

## Precursor Chemical Identification and Supply-Chain Evaluation (PRECISE)

### Context

Drug reform policy was a hot-button issue in recent EU and US elections because of the proliferation of synthetic opioids. The EU reported approximately 1 million high-risk opioid users<sup>1</sup> and the US reported DEA seizures of fentanyl powder that nearly doubled in 2023, while the 79 million fentanyl pills seized nearly tripled<sup>2</sup>. This crisis is predominantly fueled by the illicit dissemination of precursor chemicals. A significant portion of these precursors originate from China, fueling immense scrutiny from both the United States and the European Union. Specifically, the *EU-China Joint Meeting on Drug Precursors*<sup>3</sup> and *February 2025 U.S. Presidential Action*<sup>4</sup> both work to curb the synthetic opioid epidemic through checks on China. While both parties have worked to regulate the market through dialogue, AI-driven invoice regulation would directly secure supply chains and protect the legitimate EU-US pharmaceutical market.

### Structure

**PRECISE** develops a shared AI invoice regulation tool between the United States and the European Union to track precursor chemical inventory. This tool will be integrated into e-invoices along the EU-US supply chain, similar to China's "E-Fapiao" system<sup>1</sup>. The US and the EU will send delegates annually to track the progress and success of **PRECISE**.

### Objectives

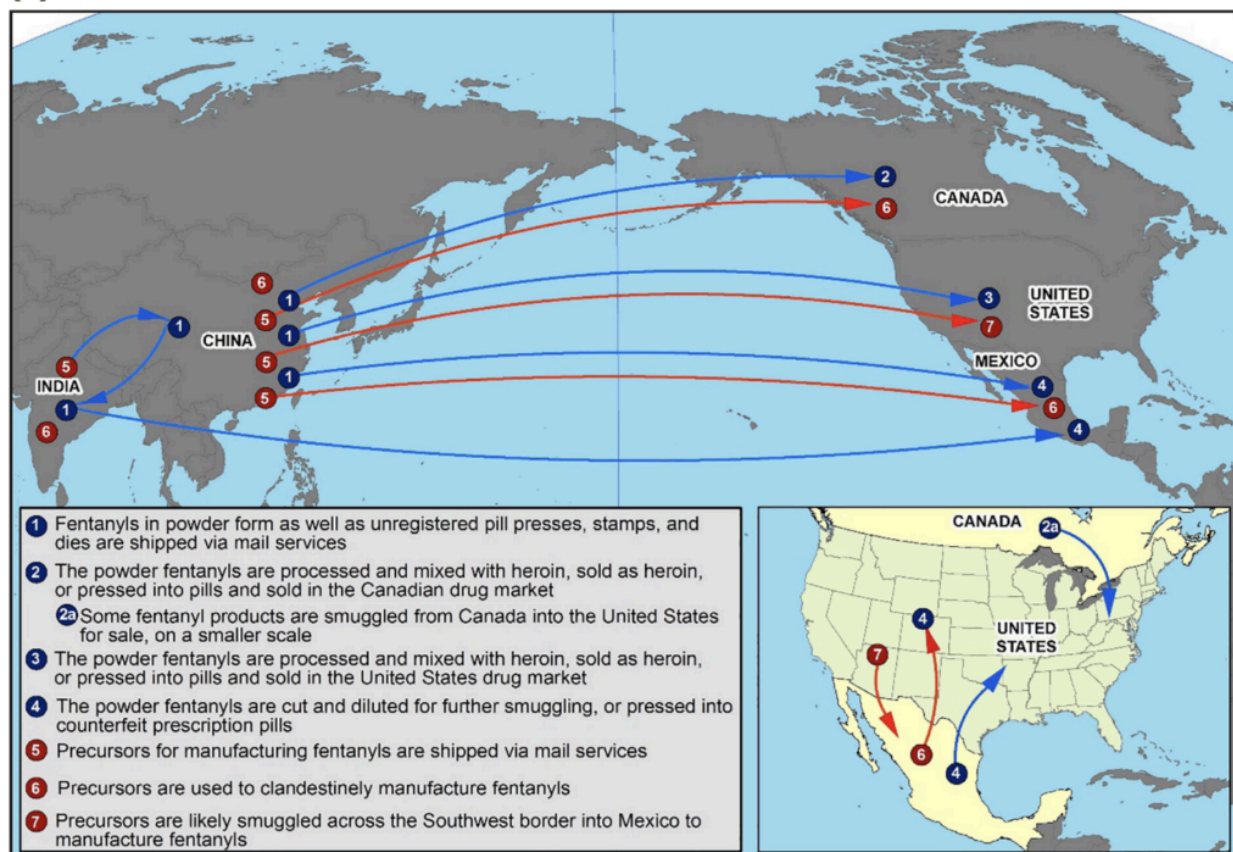
1. Prevent the proliferation of precursor chemicals to fentanyl from China.
2. Boost Transatlantic collaboration on AI development through private sector and academic channels.
3. Reform the Trade and Technology Council as a PPP framework to implement **PRECISE**.
4. Develop a framework for future collaboration on joint US-EU AI initiatives.

### Implementation

- 1) Framework for the Development of **PRECISE**:
  - Recommends a joint fund of 150M-200M USD to create an innovation grant.
  - Establishes a bidding system available to the private sector and research institutions evaluated by working groups.
  - Requires the use of open-source models for development and data sharing between awardees.
  - Encourages cross-sector consultation to increase efficacy, including funding audit.

---

<sup>1</sup> Edicom Group. 2025. "E-Fapiao (fully digitalized E-Fapiao) in China: full adoption as of December 2024 | EDICOM Global." Edicom. <https://edicomgroup.com/blog/china-moves-to-implement-the-electronic-invoice>.

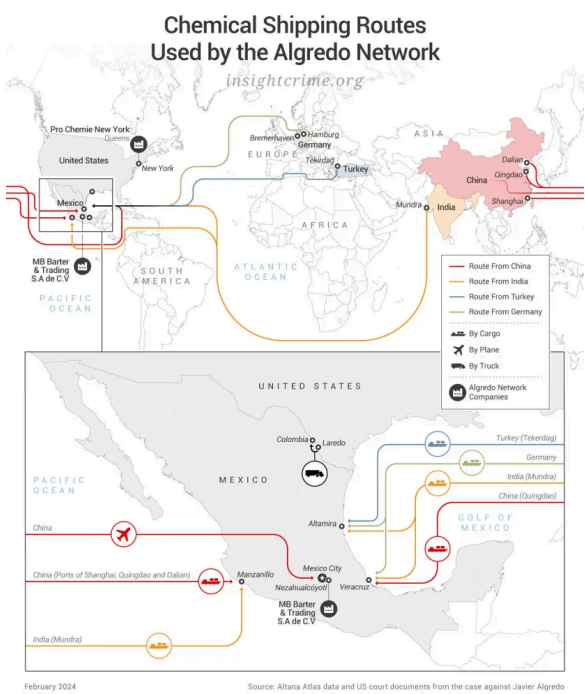
**(U) FIGURE 1. FENTANYL FLOW TO THE UNITED STATES 2019**

<sup>2</sup> European Union Drugs Agency (EUDA), Key Findings and Threat Assessment: Heroin and Other Opioids, accessed April 5, 2025, [https://www.euda.europa.eu/publications/eu-drug-markets/heroin-and-other-opioids/key-findings-and-threat-assessment\\_en](https://www.euda.europa.eu/publications/eu-drug-markets/heroin-and-other-opioids/key-findings-and-threat-assessment_en).

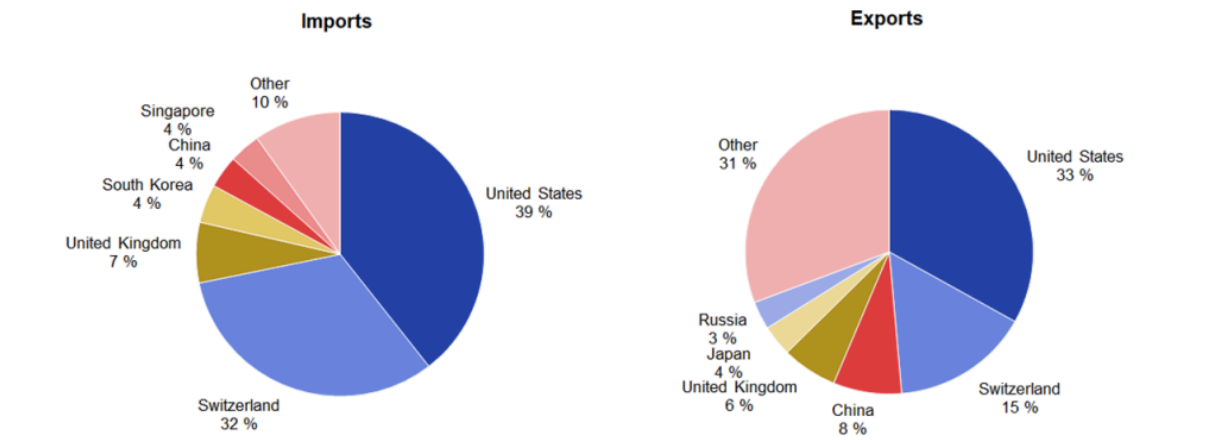
2. U.S. Drug Enforcement Administration, DEA Releases 2024 National Drug Threat Assessment, May 9, 2024, <https://www.dea.gov/press-releases/2024/05/09/dea-releases-2024-national-drug-threat-assessment>.

3. European Parliament, Answer Given by Ms Johansson on Behalf of the European Commission (E-001815/2024), April 2024, [https://www.europarl.europa.eu/doceo/document/E-10-2024-001815-ASW\\_EN.html#def9](https://www.europarl.europa.eu/doceo/document/E-10-2024-001815-ASW_EN.html#def9).

4. The White House, Imposing Duties to Address the Synthetic Opioid Supply Chain in the People's Republic of China, February 2025, <https://www.whitehouse.gov/presidential-actions/2025/02/imposing-duties-to-address-the-synthetic-opioid-supply-chain-in-the-peoples-republic-of-china/>.



### Main EU partners for medicinal and pharmaceutical products, 2023 (%)



Source: Eurostat (online data code: DS-059331)