

Congress of the United States

House of Representatives

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

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September 24, 2025

The Honorable Sean Duffy
Secretary
Department of Transportation
1200 New Jersey Ave. SE
Washington, DC 20590

Dear Secretary Duffy:

The Committee on Oversight and Government Reform is examining the Chinese Communist Party's (CCP) interference and influence in Panama. Given the Panama Canal's strategic importance to the United States, any potential malign influence or outright interference in Panama by the CCP is cause for significant concern. Therefore, the Committee asks the Department of Transportation to provide a staff-level briefing to address how it plans to counter Chinese influence in Panama and ensure the security and neutrality of the canal is maintained.

The Panama Canal hosts approximately 40 percent of the United States container traffic, which accounts for roughly \$240 billion annually in trade.¹ Panama maintains a policy of neutrality regarding the canal, a result of the treaty signed that turned ownership from the United States to Panama.² On the Atlantic and Pacific sides of the canal sit two ports, both owned and operated by Hutchison—a Hong Kong shipping corporation.³ Hutchison ports have repeatedly been implicated in the smuggling of fentanyl precursors into the Americas,⁴ and its owner, Li Ka-Shing, is a member of Chinese organized crime syndicates that work to advance the interests of the CCP in the west.⁵

In March of 2025 Hutchison announced it would sell its 90 percent share in Panamanian ports.⁶ Following the announcement, the CCP expressed fury at the sale, and while initially stating they would block it, China has now instead resorted to watching the sale closely to ensure the company operating the ports is not American.⁷

¹ David Shepardson & Marianna Parraga, *Senators raise concern about Chinese influence on Panama Canal operations*, REUTERS (Jan. 28, 2025).

² *Id.*

³ *Id.*

⁴ Christopher Hernandez-Roy, *Are Chinese Ports in Latin America Preferred by Organized Crime?*, CSIS (Sept. 23, 2024).

⁵ See generally, *Project Sidewinder*, RCMP (Jun. 24, 1997).

⁶ Gary Howard, *Hutchison ports sale at the centre of global power struggle*, SEATRADE MARITIME (Jun. 3, 2025).

⁷ *Id.*

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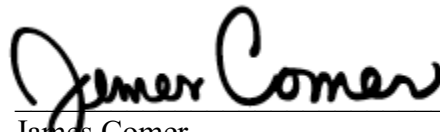
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While Panama has expressed interest in expelling CCP influence from the country, evidenced by their termination of the Chinese belt-and-road initiative in Panama, the situation is still tenuous and requires oversight. To assist the Committee's oversight of this matter, we request a staff-level briefing to occur no later than October 1, 2025. Briefers should be prepared to address the following :

1. What the Department of Transportation's role is in countering CCP influence in the canal and its ancillary projects;
2. What is the Department of Transportation's role in ensuring American companies have opportunities to invest in Panamanian infrastructure in processes that will be free of corruption; and
3. In the event the neutrality treaty is broken, under what authorities can the Department of Transportation assume operation of the canal, and if so, how quickly?

The Committee on Oversight and Government Reform is the principal oversight committee of the U.S. House of Representatives and has broad authority to investigate "any matter" at "any time" under House Rule X. To schedule the briefing or to ask any related follow up questions, please contact the Committee on Oversight and Government Reform Majority staff at (202) 225-5074. Thank you for your attention to this important matter.

Sincerely,



James Comer
Chairman

cc: The Honorable Robert Garcia, Ranking Member
Committee on Oversight and Government Reform