

CONTROLLED SUBSTANCES EXPORT REFORM ACT OF  
2005

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JULY 11, 2005.—Committed to the Committee of the Whole House on the State of  
the Union and ordered to be printed

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Mr. SENSENBRENNER, from the Committee on the Judiciary,  
submitted the following

R E P O R T

[To accompany H.R. 184]

[Including cost estimate of the Congressional Budget Office]

The Committee on the Judiciary, to whom was referred the bill (H.R. 184) to amend the Controlled Substances Import and Export Act to provide authority to the Attorney General to authorize any controlled substance that is in schedule I or II or is a narcotic drug in schedule III or IV to be exported from the United States to a country for subsequent export from that country to another country, if certain conditions are met, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

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## THE AMENDMENT

The amendment is as follows:

Strike all after the enacting clause and insert the following:

## SECTION 1. SHORT TITLE.

This Act may be cited as the “Controlled Substances Export Reform Act of 2005”.

## SEC. 2. SUBSEQUENT EXPORT OF CONTROLLED SUBSTANCES.

Section 1003 of the Controlled Substances Import and Export Act (21 U.S.C. 953) is amended by adding at the end the following subsection:

“(f) Notwithstanding subsections (a)(4) and (c)(3), the Attorney General may authorize any controlled substance that is in schedule I or II, or is a narcotic drug in schedule III or IV, to be exported from the United States to a country for subsequent export from that country to another country, if each of the following conditions is met:

“(1) Both the country to which the controlled substance is exported from the United States (referred to in this subsection as the ‘first country’) and the country to which the controlled substance is exported from the first country (referred to in this subsection as the ‘second country’) are parties to the Single Convention on Narcotic Drugs, 1953, and the Convention on Psychotropic Substances, 1971.

“(2) The first country and the second country have each instituted and maintain, in conformity with such Conventions, a system of controls of imports of controlled substances which the Attorney General deems adequate.

“(3) With respect to the first country, the controlled substance is consigned to a holder of such permits or licenses as may be required under the laws of such country, and a permit or license to import the controlled substance has been issued by the country.

“(4) With respect to the second country, substantial evidence is furnished to the Attorney General by the person who will export the controlled substance from the United States that—

“(A) the controlled substance is to be consigned to a holder of such permits or licenses as may be required under the laws of such country, and a permit or license to import the controlled substance is to be issued by the country; and

“(B) the controlled substance is to be applied exclusively to medical, scientific, or other legitimate uses within the country.

“(5) The controlled substance will not be exported from the second country.

“(6) Within 30 days after the controlled substance is exported from the first country to the second country, the person who exported the controlled substance from the United States delivers to the Attorney General documentation certifying that such export from the first country has occurred.

“(7) A permit to export the controlled substance from the United States has been issued by the Attorney General.”.

## PURPOSE AND SUMMARY

H.R. 184 would amend current law with regard to exports of controlled substances. Currently, controlled substances may only be exported to one country from the U.S. and may not be exported to beyond that first country. This legislation authorizes the Attorney General to permit reexport beyond the first country, under tightly controlled circumstances, to other countries that are parties to the Single Convention on Narcotic Drugs and the Convention on Psychotropic Drugs. As a result, H.R. 184 will allow pharmaceutical companies to export controlled substances to distribution centers for export to one additional country.

## BACKGROUND AND NEED FOR THE LEGISLATION

Under the Controlled Substances Import and Export Act (“CSIEA”), U.S. pharmaceutical manufacturers of schedule I and II controlled substances and schedules III and IV narcotics are cur-

rently permitted to export most controlled substances only to the immediate country where the products will be consumed. The law prohibits export of these products if the drugs are to be distributed outside the country to which they are initially sent. Shipment to central sites in other countries for further distribution across national boundaries is prohibited. Additionally, unexpected demands or demand surges in other countries cannot be met. Complex and time-sensitive export licensing procedures do not allow for ready shipment of pharmaceuticals on a real time basis. This contrasts with the laws in other countries that allow pharmaceutical manufacturers to move approved medical products between international drug control treaty countries without limit on restriction.

The prohibitions that are imposed on domestic manufacturers create a disadvantage for U.S. businesses by requiring smaller, more frequent and costly shipments to each country of use. By imposing these restrictions, which create additional burdens on U.S. companies, this law creates an incentive for domestic pharmaceutical manufacturers to move production centers overseas, threatening American jobs.

H.R. 184 was introduced on January 4, 2005, and referred to the Committee on Energy and Commerce and the Committee on the Judiciary. H.R. 184 was ordered reported favorably by voice vote by the Committee on Energy and Commerce on May 4, 2005. The Committee on Energy and Commerce file H. Rept. No. 109-115, Part 1 on June 9, 2005. The Committee on the Judiciary was granted an extension for further consideration until July 11, 2005.

#### HEARINGS

The Committee on the Judiciary held no hearings on H.R. 184.

#### COMMITTEE CONSIDERATION

On June 23, 2005, the Subcommittee on Crime, Terrorism, and Homeland Security met in open session and ordered favorably reported the bill H.R. 184, as amended, by a voice vote, a quorum being present. On June 29, 2005, the Committee met in open session and ordered favorably reported the bill H.R. 184 with an amendment by voice vote, a quorum being present.

#### VOTE OF THE COMMITTEE

In compliance with clause 3(b) of Rule XIII of the Rules of the House of Representatives, the Committee notes that there were no recorded votes during the committee consideration of H.R. 184.

#### COMMITTEE OVERSIGHT FINDINGS

In compliance with clause 3(c)(1) of Rule XIII of the Rules of the House of Representatives, the Committee reports that the findings and recommendations of the Committee, based on oversight activities under clause 2(b)(1) of Rule X of the Rules of the House of Representatives, are incorporated in the descriptive portions of this report.

## NEW BUDGET AUTHORITY AND TAX EXPENDITURES

Clause 3(c)(2) of Rule XIII of the Rules of the House of Representatives is inapplicable because this legislation does not provide new budgetary authority or increased tax expenditures.

## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

In compliance with clause 3(c)(3) of Rule XIII of the Rules of the House of Representatives, the Committee sets forth, with respect to the bill, H.R.184, the following estimate and comparison prepared by the Director of the Congressional Budget Office under section 402 of the Congressional Budget Act of 1974:

U.S. CONGRESS,  
CONGRESSIONAL BUDGET OFFICE,  
*Washington, DC, July 5, 2005.*

Hon. F. JAMES SENSENBRENNER, Jr., *Chairman,*  
*Committee on the Judiciary,*  
*House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 184, the "Controlled Substances Export Reform Act of 2005."

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Mark Grabowicz, who can be reached at 226-2860.

Sincerely,

DOUGLAS HOLTZ-EAKIN.

Enclosure

cc: Honorable John Conyers, Jr.  
Ranking Member

*H.R. 184—Controlled Substances Export Reform Act of 2005.*

H.R. 184 would permit the Attorney General to authorize the export of certain controlled substances from the United States to a country for subsequent export to another country if certain conditions are met. Current law allows U.S. companies to export controlled substances only to the countries where they will be used. Based on information from the Department of Justice, CBO estimates that implementing H.R. 184 would have no significant effect on the department's spending on drug enforcement activities. Enacting the bill would not affect direct spending or revenues.

H.R. 184 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

On May 13, 2005, CBO transmitted a cost estimate for H.R. 184 as ordered reported by the House Committee on Energy and Commerce on May 4, 2005. The two versions of the bill are identical, as are the cost estimates.

The CBO staff contact for this estimate is Mark Grabowicz, who can be reached at 226-2860. This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

#### PERFORMANCE GOALS AND OBJECTIVES

The Committee states that pursuant to clause 3(c)(4) of Rule XIII of the Rules of the House of Representatives, H.R.184 will allow pharmaceutical companies to export controlled substances to distribution centers around the world for export to one additional country; thereby eliminating the disadvantage and increased costs of exporting controlled substances for U.S. companies.

#### CONSTITUTIONAL AUTHORITY STATEMENT

Pursuant to clause 3(d)(1) of Rule XIII of the Rules of the House of Representatives, the Committee finds the authority for this legislation in article I, section 8 of the Constitution.

#### SECTION-BY-SECTION ANALYSIS AND DISCUSSION

This section-by-section represents H.R. 184 as reported by the Committee on the Judiciary.

##### SECTION 1. SHORT TITLE

This section establishes the short title of this act as the “Controlled Substances Export Reform Act of 2005.”

##### SECTION 2. SUBSEQUENT EXPORT OF CONTROLLED SUBSTANCES

This section allows the Attorney General to authorize exports of any controlled substance under Schedule I or II or any narcotic drug under Schedule III or IV from the United States for subsequent export to a second country if the following conditions are met:

- 1) both the first country of export and the second country are parties to the Single Convention on Narcotic Drugs and the Convention on Psychotropic Substances;
- 2) both the first country and the second country have controls in place satisfactory to the Attorney General;
- 3) the controlled substances will be transferred to persons in the first country possessing a permit or license to import controlled substance issued by the country of import;
- 4) sufficient evidence is provided to the Attorney General that the person who will receive the controlled substances in the second country is licensed and such controlled substances is to be applied to medical, scientific, or other legitimate use;
- 5) the controlled substance will not be exported from the second country;
- 6) documentation is provided to the Attorney General within 30 days of the export from the first country to the second country by the person who exported the controlled substance from the United States; and
- 7) a permit to export the controlled substance from the United States has been issued by the Attorney General.

##### CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (new matter is printed in italics)

and existing law in which no change is proposed is shown in roman):

**SECTION 1003 OF THE CONTROLLED SUBSTANCES  
IMPORT AND EXPORT ACT**

EXPORTATION OF CONTROLLED SUBSTANCES

SEC. 1003. (a) \* \* \*

\* \* \* \* \*

*(f) Notwithstanding subsections (a)(4) and (c)(3), the Attorney General may authorize any controlled substance that is in schedule I or II or is a narcotic drug in schedule III or IV to be exported from the United States to a country for subsequent export from that country to another country, if each of the following conditions is met:*

*(1) Both the country to which the controlled substance is exported from the United States (referred to in this subsection as the "first country") and the country to which the controlled substance is exported from the first country (referred to in this subsection as the "second country") are parties to the Single Convention on Narcotic Drugs, 1961, and the Convention on Psychotropic Substances, 1971.*

*(2) The first country and the second country have each instituted and maintain, in conformity with such Conventions, a system of controls of imports of controlled substances which the Attorney General deems adequate.*

*(3) With respect to the first country, the controlled substance is consigned to a holder of such permits or licenses as may be required under the laws of such country, and a permit or license to import the controlled substance has been issued by the country.*

*(4) With respect to the second country, substantial evidence is furnished to the Attorney General by the person who will export the controlled substance from the United States that—*

*(A) the controlled substance is to be consigned to a holder of such permits or licenses as may be required under the laws of such country, and a permit or license to import the controlled substance is to be issued by the country; and*

*(B) the controlled substance is to be applied exclusively to medical, scientific, or other legitimate uses within the country.*

*(5) The controlled substance will not be exported from the second country.*

*(6) Within 30 days after the controlled substance is exported from the first country to the second country, the person who exported the controlled substance from the United States delivers to the Attorney General documentation certifying that such export from the first country has occurred.*

*(7) A permit to export the controlled substance from the United States has been issued by the Attorney General.*

\* \* \* \* \*

MARKUP TRANSCRIPT  
**BUSINESS MEETING**  
**WEDNESDAY, JUNE 29, 2005**

HOUSE OF REPRESENTATIVES,  
 COMMITTEE ON THE JUDICIARY,  
*Washington, DC.*

The Committee met, pursuant to notice, at 10:04 a.m., in Room 2141, Rayburn House Office Building, Hon. F. James Sensenbrenner, Jr. [Chairman of the Committee] presiding.

Chairman SENSENBRENNER. The Committee will be in order. A quorum is present. The Chair recognizes the Ranking Member for a unanimous consent request.

Mr. CONYERS. Thank you, Mr. Chairman. I ask unanimous consent that Representative Debbie Wasserman Schultz of Florida be added to the Subcommittee on Commercial and Administrative Law. She will be replacing Representative Adam Smith, who is no longer on the Committee. Representative Wasserman Schultz should be added after Representative Nadler.

Chairman SENSENBRENNER. Without objection, the election to the Subcommittee is agreed to.

Mr. CONYERS. Mr. Chairman.

Chairman SENSENBRENNER. The gentleman from Michigan.

Mr. CONYERS. May I ask to strike the last word?

Chairman SENSENBRENNER. The gentleman is recognized for 5 minutes.

Mr. CONYERS. I know the National Basketball Association playoffs are water over the dam, but the gentleman from Texas, Mr. Smith, and I had engaged in a wager that required me or whoever did not prevail to wear the other teams' cap. And there is being widely circulated across the press a picture of me with the Spurs cap on.

I wanted to acknowledge this on the record for the Committee, congratulate his team for an incredible series of games, and warn them that we will be looking forward to seeing them next year in the season.

Mr. SMITH. Would the gentleman yield, very briefly?

Mr. CONYERS. Yes, of course, with pleasure.

Mr. SMITH. First of all, I agree with you. It was a wonderful championship series and both teams acquitted themselves well.

I will have to say on that last game, when the Pistons were ahead nine points, I actually turned the TV off for several year minutes. I had to decompress, but the end came out all right.

I wanted to thank the gentleman from Michigan for being such a good sport and showing up on the Capitol steps and having that photograph taken. The Associated Press did pick it up, as the gentleman knows, and I appreciate his participation in that friendly wager.

I yield back.

Mr. CONYERS. Thank you. I yield back.

Chairman SENSENBRENNER. The time of the gentleman has expired. The next item on the agenda is H.R. 184, the "Controlled Substances Export Reform Act."

[The bill, H.R. 184, follows:]

109TH CONGRESS  
1ST SESSION

# H. R. 184

To amend the Controlled Substances Import and Export Act to provide authority to the Attorney General to authorize any controlled substance that is in schedule I or II or is a narcotic drug in schedule III or IV to be exported from the United States to a country for subsequent export from that country to another country, if certain conditions are met.

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 4, 2005

Mr. PITTS (for himself, Ms. ESHOO, Mr. CANNON, Mr. BISHOP of Utah, and Mr. CUNNINGHAM) introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To amend the Controlled Substances Import and Export Act to provide authority to the Attorney General to authorize any controlled substance that is in schedule I or II or is a narcotic drug in schedule III or IV to be exported from the United States to a country for subsequent export from that country to another country, if certain conditions are met.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*



1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Controlled Substances  
3 Export Reform Act of 2005”.

4 **SEC. 2. SUBSEQUENT EXPORT OF CONTROLLED SUB-**  
5 **STANCES.**

6 Section 1003 of the Controlled Substances Import  
7 and Export Act (21 U.S.C. 953) is amended by adding  
8 at the end the following subsection:

9 “(f) Notwithstanding subsections (a)(4) and (c)(3),  
10 the Attorney General may authorize any controlled sub-  
11 stance that is in schedule I or II or is a narcotic drug  
12 in schedule III or IV to be exported from the United  
13 States to a country for subsequent export from that coun-  
14 try to another country, if each of the following conditions  
15 is met:

16 “(1) Both the country to which the controlled  
17 substance is exported from the United States (re-  
18 ferred to in this subsection as the ‘first country’)  
19 and the country to which the controlled substance is  
20 exported from the first country (referred to in this  
21 subsection as the ‘second country’) are parties to the  
22 Single Convention on Narcotic Drugs, 1961, and the  
23 Convention on Psychotropic Substances, 1971.

24 “(2) The first country and the second country  
25 have each instituted and maintain, in conformity  
26 with such Conventions, a system of controls of im-

1 ports of controlled substances which the Attorney  
2 General deems adequate.

3 “(3) With respect to the first country, the con-  
4 trolled substance is consigned to a holder of such  
5 permits or licenses as may be required under the  
6 laws of such country, and a permit or license to im-  
7 port the controlled substance has been issued by the  
8 country.

9 “(4) With respect to the second country, sub-  
10 stantial evidence is furnished to the Attorney Gen-  
11 eral by the person who will export the controlled  
12 substance from the United States that—

13 “(A) the controlled substance is to be con-  
14 signed to a holder of such permits or licenses  
15 as may be required under the laws of such  
16 country, and a permit or license to import the  
17 controlled substance is to be issued by the coun-  
18 try; and

19 “(B) the controlled substance is to be ap-  
20 plied exclusively to medical, scientific, or other  
21 legitimate uses within the country.

22 “(5) The controlled substance will not be ex-  
23 ported from the second country.

24 “(6) Within 30 days after the controlled sub-  
25 stance is exported from the first country to the sec-

1       ond country, the person who exported the controlled  
2       substance from the United States delivers to the At-  
3       torney General documentation certifying that such  
4       export from the first country has occurred.

5               “(7) A permit to export the controlled sub-  
6       stance from the United States has been issued by  
7       the Attorney General.”.

○

Chairman SENSENBRENNER. The Chair recognizes the gentleman from North Carolina, Mr. Coble, The Chairman of the Subcommittee on Crime, Terrorism, and Homeland Security for a motion.

Mr. COBLE. Mr. Chairman, the Subcommittee on Crime, Terrorism, and Homeland Security reports favorably the bill H.R. 184 with a single amendment in the nature of a substitute and moves its favorable recommendation to the full House.

Chairman SENSENBRENNER. Without objection, the bill will be considered as read and open for amendment at any point.

The Subcommittee amendment in the nature of a substitute, which the Members have before them, will be considered as read, considered as the original text for purposes of amendment and open for amendment at any point.

[The amendment follows:]

**AMENDMENT IN THE NATURE OF A SUBSTITUTE  
TO H.R. 184**

**(As reported by the Subcommittee on Crime, Terrorism and  
Homeland Security)**

Strike all after the enacting clause and insert the following:

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Controlled Substances  
3 Export Reform Act of 2005”.

4 **SEC. 2. SUBSEQUENT EXPORT OF CONTROLLED SUB-**  
5 **STANCES.**

6 Section 1003 of the Controlled Substances Import  
7 and Export Act (21 U.S.C. 953) is amended by adding  
8 at the end the following subsection:

9 “(f) Notwithstanding subsections (a)(4) and (c)(3),  
10 the Attorney General may authorize any controlled sub-  
11 stance that is in schedule I or II, or is a narcotic drug  
12 in schedule III or IV, to be exported from the United  
13 States to a country for subsequent export from that coun-  
14 try to another country, if each of the following conditions  
15 is met:

1           “(1) Both the country to which the controlled  
2 substance is exported from the United States (re-  
3 ferred to in this subsection as the ‘first country’)  
4 and the country to which the controlled substance is  
5 exported from the first country (referred to in this  
6 subsection as the ‘second country’) are parties to the  
7 Single Convention on Narcotic Drugs, 1961, and the  
8 Convention on Psychotropic Substances, 1971.

9           “(2) The first country and the second country  
10 have each instituted and maintain, in conformity  
11 with such Conventions, a system of controls of im-  
12 ports of controlled substances which the Attorney  
13 General deems adequate.

14           “(3) With respect to the first country, the con-  
15 trolled substance is consigned to a holder of such  
16 permits or licenses as may be required under the  
17 laws of such country, and a permit or license to im-  
18 port the controlled substance has been issued by the  
19 country.

20           “(4) With respect to the second country, sub-  
21 stantial evidence is furnished to the Attorney Gen-  
22 eral by the person who will export the controlled  
23 substance from the United States that—

24                   “(A) the controlled substance is to be con-  
25 signed to a holder of such permits or licenses

1 as may be required under the laws of such  
2 country, and a permit or license to import the  
3 controlled substance is to be issued by the coun-  
4 try; and

5 “(B) the controlled substance is to be ap-  
6 plied exclusively to medical, scientific, or other  
7 legitimate uses within the country.

8 “(5) The controlled substance will not be ex-  
9 ported from the second country.

10 “(6) Within 30 days after the controlled sub-  
11 stance is exported from the first country to the sec-  
12 ond country, the person who exported the controlled  
13 substance from the United States delivers to the At-  
14 torney General documentation certifying that such  
15 export from the first country has occurred.

16 “(7) A permit to export the controlled sub-  
17 stance from the United States has been issued by  
18 the Attorney General.”.

Chairman SENSENBRENNER. The Chair recognizes the gentleman from North Carolina, Mr. Coble, to strike the last word.

Mr. COBLE. I thank the Chairman and, Mr. Chairman, if you will forgive me for my irregular procedure, I want to gain support from the gentleman from Texas and lose support from the gentleman from Michigan, Mr. Conyers. I feel obliged to say to you that Tim Duncan, who was named the MVP of the tournament, played college basketball in North Carolina. So I was obliged to be pulling for the Spurs.

Chairman SENSENBRENNER. Without objection, the gentleman from North Carolina is excused for doing that.

Mr. COBLE. I thank the Chairman.

Mr. Chairman, I want to thank Mr. Forbes, the gentleman from Virginia, and Mr. Scott, the gentleman from Virginia, for covering for me very ably regarding these three bills. I was involved in a Transportation Bill matter and I was not present. But I'm told these three bills are noncontroversial.

The current bill, H.R. 184, Mr. Chairman, permits U.S. companies export most controlled substances only to the immediate country where the products will be consumed. The law prohibits export of these products if the drugs are to be exported beyond the country to which they are initially sent. Shipment to central sites in other countries for further distribution across the country's national boundaries is prohibited.

This legislation amends the current law to allow re-export of controlled substances to remove this disadvantage for American companies. The legislation authorizes the Attorney General to permit re-export beyond the first country to one additional country. This may only be done under tightly controlled circumstances and only to other countries that are approved as parties to international drug treaties.

H.R. 184 would allow American pharmaceutical companies to remain competitive with other companies worldwide and provides an incentive for companies to keep distribution centers and jobs in the United States.

I urge my colleagues to support this legislation and yield back.

Chairman SENSENBRENNER. The gentleman from Virginia, Mr. Scott.

Mr. SCOTT. Thank you, Mr. Chairman.

H.R. 184 would remove an unproductive limitation with respect to authorized shipment of controlled drugs and substances between two countries. Currently, the U.S. companies are restricted in exporting such drugs only to one country and cannot be re-exported to another.

This bill allows drugs to be transported to a second country, so long as the Attorney General determines that the second country has also appropriate controls and is a signatory to appropriate international drug control conventions. This would remove current disadvantages U.S. drug companies have in competing with other countries.

I am aware of no opposition to the bill and encourage support for it. I yield back.



Chairman SENSENBRENNER. Without objection, all Members may include opening statements in the record at this point.

[The prepared statement of Mr. Cannon follows:]

PREPARED STATEMENT OF THE HONORABLE CHRIS CANNON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF UTAH, AND CHAIRMAN, SUBCOMMITTEE ON COMMERCIAL AND ADMINISTRATIVE LAW

Mr. Chairman, as America strives to adapt to a world of rapidly changing international trade, preserving and expanding U.S. manufacturing and production capabilities becomes ever more important. This is particularly true in Utah where current restrictions on exports of the medicines we produce have discouraged industry growth and threatened workers' jobs.

The Controlled Substances Import and Export Act currently allows U.S. pharmaceutical companies to export most controlled substances only to the exact country where their product will be used. Shipment of U.S. medicines to central sites for further cross-border distribution, even when conducted under the watchful eyes of the U.S. Drug Enforcement Administration and Department of Justice, is prohibited for U.S. exporters. This contrasts with the freedom of drug manufacturers throughout the rest of the world to readily move their products among and between international drug control treaty countries without limit or restriction.

These limitations put U.S. manufacturers at a disadvantage by requiring more frequent and costly shipments to each individual country of use. We are effectively discouraging domestic manufacturing while encouraging U.S. drug exporters to move production overseas.

Utah, with a small but growing pharmaceutical manufacturing industry, is committed to maintaining a strong domestic base so that U.S. businesses can compete on a level playing field with our international competitors. But this industry faces an uncertain future unless we do something.

HR 184, the Controlled Substances Export Reform Act, that Rep. Joe Pitts and I introduced advances that goal by permitting the carefully regulated international transshipment of exported U.S. pharmaceuticals. The bill retains full DEA control over all drug exports and establishes strict permitting requirements to ensure drug safety while removing an unnecessary barrier to U.S. production and the growth of well-paid jobs.

Mr. Chairman, on behalf of the 500 Utah workers whose jobs may be endangered by current law, and on behalf of the many more workers we stand to gain by updating an outdated statute, I am pleased to support H.R. 184 and I urge the measure's adoption.

Chairman SENSENBRENNER. Are there amendments? Are there amendments?

If there are no amendments, a reporting quorum is not present. Without objection, the Committee amendment in the nature of a substitute laid down as the base text is adopted. A reporting quorum is not present. Without objection, the previous question will be ordered on the motion to report the bill as amended favorably to the House.

[Intervening business.]

Chairman SENSENBRENNER. A reporting quorum is present. The unfinished business is the motion to report the bill H.R. 184 favorably as amended, on which the previous question was ordered.

All in favor will say aye. Opposed, no.

The ayes appear to have it. The ayes have it. The motion to report favorably is adopted.

Without objection, the bill will be reported favorably to the House in the form of a single amendment in the nature of a substitute, incorporating the amendments adopted here today.

Without objection, the staff is directed to make any technical and conforming changes, and all Members will be given 2 days, as provided by the House rules, in which to submit additional dissenting, supplemental or minority views.

[Intervening business.]

Chairman SENSENBRENNER. Now I believe we have concluded the agenda. Without objection, the Committee stands adjourned.

[Whereupon, at 10:24 p.m., the Committee was adjourned.]

