

United States Senate

WASHINGTON, DC 20510

COMMITTEES:
APPROPRIATIONS
COMMERCE
HEALTH, EDUCATION,
LABOR, AND PENSIONS

October 23, 2024

Ambassador Katherine Tai
600 17th Street NW
Washington, D.C. 20508

Dear Ambassador Tai,

I write to express support for a petition filed under Section 301 of the Trade Act of 1974 on behalf of families who have lost loved ones to illicit fentanyl. I ask that you review the petition and initiate a full investigation into the role of the People's Republic of China (PRC) in the fentanyl crisis, which is devastating families and the U.S. economy.

While Congress and the Administration have worked to hold China accountable and secure commitments from the PRC, the petition alleges that the PRC continues to actively support the production and export of illicit fentanyl to the United States and has failed to implement sufficient measures to prevent these exports. We have a responsibility to use every tool available to halt the flow of fentanyl into the United States. For that reason, I urge you to take up an investigation to examine the PRC's acts, policies, and practices that have caused severe economic harm to the United States—to say nothing of the tragic deaths of hundreds of thousands of Americans—and consider appropriate countermeasures. As described in the petition, the economic impacts of the fentanyl crisis include undermining U.S. employment and the labor market. The need for supportive services and criminal justice expenditures also put increased pressure on state and local government budgets.

Over the past two decades, the PRC has become one of the most significant global centers for the manufacture, purchase, and exportation of illicit drugs and precursor chemicals. According to the petition filed by Facing Fentanyl, Inc., over 97 percent of all illicit fentanyl present in the U.S. originates in the PRC. Illicit synthetic fentanyl can be produced incredibly cheaply; one kilogram can be produced for less than \$1,000 and sold for \$80,000. Despite its low production cost, it is 50 times stronger than heroin.

Illicit synthetic fentanyl has been the deadliest of drugs exported by the PRC, leading to the deaths of over 70,000 Americans in 2022. In Wisconsin, synthetic opioids were identified in 91 percent of opioid overdose deaths and 73 percent of all overdose deaths in the past year. Early data indicates that the number of fentanyl deaths grew by 97 percent between 2019 and 2021. In 2022, more than 1,400 Wisconsinites died from an opioid overdose.

While the U.S. government is actively engaging with the PRC on this issue, it is imperative that we hold China accountable for its commitment to cracking down on the flow of illicit fentanyl and precursor chemicals that are fueling this crisis. Despite productive steps, the PRC has

continued to provide tax incentives and other financial support for businesses – often state-owned – that export fentanyl and the illicit chemicals necessary to produce fentanyl to the U.S. and countries in the Western hemisphere. The PRC has impeded investigations and prosecutions that seek to stop illicit drug manufacturers while willfully failing to identify and prosecute companies from manufacturing, selling, and exporting fentanyl to the U.S. Furthermore, the PRC conceals business operations involved in fentanyl trade and ignores money laundering schemes by companies that profit from illicit activities.

I have heard from parents who have lost children, law enforcement fighting on the front lines, and advocates urging for change – all demanding we do more to stop the scourge of fentanyl. There is no doubt that the actions of the PRC have left hundreds of thousands of Americans dead and countless families in mourning. Despite the U.S. government's best efforts through diplomatic channels, it has become obvious that the PRC will not voluntarily crack down on its fentanyl producers and exports. Until the PRC takes serious action to hold its own companies accountable, I urge you to seek redress for the harm inflicted upon American. I therefore urge you to expeditiously initiate a full Section 301 investigation and consider the relief measures identified in the petition to address the injury that the PRC's policies and actions have had on the American people and our economy.

Thank you for your attention to this serious matter, and I look forward to continuing to work with you to halt the flow of deadly fentanyl into the United States.

Sincerely,

A handwritten signature in blue ink that reads "Tammy Baldwin". The signature is written in a cursive, flowing style.

Tammy Baldwin
United States Senator