the United States, which is facing the deadliest drug crisis in American history. Fentanyl, which is 50 times more potent than heroin, is the dominant driver of our most deadly drug crisis. Ninety-seven percent of the fentanyl precursors are produced in China.

Attorney General Barr, is it fair to say that the Chinese Communist Party has American blood on its hands, that it is singularly responsible for the deaths of hundreds of

thousands of American citizens?

Mr. Barr. That's the way I view it. I think they have the ability to stop it, and instead of doing that, I think they're encouraging it.

Mr. Torres. And the CCP is fueling an illicit narcotics trade that has brought untold death and destruction not only in the U.S. but across the globe.

So I'm wondering why have the actions of the CCP not led to a greater backlash from the international community? Where is the outrage? Where is the international pressure? Why is the CCP essentially getting away with murder in the international community?

Mr. Barr. Because I think, over the long history of drugs there's been a tendency, which I think is mistaken, to view it as essentially the problem of the people who are taking drugs. And so there's been this idea in the drug arena that, well, it's really the Americans' problem. They have the demand.

And I think generally that's an oversimplification, but especially in the case of these very potent synthetic drugs, because the people who are taking them and dying more and more are people who -- they're not drug addicts that, you know, are trying to get -- chasing a, you know, high and addicted and they're taking it because they're addicted. They think it's Adderall. They think it's a Xanax. They think it's a party drug or a study drug more and more, and it's poison. And they don't know what they're taking.

So that's why I started out by saying I think this is akin -- this is much more like a murder, like shooting into a crowd. You know with moral certainty you're going to be killing people. And that's what makes it outrageous.

But I am stunned that there's not more of a reaction over this kind of trafficking. This is poison, and it's being trafficked into our country with moral certainty that it's going

to kill tens of thousands, now hundreds of thousands of people.

Mr. Torres. So we are pursuing a diplomatic approach to China with respect to countering the illicit fentanyl trade. But, to your point, China claims that the fentanyl crisis is a domestic problem made in America. It acknowledges no complicity whatsoever in the fentanyl crisis.

And so, if China acknowledges no complicity, how do we know the diplomatic approach is going to work? How do we know if the CCP is not merely stringing us along?

Mr. Barr. I mean, that's my concern. I think the value of this report is it really strips away, you know, an excuse by the Chinese, and it makes it clear that we understand that they've been encouraging this. We understand they have the ability to enforce the law and to stop it. And, therefore, I think we should be increasing the consequences of their inaction, seriously, and I think that will change things.

Mr. Torres. So, if the persuasive approaches are not working, what coercive approaches can we take? What would that look like, increasing the consequences of their actions?

Mr. Barr. Economic penalties. I mean, they need our -- they need -- frankly, their economy needs us more than we need them. But I think we should take -- we should at least threaten and be willing to take economic retaliation and including moving to sanctions.

Before you came in, I talked about creating a legal vehicle the way we have terrorism and other things, whereby the victims can go after the companies and the individuals who are involved in this and get judgments against them and then have a process for trying to maximize their opportunity to recover.

I think by bringing to bear all the victims of these predations, you know, that will be a very potent weapon. And if you're running a business, including a business that's a

legitimate business in China, you're not going to want to have anything to do with this.

Mr. Torres. I have a quick question about 2020. In 2020, during the onset of the global pandemic, China imposed a lockdown that disrupted all supply chains, including the fentanyl supply chain. But despite those disruptions, we saw a dramatic rise in the number of lethal drug overdoses in the United States, from 70,000 in 2019 to over 90,000 in 2020.

Can you explain that paradox, that discrepancy, Mr. Donovan or Mr. Luckey?

Mr. Donovan. Yes. We noticed that same paradox as well. And I think it's more attributable to the fact that the treatment centers were shut down, outreach -- outpatient treatment centers were shut down, and there was still fentanyl coming in. It was one of the primary drugs that was still making its way into the United States while many of the other drugs were still being stockpiled in the United States.

So that combination of COVID lockdown with access to fentanyl created that.

Chairman Gallagher. Mrs. Hinson.

Mrs. Hinson. Thank you, Mr. Chairman, for holding this very important hearing. Thank you to our witnesses for helping us to give added context to the challenges surrounding fentanyl and this deadly crisis facing our communities every single day.

And, to the families here today, it's heartbreaking to stare out at you and see the faces of those that you've lost. I know it's -- no district is immune to this, and no spouse should lose their spouse. No sister should lose their brother. No parent should lose their child.

And we are going to do everything we can to continue to tell your stories and magnify that pain, because pain means action, and that is what our committee is going to be focusing on going forward.

And that pain lies directly at the feet of the Chinese Communist Party. It could

not be clearer from the testimony we've heard today. This is not a new statistic or a new headline, but the impact in my State of Iowa is widespread. There is no single community that is untouched in some way, including my district.

And just wanted to share -- obviously, you're here to share your stories, and I wanted to share one from my district too. In Dubuque, Iowa, in November of 2022, we had Iowa Special Agent Mulnix. He was driving through a Walmart parking lot with his son one day. He observed a young woman frantically attempting to render medical aid to her friend.

Special Agent Mulnix approached the vehicle, and they noticed the 25-year-old woman in the car was unresponsive. She was a pale bluish color. She had saliva running from her mouth, and she appeared to be suffering from an opioid overdose.

Now, this case had a better outcome, Special Agent Mulnix administered Narcan and the young woman regained consciousness, miraculously. And she was transported to a hospital by an ambulance, where she stated what she had taken was -- she thought she took a Percocet pill at a friend's house. It was ultimately identified as blue M30, determined that that pill contained deadly fentanyl. And, without Special Agent Mulnix, it is safe to say that that woman's outcome would have been different, and she would not have survived that potential overdose.

So this is the best outcome that we could have hoped for, but so many are not as lucky to have someone like Special Agent Mulnix show up and save their life. This lethal substance originating predominantly from illicit Chinese laboratories has wreaked havoc on all of our communities, devastating families and taking countless lives.

And the PRC must be held accountable for this murder, for every American life that they have taken from pumping illicit fentanyl into our communities deliberately.

And, since they are the principal source of this fentanyl flooding across our

southern border, killing thousands of Americans every year, we know that they are helping also support the cartels. Money is a lifeblood of the cartels, and the CCP's organized crime continues to use them and enable them to traffic that fentanyl and other deadly drugs into our communities.

So, Mr. Barr, Mr. Donovan, Mr. Luckey, I'll pose this question to all of you. What strategies are being implemented to prevent the potential smuggling of fentanyl by Chinese nationals specifically entering the country?

Mr. Barr. Well, interdiction or stopping the distribution of fentanyl has to be a layered approach. You know, our last resort is in the neighborhoods and street distribution. We stop it at the border. We try to stop it coming up on the sea routes. And we try to stop its transshipment across the Pacific and so forth.

But the most -- and I think -- why I think that this hearing is very important and the report is very important is it focuses the spotlight on the place that we can have the greatest impact, which is the production in China. That is the weak link in the chain.

Mrs. Hinson. Stop it at the source first.

Mr. Barr. Yes.

Mrs. Hinson. And then focus our resources here at home on prevention from it getting across the southern border. Is that fair?

Mr. Barr. Right. I think you have to do all of the above, but I think the one that is most cost-effective and by far the most effective is stop it at the source. And, in the realm of synthetic drugs, we have to remember that, if you're not worried about safety, then there's no limit to the human ingenuity to create dangerous substances.

So fentanyl is not a one-and-done problem. It will be generation and generation of synthetic drugs that are not responsive to Narcan and other things. Nitazenes are coming in now. I have heard from major cities that they are now seeing that start, that

wave to build. Two years from now, this hearing would be on nitazenes, which are not responsive to --

Mrs. Hinson. Because they will innovate to find a way around all the good work that we do to try to stop it.

Mr. Barr. Right. That's why we have to stop the synthetic drug problem in the countries that have the industrial base to do it, and that's China.

Mrs. Hinson. Mr. Donovan, can you elaborate a little bit on the DEA's role, specifically working with other agencies like CBP and trying to stop it as it's coming into the country?

Mr. Donovan. Yes. So it goes back to what I said earlier. I think the chokepoints make the most sense for us as a Nation to focus in on, clearly, as AG Barr said, first being China, the chemical industry there. But then, in Mexico, you have the ports. You have the clandestine labs where the chemicals are converted into fentanyl and methamphetamine. You do have the border as another chokepoint and social media as another chokepoint. Those are focal areas for law enforcement to pursue.

DEA has been in this space for a long time and has been very much laser-focused on Chinese chemical industry. It goes back 20 years with ephedra, monomethylamines used to make methamphetamine. And so it's gotten heightened because of fentanyl and obviously the crisis that followed.

But it is a top priority of DEA, and they work across all government agencies to share intelligence, to coordinate efforts, and pursue and hold those criminal groups accountable.

Mrs. Hinson. Thank you. And I'm out of time. So, Mr. Chairman, thank you again for all of your great work on this committee. We will miss you. And I yield back.

Chairman Gallagher. Thank you. Mr. Gimenez.

Mr. Gimenez. Thank you, Mr. Chairman. And let me also say that we will miss you on this committee. And, if anything good comes out of this hearing and we do something about the fentanyl crisis, this will be a great legacy for your work here.

Mr. Donovan, how much money does China, the CCP make on this trade?

Mr. Donovan. Billions.

Mr. Gimenez. Billions?

Mr. Donovan. Many billions, sir.

Mr. Gimenez. Do you think that it would be fair to say that China is the world's largest drug cartel?

Mr. Donovan. I think it is certainly -- yes, I would say that the chemical industry generates billions of dollars, and they are part of the drug trade.

Mr. Gimenez. They are part of the drug trade. They're the world's largest drug cartel, probably a multinational criminal organization, which is called the CCP and the PRC, for the activities that they do.

Do you know how many people die of fentanyl around the world, not just the United States, around the world. Do you have any idea of that?

Mr. Donovan. I do not have that number. Obviously, I can speak to the United States. But fentanyl is becoming a greater problem in other countries as well.

Mr. Gimenez. So it would be fair to say that China is actually waging war against the West?

Mr. Donovan. Yes.

Mr. Gimenez. Mr. Barr, you say you're a hawk on China. Compared to me, you're probably a dove. So do you know how many people died in the atomic bomb, when we dropped the atomic bomb in Nagasaki?

Mr. Barr. I think it was over 100,000.

Mr. Gimenez. It was about 70,000. And the atomic bomb is like, you know, the epitome of a weapon of mass destruction. And so the Chinese are using the equivalent of a weapon of mass destruction here, more than that, on a yearly basis here in the United States alone. And then I don't have the numbers for what's happening on the West. And so they're engaging in a war against the United States and the West using a weapon of mass destruction.

Mr. Barr. I agree.

Mr. Gimenez. I'm a firefighter. That's what I am. And firefighters, what we do, we don't put fire -- we don't put water on smoke. We go to the seat of the fire. And, when you put the fire out, the seat of the fire, then you don't generate any more smoke.

And so, you know, Attorney General Barr, I agree with you that in order to really effectuate, you know, a change here, in order to have success, we need to fight this at the seat of the fire. And the seat of the fire is China.

Mr. Barr. Right.

Mr. Gimenez. The only way to deal with China -- I don't believe anything they ever tell me. Nothing. If it goes counter to their best interests, they will tell you whatever it is they want you to -- they think you want to hear, and they won't follow through.

And so, you know, I applaud the efforts of President Biden in trying to get an agreement with them. Frankly, I don't believe a thing that Xi tells Biden. We haven't seen any evidence that they've done anything really materially to stop the flow of fentanyl that's killing tens of thousands of Americans, over 100,000 people probably around the world, maybe more, maybe tens -- I mean more than 100,000, maybe 200,000, because we don't have the number, of people around the world. And they're

doing it to wage war against us and our values, et cetera, because they are waging war against the West.

The only way to deal with China is the only way that they know -- they will respond is by economic sanctions. You know, I'm not looking for a kinetic solution. It's economic sanctions.

And I've been asking this committee that we need to start to decouple from China yesterday. And it's painful, but we are funding -- we are funding the instrument of our destruction every single day. And we still have the upper hand economically, but we may not have that upper hand for much longer, and we need to use that right now.

And I know it's going to be painful, but we need to do it. If not, it's going to be a heck of a lot more painful in the end, because we're going to lose our freedom. And I came from Cuba. My parents came here seeking freedom. And I'll be damned if I'm going to, you know -- if I have to take my family somewhere else to seek that freedom. By the way, where are we going to go? This is it.

Finally, to the families, I am deeply -- I am deeply sorry for your loss, and I really am. Actually, you know, a member of my family suffered a loss such as yours from fentanyl poisoning. And I will say this to you: Your government has failed you, and your government continues to fail another 200 families every single day.

We know where the problem is. We know it starts in China, but we also know that Mexico -- and I believe the Mexican Government is somehow involved in this, because they don't take the action necessary to stop their cartels from shipping this stuff across the border that's killing us every single day.

And so my time is up. I wish I had more, but I don't. And, again, thank you, Mr. Chairman, for the great work that you've done. And I yield back.

Chairman Gallagher. Thank you. We are all doves compared to you, Carlos.

Thank you again to all of our witnesses for your excellent, excellent testimony and responses to our questions. Does the ranking member have any closing comments?

Mr. Krishnamoorthi. I do, Mr. Chair. I'd like to address a topic slightly unrelated to the topic of today's hearing. Mr. Chair, I know you've always liked my chart game, and so I thought I'd save my best for your last hearing and show a progression of pictures of you during your service in public -- during your career in public service.

We had originally put these two pictures together for the committee's previous hearing on biotech, which we were going to use to suggest that you had taken some kind of super serum to go from being a young marine to becoming the leader of this committee.

But we felt compelled to add a third image of you as you prepare to depart Congress. You look a little more tired, but still determined and ready to continue making an impact on our national life even outside the Halls of Congress.

We'll miss your leadership, but we know that you've left us in good hands, and we treasure your friendship. And best wishes to you on the next chapter on your journey. So thank you.

[Applause.]

Chairman Gallagher. Okay. I had a feeling you were going to do something like that. So I collected my thoughts this morning.

It's an understatement to say that leading this committee has been the greatest honor of my public life and that leaving it has been perhaps the most difficult decision I've had to make in public life, but the reality is nobody gets a Hollywood hero sendoff in Washington, D.C., and I feel like without a doubt this is the best time both for me and for the committee to step away from politics. And having a new chairman in the form of John Moolenaar firmly established up and running at full capacity at the end of this

Congress and at the beginning of the next Congress will allow the committee to survive, and survive it must. And let's make no mistake: There are standing committees that would like us not to survive, but the work we've done here together has been essential.

I'd like to thank the ranking member. I've gained such a deep and profound respect for his intellect, yes, his prop questioning game, and also his sense of humor. And I think there's probably nobody in this Congress or you'd have to go back a long time in previous Congress to find people that have done more joint interviews together on TV, and that takes a special kind of trust and respect.

And so I would say that the country is very lucky to have you in this role, sir. Thank you for everything you've done. I will miss our no-limits partnership, but hope it continues.

[Applause.]

Chairman Gallagher. I'd like to thank the members of this committee for proving against all odds that Congress can still work. Speaker McCarthy, then Speaker McCarthy and Leader Jeffries stacked the deck with the best Members, Democrats and Republicans. It made my job easy. And I intend to stay in the fight one way or another and help you from a different perch outside of Congress.

Most of all, though, I want to thank the staff, the Republican staff, led by the great Dave Hanke, the Democratic staff. They've done the real work. They've poured their souls into this effort. They've done historic investigations. They've gotten the most significant piece of bipartisan legislation passed out of the House this Congress.

So, when the movie about the committee gets made, the real stars will be the staff, and that is appropriate. But to the spirit of your boards, I just hope that I get played by someone who has a full head of hair. I don't know. Glenn Powell, Austin Butler. I'll take a lesser Hemsworth at this point.

A final thought: The ranking member has often said that what the CCP fears the most is Republicans and Democrats on this committee working together, working through these difficult issues. I think that's precisely right.

I would only add a corollary to that premise, which is that we must not allow our own fears, whether it's the fear of losing an election, whether it's the fear of the Presidency as occupied by either party, or whether it's the fear of getting attacked online by the fringes, the isolationist right, the intifada left, all the crazies that make our day so difficult.

We cannot allow such fears to delay action or to dictate our behavior. Luckily, on this committee we've encountered, we've witnessed so many examples of courage prevailing over fear. Whether it's Uyghur women testifying to the horrors of CCP genocide, whether it's Hong Kong students talking about transnational repression, or whether it's the families of those who died from fentanyl who are here bravely today to share their stories.

It wasn't from think tank papers or Fortune 500 CEOs or Wall Street tycoons that we were able to understand the true thuggish, brutal nature of the CCP regime and its devastating impact on the world. It's from people like you. And it's from people who bravely proved what Aleksandr Solzhenitsyn said, which is that to stand up for truth is nothing; for truth, you must sit in jail.

So, if we have succeeded in telling any truths about the CCP on this committee, I would suggest they've been borrowed truths. They've been on loan from those like Peng Lifa, or Bridge Man, Wei Jingsheng, Jimmie Lai and others who paid for these truths in suffering, in imprisonment, and many ultimately with their lives.

These truths are the precious gift of the most courageous souls. They've been smuggled to us out of the darkest prisons, giving us the chance to act before it's too late.

And make no mistake, the world is still looking to America to act with courage so that freedom defeats the fear of tyranny.

So fear not, my friends. Even on our worst day, even on the worst day in Congress -- and lord knows there have been some pretty trying ones -- we are still citizens of the greatest country in the history of the world. God bless America.

Questions for the record are due one week from today.

Without objection, the committee hearing is adjourned.

[Whereupon, at 10:37 a.m., the committee was adjourned.]