

United States Senate

WASHINGTON, DC 20510

March 12, 2025

The Honorable Scott Bessent
Secretary of the Treasury
1500 Pennsylvania Avenue NW
Washington, D.C. 20220

Dear Secretary Bessent:

We urge you to direct the Committee on Foreign Investment in the United States (CFIUS) to strengthen engagement with Latin American and Caribbean (LAC) countries to encourage their adoption and coordination of inbound foreign investment review mechanisms like CFIUS, such as by expanding upon information exchange processes to provide technical assistance and personnel training.

CFIUS, under the Secretary of the Treasury's leadership, is critical to safeguarding U.S. national security by conducting thorough reviews of certain inbound investments. While President Gerald Ford established CFIUS by executive order in 1975, Congress later codified CFIUS authorities in Section 721 of the *Defense Production Act* and updated them to address evolving national security risks. The *Foreign Investment Risk Review Modernization Act of 2018* (FIRRMA) made crucial reforms to CFIUS, expanding its jurisdiction and review process.

In FIRRMA, Congress also required the CFIUS chairperson, the Secretary of the Treasury, to establish a process for cooperation with allies and partners on investment screening. In recent years, CFIUS has made significant progress on this front, supporting over 30 countries' investment screening mechanism proposals, revisions, or enactments.¹ A broad swath of U.S. allies and partners – such as Australia, Japan, India, Israel, Norway, South Korea, and Taiwan – have strengthened or created such mechanisms.²

It is critical that the Treasury build on these efforts by working with LAC region countries to establish and coordinate investment review mechanisms. We were pleased to see the 2023 U.S.-Mexico agreement to collaborate on the potential establishment of a Mexican foreign investment screening system.³ But the United States must do more, particularly as China, Iran, Russia, and other strategic adversaries seek to expand their influence in the LAC region.

¹ https://www.banking.senate.gov/imo/media/doc/rosen_testimony_7-25-24.pdf

² <https://www.state.gov/reports/2024-investment-climate-statements/australia/>; <https://www.state.gov/reports/2024-investment-climate-statements/japan/>; <https://www.state.gov/reports/2024-investment-climate-statements/india/>; <https://www.state.gov/reports/2024-investment-climate-statements/israel/>; <https://www.state.gov/reports/2024-investment-climate-statements/new-zealand/>; <https://www.state.gov/reports/2024-investment-climate-statements/norway/>; <https://www.state.gov/reports/2024-investment-climate-statements/south-korea/>; <https://www.state.gov/reports/2024-investment-climate-statements/taiwan/>

³ <https://home.treasury.gov/news/press-releases/jy1965>

For decades, the United States was the top trading partner of most LAC countries. Now, however, China is South America’s top trading partner and the second-largest, after the United States, for Latin America as a whole.⁴ China-Latin America trade has increased almost 4,000 percent since 2000 – from \$12.5 billion to \$480 billion in 2022.⁵ That could double by 2035.⁶ China is a leading creditor in the region, too.

Chinese state-owned or state-linked firms continue to invest heavily in strategic sectors across the LAC region, such as the 3.5 billion deep-water port in Chancay, Peru – which Chinese officials boast will serve as a “gateway from South America to Asia.”⁷ General Laura Richardson, who recently retired as Commander of U.S. Southern Command, has warned that China’s People’s Liberation Army Navy could use Chancay, noting “this is a playbook that we’ve seen play out in other places, not just in Latin America.”⁸

America’s ties with the LAC region are too important to not help our partners protect their economic security – which is directly intertwined with our own.

Mexico was our top trading partner in 2023 (\$797.9 billion); Brazil was 15th (\$83.7 billion); and both Chile and Colombia ranked among the top 30 (\$34.3 billion and \$33.7 billion, respectively).⁹ In 2023, U.S. trade with Central America, South America, and the Caribbean was worth a combined \$344.7 billion – more than our trade with any other individual country except Mexico, Canada, and China.¹⁰

Given these developments and President Donald Trump’s calls for LAC countries such as Mexico to do more to stop the transshipment of Chinese goods in the U.S., we urge you to direct CFIUS to help LAC countries create the mechanisms they need to limit sensitive investment, including from China.¹¹

The United States and our partners benefit when we work together to guard against foreign investments posing national security risks. We cannot meet today’s challenges by going it alone.

Sincerely,



U.S. Senator Michael F. Bennet



U.S. Senator John Cornyn

⁴ <https://www.cfr.org/backgrounder/china-influence-latin-america-argentina-brazil-venezuela-security-energy-bri>

⁵ <https://www.southcom.mil/MEDIA/NEWS-ARTICLES/Article/3553735/the-expanding-leverage-of-the-peoples-republic-of-china-in-latin-america-implic/>; <https://dialogopolitico.org/special-edition-2024-keys-to-understanding-china/china-and-its-free-trade-agreements-with-latin-america>

⁶ <https://www.usip.org/publications/2022/08/chinas-engagement-latin-america-views-region>; <https://foreignaffairs.house.gov/china-regional-snapshot-south-america/>

⁷ <https://apnews.com/article/peru-chancay-china-port-construction-d13e8e8fe19289a6ab97628f708bc671>;

⁸ <https://www.barrons.com/news/xi-inaugurates-south-america-s-first-chinese-funded-port-in-peru-1e0a558a>; <https://www.ft.com/content/f6589d13-6014-47d0-8cc5-e98a0b7ad0bc>

⁹ <https://www.trade.gov/data-visualization/tradestats-express-us-trade-partner-countries-and-regions>

¹⁰ <https://www.trade.gov/data-visualization/tradestats-express-us-trade-partner-countries-and-regions>

¹¹ <https://www.c-span.org/program/campaign-2024/former-president-trump-delivers-remarks-at-detroit-economic-club/650204>

cc:

Office of International Affairs
U.S. Department of Treasury
1500 Pennsylvania Avenue NW
Washington, D.C. 20220