

Congress of the United States

House of Representatives

COMMITTEE ON OVERSIGHT AND REFORM

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<https://oversight.house.gov>

October 19, 2022

The Honorable Xavier Becerra
Secretary of Health and Human Services
U.S. Department of Health and Human Services
200 Independence Ave., SW
Washington, D.C. 20201

Dear Secretary Becerra,

Committee on Oversight and Reform Republicans are investigating the Biden Administration's reliance on testing materials and equipment from China instead of investing in U.S. manufacturing. According to multiple reports, the U.S. Government spent nearly \$1.3 billion on medical testing kits manufactured in China instead of procuring domestic equivalents.¹ We request documents and information related to the use of taxpayer funds to procure testing materials in order to understand why the Administration chose Chinese manufacturers to the detriment of domestic testing sources. Additionally, we request a briefing on the Department of Health and Human Services' (HHS) future plans to grow the U.S. industrial base by procuring U.S. manufactured infectious disease testing.

Since the start of the pandemic, Congress appropriated more than \$6 trillion in COVID-19 response funds,² excluding the \$550 billion in the Bipartisan Infrastructure package,³ and another \$700 billion in the Inflation Reduction Act.⁴ Included in these packages was more than \$861 billion in health care spending.⁵ According to HHS' data, the U.S. has invested only \$1.375 billion in domestic manufacturing capabilities and raw materials.⁶ In contrast, under just one contract, HHS spent nearly \$1.3 billion to procure testing kits manufactured in China.⁷

More than two years since the COVID-19 pandemic started, there has been minimal effort by HHS and the Biden Administration to invest in American jobs and manufacturing. The

¹ Courtney Rozen, *Test Makers led by iHealth Labs to Get \$2 Billion in U.S. Deal*, BLOOMBERGLAW, (Jan. 14, 2022).

² *COVID Money Tracker*, COMM. FOR A RESPONSIBLE FED. BUDGET, (2022).

³ Fact Sheet: Historic Bipartisan Infrastructure Deal, WHITE HOUSE, (Jul. 28, 2021).

⁴ Rebecca Goldman, *What are the Inflation Reduction Act and Budget Reconciliation*, LEAGUE OF WOMEN VOTERS, (Sep. 1, 2022).

⁵ *Supra* n. 1.

⁶ *Biden Administration to invest more than \$12 billion to expand COVID-19 testing*, HHS.GOV, (Mar. 17, 2021). See also *ICYMI – HHS invests over \$560 to Bolster Product Manufacturing to Increase Supply, Availability of COVID-19 Tests*, HHS.GOV, (Oct. 22, 2021).

⁷ *Supra* n.1.

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American people deserve to have their tax dollars spent at home, investing in American infrastructure, American research, and American-made products. Instead, this Administration has spent billions on Chinese manufactured testing kits and materials. We can never have another instance as we did in the early days and months of the pandemic when we found ourselves entirely reliant on Chinese sources for everything from pharmaceuticals to personal protective equipment.

To assist Committee Republicans in conducting oversight of the Biden Administration's foreign procurement of medical testing supplies and awards for research and development in testing, please provide a briefing as soon as possible but no later than October 26, 2022. Additionally, please provide the following documents and information no later than November 2, 2022:

- 1) All documents and communications related to the purchase of COVID-19 testing kits from iHealth Lab or associated businesses;
- 2) All documents and communications related to the purchase of COVID-19 testing kits from any entity affiliated with the Chinese government and/or the Chinese Communist Party;
- 3) All documents and communications related to the origin of all materials procured by the U.S. Government, or with U.S. taxpayer funds, for the purpose of manufacturing COVID-19 testing kits;
- 4) All documents and communications related to investment in domestic infrastructure to support U.S.-based manufacturing of COVID-19 and other medical testing materials;
- 5) All documents and communications related to future research and development plans for procuring infectious disease testing products from either domestic or foreign sources.

To schedule the briefing or to ask any follow-up or related questions, please contact Committee on Oversight and Reform Republican staff at (202) 225-5074. The Committee on Oversight and Reform is the principal oversight committee of the U.S. House of Representatives and has broad authority to investigate "any matter" at "any time" under House Rule X. Thank you in advance for your cooperation with this inquiry.

Sincerely,



James Comer

Ranking Member

Committee on Oversight & Reform



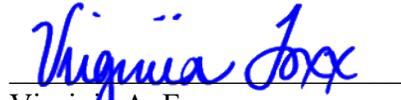
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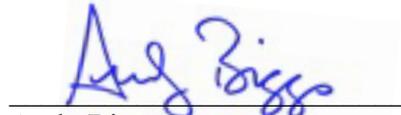
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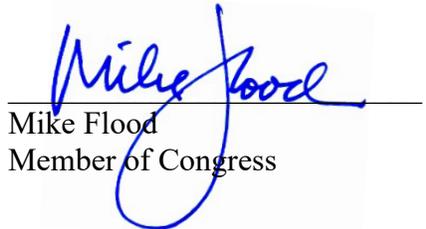
Jake LaTurner
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Pat Fallon
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Byron Donalds
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Mike Flood
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cc: The Honorable Carolyn B. Maloney, Chairwoman
Committee on Oversight & Reform

The Honorable Stephen F. Lynch, Chairman
Subcommittee on National Security

The Honorable Raja Krishnamoorthi, Chairman
Subcommittee on Economic and Consumer Policy