

TIM Kaine
VIRGINIA

COMMITTEE ON
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AND PENSIONS

United States Senate

WASHINGTON, DC 20510-4607

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October 5, 2023

The Honorable Antony Blinken
Secretary of State
U.S. Department of State
2201 C Street NW
Washington, DC 20520

The Honorable Katherine Tai
U.S. Trade Representative
Office of the United States Trade Representative
600 17th Street NW
Washington, DC 20508

Mr. Jake Sullivan
Assistant to the President for National Security Affairs
The White House
1600 Pennsylvania Ave., NW
Washington, DC 20500

Dear Secretary Blinken, Ambassador Tai, and Mr. Sullivan:

I write today in regard to the Americas Partnership for Economic Prosperity (APEP) and the recent pivot in structure.

First announced by President Biden at the Ninth Summit of the Americas in June of last year, APEP was launched as “a historic new agreement to drive our hemisphere’s economy recovery and growth, and deliver for our working people.”

APEP identified five broad pillars, including reinvigorating regional economic institutions and mobilizing investment, making supply chains more resilient, updating the basic bargain, creating clean energy jobs and advancing decarbonization and biodiversity, and ensuring sustainable and inclusive trade. Each of these pillars includes numerous important and worthwhile goals within them.

A strong and ambitious partnership with our neighbors has the potential to help make progress on areas of critical importance to the United States, such as working to near shore supply chains to enhance resiliency against future risks and building the supply chains of the future in areas like clean energy manufacturing. It can create a better future for our citizens and working families across the hemisphere.

Such a partnership can set an example for other countries in the region. It can establish the high-road standards that the United States and other countries in the partnership expect as a prerequisite for closer economic ties. As I travel the region and speak to leaders across Latin America, many of them share that their top priority is greater trade and investment relationships with the United States. Used properly, this is a powerful incentive that can be used to encourage better governance, human rights, environmental stewardship, and worker rights.

It can also help counter the growing influence of investments from Chinese state-owned enterprises in the region. As the United States has pulled back from negotiating new free trade agreements (FTAs) in the region, China has ramped up efforts to negotiate FTAs and invest in Latin America. With the generous financing terms these investments tend to come with, these opportunities can be difficult to pass up for countries seeking to make critical infrastructure investments, even if they may come with onerous or unknown future implications. Showing that the United States stands ready to facilitate economic development would provide these nations with an alternative pathway to future prosperity.

Recently, a year into the APEP effort, the Administration has changed the structure of the potential partnership. It is shifting from pursuing text-based agreements with binding commitments and is instead developing a “forum” intended to bring leaders together to broadly discuss areas of mutual interest and shared goals.

As I work to understand the implications of this pivot, I ask that you respond to the following questions by October 27, 2023.

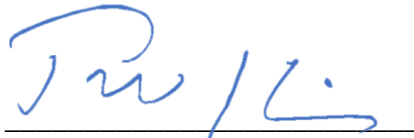
1. Please explain the rationale behind the Administration’s shift in strategy regarding APEP one year after its announcement.
2. Please describe in detail what concrete progress has been made to implement APEP since its announcement. Please provide a timeline of what concrete actions the Administration envisions taking place under APEP in the next six months.
3. Does the Administration still intend to pursue all five of the pillars initially announced as the focus of APEP? Does the Administration still broadly intend to pursue the specific areas of focus outlined under these pillars in its January 2023 concept note? If not, please describe in detail what the new areas of focus for APEP will be.
4. Is expanding trade and investment among participating nations a goal of APEP? If so, please describe in detail how APEP intends to achieve this, including whether APEP will create a pathway to opening negotiations for foreign trade agreements with participating nations that currently lack one. If not, please explain in detail why expanding trade and investment among participating nations is not a goal.

5. Many of the goals outlined in the formation of the Partnership will require long-term endeavors. Absent binding commitments, how does the Administration intend to ensure that this new structure is sustainable?
6. What is the intended output of these forums? Is the Administration open to these forums leading to text-based agreements if that is the path that would help achieve the agreements reached during forums?
7. How will APEP help counter the influence of investments in critical infrastructure coming from Chinese State-Owned Companies into Latin America?

I encourage you to ensure that the level of ambition of the original proposal is not diminished by the recent pivot in its structure. Pursuing mutually beneficial economic goals with Western Hemisphere countries that share our values, as well as providing a viable alternative to China, should remain a priority for current and future administrations. Further, I encourage you to prioritize launching these forums and working groups and start demonstrating the value of engaging in the partnership as soon as feasible.

I thank you for your commitment to the region and look forward to working together to make this effort as ambitious and successful as possible. As President Biden stated at the 2022 Summit of the Americas, the need for cooperation, common purpose, and transformative ideas in the Western Hemisphere has never been greater than today.

Sincerely,



Tim Kaine
United States Senator
Chairman, Subcommittee on Western Hemisphere,
Transnational Crime, Civilian Security, Democracy,
Human Rights and Global Women's Issues