

United States Senate

SENATE CAUCUS ON
INTERNATIONAL NARCOTICS CONTROL
HART SENATE OFFICE BUILDING, ROOM 818-C
WASHINGTON, DC 20510

May 4, 2023

Via Email

Xu Xueyuan
Charge d'Affaires
Embassy of the People's Republic of China
3505 International Place, NW
Washington, DC 20008

Dear Ms. Xueyuan:

As the co-chairs of the Senate Caucus on International Narcotics Control (the Caucus), we write to request that the People's Republic of China (PRC) increase its cooperation with the United States to better combat the illicit drug trade, specifically as it relates to precursor chemicals used to manufacture illicit fentanyl.

According to the U.S. Department of State, illicit fentanyl production has “soared” in Mexico, and Mexico is a destination country for “fentanyl precursors originating mainly from the People's Republic of China.”¹ Further, “precursor chemicals from the PRC... are diverted to all parts of the globe.”²

With this in mind, we request that the PRC expand its information sharing on the flow of non-scheduled chemicals and designer precursor chemicals; strengthen the enforcement of established agreements for the proper labeling of international chemical shipments; and implement customer due diligence standards to prevent the illicit diversion of these precursor chemicals. These requests are consistent with international guidance and treaties.

Indeed, in its guidance regarding the proliferation of non-scheduled chemicals and designer precursors, the International Narcotics Control Board (INCB), encourages member States to expand information sharing on the flow of non-scheduled chemicals and designer precursor chemicals and to push for the effective implementation of customer due diligence standards to prevent the illicit diversion of these precursor chemicals. Among other recommendations, the guidance explicitly calls upon member States to:

- “Encourage and promote voluntary cross-border cooperation on non-scheduled chemicals, including sharing of information on specific shipments of substances not under national

¹ United States Department of State. 2022 International Narcotics Control Strategy Report. Mar 2022. Web. 09 Feb. 2023. Available at: <https://www.state.gov/wp-content/uploads/2022/03/22-00767-INCSR-2022-Vol-1.pdf>.

² *Ibid.*

control, with the origin or destination country, for appropriate action as the substance may be controlled in those countries;”³ and

- “Consider exchanging information on planned exports of chemicals not under international control on a voluntary basis.”⁴

In addition, Article 12 of the *United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988*, articulates that States have an “Obligation to monitor international trade in order to identify suspicious transactions, to provide for seizures, to notify the authorities of the parties concerned in case of suspicious transactions, to require proper labelling and documentation and to ensure maintenance of such documents for at least two years (para. 9).” Unfortunately, the INCB’s 2022 annual report on precursor chemicals provides numerous examples in which precursor chemicals used to manufacture fentanyl and other illicit substances and originating in China were seized in destination countries after having been mislabeled or misdeclared.⁵ Accordingly, we respectfully request that the PRC exercise greater diligence in ensuring the proper labeling of chemicals that are known to be used in the manufacture of internationally controlled and new psychoactive substances.

Finally, we urge the PRC to consider implementing laws that require participants in transactions involving listed chemicals to fully identify each other. The United States, pursuant to the *Controlled Substances Act*, has implemented such a law which is, in effect, a “know your customer” requirement, that applies civil, administrative, and criminal sanctions for violations. Moreover, the INCB has explicitly encouraged States to address precursor chemicals used to manufacture illicit drugs, including through the incorporation of “know your customer laws.”⁶

If China were to take these actions, all of which are consistent with international practice, guidance, and treaty obligations, it would greatly reduce the diversion of precursor chemicals used to manufacture illicit narcotics. We thank you for your attention to this matter, and look forward to working with you to address the manufacture, sale, and export of precursor chemicals used to produce illicit narcotics, including fentanyl.

Sincerely,



Sheldon Whitehouse
Chairman



Charles E. Grassley
Co-Chairman

³ International Narcotics Control Board. *Proliferation of non-scheduled chemicals: Options for global action*. Web. 07 Feb 2023. https://www.incb.org/documents/PRECURSORS/Brochure/INCB_brochure_options_non-scheduled_chemicals_ebook_rev.pdf.

⁴ *Ibid.*

⁵ The INCB’s 2022 annual report on precursors and chemicals frequently used in the illicit manufacture of narcotic drugs and psychotropic substances states that: 10kg of ephedra misdeclared as green tea and originating in China was seized at a Czechian airport; in the first 10 months of 2022, 37 incidents involving P-2-P methyl glycidic acid derivatives were communicated by various European countries through PICS, amounting to more than 10 tons. China, including Hong Kong, was the identified country of origin for these shipments, at least six of which were linked by a common misdeclaration; a consignment originating in China containing 200 litres of ortho-toluidine was seized at an airport in South Africa; chemicals used to produce fentanyl were seized in the United States from a mislabeled shipment that originated in China. See pages 19, 21 and 32-33: https://www.incb.org/documents/PRECURSORS/TECHNICAL_REPORTS/2022/E/Pre_Report_E.pdf.

⁶ International Narcotics Control Board. *Proliferation of non-scheduled chemicals: Options for global action*. Web. 07 Feb 2023. https://www.incb.org/documents/PRECURSORS/Brochure/INCB_brochure_options_non-scheduled_chemicals_ebook_rev.pdf.