

**Senate Caucus on
International Narcotics Control**

**“Stopping the Poison Pills:
Combatting the Trafficking of
Illegal Fentanyl from China”**

**Tuesday, October 2, 2018
Dirksen Senate Office Building
Room 226
10:00 a.m.**

**Prepared Statement of
Chairman Chuck Grassley of Iowa**

Good morning. Thank you all for being here today.

The emergence of fentanyl as a significant contributor to the opioid crisis has skyrocketed in prominence over the past few years. The National Institute on Drug Abuse estimates that fentanyl

contributes to opioid overdose deaths **46 percent** of the time as of 2016. Last year, **60 percent** of U.S. opioid deaths involved fentanyl. That number has increased from only **14 percent** in 2010.

Between 2014 and 2016, fentanyl-related overdose deaths increased nearly **six hundred** percent.

Fentanyl is now involved in more deaths than prescription opioids or heroin.

In Congress, we are looking at all ways that we can fight the opioid epidemic in this country. Just last week, the House passed HR6, a massive bill aimed to address the opioid crisis, which includes a number of bills that I shepherded through the Judiciary Committee. We're hopeful that the full

Senate can vote on the bill soon and get it to the President's desk to sign.

As we look for more ways to combat this crisis, we know that stopping the supply of illegal fentanyl from overseas is a critically important piece to the puzzle. As we all know, and as I anticipate the witnesses will tell us again here today, China is the number one problem when it comes to illegal fentanyl coming into the United States.

Big labs and sophisticated amateur chemists alike are more easily creating supply to ship over to the U.S., typically through the mail system.

According to the U.S.-China Economic and Security Review Commission, "chemical flows from

China have helped fuel a fentanyl crisis in the United States, with significant increases in U.S. opioid overdoses, deaths, and addiction rates occurring over the last several years.”

Both the Drug Enforcement Administration and State Department cite China as the primary source for fentanyl supply and its underlying chemical substances, or “precursors.” Customers can purchase fentanyl products from Chinese laboratories online through express consignment or direct mail. Chinese exporters ship directly to individuals in the U.S., or to drug cartels in Mexico who then funnel illegal fentanyl over the Southern border.

The new economic model for these drug traffickers poses a unique problem never seen before: massive drug rings have been replaced by the sole proprietor. A single individual with a computer, P.O. Box, and a pill press can order fentanyl directly from China to his or her home. For the cost of a few thousand dollars of raw product, the sole proprietor can turn that raw fentanyl into thousands of pills worth literally **millions** of dollars on the street.

Making the problem even worse, dealers are using fentanyl as a cutting agent for other drugs, adding to their potency. Mexican cartels are mixing small quantities of fentanyl into black tar

heroin and cocaine as both an addictive enhancement, and a cost-cutting measure.

Fentanyl production also highlights a fundamental transformation in the conventional supply side of narco-trafficking. Unlike cocaine, which is pressed from the coca plant in the Colombian hillsides, or heroin, which is cultivated in poppy fields of rural Afghanistan, fentanyl is not an agricultural product and, therefore, does not carry the associated time, logistics, and costs of those other drugs. Fentanyl is produced at small mom-and-pop shops and larger pharmaceutical labs located in China. Put simply, this lethal drug is masked in the legitimate stream of pharmaceutical commerce.

China is the world's largest manufacturer and top exporter of pharmaceutical ingredients, and its estimated 160,000 chemical companies – operating legally and illegally – are incentivized to produce and export fentanyl because of the lack of controlled substances laws on the books.

While China has made significant progress to increase law enforcement cooperation, diplomatic engagement, and drug scheduling, more must be done. To that end, passing the bill that I co-sponsored with Sen. Feinstein – the Stop the Importation and Trafficking of Synthetics Analogues Act of 2017, or "SITSA" – as well as Sen. Johnson's SOFA bill would go a long way towards addressing fentanyl and other synthetics

here at home, as well as signaling to the Chinese government that we're serious about scheduling these substances and that they need to do the same.

Today's witnesses will shed light on the incredible work they've done so far, but also explain the challenges ahead and share their thoughts on what needs to be done, including how Congress can help. I look forward to hearing from them.