United States Senate

WASHINGTON, DC 20510

DATE

The Honorable Scott Bessent
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

Dear Secretary Bessent,

We write regarding the Department of the Treasury's Notice of Proposed Rulemaking implementing the Comprehensive Outbound Investment National Security (COINS) Act. We strongly support your efforts alongside President Trump to ensure American capital, technology, and expertise do not fuel the military modernization, surveillance apparatus, or other sensitive capabilities of the Chinese Communist Party and other foreign adversaries. Congress enacted the COINS Act to address these threats, and we support rigorous implementation of its national security authorities. However, we are concerned that the timing and breadth of the proposed restrictions on biotechnology investments could produce unintended consequences for American competitiveness and national security.

China is rapidly advancing its biotechnology capabilities, including by streamlining regulatory processes that allow certain early-stage clinical trials to proceed faster and at lower cost than in the United States. Meanwhile, American companies continue to navigate lengthy and costly drug development processes under the Food and Drug Administration (FDA). Imposing broad new restrictions at this critical juncture, without fully evaluating their economic and national security implications, could further disadvantage American companies and strengthen Chinese competitors.

An unfortunate reality is constituents suffering from serious diseases like cancer have begun reaching out to our offices seeking help traveling to China when U.S.-approved treatment options have failed. As Americans, we must do everything in our power to ensure we are on the cutting edge of lifesaving treatments, and we fear overly broad restrictions on research to treat deadly diseases would harm that goal.

We recognize that China's military-civil fusion strategy makes it difficult to distinguish between commercial biotechnology investments and activities that could indirectly enhance adversarial military, intelligence, or other sensitive capabilities. Even U.S.-controlled operations can create risks involving technology transfer, workforce development, sensitive data, and supply-chain dependencies. These risks warrant serious scrutiny and appropriate restrictions. However, not all biotechnology investments present the same degree of national security risk, and restrictions that fail to account for these differences could unnecessarily constrain legitimate American commercial activities.

Broad restrictions could prevent American companies from pursuing new commercial opportunities or expanding existing operations, potentially reducing U.S. supply-chain visibility

and creating opportunities for Chinese competitors. At a time when the United States should be strengthening its biotechnology leadership and reducing strategic dependencies on China, we must carefully consider whether the proposed restrictions could inadvertently undermine those objectives.

Accordingly, we urge Treasury to carefully consider the timing and scope of the proposed biotechnology investment restrictions, including on greenfield and brownfield investments, before finalizing the rule. Treasury should evaluate whether the proposed definition of covered pharmaceutical compounds appropriately distinguishes conventional drug development and manufacturing from advanced biotechnology presenting significant national security risks. Treasury should also provide greater clarity regarding the modernization of existing U.S.-controlled operations and ensure that the national-interest exemption process provides a workable pathway for lower-risk commercial activities, subject to appropriate national security safeguards. Additional industry consultation on these issues would help ensure the final rule protects American technological leadership and competitiveness while preventing investments that materially enhance the sensitive capabilities of foreign adversaries.

We appreciate your leadership on this critical national security issue and look forward to working with you and President Trump to ensure implementation of the COINS Act strengthens American security, technological leadership, and economic competitiveness.

Sincerely,