



Testimony

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Combating Chinese Fentanyl Trafficking

Policy Considerations for Supply Reduction and International Coordination

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Combating Chinese Fentanyl Trafficking: Policy Considerations for Supply Reduction and International Coordination

Testimony of David Luckey¹
RAND²

Before the Committee on House Foreign Affairs
Subcommittee on East Asia and Pacific
United States House of Representatives

June 4, 2026

Chairwoman Kim, Ranking Member Bera, and distinguished members of the Committee and Subcommittee, thank you for inviting me to testify before the Subcommittee on the Chinese Communist Party's (CCP's) role in the fentanyl crisis in America. This critical issue affects Americans' health and prosperity and U.S. national and homeland security. RAND researchers have found that 42 percent of Americans know someone who has died from a fentanyl overdose.³ I'm David Luckey, director of the RAND Rural America Partnership, professor of policy analysis at the RAND School of Public Policy, and a senior international and defense researcher at RAND.

As background, I led RAND's research and analytic support for the Commission on Combating Synthetic Opioid Trafficking and the drafting of its report, which was released in 2022. More recently, I led a RAND team that helped inform the 2026 *National Drug Control*

¹ The opinions and conclusions expressed in this testimony are the author's alone and should not be interpreted as representing those of RAND or any of the sponsors of its research.

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³ Alison Athey, Beau Kilmer, and Julie Cerel, "An Overlooked Emergency: More Than One in Eight US Adults Have Had Their Lives Disrupted by Drug Overdose Deaths," *American Journal of Public Health*, Vol. 114, No. 3, March 2024.

Strategy, which the White House Office of National Drug Control Policy released just last month.

Introduction

The United States continues to face a severe drug overdose crisis, with synthetic opioids, primarily fentanyl, detected in nearly 45,000 deaths in 2025 alone. Despite recent declines, this threat remains critical to our social welfare and national security. The President’s 2026 *National Drug Control Strategy* is “built upon two mutually reinforcing pillars: a relentless whole-of-government campaign to attack the illicit drug supply and a whole-of-society public health effort to reduce demand and consumption.”⁴ Cooperation with China, as well as with Mexico and with multilateral partners across the international community, is essential to achieving these pillars and reducing deaths from illegal drugs, such as fentanyl.

In this testimony, I’ll focus my discussion on the global supply chain and efforts to secure it. Additionally, I’ll briefly discuss reducing overdose fatalities and the flow of illegal drugs across U.S. borders, as well as prevention, treatment, and data issues related to illegal drugs and their use. I’ll conclude with some final thoughts concerning the importance of U.S.-China cooperation for limiting the flow of synthetic opioids and their precursors into the United States.

Reducing Overdose Fatalities

Reducing fentanyl supply requires coordinated unilateral, bilateral, and multilateral actions. The United States must disrupt transnational criminal organizations (TCOs) and their financing, improve border and community-level interdiction efforts, and expand evidence-based treatment and prevention efforts, such as naloxone and fentanyl test strips.⁵

Securing the Global Supply Chain

The global supply chain for synthetic opioids is robust and diversified, with China as the primary source of precursor chemicals. China’s role is increasingly strategic, using precursor supply as leverage. Mexico is the main producer of illicit fentanyl exported to the United States, with TCOs controlling production and trafficking. I recommend the following actions:

- Strengthen bilateral and multilateral relationships to target supply chains that primarily but not exclusively emanate from China.

⁴ Executive Office of the President of the United States, *National Drug Control Strategy*, 2026, p. 10, <https://www.whitehouse.gov/wp-content/uploads/2026/05/National-Drug-Control-Strategy-2026-1.pdf>.

⁵ See, for example, Mireille Jacobson and David Powell, “Early Estimates of Awareness and Uptake of Over-the-Counter Naloxone,” *Health Affairs Scholar*, Vol. 3, No. 6, June 2025; Bradley D. Stein, Rachel K. Landis, and Rosanna Smart, “Over-the-Counter Retail Naloxone Sales,” *JAMA Internal Medicine*, Vol. 185, No. 11, 2025; Rosanna Smart, David Powell, Rosalie Luccardo Pacula, Evan Peet, Rahi Abouk, and Corey S. Davis, “Investigating the Complexity of Naloxone Distribution: Which Policies Matter for Pharmacies and Potential Recipients,” *Journal of Health Economics*, Vol. 97, September 2024; and Corey Davis and Kayla Larkin, “Evidence for Fentanyl Test Strips,” *Network for Public Health Law*, April 11, 2023.

- Develop trustworthy partners in Mexico for port and border oversight.
- Anticipate shifts in supply chains if there is a reduction in Chinese-produced precursor chemicals for synthetic opioids.
- Mandate international reporting of all synthetic opioid precursor exports.
- Enhance international cooperation on chemical scheduling and global surveillance of the entire synthetic opioid chemical supply chain.

China is a critical node in the global supply chain for synthetic opioids and their precursors, and the President has designated China as a major drug transit or major illicit drug-producing country.⁶ Persistent gaps in regulatory oversight, enforcement, and export controls enable illicit production and export. The U.S. government could consider the following actions to address these gaps:

1. **Elevate the issue of Chinese fentanyl precursor trafficking to the highest level of U.S.-China engagement** by focusing on greater enforcement, through increased investigation, indictment, and sanctions of pharmaceutical companies based in the People's Republic of China (PRC) that have been found to be producing and shipping precursors to Mexican TCOs.
2. **Establish a U.S. policy framework for engagement** by prioritizing direct engagement with PRC central authorities (e.g., Politburo Standing Committee members, ministerial- or presidential-level officials) to improve oversight and enforcement in the chemical and pharmaceutical sectors. Incentivize increased resources for regulatory enforcement, more inspectors, unannounced inspections, and transparent reporting of noncompliance.
3. **Press the PRC for clear regulatory improvements.** Specifically, increase inspection rigor, implement regulatory best practices (e.g., tracking chemical movements, inventory records, lab logs), and publicize Chinese violations to deter illegal activity.
4. **Press the PRC to expand controls on chemicals and equipment** by extending controls to chemicals regulated in North America and restricting exports of pill presses and related equipment. This is necessary to close loopholes exploited by Mexican traffickers.
5. **Press the PRC to mandate better business practices** by adopting “Know-Your-Customer” rules, mandatory export restrictions, and robust recordkeeping to create paper trails and facilitate investigations.
6. **Press the PRC to improve export reporting and information-sharing** by establishing comprehensive export reporting for all chemical shipments and enhancing PRC-U.S. information exchange to target violators and intercept illicit shipments.
7. **Expand U.S. technical assistance and presence** by increasing interagency technical support and personnel for inspections, joint investigations, and cybercrime targeting online and other chemical vendors.
8. **Press the PRC to improve detection at Chinese ports of exit.** China claims to have enhanced detection and security at its ports by integrating domestically developed artificial intelligence (AI) models and fully automated port operations.⁷ To the extent that China has and employs these capabilities, the impact on the flow of precursor chemicals

⁶ U.S. Department of State, Office of the Spokesperson, “Presidential Determination on Major Drug Transit or Major Illicit Drug Producing Countries for Fiscal Year 2026,” press release, September 15, 2025.

⁷ [Full text: Controlling Fentanyl-Related Substances – China's Contribution](#)

to Mexico is unclear at best or these capabilities are not being employed to reduce the flow of precursor chemicals at worst. Regardless, the PRC should be pressed on this and the world made aware of it.

Reducing the Flow of Drugs Across U.S. Borders

U.S. border drug interdiction requires a focus on intelligence and law enforcement coordination, targeting TCO supply chain vulnerabilities and those TCOs that are most violent, and improving incoming parcel and mail screening. Pursuing diplomatic options with Mexico is essential, as is anticipating potentially new synthetic drugs and monitoring imports of Chinese-produced fentanyl precursors.

Prevention, Treatment, and Data Issues

Combating this crisis also requires a coordinated public health approach in the United States. This includes state implementation of evidence-based prevention, ensuring access to substance and opioid use disorder treatment,⁸ and innovations in research and data collection, which include standardizing data collection and dissemination, expanding early-warning systems, and incentivizing interagency cooperation.⁹

Conclusion

Securing the global supply chain, targeting China's role in precursor supply and money laundering, and strengthening multilateral and bilateral partnerships are urgent priorities. Sustained, high-level diplomatic engagement with China—backed by technical assistance, regulatory alignment, and multilateral pressure—is essential to closing critical gaps in the fight against synthetic opioid trafficking.

U.S.-China cooperation on synthetic opioid precursors is fundamentally shaped by broader bilateral relations. When overall diplomatic cooperation is poor, progress on counter-narcotics cooperation is limited. China's prosecution of criminal and money-laundering networks, and its adoption of Know-Your-Customer regulations, remain unresolved. Chinese pharmaceutical companies initially supplied finished fentanyl to the United States, but after China scheduled fentanyl as an illegal drug in 2019, trafficking networks shifted to precursor chemicals. China remains the principal supplier of fentanyl and methamphetamine precursors, with smaller

⁸ Rosalie Liccardo Pacula, Beth Ann Griffin, Megan S. Schuler, Rosanna Smart, Sean Grant, David Powell, Sarah Axeen, Seema Pessar, Corey S. Davis, Elizabeth A. Stuart, Flora Sheng, Courtney Kase, Stephen W. Patrick, Ricky Bluthenthal, and Bradley D. Stein, "Improving Policy Evaluations of the Opioid Crisis," *Health Affairs*, Vol. 44, No. 9, 2025.

⁹ Improved data collection and information-sharing could lead to a better estimate of trafficker revenues and the tracking of emerging substances in federal, state, local, tribal, and territorial drug markets. This could be accomplished by implementing a revised version of the Arrestee Drug Abuse Monitoring Program (ADAM) to gather information on drug use and other characteristics of arrestees. Data on wastewater testing could be used to calculate and report on purity-adjusted drug prices, which is critical to understanding changes in the illegal drug supply and assisting with improved policy responses.

criminal networks dominating this market.¹⁰ Chinese money-laundering operations are now globally powerful and directly linked to this drug trafficking network.

Chinese cooperation with the United States has been inconsistent, often subordinated to China's geostrategic interests. In 2023, for example, Chinese reputational costs and U.S. diplomatic pressure led to renewed cooperation, including the scheduling of key precursor chemicals and intelligence-sharing.¹¹ China's actions, however, have largely been only regulatory, with few prosecutions. China might attribute this to legal disparities between the two countries, such as differences in conspiracy and racketeering laws, that limit enforcement. However, this argument appears to be specious. The U.S. government should press China on these issues, as well as on others, such as "Know-Your-Customer" rules, while recognizing that other countries, notably India, could become alternative sources for precursor chemicals. Realistically, while no country can completely eliminate the entire illicit drug supply chain, robust U.S. diplomatic efforts are essential to securing meaningful Chinese law enforcement cooperation and saving American lives.

I would like to thank the Committee for the opportunity to submit this testimony on such an important topic that concerns American lives, our society, and our national security. I look forward to any questions you might have.

¹⁰ U.S. Attorney's Office, District of Columbia, "U.S. Seizes 300,000 Kilos of Meth Precursor Chemicals Sent from China Destined for Mexico's Sinaloa Drug Cartel," press release, September 3, 2025.

¹¹ U.S. Drug Enforcement Administration, "U.S. Drug Enforcement Administration and the People's Republic of China Hold Bilateral Drug Intelligence Working Group Meeting in Colorado Springs, Colorado," press release, February 13, 2026.