

BUSINESS MEETING

Thursday, June 1, 2023

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC.

The committee met, pursuant to notice, at 10:35 a.m., in Room 116, The Capitol Building, Hon. Robert Menendez, Chairman of the committee, presiding.

Present: Senators Menendez [presiding], Cardin, Shaheen, Coons, Murphy, Kaine, Merkley, Booker, Schatz, Van Hollen, Duckworth, Risch, Romney, Ricketts, Paul, and Young.

OPENING STATEMENT OF HON. ROBERT MENENDEZ, U.S. SENATOR FROM NEW JERSEY

The Chairman: This business meeting of the Senate Foreign Relations committee will come to order. Today, we are considering a handful of nominations -- today, , and one treaty, the United States, Chile Tax Treaty.

Before going further, I want to note for the record that I received a request for a holdover of the entire agenda, all nominations, and the Chile Tax Treaty.

While I have always respected holdover requests, I have also repeatedly shared with the committee my view that blanket holdovers are an abusive and obstructive practice, out of line with committee norms and precedent. In fact, early in this Congress, at a markup on March 8th of this year, I informed members in exceedingly clear terms that I would no longer accept blanket holdovers.

The same Senator who has made today's blanket holdover request was present at that meeting. As such, we will debate and vote on the entire agenda notice for this business meeting. Let me first turn to nominations. We have a number of critical ones on the agenda, Peru, Ecuador, Ethiopia, Jordan, Lebanon, and others.

We also have other important nominees that we have not got an agreement to include on today's nominations list.

I do hope -- we have a lot of nominees, mostly from my understanding, that are uncontroversial, and we need Ambassadors in place, in-country to be meeting our challenges and promoting our goals, views, and ideas. When we talk about meeting the China challenge, China has more embassies, consulates, and ambassadors throughout the world than we do. That is not acceptable. We can do a lot better.

So, I hope we can vigorously move other nominations expeditiously. Turning to the Chile Tax Treaty, I am very pleased that we are taking up this critical agreement today. We have considered this treaty on three previous occasions, including the last Congress. I appreciate the work of the ranking member and his staff in getting to this point.

Look forward to working together to get it approved by the Senate. Chile is one of our strongest democratic partners in the Americas, and this treaty will help protect and grow U.S. foreign direct investment, facilitate U.S. economic engagement in the region, and strengthen the hand of U.S. companies operating in Chile.

We have received an outpouring of support for this treaty from the business community, including letters from the U.S. Chamber of Commerce and a coalition of businesses, and I ask unanimous consent that these letters be included in the record. Without objection, so ordered.

[The information referred to is located at the end of this transcript.]

The Chairman: We all know that China has entered into a tax treaty with Chile, and Chinese companies are taking advantage. They are investing in Chilean companies, expanding their position in Chile's markets and economy. We need to level the playing field and give our companies the tools they need to compete.

Additionally, Chile is the world's second largest producer of lithium, a critical mineral that is a building block for many modern technologies, and a global demand will skyrocket in the coming years by as much as 4,000 percent. But the absence of a tax treaty makes it harder for U.S. businesses to be competitive in Chile's lithium center.

We need this treaty to advance U.S. interests in this critical mineral and build partnerships that will position our country, our economy, and our manufacturing sector for the future. As we work to secure Senate approval of the Chile Treaty, I must note that the Biden Administration last year withdrew from the Hungary Tax Treaty without consulting this committee or providing notice, much less seeking Senate or Congressional approval.

Presidents of both parties have advanced these types of unilateral actions and omissions which are completely inconsistent with our Constitutional structure. Treaties are, of course, a shared responsibility of the Senate and the Executive Branch. I have asked the President to commit, at minimum, to meaningful consultations with this committee prior to terminating any treaty.

Absent such a commitment, I will work to address this matter in future resolutions in advice and consent, as well as in legislation. I look forward to working with all of our colleagues to ensure that the committee and the Senate protects our Constitutional prerogatives.

With that, let me turn to the ranking member for his statement.

**STATEMENT OF SENATOR JAMES RISCH,
U.S. SENATOR FROM IDAHO**

Senator Risch: Well, thank you, Mr. Chairman. Tax treaties are a critical part of the U.S. tax landscape. They prevent double taxation for U.S. taxpayers, help eliminate tax uncertainty, and are important instruments in fighting tax fraud.

In addition, of course, the China component has been underlined by the Chairman, and I concur therein. These treaties strengthen the ability of U.S. businesses to explore new opportunities. The treaty we are considering today continues the long-standing provisions and practice of previous tax treaties.

The committee reported this convention favorably in 113th, 114th, and 117th Congresses. It is time to move this treaty forward to the full Senate for a vote where I expect it will receive broad bipartisan support. I also know that there is a request to hold all of the nominations on the agenda.

I am glad to see a number of the qualified career nominees for important posts in the Middle East, Western Hemisphere, et cetera. I plan to support each of the nominees that are listed on today's agenda and commit to continue to work with the Chairman as we try to move these forward expeditiously.

It is important to have these people in place. As to the President withdrawing from treaties, I share the Chairman's concern in that regard and look forward to further discussions to see what we can do about that. It really needs to be addressed. Thank you.

The Chairman: With that, we will now consider nominations, then I will turn to members. The nominees we will vote on are as follows, Mr. Arthur Brown to be Ambassador to Republic of Ecuador. Ms. Ana Escrogima to be Ambassador to the Sultanate of Oman. The Honorable Lisa Johnson to be Ambassador to the Lebanese Republic. Ms. Yael Lempert to be Ambassador to the Kingdom of Jordan. Mr. Ervin Jose Massinga to be Ambassador of the Federal Republic of Ethiopia. Mr. Roger

Nyhus to be Ambassador to Barbados, Federation of St. Kitts and Nevis, St. Lucia, Antigua and Barbuda, the Commonwealth of Dominica, Grenada, St. Vincent and the Grenadines. The Honorable William Popp to be Ambassador to the Republic of Uganda. Ms. Stephanie Syptak-Ramnath to be Ambassador to the Republic of Peru. Ms. Julie Turner to be Special Envoy on North Korea Human rights Issues.

Would any member like to comment on any of these nominations?

Senator Paul.

Senator Paul: I would like to make a comment initially on the question of holding over the meeting. I was the Senator who requested the holdover. I think it is important for everybody to know that this would be a new precedent now, that basically things will be completely at the discretion of the Chairman, and that holdovers that he does not like will not be accepted because that is what is happening today.

The reason for my holdover though is not petulance, but to try to encourage the Chairman to be interested in allowing the minority to gather records from the Biden administration. I have been asking very nicely, in private and in public, to the Chairman for assistance in getting records.

I told him a couple of weeks ago that I will oppose all nominees now and make everything through a floor vote, which I have not been doing, and I do not generally do. But I will do that until I get some assistance with records. The records I am looking for are not classified.

They have to do with scientific grants that were applied for, received, or rejected, having to do with viral gain-of-function research that could have created what became COVID-19. We know of one of these, DARPA, from a leak. We would like to know

because USAID engaged in somewhere between \$10 and \$20 million worth of research in this area.

We would like to see these research grants, yet so far we have been denied this. When I have asked the Chairman, I got no response. That the committee already has all this information, I discovered through a roundabout fashion, and also then from I believe Wendy Sherman the last time that actually indeed the committee does have a lot of these records that I am interested in looking at.

And now the committee is sort of negotiating with me and says, I can see the records but only *in camera*. Well, how could you possibly have oversight, if I discover something that actually could change the public -- paper, and I am not allowed to tell the public, of what value would it be for me to read records in private that I cannot discuss publicly?

But we also discovered that these records have been shared outside the committee -- actually given to a Republican member of another committee, but they made him sign an agreement not to talk about them. But some of those records did go to an Inspector General, nonetheless. But the thing is, is that we should all want the exposure of where our money is being spent. There was a report today of several million more dollars that was unrecorded that was going to China, to Wuhan for this research.

We also know now that some of it is going to our universities, to the Academy of Military Medical Research. It is actually going for military research in China. Almost all of this is unclassified. I am more than happy to quit blocking anything, quit obstructing any meetings if I could get the Chairman to be interested in signing a records release. And with that, I would like to pass this over -- this is a letter that narrows some of the requests.

So it is, you know, maybe less than what we have seen in the past to see if we could specifically get some documents. But here is an example of Freedom of Information Act, U.S. right to know about these cables, that are all talking about the Wuhan Institute of Virology in the cables right after January, that are talking about the Academy of Military Medical Sciences, in cables that are all redacted.

So, we know there was a discussion going on. They were very worried about these labs in January of 2020, but we should have oversight of this. And I cannot -- nobody can do oversight and has to be secret. It is of no value to go to a room and read these records if you cannot talk about them publicly.

Now classified I understand. If there is something in there secret or personal you do not reveal. None of these that we are asking for are classified. But anyway, that is my reason for recommending the hold, and we will continue to do what we can to slow things down so that we can get the attention of the majority and we would like to get records from the Administration.

The Chairman: Let me take a moment to respond. First of all, on the overall question of holdovers, I explained all of this in significant detail in the last Congress, and in this Congress, I clearly stated for the record for all members to hear that I would not honor blanket holdovers. On March the 8th of this year, I clearly informed members that I would not honor blanket holdovers.

Holdovers were never intended to be used to obstruct an entire agenda. To the contrary, they are a courtesy afforded on this committee to a Senator who seeks additional time to consider a specific nomination. That is clearly not the case here. And let me just remind everyone that the rules of this committee are particularly generous with regard to notice and an adequate time afforded to members to consider items slated for markup.

Our rules require a seven-day notice for business meetings, unless, of course, the Chair, in consultation with the ranking member, determines there is good cause to proceed with less than that. I have ensured that this committee abides by this rule.

If someone has a specific need to consider a particular item further before debate and vote, that is where a holdover can be appropriate. But to take the entire agenda and strike it, that is simply not going to fly. As to the specific issue Senator Paul has, I think as you may know, Senator Paul, I appreciate and greatly support the rights of individual Senators to seek and obtain information from the Executive Branch.

We all have likely experienced frustration with the Executive Branch's reluctance to turn over information to Congress, including myself. In fact, I recall months of efforts trying to seek documents from the previous Administration with little or no response whatsoever.

That was the case, in fact, even though I was the ranking member at that time of this committee. You are neither the Chair nor the ranking member of the committee. Nevertheless, in this particular instance, I worked in good faith to provide you access to documents that are in the possession of the committee. In fact, you and your staff currently have access to review those documents, first in camera.

Yet you have chosen not to avail yourself of that option. I went further after listening to your requests, and my staff made a presentation to your staff that we would give you the documents but under the same conditions that the other Senator that you mentioned was able to obtain the documents. That has not seemed to be enough either.

And now I have not looked at your letter, but I am told if it is the same letter that was previously given, that it is not a limiting of documents, you are seeking an

expansion of documents beyond those which the committee presently has in its possession. So, you want me to go ahead as the Chair and be your foil with the Administration to get documents?

I do not particularly see that as my role. But to the extent that we have had documents, we have now offered to you to have them given to you in possession but with certain clear conditions.

So, I do not know what more to do because obviously the goalposts keep getting moved, and I cannot allow the committee's agenda to be stifled by blanket holdovers, and so that is why I have decided to move forward.

Senator Paul: I have a question --

The Chairman: Absolutely.

Senator Paul: I guess my question would be, let us say I come to the committee, and I go through the millions of pages -- and actually some of these I have seen through other sources.

There are now many different ways I can look at these documents. But if I go and look at documents and I find, wow, we funded research that helped to create something that looked very similar to what the coronavirus is. That knowledge is not edifying to me. It does not do anything for me.

This is a public debate where I am trying to get more awareness of the fact that we funded this type of research and it was dangerous, and that it could happen again in our country. That we are doing this kind of research in our country, and if we have another lab leak in our country, it could be as bad as what happened in China.

But if I am not allowed to reveal that, how can that be? How can you have oversight if I am told that everything I read cannot be revealed to the public? It is not

classified. I understand that if you had classified information, but this is not classified.

If the agreement you want me to sign is that I will not reveal any detail of what I read, any information, it is worthless for me to that and actually limits me to sign that because I have actually seen information in several other committees, venues, and from other people privately.

So, I am starting to gather this, but as we gather it, we find that the information actually that you possess I do not think has the knowledge that I want. I want to see the individual PREDICT grants.

PREDICT was this virus money program through USAID and we want to see if any of those research grants involved research that could have led to the development of what became COVID-19.

We have one from DARPA. But DARPA works with PREDICT, and we want to see the grants. This is basically the scientists asking for a grant, why they asked, what the reviewer said, and why it was denied or accepted. The most important one we have found so far has actually been denied.

It was a DARPA grant denied, and DARPA did the right thing by denying some of the dangers. But that is what we are looking for, but it would actually require more than what you possess. It would actually require some help in actually getting the records, and they will not give them to me unless you sign. But if we do not get any help, then we will obstruct your nominations.

And as I said before, I have no intention of ever obstructing a nomination before. I told you in the last Administration and in this one, I think Administrations should get who they appoint. I might vote no, but I am, you know, I have not filibustered nominees before.

The Chairman: Well, I do not think that is exactly the record. I think you have availed yourself in the past of some blanket holds.

So, and I respect, you know, the right of being able to find out more information. If you want to go public with documents, again, you need to negotiate that with the agencies that are in possession of the documents. I do think oversight is worthy of having access to the documents, coming to a determination.

Maybe you will find that what you think is the case is not the case. And maybe you will find that what you think is the case is the case. At which time, then the question is, is it possible to go public with that? That is a question you need to negotiate with the agencies who, at the end of the day, are the ones who are in possession.

I am not in possession of it other than the ones that we specifically have and have offered to give to you physically for your review. But, you know, the Senator has every right to do whatever he wants to do on the floor and that will be the case.

We also have the responsibility of facing the consequences when something happens in a country and we do not have an ambassador there, who held that person up. Senator Shaheen.

Senator Shaheen: Well, thank you, Mr. Chairman. And actually, I think this is a really helpful debate because I think all of us, as you pointed out, have been very frustrated by this Administration and previous Administrations with not getting documents when we have requested them and not getting timely responses to questions that we have raised.

So, I do not know whether there is more we can do as a committee to express our concerns about that, but I do think those are very real. I wanted to endorse what

both you and the ranking member said about the importance of getting our ambassadors in place throughout the world.

As we look at the national security of the United States, one of the most important things we can do is to have our diplomats in place around the world. Senators Murphy and Young held a very important hearing this week on the Middle East and our challenges that we are facing there.

And two of the ambassadors today are in very critical countries in the Middle East, Ms. Johnson and Ms. Lempert in Lebanon and Jordan. Those are countries -- Jordan because it is so important to stability in the Middle East, but Lebanon because it is teetering on a version of being a failed state, and the more we can do to get somebody there who can continue to negotiate, the better.

So, I just wanted to endorse what you said, to encourage all of us to help move these nominations on the floor, and to get people in place as soon as possible. And with that regard, I would also like to raise Ambassador Richard, who was nominated to serve as coordinator for counterterrorism over 18 months ago, 18 months ago, and she is still being held up.

So, I would hope that we would all -- I know we are all committed to making sure the United States is as safe as we can and competitive against the PRC and Russia and all of the threats out there, and having these people in place helps us do that.

So, I just wanted to endorse what you and the ranking member had to say.

The Chairman: Thank you.

Senator Romney: Mr. Chairman.

The Chairman: Yes, Senator Romney.

Senator Romney: Okay, two -- fast. One is, please, give him the data that he wants. The conspiracy theorists, if you do not get the data, are convinced it is worse than the reality.

Just give him the data, for Pete's sake, number one. Number two, these holds on ambassadors and the time that we all take to confirm ambassadors is very harmful to our country. I have listened to General Richardson, who is the Chairman of the Southern Command.

She said, there are 22 Latin American countries, 20 of them have ceased recognizing any relations with Taiwan. She said there are major elections coming out in Columbia that is critical to our country and to peace in the region, and we are still holding up a person for ambassador. My goodness, the President has been President now for some years, alright, and we cannot get -- we need ambassadors. And even if they are not perfect, we need ambassadors.

So let us get them through, and the holds that we put on, just in my opinion, the hold has got to be resolved on a timely basis and then move on to a vote. We have got to get ambassadors throughout the world, and we cannot vote on them one by one on the Senate floor.

It will end up taking years to get all of our ambassadors through. So please give Senator Paul the data he wants. It is not classified. Let him have it and use it. And then let us get the holds off of these ambassadors. Thank you, Mr. Chairman.

The Chairman: Well, thank you, Senator Romney, for your remarks. I am in concurrence. I have offered the information that I have in my possession, in the committee's possession and my personal possession, to Senator Paul. Now he wants information beyond that. That is another question.

-- we have to get that from the Administration, not from me. But to the extent that I have information, I have offered to give it to him. On the question of the nominations, I am perfectly in agreement with you.

As a matter of fact, not only do the holds, but I would like to see us agree -- get more agreement to put nominations up for a vote. People do not like them, vote against them. Got questions of a nominee? Give them a hearing and ask the questions in public. Let them answer it.

But we are in essence, stopping the flow of -- we have a stack of nominees that have not even had the opportunity for a hearing because we cannot get concurrence of them. And we cannot get concurrence, once we do have those hearings, to bring them up for a vote on the business meeting.

So, this is the essence of comity. I have, even though in the past comity was broken, I have restored it and I have lived painfully by it, but everything has its limits. Senator Young.

Senator Young: I want to associate myself with everyone who has emphasized the importance of getting ambassadors in place as soon as possible, as many as possible, as imperfect as some may be.

With that said, maybe we can bring some clarity to those of us who are unfamiliar with the precedent of providing unclassified information to a duly elected United States Senator provisionally, that is provided they do not go public with any findings, as I understand it.

The Chairman: The information, particularly, that Senator Paul sees was given to another colleague of ours, not a member of this committee. It was given to him by the agency directly, not to me, with that proviso, and he accepted that proviso.

That is now the proviso that the agency is seeking to continue to employ. I got the information from the agency, but I got it with that understanding, and I offered it to Senator Paul with the same understanding. Now, if we have the broader question of that we want agencies to give information unfettered, then that is a collective effort that we are going to have to have.

But, you know, I can tell you, as the former ranking member, I was not only not given information with conditions, I was not given information. So, this is a constant struggle with the Executive Branch. Senator Cardin.

Senator Cardin: Let me just try to clarify this. There is a difference between classified information and sensitive information that we do not want to share publicly. You have personnel information. You have proprietary information.

There is sensitive information that is kept confidential, though it is not classified. I do not know the circumstances of the information involved here, but I think what the Chairman is suggesting is the right way to proceed. Sit down, look at the information, see what is there, because I think Senator Romney is correct. A lot of what you think is there is not going to be there.

So, you know, you go through it, have an opportunity to see. If there is information in there that you think the public has a right to know, there is a process you can follow to try to get that information made public, but at least go through the first stage.

As I understand it, Senator Paul has not gone through the first stage yet, sit down, take a look at the information, see what is there. So, I recognize it may challenge his ability to use that information publicly, but that is a decision we all make by serving in the Senate.

So, I just really wanted to say that classification is not the only standard for release of information publicly. There are privacy issues here.

Senator Paul: The problem is...

The Chairman: And then you will be the last word on this, and we are going to move on.

Senator Paul: The problem is, that to begin the conversation, I have to sign an agreement saying I am not going to reveal any information. And so, then I am bound, and I do believe even if I sign something, I am bound by that. I do not want to sign that because I have already seen this information in other venues.

Homeland Security has got some of it but -- we are not sure if it is the same information. We think it is the same. Some of it is in the Homeland Security subcommittee. Some of it is with the other Senators. Some of it is floating around.

Now, some of it has gotten on the internet over time. But the main thing is, is everything I have seen so far, all of it excludes the scientific grant proposals that I want to see. The one grant proposal that is out there, that points towards the Wuhan Institute wanting to do research to create a coronavirus with a furin cleavage site, went to DARPA.

And scientists are alarmed because they see this and they say, oh my goodness, COVID-19 looks exactly like their proposal. We only know that because a whistleblower told an Inspector General, and then it became released to the public somehow through a leak. But that is the way we have gotten any information.

PREDICT does the same thing. It is a big program within the State Department. It has been going on for 10 years. I just want the coronavirus research, the grant proposals, what they asked for, why they asked for it. If there was a discussion of why it was denied or why it was accepted.

And then -- but the thing is, is the other reason, I cannot read it myself and provide the medical background. I am not a virologist. I would immediately want to show a virologist this so they can read it. Some of the stuff that is most damning I can read through and think, wow, it might be this or it might that.

I have got to have a virologist to help me read it to understand it. And so, limiting just to me makes the oversight -- I just cannot do the oversight, because I do not have the knowledge or bandwidth. [I need] to get experts to help me with it -- many of them are not my staff. It would be like virologists that would have to see this information.

The Chairman: Well, it sounds like, to a large degree, that what the committee has in its possession, you already know what it is based upon your statements; either from the other colleague, from the Homeland Security Committee, or from floating out there.

So, it sounds like you have it. And we are still willing to give you the totality of it, but with that one condition, which is a condition under which we received it from the agency. So, yes, Senator Merkley.

Senator Merkley: So, the term for this is Gain of Function. And there was a 2021 Scientific American article that I have right here, right now that talks about all the research that we have funded in order to establish viruses to be able to do the things they cannot naturally do, including the bird flu that can leap from one mammal to another through the air, which was not naturally able to do.

We know this research took place. This does not seem to be the right forum for this. Senator, I am happy to join you in a public records request for information that pertains to this. I do think that there should be transparency about the research we funded on gain of transmission.

There was a moratorium from 2014 to 2017 for three years because of researchers' concern about gain of ability, gain of transmission. And so, this is a very real issue. It seems more like in the health realm than foreign policy. But if we were doing international collaborations on this topic, I think the public has a right to know, if that is -- let us be transparent about it.

Do not hold up the ambassadors, but certainly the cause that you are on, which is transparency with the public over the type of research we are doing, seems to me valid. But records that have been made [available] to this committee that the Chair got under a condition, he has to honor that condition.

And so there may be other routes, and maybe seeing these things, you could then ask for a public records request that all of us could join you in. I just want to say it makes sense to have public transparency over research in this area. I do not think that this strategy is the right strategy in this committee.

The Chairman: Okay. I think we have exhausted this conversation. Listen, one feels -- compelled. We will now consider the tax treaty on the agenda, the resolution of advice and consent to the ratification of the convention between the Government of the United States and the government of the Republic of Chile. Are there any amendments to the resolution of advice and consent?

[No response.]

The Chairman: If there are none, is there a motion for a roll --

Senator Risch: So moved --

The Chairman: -- call vote on the resolution of advice and consent? So moved.

Is there a second?

Senator Cardin: Second.

The Chairman: Seconded. The Clerk will call the roll on the approval of the resolution for advice and consent.

The Clerk: Mr. Cardin?

Senator Cardin: Aye --

Senator Paul: This is the -- excuse me, are you calling the tax treaty?
Following the territory?

The Chairman: Yes. It has been moved and seconded for --

Senator Paul: I have an amendment to the tax treaty.

The Chairman: Well, I called for any amendments to be offered and no one spoke up to it.

Senator Paul: I am sorry, I have a hearing disability and did not quite hear what you said --

The Chairman: Okay. Pull up your amendment.

Senator Paul: Are you ready for me, Mr. Chairman?

The Chairman: You are the only person that has an amendment.

Senator Paul: For several years now, I have been trying to improve the tax treaties. I support many aspects of these treaties, including the treaty's goal to avoid double taxation. I think that is a great benefit to our country.

I have tried to improve them over time and worked with multiple Administrations on this. Today, as we consider the tax treaty with Chile, I will offer a reservation proposal. If we adopted a reservation today, it will not affect Chile and would not require a renegotiation of the treaty. The reservation would only affect the United States.

The only thing my reservation would accomplish is heighten the standard from which our government would review someone's bank account or financial

information. My concern with the provisions of the treaty as currently written, is that it contains a standard that empowers the contracting governments to exchange personal financial information as is foreseeably relevant to carrying out the provisions of the convention of the domestic laws of the contract states.

So, what we have done here is that you are going to exchange information based on a relevant standard, not a standard as such that is individualized or personalized. We are all familiar with the concept of different legal standards. We are familiar with the different standards of probable cause versus reasonable suspicion.

The relevant standard is one step lower than reasonable suspicion. The relevant standard is probably the lowest possible standard and effectively allows for the exchange of personal information. The relevant standard effectively says that the Government can obtain anything it wants.

Arguing that information is relevant to a tax treaty or any U.S. law, maybe not, is essential no standard at all. My fear is that with the tax treaties without first -- privacy protections, that the bulk exchange of individuals who live overseas will be an invasion of their privacy that normally, domestic citizens would not have to encounter.

My amendment would add a reservation to the treaty that would mandate that the United States will only request or accept deposit account information if there is a reasonable basis for believing that such a person may not have complied with the tax law. All that means is that the Government has to say that it believes Mr. Schmitt is not paying the taxes, and only then can they get account information. It is a fairly low standard. They have to point suspicion towards an individual.

As it stands now, it will be the bulk collection of data, just let us look at all the data, swift through it, and see if we can find anything that is anomalous. Since we all

support and honor the Fourth Amendment, I would think that this is something we can all agree with.

My amendment will prevent the bulk exchange of private banking records unless there is a specific allegation. Relatedly, I think we do not want Americans overseas to be treated at a lower standard than Americans are at home. If the Government wants to peer into your bank account in the United States, you have a chance to hire an attorney and quash the IRS subpoena.

Particularly problematic in this regard and closely related to this tax treaty is the 2010 Foreign Tax Compliance Act, FATCA, which allows for the bulk collection of detailed financial data of Americans abroad without probable cause or reasonable suspicion of wrongdoing. FATCA forces foreign financial institutions to hand over these data automatically or face steep withholding penalties on their U.S. sourced income.

This happens all over the world, including in Chile, and the fact that it is blatantly unconstitutional -- and I have fought for its repeal for years. The reservation I have introduced today would put a stop to the unconstitutional practice, at least as far as Chilean banks and Americans are concerned.

Beyond the IRS's coercive dealings with Chilean banks, FATCA also calls for government to government sharing of information. In 2014, the U.S. signed an intergovernmental agreement, or an IGA, with Chile to implement FATCA, which by the way, is effectively a treaty in its own right and not Constitution for the Executive Branch to enter into without the advice and consent of the Senate, but it was entered into without any agreement by Congress.

Article 2.A of the procedural governmental agreement allows for the U.S. to request the Chilean government share information about U.S. citizens in Chilean

banks in which the holder has not consented to voluntarily share this information. Of note, however, is that this intergovernmental agreement says that the U.S. cannot make such request until the tax treaty we are debating today enters into force.

So, the tax treaty is not just about the tax treaty, it also will empower another intercontinental agreement, and also empower FATCA. So, there are under extensions other than just the treaty we have. There are about 9 million Americans who live overseas.

I have spoken with representatives from two groups, Democrats Abroad and Republicans Overseas. Both groups are very concerned about protecting their bank accounts. They are concerned that as we continue to add rules, the banks do not want to serve them.

Chair, we are not talking about people with billions of dollars to deposit. We are talking about people who try to open an account overseas for \$2,000. The Government should be prevented to obtain information of people who are not paying the taxes, of course.

The Government should at least be expected to name the people it thinks broke the law. My amendment does not prevent the ability of the Government to enforce of the law. My amendment prevents the idea that we are just going to control the bank accounts of all Americans overseas.

The Chairman: Senator Risch.

Senator Risch: With all due respect to Senator Paul, I am going to oppose this amendment. This proposed amendment would overturn decades of tax practice and procedures. It would call into question our existing tax treaties.

Senator Paul has said it would not require a renegotiation with our foreign partner. We have been told otherwise. First of all, I support Senator Paul's concern

about U.S. taxpayers and their protections overseas. But questions have been raised regarding taxpayer protections. This committee has previously heard from witnesses from the Joint Tax Committee and from the Senior Treasury officials, that there are extensive protections already in place provided for U.S. taxpayer information under the longstanding practice of exchange of information with treaty partners. I plan to support the treaty.

It would prevent double taxation for U.S. taxpayers. It will help eliminate tax uncertainty. It is an important instrument in fighting tax fraud. In addition, it will strengthen the ability of U.S. businesses to explore new opportunities. We have already discussed the fact that China is exploiting a weakness that we have here.

We really need to do this. Again, I sympathize with the general proposition that Senator Paul has raised. Problem is, we have not seen one single instance where this has been a problem. So, we need to move this forward. I am going to support it. Thank you, Mr. Chairman.

The Chairman: Very briefly, I agree with Senator Risch. I understand and appreciate Senator Paul's consistent concerns about privacy, including in the context of tax treaties. But this language has been worked out not only between the ranking member and myself, but also with the Republican leadership of the Senate Finance committee that originally had some issues.

The Treasury Department has made clear that this language does not allow bulk collection of taxpayers' information, and it comports with existing provisions of the tax code. For those reasons, as well as those stated by Senator Risch, I shall oppose the amendment. Does the Senator request a record vote?

Senator Paul: Yes, please.

The Chairman: Clerk will call the roll on the amendment.

The Clerk: Mr. Cardin?

Senator Cardin: No.

The Clerk: Mrs. Shaheen?

Senator Shaheen: No.

The Clerk: Mr. Coons?

Senator Coons: No.

The Clerk: Mr. Murphy?

Senator Murphy: No.

The Clerk: Mr. Kaine?

Senator Kaine: No.

The Clerk: Mr. Merkley?

Senator Merkley: No.

The Clerk: Mr. Booker?

Senator Booker: No.

The Clerk: Mr. Schatz?

Senator Schatz: No.

The Clerk: Mr. Van Hollen?

Senator Van Hollen: No.

The Clerk: Ms. Duckworth?

Senator Duckworth: No.

The Clerk: Mr. Risch?

Senator Risch: No.

The Clerk: Mr. Rubio?

Senator Risch: No by proxy.

The Clerk: Mr. Romney?

Senator Romney: No.

The Clerk: Mr. Ricketts?

Senator Ricketts: No.

The Clerk: Mr. Paul?

Senator Paul: Aye.

The Clerk: Mr. Young?

Senator Young: No.

The Clerk: Mr. Barrasso?

Senator Risch: No by proxy.

The Clerk: Mr. Cruz?

Senator Risch: Aye by proxy.

The Clerk: Mr. Hagerty?

Senator Risch: No by proxy.

The Clerk: Mr. Scott?

Senator Risch: No by proxy.

The Clerk: Mr. Chairman?

The Chairman: No. The Clerk will report.

The Clerk: Mr. Chairman, the ayes are 2, the nays are 19.

The Chairman: And the amendment is not agreed to. Now, on the resolution of advice and consent. The motion has already previously been made and seconded. The Clerk will call the roll.

The Clerk: Mr. Cardin?

Senator Cardin: Aye.

The Clerk: Mrs. Shaheen?

Senator Shaheen: Aye.

The Clerk: Mr. Coons?

Senator Coons: Aye.

The Clerk: Mr. Murphy?

Senator Murphy: Aye.

The Clerk: Mr. Kaine?

Senator Kaine: Aye.

The Clerk: Mr. Merkley?

Senator Merkley: Aye.

The Clerk: Mr. Booker?

Senator Booker: Aye.

The Clerk: Mr. Schatz?

Senator Schatz: Aye.

The Clerk: Mr. Van Hollen?

Senator Van Hollen: Aye..

The Clerk: Ms. Duckworth?

Senator Duckworth: Aye.

The Clerk: Mr. Risch?

Senator Risch: Aye.

The Clerk: Mr. Rubio?

Senator Risch: Aye by proxy.

The Clerk: Mr. Romney?

Senator Romney: Aye.

The Clerk: Mr. Ricketts?

Senator Ricketts: Aye.

The Clerk: Mr. Paul?

Senator Paul: No.

The Clerk: Mr. Young?

Senator Young: Aye.

The Clerk: Mr. Barrasso?

Senator Risch: Aye by proxy.

The Clerk: Mr. Cruz?

Senator Risch: Aye by proxy.

The Clerk: Mr. Hagerty?

Senator Risch: Aye by proxy.

The Clerk: Mr. Scott?

Senator Risch: Aye by proxy.

The Clerk: Mr. Chairman?

The Chairman: Aye. The Clerk will report.

The Clerk: Mr. Chairman, the ayes are 20, the noes are 1.

The Chairman: And the resolution is favorably approved and reported to the Senate. Now I would ask my colleagues indulgence for a few more minutes. We are going to go through a series of roll call votes on nominations. So, is there a motion to have a roll call vote on Arthur Brown to be Ambassador to the Republic of Ecuador?

Senator Cardin: So moved.

Senator Coons: Second.

The Chairman: So moved and seconded. The Clerk will call the roll.

The Clerk: Mr. Cardin?

Senator Cardin: Aye.

The Clerk: Mrs. Shaheen?

Senator Shaheen: Aye.

The Clerk: Mr. Coons?

Senator Coons: Aye.

The Clerk: Mr. Murphy?

Senator Murphy: Aye.

The Clerk: Mr. Kaine?

Senator Kaine: Aye.

The Clerk: Mr. Merkley?

Senator Merkley: Aye.

The Clerk: Mr. Booker?

Senator Booker: Aye.

The Clerk: Mr. Schatz?

Senator Schatz: Aye.

The Clerk: Mr. Van Hollen?

Senator Van Hollen: Aye..

The Clerk: Ms. Duckworth?

Senator Duckworth: Aye.

The Clerk: Mr. Risch?

Senator Risch: Aye.

The Clerk: Mr. Rubio?

Senator Risch: Aye by proxy.

The Clerk: Mr. Romney?

Senator Romney: Aye.

The Clerk: Mr. Ricketts?

Senator Ricketts: Aye.

The Clerk: Mr. Paul?

Senator Risch: Aye by proxy.

The Clerk: Mr. Young?

Senator Young: Aye.

The Clerk: Mr. Barrasso?

Senator Risch: Aye by proxy.

The Clerk: Mr. Cruz?

Senator Risch: Aye by proxy.

The Clerk: Mr. Hagerty?

Senator Risch: Aye by proxy.

The Clerk: Mr. Scott?

Senator Risch: Aye by proxy.

The Clerk: Mr. Chairman?

The Chairman: Aye. The Clerk will report.

The Clerk: Mr. Chairman, the ayes are 21, they nays are 0.

The Chairman: The majority of the members present having voted in the affirmative, the ayes have it and the nomination is agreed to. Is there a motion to -- for a roll call vote on Ms. Ana Escrogima to be Ambassador to the Sultanate of Oman?

Senator Cardin: So moved.

Senator Coons: Second.

The Chairman: Moved and seconded. The Clerk will call the roll.

The Clerk: Mr. Cardin?

Senator Cardin: Aye.

The Clerk: Mrs. Shaheen?

Senator Shaheen: Aye.

The Clerk: Mr. Coons?

Senator Coons: Aye.

The Clerk: Mr. Murphy?

Senator Murphy: Aye.

The Clerk: Mr. Kaine?

Senator Kaine: Aye.

The Clerk: Mr. Merkley?

Senator Merkley: Aye.

The Clerk: Mr. Booker?

Senator Booker: Aye.

The Clerk: Mr. Schatz?

Senator Schatz: Aye.

The Clerk: Mr. Van Hollen?

Senator Van Hollen: Aye..

The Clerk: Ms. Duckworth?

Senator Duckworth: Aye.

The Clerk: Mr. Risch?

Senator Risch: Aye.

The Clerk: Mr. Rubio?

Senator Risch: Aye by proxy.

The Clerk: Mr. Romney?

Senator Risch: Aye by proxy.

The Clerk: Mr. Ricketts?

Senator Ricketts: Aye.

The Clerk: Mr. Paul?

Senator Risch: Aye by proxy.

The Clerk: Mr. Young?

Senator Young: Aye.

The Clerk: Mr. Barrasso?

Senator Risch: No by proxy.

The Clerk: Mr. Cruz?

Senator Risch: Aye by proxy.

The Clerk: Mr. Hagerty?

Senator Risch: Aye by proxy.

The Clerk: Mr. Scott?

Senator Risch: Aye by proxy.

The Clerk: Mr. Chairman?

The Chairman: Aye. The Clerk will report.

The Clerk: Mr. Chairman, the ayes are 20, the nays are 1.

The Chairman: Majority of members present having voted in the affirmative, the ayes have it, and the nomination is agreed to. Is there a motion for a roll call vote on the Honorable Lisa Johnson to be Ambassador to the Lebanese Republic?

Senator Coons: So moved.

The Chairman: So moved. Is there a second?

Senator Shaheen: Second.

The Chairman: Seconded. The Clerk will call the roll.

The Clerk: Mr. Cardin?

Senator Cardin: Aye.

The Clerk: Mrs. Shaheen?

Senator Shaheen: Aye.

The Clerk: Mr. Coons?

Senator Coons: Aye.

The Clerk: Mr. Murphy?

The Chairman: Aye by proxy.

The Clerk: Mr. Kaine?

Senator Kaine: Aye.

The Clerk: Mr. Merkley?

Senator Merkley: Aye.

The Clerk: Mr. Booker?

Senator Booker: Aye.

The Clerk: Mr. Schatz?

Senator Schatz: Aye.

The Clerk: Mr. Van Hollen?

Senator Van Hollen: Aye..

The Clerk: Ms. Duckworth?

Senator Duckworth: Aye.

The Clerk: Mr. Risch?

Senator Risch: Aye.

The Clerk: Mr. Rubio?

Senator Risch: No by proxy.

The Clerk: Mr. Romney?

Senator Risch: Aye by proxy.

The Clerk: Mr. Ricketts?

Senator Ricketts: Aye.

The Clerk: Mr. Paul?

Senator Risch: Aye by proxy.

The Clerk: Mr. Young?

Senator Young: Aye.

The Clerk: Mr. Barrasso?

Senator Risch: No by proxy.

The Clerk: Mr. Cruz?

Senator Risch: No by proxy.

The Clerk: Mr. Hagerty?

Senator Risch: No by proxy.

The Clerk: Mr. Scott?

Senator Risch: Aye by proxy.

The Clerk: Mr. Chairman?

The Chairman: Aye. The Clerk will report.

The Clerk: Mr. Chairman, the ayes are 17, the nays are 4.

The Chairman: Majority of members present having voted to affirmative, the ayes have it, and the nomination is agreed to. Is there a motion for a roll call by Ms. Yael Lempert to be Ambassador to the Kingdom of Jordan?

Senator Cardin: So moved.

The Chairman: So moved.

Senator Shaheen: Second.

The Chairman: And seconded. The motion has been made to second. The Clerk will call the roll.

The Clerk: Mr. Cardin?

Senator Cardin: Aye.

The Clerk: Mrs. Shaheen?

Senator Shaheen: Aye.

The Clerk: Mr. Coons?

Senator Coons: Aye.

The Clerk: Mr. Murphy?

The Chairman: Aye by proxy.

The Clerk: Mr. Kaine?

Senator Kaine: Aye.

The Clerk: Mr. Merkley?

Senator Merkley: Aye.

The Clerk: Mr. Booker?

Senator Booker: Aye.

The Clerk: Mr. Schatz?

Senator Schatz: Aye.

The Clerk: Mr. Van Hollen?

Senator Van Hollen: Aye..

The Clerk: Ms. Duckworth?

Senator Duckworth: Aye.

The Clerk: Mr. Risch?

Senator Risch: Aye.

The Clerk: Mr. Rubio?

Senator Risch: No by proxy.

The Clerk: Mr. Romney?

Senator Risch: Aye by proxy.

The Clerk: Mr. Ricketts?

Senator Ricketts: Aye.

The Clerk: Mr. Paul?

Senator Risch: No by proxy.

The Clerk: Mr. Young?

Senator Young: Aye.

The Clerk: Mr. Barrasso?

Senator Risch: No by proxy.

The Clerk: Mr. Cruz?

Senator Risch: No by proxy.

The Clerk: Mr. Hagerty?

Senator Risch: No by proxy.

The Clerk: Mr. Scott?

Senator Risch: Aye by proxy.

The Clerk: Mr. Chairman?

The Chairman: Aye. The Clerk will report.

The Clerk: Mr. Chairman, the ayes are 16, the noes are 5.

The Clerk: Majority of members present having a vote in the affirmative, the ayes have it, and the nomination is agreed to. Is there a motion for a roll call vote on Mr. Ervin Jose Massinga to be Ambassador of the Federal Democratic Republic of Ethiopia?

Senator Coons: So moved.

Senator Shaheen: Second.

The Chairman: So moved and seconded. The Clerk will call the roll.

The Clerk: Mr. Cardin?

Senator Cardin: Aye.

The Clerk: Mrs. Shaheen?

Senator Shaheen: Aye.

The Clerk: Mr. Coons?

Senator Coons: Aye.

The Clerk: Mr. Murphy?

The Chairman: Aye by proxy.

The Clerk: Mr. Kaine?

Senator Kaine: Aye.

The Clerk: Mr. Merkley?

Senator Merkley: Aye.

The Clerk: Mr. Booker?

Senator Booker: Aye.

The Clerk: Mr. Schatz?

Senator Schatz: Aye.

The Clerk: Mr. Van Hollen?

Senator Van Hollen: Aye..

The Clerk: Ms. Duckworth?

Senator Duckworth: Aye.

The Clerk: Mr. Risch?

Senator Risch: Aye.

The Clerk: Mr. Rubio?

Senator Risch: Aye by proxy.

The Clerk: Mr. Romney?

Senator Risch: Aye by proxy.

The Clerk: Mr. Ricketts?

Senator Ricketts: Aye.

The Clerk: Mr. Paul?

Senator Risch: Aye by proxy.

The Clerk: Mr. Young?

Senator Young: Aye.

The Clerk: Mr. Barrasso?

Senator Risch: No by proxy.

The Clerk: Mr. Cruz?

Senator Risch: Aye by proxy.

The Clerk: Mr. Hagerty?

Senator Risch: Aye by proxy.

The Clerk: Mr. Scott?

Senator Risch: Aye by proxy.

The Clerk: Mr. Chairman?

The Chairman: Aye. Clerk will report.

The Clerk: Mr. Chairman, the ayes are 20, the noes are 1.

The Chairman: A majority of members present having voted in the affirmative, the ayes have it, and the nomination is agreed to. Is there a motion for a roll call vote on Roger Nyhus to be Ambassador Barbuda, Federation of St. Kitts and Nevis, St. Lucia, Antigua and Barbuda, the Commonwealth of Dominica, Grenada, and St. Vincent and the Grenadines?

Senator Shaheen: So moved.

The Chairman: Moved. Is there a second?

Senator Coons: Second.

The Chairman: Seconded. The Clerk will call the roll.

The Clerk: Mr. Cardin?

Senator Cardin: Aye.

The Clerk: Mrs. Shaheen?

Senator Shaheen: Aye.

The Clerk: Mr. Coons?

Senator Coons: Aye.

The Clerk: Mr. Murphy?

The Chairman: Aye by proxy.

The Clerk: Mr. Kaine?

Senator Kaine: Aye.

The Clerk: Mr. Merkley?

Senator Merkley: Aye.

The Clerk: Mr. Booker?

Senator Booker: Aye.

The Clerk: Mr. Schatz?

Senator Schatz: Aye.

The Clerk: Mr. Van Hollen?

Senator Van Hollen: Aye..

The Clerk: Ms. Duckworth?

Senator Duckworth: Aye.

The Clerk: Mr. Risch?

Senator Risch: Aye.

The Clerk: Mr. Rubio?

Senator Risch: No by proxy.

The Clerk: Mr. Romney?

Senator Risch: Aye by proxy.

The Clerk: Mr. Ricketts?

Senator Ricketts: Aye.

The Clerk: Mr. Paul?

Senator Risch: Aye by proxy.

The Clerk: Mr. Young?

Senator Young: Aye.

The Clerk: Mr. Barrasso?

Senator Risch: No by proxy.

The Clerk: Mr. Cruz?

Senator Risch: No by proxy.

The Clerk: Mr. Hagerty?

Senator Risch: Aye by proxy.

The Clerk: Mr. Scott?

Senator Risch: No by proxy.

The Clerk: Mr. Chairman?

The Chairman: Aye. The clerk will report.

The Clerk: Mr. Chairman, the ayes are 17, the noes are 4.

The Chairman: A majority of the members present having voted in the affirmative, the ayes have it, and the nomination is agreed to it. Is there a motion for a roll call on the Honorable William Popp to be Ambassador to the Republic Uganda?

Senator Shaheen: So moved.

The Chairman: So moved. Is there a second?

Senator Coons: Second.

The Chairman: Seconded. Clerk will call the roll.

The Clerk: Mr. Cardin?

Senator Cardin: Aye.

The Clerk: Mrs. Shaheen?

Senator Shaheen: Aye.

The Clerk: Mr. Coons?

Senator Coons: Aye.

The Clerk: Mr. Murphy?

The Chairman: Aye by proxy.

The Clerk: Mr. Kaine?

Senator Kaine: Aye.

The Clerk: Mr. Merkley?

Senator Merkley: Aye.

The Clerk: Mr. Booker?

Senator Booker: Aye.

The Clerk: Mr. Schatz?

Senator Schatz: Aye.

The Clerk: Mr. Van Hollen?

Senator Van Hollen: Aye..

The Clerk: Ms. Duckworth?

Senator Duckworth: Aye.

The Clerk: Mr. Risch?

Senator Risch: Aye.

The Clerk: Mr. Rubio?

Senator Risch: No by proxy.

The Clerk: Mr. Romney?

Senator Risch: Aye by proxy.

The Clerk: Mr. Ricketts?

Senator Ricketts: Aye.

The Clerk: Mr. Paul?

Senator Risch: Aye by proxy.

The Clerk: Mr. Young?

Senator Young: Aye.

The Clerk: Mr. Barrasso?

Senator Risch: Aye by proxy.

The Clerk: Mr. Cruz?

Senator Risch: Aye by proxy.

The Clerk: Mr. Hagerty?

Senator Risch: Aye by proxy.

The Clerk: Mr. Scott?

Senator Risch: Aye by proxy.

The Clerk: Mr. Chairman?

The Chairman: Aye. The Clerk will report.

The Clerk: Mr. Chairman, the ayes are 20, the nays are 1.

The Chairman: A majority of members present having voted on the affirmative, the ayes have it, and the nomination is agreed to. Is there a motion for a roll call vote on Ms. Stephanie Syptak-Ramnath to be Ambassador to the Republic of Peru?

Senator Shaheen: So, moved.

The Chairman: It has been so moved. Seconded? Is there a second?

Senator Coons: Second.

The Chairman: Seconded. Clerk will call the roll.

The Clerk: Mr. Cardin?

Senator Cardin: Aye.

The Clerk: Mrs. Shaheen?

Senator Shaheen: Aye.

The Clerk: Mr. Coons?

Senator Coons: Aye.

The Clerk: Mr. Murphy?

The Chairman: Aye by proxy.

The Clerk: Mr. Kaine?

Senator Kaine: Aye.

The Clerk: Mr. Merkley?

Senator Merkley: Aye.

The Clerk: Mr. Booker?

Senator Booker: Aye.

The Clerk: Mr. Schatz?

Senator Schatz: Aye.

The Clerk: Mr. Van Hollen?

Senator Van Hollen: Aye..

The Clerk: Ms. Duckworth?

Senator Duckworth: Aye.

The Clerk: Mr. Risch?

Senator Risch: Aye.

The Clerk: Mr. Rubio?

Senator Risch: Aye by proxy.

The Clerk: Mr. Romney?

Senator Risch: Aye by proxy.

The Clerk: Mr. Ricketts?

Senator Ricketts: Aye.

The Clerk: Mr. Paul?

Senator Risch: Aye by proxy.

The Clerk: Mr. Young?

Senator Young: Aye.

The Clerk: Mr. Barrasso?

Senator Risch: No by proxy.

The Clerk: Mr. Cruz?

Senator Risch: Aye by proxy.

The Clerk: Mr. Hagerty?

Senator Risch: Aye by proxy.

The Clerk: Mr. Scott?

Senator Risch: Aye by proxy.

The Clerk: Mr. Chairman?

The Chairman: Aye. The Clerk will report.

The Clerk: Mr. Chairman, the ayes are 20, the no is 1.

The Chairman: The majority of members present having voted in the affirmative, the ayes have it, and the nomination is agreed to. And final one, Ms. Julie Turner to be the Special Envoy on North Korean Human Rights Issues. Is there a motion?

Senator Shaheen: So, moved.

The Chairman: So, moved. Seconded?

Senator Cardin: Second.

The Chairman: Seconded. The Clerk will call the roll.

The Clerk: Mr. Cardin?

Senator Cardin: Aye.

The Clerk: Mrs. Shaheen?

Senator Shaheen: Aye.

The Clerk: Mr. Coons?

Senator Coons: Aye.

The Clerk: Mr. Murphy?

The Chairman: Aye by proxy.

The Clerk: Mr. Kaine?

Senator Kaine: Aye.

The Clerk: Mr. Merkley?

Senator Merkley: Aye.

The Clerk: Mr. Booker?

Senator Booker: Aye.

The Clerk: Mr. Schatz?

Senator Schatz: Aye.

The Clerk: Mr. Van Hollen?

Senator Van Hollen: Aye..

The Clerk: Ms. Duckworth?

Senator Duckworth: Aye.

The Clerk: Mr. Risch?

Senator Risch: Aye.

The Clerk: Mr. Rubio?

Senator Risch: Aye by proxy.

The Clerk: Mr. Romney?

Senator Risch: Aye by proxy.

The Clerk: Mr. Ricketts?

Senator Ricketts: Aye.

The Clerk: Mr. Paul?

Senator Risch: Aye by proxy.

The Clerk: Mr. Young?

Senator Young: Aye.

The Clerk: Mr. Barrasso?

Senator Risch: Aye by proxy.

The Clerk: Mr. Cruz?

Senator Risch: Aye by proxy.

The Clerk: Mr. Hagerty?

Senator Risch: Aye by proxy.

The Clerk: Mr. Scott?

Senator Risch: Aye by proxy.

The Clerk: Mr. Chairman?

The Chairman: Aye. The Clerk will report.

The Clerk: Mr. Chairman, the ayes are 21, the noes are 0.

The Chairman: A majority of members present having voted in the affirmative, the ayes have it, and the nomination is agreed to. With the thanks of the Chair for everybody's cooperation, participation, that completes the committee's business.

I ask unanimous consent the staff be authorized to make technical and conforming changes. Without objection, so order. This meeting is adjourned.

[Whereupon, at 11:24 a.m., the hearing was adjourned.]

Additional Material Submitted for the Record

Correspondence Supporting the U.S.-Chile Bilateral Income Tax Treaty

May 31, 2023

The Honorable Robert Menendez
Chairman
Committee on Foreign Relations
United States Senate
Washington, DC 20510

The Honorable James. E. Risch
Ranking Member
Committee on Foreign Relations
United States Senate
Washington, DC 20510

Dear Chairman Menendez and Ranking Member Risch,

We, the undersigned, respectfully ask for your support in reporting the pending U.S.-Chile Bilateral Income Tax Treaty (“Convention for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion With Respect to Taxes on Income and Capital”) from the Committee to the full Senate for consideration. Once the Senate provides its advice and consent, the treaty will require approval of the Chilean Congress, which is expected to consider tax reform legislation in the near future that can include language allowing the treaty to enter into force.

The treaty enjoys broad bipartisan support in the Senate. Ratification is vital to U.S. foreign direct investment in Chile and the success of U.S. companies that invest in Chile. Without ratification, Chilean taxes on U.S. companies’ operations are due to reach a rate of 44% in 2027, when a special waiver issued by the Chilean government expires. By comparison, the Chilean operations of companies headquartered in China, Japan, Canada, Australia, and the United Kingdom would be subject to a rate of 35%, putting U.S. companies at a significant financial disadvantage relative to their competitors. The treaty would also address Chilean withholding taxes on interest, royalties, U.S. services, and fees for the use of equipment.

The United States and Chile have had a Free Trade Agreement (FTA) since 2004 that allows the duty-free export to Chile of 100% of U.S. consumer and industrial goods. The U.S.-Chile FTA eliminated tariffs, reduced barriers to trade in services, protects intellectual property, ensures regulatory transparency, guarantees nondiscrimination in the trade of digital products, commits the parties to maintain competition laws that prohibit anticompetitive business conduct, and requires effective enforcement of labor and environmental protections.

Bilateral trade in goods and services between the United States and Chile was over \$38 billion in 2022, according to U.S. Census statistics. The United States has run a trade surplus with Chile since 2008. U.S. exports to Chile totaled over \$23 billion 2022, led by mineral fuel, gas, machinery, vehicles, and electrical machinery. Chile’s exports to the U.S., led by copper, salmon, cellulose, and fruit, totaled over \$15 billion in 2022.

The United States had an investment stock of \$27.8 billion (2021) in Chile and is the second-largest investor there, behind Canada. Between 2013 and 2021, the United States averaged \$809 million in foreign direct investment, with a peak level reached in 2014 of \$3.54 billion. The U.S. presence in Chile is especially relevant in technology services, insurance, banking, mining, energy, retail, and transportation.

The treaty would be the second U.S. tax treaty in South America and could lay the groundwork for additional treaties in the region, a long-term objective of the U.S. government. Ratification would send a clear signal of U.S. support of, and confidence in, Chile and the region. The U.S. has tax treaties in effect with nearly 70 countries.

The approval of this treaty constitutes a geopolitical imperative that would show the United States' continued leadership in the region, as other countries increase their trade and investment there. Chile is one of the world's largest producers of lithium and copper. U.S. companies are working with the Chilean government and local partners to develop these resources responsibly to meet increased global demand for these critical minerals.

To promote economic growth, protect U.S. company investments, and support the sales of U.S. goods and services, we ask for your support in the prompt ratification of the U.S.-Chile Bilateral Income Tax Treaty. Doing so would also have a direct and meaningful impact on the ability of U.S. companies to compete effectively.

Sincerely,

AES
Albemarle Corporation
AmCham Chile
American Chemistry Council
American Council of Life Insurers
Bechtel Group Inc.
Black & Veatch
BHP
Business Roundtable
Council of the Americas
Fluor Corporation
Freeport-McMoRan Inc.
Information Technology Industry Council
Kimberly Clark Corporation
Komatsu America
National Association of Manufacturers
National Foreign Trade Council
National Mining Association
Newmont Corporation
Rio Tinto
TechNet
U.S. Chamber of Commerce
U.S. Council of International Business
Walmart
YUM! Brands, Inc.

cc: Members of the United States Senate Committee on Foreign Relations



May 31, 2023

The Honorable Bob Menendez
Chairman
Committee on Foreign Relations
United States Senate
Washington, DC 20510

The Honorable Jim Risch
Ranking Member
Committee on Foreign Relations
United States Senate
Washington, DC 20510

Dear Chairman Menendez and Ranking Member Risch:

The U.S. Chamber of Commerce strongly supports the U.S.-Chile Income Tax Treaty (“Convention for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion With Respect to Taxes on Income and Capital”) and urges the Committee to support its prompt ratification.

Approval of this treaty has become an urgent priority for U.S. companies doing business in Chile. Due to changes in Chilean tax legislation enacted in 2014, corporate tax rates in Chile have increased. Without a ratified treaty to avoid double taxation, U.S. companies with Chilean operations will face an aggregate effective tax rate of up to 44.45%. However, companies headquartered in the two dozen European, Asian, and Western Hemisphere countries with which Chile already has income tax treaties in force will benefit from much lower rates and would thus secure a significant competitive advantage over their U.S.-based competitors. Senate action is required to spare U.S. workers and companies this unfair treatment.

Ratification of this treaty would also benefit a growing number of Chilean companies that are keen to increase their investments in the United States. These investments have the potential to create thousands of good jobs.

The Chamber urges the Committee to advance this treaty expeditiously.

Sincerely,

Neil L. Bradley
Executive Vice President,
Chief Policy Officer, and Head of Strategic Advocacy
U.S. Chamber of Commerce

cc: Members of the Senate Committee on Foreign Relations