Pharmaceutical Investment Oversight and Accountability Act
U.S. Senator Elizabeth Warren (D-MA) and U.S. Senator Rick Scott (R-FL)

Background

The coronavirus disease 2019 (COVID-19) has highlighted a concerning truth: the United States relies heavily on foreign nations for its supply of drugs and pharmaceutical products. Today, approximately 80% of the active pharmaceutical ingredients (APIs) – which are the requisite components of drugs – and nearly 100% of the raw materials used in U.S. generic drugs are imported from abroad. This overreliance leaves our supply chain of critical drugs used by millions of Americans vulnerable to disruption – whether by accident or by design. This overreliance stems, in part, from foreign investment in the U.S. pharmaceutical supply chain. While not all foreign investment is problematic, experts have warned that significant foreign control of U.S. based pharmaceutical companies could stymie domestic capacity and exacerbate the nation's overreliance on foreign nations for its APIs, raw ingredients, and finished drugs. Despite the risks posed to the United States, the nation lacks detailed information on the nature of this investment.

Pharmaceutical Investment Oversight and Accountability Act

To increase transparency in the pharmaceutical supply chain, Senators Warren and Scott are introducing the Pharmaceutical Investment Oversight and Accountability Act, which tasks the federal government with studying the effects of this overreliance. Specifically, this bill directs the Federal Trade Commission (FTC), in consultation with the Department of Treasury acting through the Committee on Foreign Investment in the United States (CFIUS), to produce a report on the impacts of foreign investment in the United States' pharmaceutical industry. Specifically, the agencies must provide Congress with a report on the following within 1 year of passage of the Act:

- The U.S. pharmaceutical supply chain and the effect of concentration and reliance on foreign manufacturing;

- The effect of foreign investment on domestic capability to produce drugs and active and inactive ingredients of drugs;

- The effect of foreign investment in technology for sequencing and storing DNA; and

- The effect of relocating U.S.-based manufacturing facilities to foreign countries on the domestic capability to produce drugs and active and inactive ingredients of drugs.