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July 17, 2025

Administrator Luis A. Roquebert V. Diablo Heights, Building #6 P.O. Box 0843-00533 Balboa, Ancon, Panama Rep. of Panama

Dear Minister Roquebert,

I am writing to applaud the work you, your Ministry, and your country have undertaken to reject undue influence from the People's Republic of China (PRC). President Mulino has demonstrated his commitment to strengthening the U.S.-Panama relationship and has taken concrete steps to reverse efforts by the PRC to expand malign influence in Panama. One key example has been Panama's ongoing audit of the port concessions managed by the Hong Kongbased conglomerate CK Hutchison (CKH). I urge your Ministry to ensure that whichever firm or consortium controls Cristobal and Balboa moving forward is not likewise beholden to the Chinese Communist Party (CCP).

Your country graciously hosted a delegation of staff members from the Select Committee earlier this year, and it was clear that Panama has been working to mitigate risk from foreign adversaries while strengthening ties with the United States. Initial reports from the ongoing audit suggest that CKH owes the government of Panama approximately \$300 million in unpaid fees, demonstrating that firms who answer to the CCP do not respect the sovereignty of the countries in which they operate.¹

In tandem with the audit, reports have outlined ongoing negotiations that could see the ports of Cristobal and Balboa sold by CKH to other parties. This is welcome news. However, it is crucial that any such deal preclude the involvement of any entity subject to the direction of the CCP in Balboa, Cristobal, or any other port adjacent to the canal moving forward. Of particular concern company is the China COSCO Shipping Corporation (COSCO). Earlier this year, the U.S. Defense Department added COSCO to its 1260H list of Chinese Military Companies.² The

¹ Peter Eavis, "Panama Official Accuses Hong Kong of Port Operator of Misconduct," *The New York Times*, April 8, 2025 https://www.nytimes.com/2025/04/08/business/panama-ports-ck-hutchison-audit.html

² "DOD Releases List of Chinese Military Companies in Accordance with Section 1260H of the National Defense Authorization Act for Fiscal Year 2021," U.S. Department of Defense, January 7, 2025,

U.S. Naval War College's China Maritime Security Initiative (CMSI) has likewise chronicled how the CCP has positioned political commissars, many of which are former Chinese military personnel, onto state-owned oceangoing merchant vessels, including COSCO ships. Though the roles of these commissars are opaque, CMSI explains that they are tasked with acting as representatives of the CCP and helping implement the CCP's strategic vision.³ As described by CMSI, "Security in ports and strict management of personnel going ashore is also a key responsibility of the political commissar." These examples are only the tip of the iceberg, but paint a clear picture that COSCO is subject to the direct influence the Chinese Communist Party. The inclusion of COSCO—or any other Chinese company—in port operations or control along the canal would represent an unacceptable risk to the national security of both our nations.

A Panama Canal free of malign CCP influence would benefit the security of Panama, the United States, and Latin America as a whole. I appreciate the continued efforts of your Ministry and the Mulino administration and welcome the opportunity to engage with you or any other entities of the Panamanian government to discuss our mutual concerns at any time.

Sincerely,

John Moolenaar

Chairman

Select Committee on China

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https://media.defense.gov/2025/Jan/07/2003625471/-1/-1/1/ENTITIES-IDENTIFIED-AS-CHINESE-MILITARY-COMPANIES-OPERATING-IN-THE-UNITED-STATES.PDF

³ Conor M. Kennedy, "Onboard Political Control - The Ship Political Commissar in Chinese Merchant Shipping," China Maritime Report No. 40, August 12, 2024. https://digital-

commons.usnwc.edu/cgi/viewcontent.cgi?article=1040&context=cmsi-maritime-reports

⁴ Kennedy, "Onboard Political Control - The Ship Political Commissar in Chinese Merchant Shipping," pg. 4.