AMENDMENT TO RULES COMMITTEE PRINT 118–36

OFFERED BY MS. SCHAKOWSKY OF ILLINOIS

Add at the end of subtitle C of title XVII the following new section:

SEC. 17___. DEPARTMENT OF DEFENSE MANUFACTURING AUTHORITIES.

(a) IN GENERAL.—The Secretary of Defense shall manufacture, or seek to enter into contracts for the manufacture of, a covered product, if the Secretary determines that—

(1) the covered product is—

(A) sourced from the People's Republic of China or a foreign adversary (as defined in section 8(c)(2) of the Secure and Trusted Communications Networks Act of 2019 (47 U.S.C. 1607(c)(2)));

(B) included on the list of essential medicines maintained by the Food and Drug Administration pursuant to Executive Order 13944 (85 Fed. Reg. 49929);

(C) listed by the World Health Organization as an essential medicine;

(D) on the drug shortage list maintained by the Food and Drug Administration under section 506E of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 356e); or

(E) identified in the report required under section 860(a)(3) of the National Defense Authorization Act for Fiscal Year 2023 (Public Law 117–263; 10 U.S.C. 3241 note prec.); or

(2) other circumstances exist that pose a security risk to the Armed Forces which can be addressed through such manufacture of the covered product.

(b) ACTIVITIES.—Pursuant to the authority described in subsection (a), the Secretary may, for purposes of preventing or mitigating a shortage of a covered product or addressing supply chain risks or other circumstances described in such subsection with respect to the covered product—

(1) manufacture the covered product, directly, or in contract with an eligible manufacturer; and

(2) acquire, construct, or alter manufacturing facilities to support efforts to develop net new domestic manufacturing capacity for the covered product.

(c) REQUIREMENT.—The recipient of a contract under this section relating to the manufacture of a covered product shall make the covered product available for purchase by the Federal Government, at a price not greater than the cost of manufacture plus 10 percent, for use in Federal health programs.

(d) DEFINITION.—In this section, the term ''covered product'' means a drug (as defined in section 201(g) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321(g))), including a biological product (as defined in section 351(i) of the Public Health Service Act (42 U.S.C. 262(i))) or device (as defined in section 201(h) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321(h)), or the primary packaging, active pharmaceutical ingredient, key starting material, or component or part for such a drug, biological product, or device.