119TH CONGRESS
2D SESSION

S. 5316

To amend title VIII of the Defense Production Act of 1950 to include biotechnology in the definitions of ''prohibited technology'' and ''notifiable technology'', and for other purposes.

IN THE SENATE OF THE UNITED STATES

AUGUST 6, 2026

Mr. RICKETTS (for himself and Ms. SLOTKIN) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

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A BILL

To amend title VIII of the Defense Production Act of 1950 to include biotechnology in the definitions of ''prohibited technology'' and ''notifiable technology'', and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Biotech Investment National Security Act of 2026'' or the ''BINSA Act''.

SEC. 2. FINDINGS; SENSE OF CONGRESS.

(a) FINDINGS.—Congress finds the following:

(1) The People's Republic of China has pursued a deliberate, state-directed strategy to dominate global biotechnology, including pharmaceutical development, biologics manufacturing, and clinical research and development capabilities.

(2) United States capital flowing to Chinese biotechnology companies through licensing agreements, joint ventures, and equity investments is accelerating the acquisition by the People's Republic of China of pharmaceutical intellectual property and clinical development capabilities in a manner that creates strategic dependency risks for the United States.

(3) Cross-border out-licensing transactions between United States and European pharmaceutical companies and Chinese biotechnology firms totaled approximately $136,000,000,000 in 2025, representing a rapid and accelerating transfer of pharmaceutical innovation capacity to entities subject to the direction and control of the People's Republic of China.

(4) Biotechnology, including pharmaceutical development and biologics manufacturing, has civil-military dual-use applications and presents strategic dependency risks for the United States comparable

to those presented by semiconductors, artificial intelligence, and other technologies already covered by title VIII of the Defense Production Act of 1950 (50 U.S.C. 4581 et seq.).

(5) Section 851 of the National Defense Authorization Act for Fiscal Year 2026 (Public Law 119–60; 41 U.S.C. 3901 note prec.) (commonly referred to as the ''BIOSECURE Act''), recognized that biotechnology is both a national security asset and a strategic vulnerability, and that the People's Republic of China seeks to dominate biotechnology as an industry of the future.

(b) SENSE OF CONGRESS.—It is the sense of Congress that consistent application of outbound investment screening to biotechnology is necessary to prevent United States capital and intellectual property from accelerating the dominance by the People's Republic of China of the pharmaceutical innovation supply chain in a manner that will create long-term strategic dependency risks analogous to those the United States now faces with respect to rare earth elements and semiconductors.

SEC. 3. INCLUSION OF BIOTECHNOLOGY AND LICENSING OF TECHNOLOGIES IN PROHIBITED AND NOTIFIABLE TRANSACTIONS.

Section 809 of the Defense Production Act of 1950 (50 U.S.C. 4589) is amended—

(1) in paragraph (4)(A)—

(A) in clause (vii), by striking ''; or'' and inserting a semicolon;

(B) by redesignating clause (viii) as clause (ix); and

(C) by inserting after clause (viii) the following:

''(viii) licensing of a prohibited technology from a covered foreign person; or'';

(2) in paragraph (7)(A), by adding at the end the following:

''(vi) Biotechnology, meaning the research, development, manufacturing, or commercialization of—

''(I) pharmaceutical products (which has the meaning given the term 'drug' in section 201(g)(1) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321(g)(1)));

''(II) biological products (as defined in section 351(i) of the Public

Health Service Act (42 U.S.C. 262(i))); and

''(III) therapeutic compounds, including drug discovery platforms, clinical research and development capabilities, biologics manufacturing, and intellectual property and know-how relating to therapeutic compounds.''; and

(3) in paragraph (10)(A), by adding at the end the following:

''(vi) Biotechnology, meaning the research, development, manufacturing, or commercialization of—

''(I) pharmaceutical products (which has the meaning given the term 'drug' in section 201(g)(1) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321(g)(1)));

''(II) biological products (as defined in section 351(i) of the Public Health Service Act (42 U.S.C. 262(i))); and

''(III) therapeutic compounds, including drug discovery platforms, clin-

ical research and development capabilities, biologics manufacturing, and intellectual property and know-how relating to therapeutic compounds.''.

SEC. 4. RULEMAKING.

(a) IN GENERAL.—The Secretary of the Treasury shall, not later than 1 year after the date of the enactment of this Act, issue a rule to further define the parameters of the area of ''biotechnology'', as used in paragraphs (7)(A) and (10)(A) of section 809 of the Defense Production Act of 1950, as amended by section 3.

(b) REQUIREMENTS.—When defining the parameters of the area of ''biotechnology'' pursuant to subsection (a), the Secretary of the Treasury shall—

(1) consult with the Secretary of Health and Human Services, the Secretary of Defense, and the Director of National Intelligence;

(2) give particular consideration to transactions involving the licensing of intellectual property, drug discovery platforms, clinical research and development capabilities, and biologics manufacturing know-how to covered foreign persons (as defined in section 809 of the Defense Production Act of 1950);

(3) give particular consideration to licensing transactions, joint ventures, and equity investments

involving drug discovery platforms, clinical development capabilities, and biologics manufacturing as priority categories for both the prohibited and notifiable technology tiers within the biotechnology sector;

(4) consider the degree to which a transaction would transfer pharmaceutical innovation capacity, clinical development capabilities, or manufacturing know-how to entities subject to the direction or control of the People's Republic of China; and

(5) not define the biotechnology sector in a manner that includes or could be construed to include agricultural biotechnology, industrial fermentation unrelated to pharmaceutical or therapeutic production, or basic academic research with no direct pharmaceutical or therapeutic application.

SEC. 5. REPORT REQUIRED.

(a) IN GENERAL.—Not later than 60 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the appropriate congressional committees a report assessing whether flows of the United States capital into the biotechnology sector of the People's Republic of China, including through licensing transactions with Chinese biotechnology firms, negatively affect the United States national security and military readiness.

(b) FORM.—The report required by subsection (a) shall be submitted in unclassified form but may include a classified annex.

(c) APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.—In this section, the term ''appropriate congressional committees'' means—

(1) the Committee on Armed Services of the House of Representatives;

(2) the Committee on Financial Services of the House of Representatives;

(3) the Permanent Select Committee on Intelligence of the House of Representatives;

(4) the Select Committee on the Strategic Competition between the United States and the Chinese Communist Party of the House of Representatives;

(5) the Committee on Armed Services of the Senate;

(6) the Committee on Banking, Housing, and Urban Affairs of the Senate; and

(7) the Select Committee on Intelligence of the Senate.

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