

CAPITOL STREET

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BIOSECURE Act Included in Final NDAA Bill

Companies Can Still Be Named But Can Contest; Final Passage Likely By YE

Relevant Companies



»» Our Take & Next Up

BIOSECURE moves closer to passage after being included in the final text of the merged FY 2026 National Defense Authorization Act ([here](#)), released late yesterday. The bill language appears to mirror the Senate version of the bill with a watered-down version of the *BIOSECURE* Act.

A similar measure ending most U.S.-China academic research collaborations (*SAFE Research Act*) does not appear to have made the final NDAA bill. It was previously included in the House-passed NDAA on Sept. 10 ([here](#)).

We have said the less onerous *BIOSECURE* language has a 70%+ chance of passage by year-end (our take [here](#)). The amendment language includes companies named in the DoD [1260H list](#), a 5 year grandfather period, and protection from public release for new companies until a final determination. BGI/MGI is expected to be impacted due to their status on the 1260H list.

»» Key Points

NEW: WuXi is among eight Chinese firms that the Pentagon recently recommended Congress add to the 1260H risk list ([here](#)). WuXi entities are not named at this time; however, the DoD 1260 list does not allow companies to contest their designation, despite the more watered down *BIOSECURE* language (described below). There are no other life sciences companies identified by the Pentagon in its recent letter. The other firms include technology specialists Alibaba, Baidu and RoboSense as well as manufacturers BYD, Eoptolink, Hua Hong Semiconductor and Zhongji Innolight.

The *BIOSECURE Act* contains new protections for companies, though companies like WuXi can still be listed as a company of concern (over time). The legislation, first introduced in 2024, is intended to bar federal agencies from contracting with Chinese biotechnology providers that pose a national security threat (companies of concern). *BIOSECURE* was previously included in earlier versions of the House and Senate NDAA and addressed issues that stalled the original bill last year (our analysis [here](#), [here](#) and [here](#)).

- A Senate [amendment](#) to the *NDAA* was sponsored by Sens. Bill Hagerty (R-TN) and Gary Peters (D-MI).
- A House [amendment](#) to the *NDAA* was sponsored by Reps. John Moolenaar (R-MI) and Claudia Tenney (R-NY), but wasn't considered on the House floor.

The final *BIOSECURE* language in the merged *NDAA* bill does not name “companies of concern” until a company has time to review & contest (over a year from bill enactment) the designation. The 2024 (original) *BIOSECURE Act* named companies of concern (BGI, MGI, Complete Genomics, WuXi AppTec, WuXi Biologics). It also didn't include a process for companies to contest the designation, which was a major sticking point for Sen. Rand Paul (R-KY), Rep. James McGovern (D-MA), and others.

- Under the new language, biotech “companies of concern” would be named by the White House Office of Management and Budget (OMB) a year after enactment of the bill.
- When a biotech company up is labeled a “company of concern,” it would get a notice explaining why, how it can contest the designation within 90 days, and what steps might remove the label.
- Congress would be notified both when the designation is made and when the company submits its arguments. The designation wouldn't be made public until the review is complete.
- The bill also provides safe harbor for services and products that were formerly produced by the biotech companies of concern and establishes a five-year grandfathering period for services contracted before *BIOSECURE* goes into effect.

However companies on DoD's “1260H” list, including BGI/MGI, do not have the right to appeal. The 1260H list identifies Chinese military-linked companies operating in the U.S. and must be updated at least annually (last updated in January [here](#)). Over time, the U.S. could take more steps against these companies beyond just naming them.

BACKGROUND

Last year, *BIOSECURE* died a slow death. The *BIOSECURE Act* was not included in the *NDAA* in 2024 (our take [here](#)). There had been pressure to get something done before the new Administration pivoted to the Reconciliation bill, and compromise language was being discussed to get the bill across the finish line, but it was ultimately shelved.

- The main House sponsor of the prior *BIOSECURE Act* ([here](#)), Rep. Brad Wenstrup (R-OH), has since retired, but several of the original cosponsors continue to push for passage of the bill this year.
- On the Senate side, the original *BIOSECURE Act* ([here](#)) was sponsored by Sens. Bill Haggerty (R-TN) and Gary Peters (D-MI). Peters will not seek reelection in 2026, which may provide motivation to get the bill passed before the end of his term in January 2027.

The *Securing American Funding and Expertise from Adversarial Research Exploitation (SAFE Research) Act of 2025* ([here](#)), included in the House-passed *NDAA*, would cut U.S. funding for researchers who collaborate with Chinese universities or other “hostile” institutions. Scientists would have 90 days to end such ties or lose federal grants, with limited national-security waivers. It also mandates disclosure of foreign affiliations and bars sharing unpublished results with targeted entities for five years.

Ipsita Smolinski
Managing Director | Capitol Street
ipsita@capitol-street.com

900 19th St NW 6th Fl
Washington, D.C. 20006

202.250.3741 | www.capitol-street.com

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