

**DOES THE U.S. HAVE A POLICY TOWARD LATIN  
AMERICA? ASSESSING THE IMPACT TO U.S.  
INTERESTS AND ALLIES**

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**HEARING**  
BEFORE THE  
SUBCOMMITTEE ON  
THE WESTERN HEMISPHERE  
OF THE  
COMMITTEE ON FOREIGN AFFAIRS  
HOUSE OF REPRESENTATIVES  
ONE HUNDRED TWELFTH CONGRESS  
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## **DOES THE U.S. HAVE A POLICY TOWARD LATIN AMERICA? ASSESSING THE IMPACT TO U.S. INTERESTS AND ALLIES**

**TUESDAY, FEBRUARY 15, 2011**

HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON THE WESTERN HEMISPHERE,  
COMMITTEE ON FOREIGN AFFAIRS,  
*Washington, DC.*

The subcommittee met, pursuant to notice, at 2:24 p.m., in room 2172 Rayburn House Office Building, Hon. Connie Mack (chairman of the subcommittee) presiding.

Mr. MACK. The subcommittee will come to order. I first want to thank everyone, especially our witness, Assistant Secretary Valenzuela, for joining us for the first of many hearings from the Western Hemisphere Subcommittee. After recognizing myself and the ranking member, Mr. Engel, for 7 minutes each for our opening statement, I will recognize the members of the subcommittee for 5 minutes each for their opening statements. We will then proceed directly to hearing testimony from our distinguished witness. The full text of the written testimony will be inserted into the record, without objection, members may have 5 days to submit statements and questions for the record.

After we hear from our witness, individual members will be recognized for 5 minutes each to question our witness. First, if I could take a moment, I want to thank all of you for being here today and especially thank my good friend, Mr. Engel, who I look forward to working with in a bipartisan way as much as we can. We share a lot of the same goals and interests in the Western Hemisphere. We may disagree occasionally on how we get there, but we have a great working relationship and I look forward to that continuing and I look forward to working with you.

I now recognize myself for 7 minutes. President Santos of Colombia, a long-time ally of the United States, recently referred to a quote by Henry Kissinger, saying, "To be an enemy of the United States is bad, but to be a friend is fatal." Given that there is neither a strategic nor reliable policy coming from the administration toward the region, I can understand the frustration of President Santos and our allies in the region. It is my goal to show the entire Western Hemisphere that it is better to be a friend of the United States than to be an enemy. We will focus on various countries, key threats, and opportunities from within our hemisphere throughout my tenure as chair. Many of which will be addressed at future hearings.

Today, however, I want to get to the bottom of key issues, where U.S. policies have failed both U.S. citizens and important U.S. allies in the region. Regarding the Free Trade Agreements, the administration's lack of action is killing U.S. jobs. The failure to move forward on our promises is hurting important allies in the region. I want to know the exact benchmarks for the Panama and Colombia Free Trade Agreements and when the President will send them for a vote.

Colombia was signed on November 22, 2006 and then renegotiated to include more stringent environmental and labor standards. It was signed again on May 10, 2007. Panama was signed on June 28, 2007, and South Korea on June 30, 2007, with a renegotiated version signed last December. I want to warn the administration that they should send these agreements up in the order that they were signed to ensure the swift passage of each of the agreements.

Regarding Honduras, the Assistant Secretary and the Secretary, for that matter, are very familiar with my position. Honduras has been a great ally of the United States. The Hondurans managed to escape the target placed on their country by Chavez when the Honduran Supreme Court and Congress legally removed Zelaya from power. And the U.S. administration has been punishing them ever since. I want to know when the visas that were revoked over the past 1½ years will be approved for reapplication and at which board meeting this year the MCC will provide Hondurans with their next compact.

The fact that Nicaragua, a nation ruled by a corrupt dictator that invaded Costa Rica is still receiving MCC funds while Honduras was cut off is a disgrace. Current U.S. policies are weakening Honduran governance and democracy, negatively impacting the Central America region and harming U.S. interests.

Regarding Venezuela, Hugo Chavez is in violation of U.S. sanctions on Iran, actively supporting terrorist organizations, working directly counter to democracy and freedom in Venezuela and the region, and aggressively opposing U.S. interests. We need to stand with the Venezuelan people who are fighting daily for their freedom and make it clear to Chavez that like other dictators around the world, that he does not get a free ride. One place to start is the Keystone XL pipeline. Exports of Venezuelan heavy crude to the United States are Chavez's main source of income. Without them, he may have to learn to be more responsive to the needs of Venezuelans. The State Department must approve the Presidential Permit for the pipeline as soon as possible to cut our reliance on Venezuela oil. Regarding Cuba, it is in the U.S. interest to maintain a hard line against dictators who are committed to violating human rights.

Last month, the administration further loosened travel and remittance restrictions on Cuba allowing more money to flow to that country. Shortly thereafter, Cuban officials announced they are seeking a 20-year sentence for a USAID contractor, Alan Gross. Case in point, rewarding dictators only hurts U.S. interests. Additionally, by sending the wrong message on Cuba, we could soon see a relationship between Venezuela and Iran that is starkly similar to one pursued by Russia and Cuba.

I believe we are much closer to this reality than the administration is willing to admit. Before providing the Castros with any reward, we need to see real democratic reform. These include free and fair elections, the release of all political prisoners and a free and independent press that is allowed to operate without fear of oppression or violence. Additionally, regarding Mexico, while the administration has made trips to Mexico and we have funded the Merida Initiative over the past 3 years, it isn't enough. I will be concentrating the time and energy of this subcommittee on determining where a proactive approach from the U.S. can be most effective in fighting the deadly path of the drug trade. To start, we need to double border patrol agents from 20,000 to 40,000 while fully funding needed border protection equipment. This should include additional unmanned aerial vehicles and the completion of the security fence in urban hard-to-enforce areas of the border.

We also need to utilize the full resources of the U.S. intelligence community aligned to the mission, while coordinating closely with Mexico to ensure swift justice on both sides of the border. A central piece of the strategy includes a focus on governance reform, economic development, community stabilization, and ensuring access to essential services. We must stop the drug trafficking organizations and illegal armed groups that threaten the security of Mexico, the United States, and beyond.

In conclusion, policies of shaking hands with our enemies while ignoring our friends is making us neither a force to be reckoned with nor a friend of value. You can rely on me to engage the administration on a very regular basis to ensure we develop a strategic relationship toward Latin America. This is the only way to ensure freedom, security and prosperity for the United States and our allies. I now would like to recognize the ranking member, Mr. Engel for his opening statement.

Mr. ENGEL. Thank you very much. Mr. Chairman, it is going to take some getting used to because for the last 2 years, our roles were reversed with myself as chairman and Mr. Mack as ranking member. But during those 2 years, we worked very closely together and I believe share a very similar vision of what needs to be done in the Western Hemisphere. And I look forward to working with Mr. Mack in his role as chairman and I am glad that we are working together again.

Mr. Mack cares deeply about the Western Hemisphere and I wish him well as he assumes the gavel and I was particularly impressed that he gave himself 7 minutes and there are only about 9 seconds left over when you finished your remarks. So that was pretty good, Connie. As the leaders of our country look around the world and analyze the challenges our Nation faces, they often point to the never ending array of crises in the Middle East, Asia, or elsewhere. While those areas receive the most attention from the world's media, they are certainly no more important to the United States' national interest than what happens in Latin America. This is the Subcommittee on the Western Hemisphere. We are in the Western Hemisphere and obviously the Latin American and Caribbean countries are also in the Western Hemisphere, so the United States is geographically close to Latin America and the Caribbean, millions of recent immigrants are from this region, most of our im-

ported energy is from Canada and other countries in the hemisphere. In fact, from illicit narcotics to cultural influences, to so many other areas, the Western Hemisphere remains crucial to the United States.

That is why I am glad that next month President Obama will travel to Brazil, Chile and El Salvador. These visits will help demonstrate that the administration sees our region as vitally important to the United States. His very first stop, Brazil, is, in so many ways, like the United States. It is a very large, very diverse democracy. I have long been of the belief that U.S. and Brazilian interests converge on a wide array of issues. And frankly, I was disappointed with some of the choices of the Lula government which led to a cooling of our relations.

However, there are already signs that under the new government of Dilma Rousseff, U.S.-Brazilian relations are on the mend. I hope that continues. It is very encouraging. Chile will be the second stop on President Obama's regional excursion. 2010 was quite a year for Chile. They experienced a terrible earthquake from which Chile is still rebuilding and lived through a mine cave-in from which the miners emerged almost miraculously after more than 2 months under ground. Our relationship with Chile is already quite close and mature and the President's visit can only further solidify these strong bonds.

Finally, President Obama will stop in El Salvador, a key country in Central America. In the 1980s, El Salvador was the site of a terrible civil war, but today that fight has long ended and the Salvadoran people live in a democracy. However, significant challenges still face El Salvador. Drug trafficking, criminal gangs, high unemployment and a soaring murder rate make life in El Salvador difficult. President Funes is charting a center left course and in the face of pressure, wants to continue historically close ties with the United States. I was at his inauguration and I am glad the President, our President, will be there to support him.

I wanted to also comment on Honduras, which Mr. Mack commented on. I feel very strongly, as he does, that Honduras and the United States need to work closely together. And I feel very strongly that the OAS owe it to stop putting Honduras on a list where it doesn't accord it correct recognition while at the same time other governments in the region which are much more questionable are welcome to the OAS as full fledged members.

So not only am I ranking member of this subcommittee, but I also represent large populations of people whose heritage is in Latin America and the Caribbean in my New York congressional district. Spring Valley in Rockland County is home to many Haitians and Haitian Americans. They were and are profoundly affected by the cataclysmic earthquake which struck Haiti. I have been proud to support them as they seek to support their loved ones. It is critical that our subcommittee stays focused on rebuilding Haiti in the weeks and months ahead.

We also need to follow the issues in Cuba. I have long been critical of the Castro regime and the fact that they do not have—permit political pluralism whatsoever in Cuba. I think that we need to continue the pressure on Cuba to make sure it democratizes and that the democracy which we have seen the Egyptian people clamor



for can also happen to the Cuban people. Every day, stories fill our newspapers and TV about the horrors which drug criminals are inflicting upon Mexico and Central America. While every circumstance stands on its own, we have seen this before and we know that a country which stands up to the traffickers can emerge even stronger.

After more than a decade of murders, kidnappings and war, our ally, Colombia, finally has gotten the upper hand against the FARC, while the acreage under cocoa cultivation has dropped substantially. President Santos, we attended his inauguration as well. And we were proud to work with him as well as former President Uribe. President Santos is working today to help Colombia's dispossessed, its Afro-Colombian population and others facing challenges. And he and Colombia deserve the strong support of the United States.

I must say, however, how disappointed I am that the majority allowed the Andean Trade Preferences to expire on Saturday. ATPDEA is critical to our friends in Colombia and we shouldn't delay it any further. We should extend it. As we work with Colombia, we must work with Mexico and the countries of Central America to strengthen security forces and enhance justice systems. These countries are facing a difficult challenge and they deserve our backing.

At the same time, there is more we can do here at home to help our neighbors fight narco crime. We should tighten up at the borders, slow gun trafficking and do more to reduce demand for illegal drugs. Four years ago when I just started as chairman of this subcommittee, one thing quickly became clear to me, we had multiple programs to help fight narco trafficking but they were not integrated. When I raised this with the State Department, it was never clear who was in charge or how the efforts were integrated. I inserted language and the House passed Merida legislation to create a security coordinator to oversee and make sure our efforts meshed.

One year ago, Chairman Mack and I met with Secretary of State Clinton and urged her to create the security coordinator for the Western Hemisphere which I had proposed. I am looking forward to Secretary Valenzuela's testimony today and hope that he might discuss this important issue. Again, I would like to wish my good friend, Connie Mack, the best of luck as he begins his term as chairman. I offer him all of my support and I look forward to continuing our close collaboration in this subcommittee. Thank you. And, Mr. Chairman, you did a better job than me because I am 28 seconds over.

Mr. MACK. As we all know, that is pretty good for you. Just kidding. Thank you. Now, I would like to recognize the vice chair of the subcommittee, the member from Texas, Mr. McCaul for 5 minutes.

Mr. MCCAUL. Thank you, Mr. Chairman. And I am honored to serve as a vice chair of this subcommittee. I guess you can say I am your right-hand man on this issue. Secretary, thank you for being here today. And being from Texas, Mexico and Latin America are very important to my constituents and to me. And the issues I think have been covered very well by the chair and ranking member. It is clearly the Free Trade Agreements that I think I am in-

terested in hearing the administration's position in terms of pushing that forward, the threat, the concern of Venezuela and Hugo Chavez, their connection to Iran continues to be of grave concern. I think the chair mentioned Cuba. We have an American who has been in prison, I think, for over a year—well over a year, Alan Gross. And I know the charges were just recently brought and I would be very interested in what the administration is doing to address that, what I consider to be a human rights violation. And then finally, the border is, certainly anyone from a border state, it is one of the biggest issues back home. Over 30,000 people have died at the hands of the drug cartels since President Calderon's war began and we overlook that fact. We talk a lot about Iraq and Afghanistan, but more people have died than Americans in those 2 wars. So the Merida Initiative is very important. The ranking member when he was chairman I think did an outstanding job pushing that very important initiative through. I met with President Calderon many years ago and he was pushing us to adopt the Merida Initiative as a showing of support, as solidarity with him. And I am pleased that we got that through. However, the funding has been bottlenecked at the State Department. I think \$1.3 billion was appropriated and yet a very small amount of that has actually made it through to Mexico. So these are all very, very important issues that I look forward to hearing the testimony here today. And with that, I yield back.

Mr. MACK. Thank you. Now I would like to recognize Mr. F. I can say that because my last name is McGillicutty and it is not always easy to pronounce.

Mr. FALEOMAVAEGA. That is alright, Mr. Chairman. If I can pronounce Valenzuela, I should also be able to pronounce Faleomavaega.

Mr. MACK. You are recognized for 5 minutes.

Mr. FALEOMAVAEGA. Thank you, Mr. Chairman. I do want to thank you not only for obtaining the chairmanship for this very important subcommittee, but also thanking our ranking member, Mr. Engel, who has previously served as chairman of the subcommittee. I do want to associate myself with the statements made by you, Mr. Chairman, our ranking member, expressing some very serious concerns as to the issues confronting the Western Hemisphere. I want to thank Secretary Valenzuela for coming before our subcommittee. And having a chance to review his statement, I thought it was very comprehensive and certainly an indication also of the commitment of the Obama administration toward this important region of the world.

The only thing I want to share with Secretary Valenzuela in reviewing your statement, sir, there is not one thing mentioning about the millions, or shall I say, the plight, the sufferings of the millions and millions of indigenous people who live throughout Latin America, including Canada. The indigenous of Canada and the people living in this important region, there is not one mention of your statement concerning the needs, economic, social, you call it whatever. But the indigenous people living in these regions.

Mr. Secretary, I say we definitely need to pay more attention. I sincerely hope the Obama administration will focus on the needs of these people. One particular area that I do want to bring to the

attention of Secretary Valenzuela, is Chile. Now, I know that the world has given rise in not only recognizing but also in congratulating the leaders of the people of Chile, what happened with the 33 miners who suffered tremendously and their being able to be saved from this catastrophe that occurred last month I believe as it was in Chile.

But, Mr. Secretary, I wanted to share with you—I sent a letter to your office about the plight of the people of Easter Island. There is a crisis brewing there on Easter Island, or as the native people call it, Rapa Nui. There is presence of the military of Chile there forcing the people away from their ancestral land rights, to their lands and tremendous, tremendous problems. I have sent a letter even to the Ambassador of Chile, Mr. Arturo. I have not had even the courtesy of a call or a response from the Chilean Embassy. I hope somebody from the Chilean Embassy is here in this hearing. Not even a courtesy call to just say, hey, we got your note, let us talk about it. Not even a message from the Ambassador of Chile to the United States concerning the problems that we are faced with on Easter Island.

Senator Akaka and I have also written to President Pinera expressing our serious concerns about the presence of the military of Chile on this little island, 2,300 miles away from Chile. Seventeen million Chileans, as opposed to 2,500 Rapa Nuis or Easter Islanders, living on this isolated island. And I must say, Mr. Secretary, they are not treated very decently as far as I am concerned as some sense of decency on how these people should be treated.

And I sincerely hope your office will get back to me on this so that we can follow up on this. And I will elaborate on it a little later during the course of the hearing. But I will want to say that I am putting out a little olive branch to the leaders of Chile to let us work together in taking care of addressing the serious needs of the people of Easter Island. I know it is not as important as Egypt or all these other regions of the world, but I think the world has caught the attention of these people being able to build these statues, stone statues, weighing millions of thousands of tons and their culture. And I am disappointed in the way the Chilean Government has treated these people. And I am going to be asking the Secretary some more questions on this. Mr. Chairman, thank you. My time is about to be up and thank you for the time.

Mr. MACK. I thank the gentleman. Next is Congresswoman Jean Schmidt from Ohio, who is new to the committee. And we welcome you to the committee and I know you have done a lot of travelling and are passionate about the Western Hemisphere. So we appreciate you being here and you are recognized for 5 minutes.

Mrs. SCHMIDT. Thank you, Mr. Chairman. And thank you Ranking Member Engel for holding this very important and timely meeting. And I do want to express my thanks because before I became a member of this committee, you afforded me an opportunity to travel into the area and back home in Cincinnati. In the second district, we have a lot of economic interests in the Western Hemisphere. I would also like to thank the Assistant Secretary for being here to address our subcommittee today. Many key issues will be addressed, but I really want to focus on one and that is Colombia. Colombia has been a strategic ally in Latin America for well over

a decade. Since the establishment of Plan Colombia in 1999, the United States and Colombia worked closely to combat drug trafficking and terrorism in the region. Efforts by successive Colombian governments have resulted in a dramatically improved economy and security situation. Under President Uribe, rates in Colombia for murder, inflation, unemployment and poverty fell dramatically, while economic growth, exports and investments flourished. President Juan Manuel Santos, who I was afforded the opportunity to see sworn in, has built upon the success of President Uribe and the economic and security situation in Colombia continues to improve.

In addition to the improved economic and security situation, President Santos has vigorously pursued dramatic and social reforms. Under his administration, the Victims and Lands Restitution Act was passed. This Act assists victims of guerilla and paramilitary violence and coercion and provides an indemnity to victims of state security forces. President Santos is also working to address and protect labor rights and activists. He has pledged to review homicide cases against labor activists. He is in the process of establishing an independent labor ministry and he is committed to additional government resources to protect journalists, labor leaders and human rights defenders. Despite these efforts, opponents of the Colombian Free Trade Agreement argue that labor unionists in Colombia continue to face violence and intimidation and that the Colombian Government has failed to adequately protect the rights of workers to unionize and collectively bargain. And the Obama administration unfortunately appears to be bowing to this pressure and has thus far refused to send the Colombian Trade Agreement to Congress.

In my view, this is a slap in the face to the Colombian people. The Obama administration claims it wants to double export efforts within 5 year, yet it refuses to seriously consider a Free Trade Agreement with arguably our strongest ally in the region. I believe this policy undermines our credibility in the region and it will ultimately result in a diminished ability of the United States to exert influence in our own hemisphere. And I would like to add that the economic interests in my district and Colombia are very, very strong.

Three of my major corporations have very, very strong ties with Colombia. So this Trade Agreement is important to the United States, as well as to the citizens of Colombia. I would sincerely appreciate if the Assistant Secretary addressed these concerns in your testimony, sir, and I yield back the balance of my time.

Mr. MACK. Thank you very much. Mr. Payne is recognized for 5 minutes for an opening statement.

Mr. PAYNE. Thank you. Thank you very much. And let me say that it is a pleasure to be a member of this subcommittee again and I look forward to working with you in your new leadership position. I know that you have the interests and the will, and so we look forward to having a good working relationship. Let me just say that I think that Latin America, as I have said for 20-some years I have been in Congress, it seems that we have lacked what I think is a very aggressive policy.

During the 1960s, under the Kennedy administration probably is where the most attention was given to Latin America and we had programs that really kind of tied us together. Since then, we have seen a lack of affirmative programming in my opinion, and as a result, I think we have seen that many countries have elected leaders that have different opinions than what we have. I think that it is primarily because we have lacked the attention that we should have given to our neighbors to the south.

Having said that, of course, we do have important interests in Latin America. I think that our State Department could also do a better job, as my friend mentioned, about the indigenous people and people of African descent where there are many, many, in Latin America. For example, 2011 will mark the international year for people of African descent, and I wonder whether it would be a wise thing for our Embassies and countries in Latin America to have an evening of the international year of people of African descent.

I think that would show many people who are depressed in their country that the U.S. have an interest in them as well as our relationships with the leadership of the country. I understand that funding for State Department's race, ethnicity and social inclusion unit, which administers the Brazil and Colombian joint action plans on racial equality and other initiatives that strengthen minority inclusion in democracies throughout the region, the funding is going to dry up.

And once again, I think that it would be an opportunity for us to show that we do have an interest where we have seen changes and many of the countries, Brazil in particular, Colombia has made some steps in the right direction as it relates to minorities. But we still have the problem of whether Colombia, as we say, they are a great ally. However, 2,800 union leaders have been killed in Colombia over the past 20 years or so. Very few of the cases have been solved. So although we embrace the government, we still have to be concerned about workers' rights and the rights of indigenous people. As a matter of fact, Colombia has the largest number of displaced people, second largest number in the world because of the various activities.

So although I hear our pleas for the Colombia Free Trade Agreement and I do think Colombia has made some steps in the right direction, I think that more can be done and hopefully the new administration and Colombia will make strides to improve the relationships. I think that Brazil is doing an outstanding job. They have shown how they have become independent of foreign oil. I wish we could study what they have done and perhaps we could be less dependent on the lease oil, which could kind of stop the transfer of our finances, but secondly, not have us dependent on despots and dictators in the Middle East as we see it is a fragile area, what happened in Egypt and Tunisia and Algeria starting to perk up, we need to be concerned that we don't allow the same things to happen in our neighbors to the south. It is very important to us, and I certainly look forward to working with the administration in the future. Thank you very much. I yield back my last second.

Mr. MACK. Thank you, Mr. Payne. And it is great to have you on the committee, and I look forward to working with you as well. Mr. Rivera from Miami, new to the committee, new Member in Congress. Welcome. And you are recognized for 5 minutes.

Mr. RIVERA. Thank you, Chairman. Thank you, Mr. Secretary, for attending today's hearing. I am deeply concerned with our current administration's policy and attitude toward Latin America over the past few years. It seems that our foreign policy in the region has been aimed at improving relations with our enemies instead of supporting our friends and allies in Latin America. For example, the recent decision by the Obama administration to make changes to regulations relating to travel to Cuba is nothing short of a unilateral concession to a dictatorship that continues to oppress its people. I know the administration believes these actions are an important step in reaching the widely shared goal of a Cuba that respects the basic rights of all its citizens, but I couldn't disagree more. This loosening of regulations is a concession that does nothing to solve the fundamental problems on the island.

Instead of seeking change from the Cuban dictatorship with regard to human rights and free and open democratic elections, before entering into any kind of compromise, this policy sends a message that the Cuban dictatorship does not have to reform before being rewarded by the United States. This policy will not lead to a better quality of life for the Cuban people or help grant them the freedoms that they so desperately need and want. It only serves to enrich the Cuban dictatorship. In addition, there have been reports from Cuban state-controlled media that Cuban prosecutors are seeking a 20-year jail term for American contractor Alan Gross.

Gross, an American citizen, has been imprisoned by the Castro dictatorship without access to legal representation or a proper trial since December 2009 when he was on the island providing humanitarian assistance to Jewish groups. While this administration continues to ease sanctions on Cuba, the Castro dictatorship responds by seeking unjustifiably harsh penalties against an American citizen. The situation with Alan Gross demonstrates the futility of making unilateral concessions to the Castro dictatorship and shows that the Castro regime has no respect for civil liberties, human rights or due process of law.

I believe the administration needs to immediately rescind its recent decision lifting sanctions on the Castro dictatorship in response to this unwarranted action against an American citizen. Furthermore, our best ally in Latin America has been Colombia. Colombia's efforts in fighting the drug trade and terrorist organizations should be an example to the world. Colombia also has the potential of being one of America's best economic engines. In his 2011 State of the Union speech, President Obama cited the need for deals that keep faith with American workers and promote American jobs. The Colombia Free Trade Agreement would help him reach these goals. The agreement would slash Colombian tariffs for U.S. goods, increase American exports to Colombia by approximately \$1.1 billion and increase U.S. GDP by \$2.5 billion.

As many have stated, delaying the Colombia Free Trade Agreement is destroying jobs in America. This agreement has received strong bipartisan support from leaders in both parties. We must

come together, pass this agreement and show our neighbors in the region that democracy leads to prosperity. Finally, Venezuela is another example of this administration ignoring major threats in the region. Iran continues to have a close relationship with Hugo Chavez. Iran is an official Sponsor of State Terrorism as designated by our own Government. Should this not be a concern for the administration? In our own backyard, we have two of our prime enemies working together on ways to cause harm to our Nation and our allies such as perhaps a terror attack in this hemisphere.

Already, two have been stopped: One of the U.S. Embassy in Santiago. And another to the President of Panama. The U.S. Embassy in Caracas was also closed this month due to a threat from Al Qaeda. Cuba works with Chavez and Chavez works closely with Iran. I look forward to hearing your testimony on how the administration plans on tackling these growing issues of concern to our national security. I yield back the balance of my time, Mr. Chairman.

Mr. MACK. Thank you, Mr. Rivera. And thank you, Mr. Valenzuela, for sitting through and letting us tell you some of the issues that we have. We look forward to your testimony. I think my staff prepared a nice introduction, but I think we all know who you are and your background. We are pleased that you are here today. We look forward to your testimony and your answer to questions. But most importantly, the committee looks forward to working with you and the administration on finding common ground and where we have disagreements we look forward to having a dialogue about those disagreements with seeing if we can't find some solutions. So with that, you are recognized for 5 minutes for your testimony.

**STATEMENT OF THE HONORABLE ARTURO VALENZUELA, ASSISTANT SECRETARY OF STATE, BUREAU OF WESTERN HEMISPHERE AFFAIRS, U.S. DEPARTMENT OF STATE**

Mr. VALENZUELA. Mr. Chairman and members of the committee, I wanted to thank you for this opportunity to testify before you today and for the level of interest that this committee has shown now for some time to the issues of the Western Hemisphere and U.S. policy therein. I also want to congratulate you on your assignment as chairman of this committee, Mr. Chairman.

In addition, I would like to note that I have submitted a longer statement to be entered into the Congressional Record. I will take this opportunity to highlight the main points of my main remarks and then I will be happy to answer your questions.

Mr. Chairman, I am pleased to tell you that this administration is deeply engaged in the Americas. I note that the title of this hearing asks a rather provocative policy toward Latin America. Rather than leave the committee in suspense, allow me to begin with the answer yes, we do. And since our earliest days in office, the Obama administration has been working very hard to safeguard democratic values, promote economic opportunity, strengthen regional security and advance U.S. interests. We strongly believe that the United States has important national interests at stake in the Western Hemisphere and that the best way to advance these interests is through a proactive engagement with all of the countries of the Americas. That is why Secretary Clinton has traveled to the region more frequently than any other Secretary of State in modern

American history, and that is why President Obama chose to use the State of the Union address to announce his forthcoming trip to Brazil, Chile and El Salvador.

We believe that the United States has a vital stake in the success of Latin America and Central America and the countries of the Americas and that a U.S. policy that contributes to that success will benefit all the people of the Americas, including the citizens of the United States.

We also know that Latin America's future depends on the consolidation of vibrant democratic institutions that are responsive to their citizens and capable of expanding the boundaries of freedom, creating greater social prosperity, unlocking the economic potential of markets and deepening the rule of law. Today we are very optimistic about the state of the hemisphere.

In my 51 trips to 23 hemispheric countries as Assistant Secretary, I have witnessed the convergence of two powerful positive trends, the consolidation of successful market democracies that are making big strides in meeting their people's needs and the growing global integration of Latin America. The greatest regional challenges, including inequality, the impunity of power, lack of rights, ineffective institutions, lack of opportunity are receding in most countries in the Americas and nations of the hemisphere are realizing their stake in global issues, like food security, climate change, transnational crime and economic competitiveness. We recognize that achieving our goals will require building stronger institutions of democratic governance, their respect for human rights.

In 2011, several Latin American and Caribbean countries will hold Presidential elections. We are always welcoming of elections that are credible expressions of the popular will and we encourage all countries to facilitate domestic and international observation and to establish mechanisms capable of mitigating disputes that may arise through the electoral process.

Given a new spirit of international partnership is especially important at a time when we face a constrained budget environment. Now more than ever, our budget choices must be strategic and we must align limited funding resources to the areas where our resources can make a critical difference. The President's 2012 foreign assistance request for the Western Hemisphere includes funding for critical citizen safety programs to support the hemisphere's ability to combat drug trafficking and transnational crime. These threats to the rule of law in Latin America also threaten U.S. national security and strengthening the region's capacity to combat them is in our national interest. To achieve these goals, we support full funding from Congress for the Merida Initiative, with Mexico and Central American Regional Security Initiative and the Caribbean Basin and Security Initiative.

In Colombia, full funding is key to firmly securing the country's democratic and security gains of recent years. We appreciate the efforts of Congressman Engel and Congressman Mack to help us concentrate our efforts more effectively in the security assistance and look forward to ways in which we might be able to roll out the idea of having a better coordination of this process.

Mr. Chairman, I am sure that you have questions about specific aspects of our policies, especially as it relates to our bilateral rela-



tions. During the question period, I will be more than happy to address the strong partnership for us with respect to Mexico, Brazil, Colombia, Chile, Peru and the Caribbean, as well as to discuss our bilateral relationships that have been more challenging. And you have alluded to some of those. In conclusion, let me say that the Obama administration's Latin America policy is informed, engaged, dynamic and collaborative and optimistic about what the future will hold for the countries of the Americas. And I thank you for your attention.

[The prepared statement of Mr. Valenzuela follows:]

**Testimony of Arturo A. Valenzuela  
Assistant Secretary of State  
Bureau of Western Hemisphere Affairs (WHA)  
Department of State**

**Before the Subcommittee on the Western Hemisphere  
The Committee on Foreign Affairs  
United States House of Representatives  
February 15, 2011**

**Mr. Chairman and Members of the Committee:**

I want to begin by thanking you for this opportunity to testify before you today and for the level of interest and attention that you dedicate to the Western Hemisphere and U.S. policy in the region. I also want to congratulate you for your assignment as Chairman of the Western Hemisphere Subcommittee. I look forward to continuing to work with you and with the other members of this committee to advance U.S. interests in the hemisphere.

Mr. Chairman, I am pleased to tell you that this administration is deeply engaged in the Americas. Since the earliest days in office, the Obama Administration has worked tirelessly to safeguard democratic values, promote economic opportunity and social inclusion, strengthen regional security, and advance U.S. interests. We believe the United States has important national interests at stake in the Western Hemisphere, and the best way to advance these interests is through proactive engagement with all of the countries of the Americas. That is why Secretary Clinton has traveled to the region more frequently than any other Secretary of State in modern American history. And that is why President Obama chose to use his State of the Union address to announce that he will travel to Brazil, Chile, and El Salvador later this spring “to forge new alliances across the Americas.”

The Obama Administration is committed to leadership in the Western Hemisphere that is guided by a set of core principles. First, we believe that the best framework for engaging with the Americas is one based on mutual partnership and co-responsibility. As President Obama stated at the Summit of the Americas in 2009, “There is no senior partner and junior partner in our relations; there is simply engagement based on mutual respect and common interests and shared values.” Second, we believe that working through multilateral channels in concert

with the nations of the Americas is critical to advancing our interests. While it is important that we maintain strong and vibrant bilateral relationships, the solutions to the challenges we face will be more impactful, durable, and sustainable if we partner with nations that share our common values and goals. Third, we believe that the United States has a vital stake in the hemisphere's prosperity – and that contributing to its success is good policy, because it benefits all the people of the Americas. We also know that the success of Latin America and the Caribbean will continue to rely on the consolidation of vibrant democratic institutions that are responsive to their citizens and capable of expanding the boundaries of freedom, creating greater social prosperity, unlocking the economic potential of markets, deepening the rule of law, and fostering respect for human rights.

Today, we are optimistic about the hemisphere's course. Indeed, the Western Hemisphere is experiencing a period of economic progress that is a far cry from the troubles of the past. Not only did the region avoid the worst effects of the financial crisis, but current growth rates are projected to exceed 4 percent this year. And politically speaking, we welcome the reduction in tensions among the nations of the Andean region and note the smooth transfer of power that has occurred in many countries throughout the Americas. Indeed, the nations of Latin America and the Caribbean are undeniably promising partners in confronting crucial regional and global challenges. In much of the region, we are seeing the convergence of two powerful and positive trends: the consolidation of successful market democracies that are making big strides in meeting their peoples' needs; and growing global integration. The greatest regional challenges—including inequality, lack of transparency and accountability, insufficient respect for human rights, ineffective institutions, and lack of opportunity are receding in most countries in the Americas. Nations of the hemisphere are realizing their stake in new global challenges, like food security, climate change, transnational crime, and economic competitiveness.

There are many examples of the Western Hemisphere's emerging diplomatic and economic influence. Brazil has positioned itself as a key actor in global economic forums like the G-20. It was Mexico's skillful diplomacy that brought the most recent United Nations Climate Change Conference in Cancun to a successful conclusion. On a per capita basis, Uruguay contributes more troops to United Nations peacekeeping missions than any other nation. Colombia is sharing its judicial reform and security expertise and working with partners such as Mexico and the Central American nations in a coordinated fashion. Canada has been a steadfast partner in addressing crucial issues that range from global climate change to securing the peace in Afghanistan to restoring the health of the world economy.

Member nations of the Caribbean Community (CARICOM) are leading in collective efforts to address citizen security challenges in the sub-region. These are just a few examples of democratic societies with whom we can join in new networks of partnership around the world in order to help meet the tests of our times.

Mr. Chairman, as you know, Secretary Clinton recently unveiled the groundbreaking QDDR process to enhance our capacity to lead through civilian power. As she has emphasized, advancing American interests and values will require leading other nations in solving shared problems in the 21<sup>st</sup> century. Therefore, we must increase our reliance on our diplomats and development experts as the first face of American power.

In 2011, the concepts underpinning the QDDR will also guide our approach of “dynamic engagement” that seeks to advance U.S. interests in partnership with the Americas as a whole, while recognizing the value of accommodating diverse needs and interests. The Obama Administration has focused our efforts on four over-arching priorities critical to people in every society: building effective institutions of democratic governance, promoting social and economic opportunity for everyone; securing a clean energy future; and ensuring the safety and security of all of our citizens. All this we seek to achieve while harnessing and strengthening multilateral and regional institutions, especially the Organization of American States.

We recognize that achieving our goals will require helping to build stronger institutions of democratic governance that respect fundamental freedoms and human rights. As we have recently witnessed during the presidential election process in Haiti, ensuring that democratic elections respect the will of the people is essential to maintaining political legitimacy and social stability. This goal united all of the hemisphere as well as non-hemispheric partners that have made a commitment to assisting Haiti in the wake of last year’s devastating earthquake. In 2011, several Latin American and Caribbean countries will hold presidential and legislative elections, including Guatemala, Nicaragua, Guyana, Peru, and Argentina. We join others in welcoming elections that are a credible expression of the popular will, and we encourage all countries to facilitate domestic and international observation and to establish mechanisms capable of mitigating disputes that may arise through the election process.

While many countries in the Americas have strong and healthy democracies, we all still have more work to do. As we engage with our partners to strengthen

democratic institutions and civil society throughout the Americas, we are cognizant of the continuing weaknesses in democratic procedures and practices and the threats to their consolidation. Collectively, we need to be clear-eyed and proactive in addressing risks to our common agenda. Those include attempts to expand majoritarian or populist rule at the expense of fundamental minority rights, effective democratic governance, or dialogue and consensus within the rule of law. And while we congratulate the popular leaders who have opted to leave office in accordance with the institutions of democratic governance, rather than promoting constitutional changes to benefit incumbents, we regret the opposite trend in several countries.

Recent developments in Venezuela raise serious concerns in this context. Particularly worrisome, among other measures, is the delegation of the legislative authority to the executive that extended beyond the terms of office of the outgoing National Assembly, undermining the authority of the new assembly and thereby circumscribing popular will. This violates the doctrine of the separation of powers and therefore contravenes the Inter-American Democratic Charter. That said, we are heartened by the presence of a coherent opposition in the National Assembly as Venezuela's institutions must reflect the range of views in society in order for democracy to prosper.

During 2010, Honduras made significant progress in strengthening governance, promoting national reconciliation, addressing some of the problems of human rights violations, and restoring diplomatic relations with many countries in the hemisphere. As President Lobo has said, he has sought to redirect the country on a path towards democratic normalization following the disruption of the institutional order that took place in June 2009. In our view, he has prepared the groundwork for the restoration of Honduras to the Organization of American States. The U.S. government is supporting Honduras through robust programs managed by several agencies, including the Departments of the Treasury, Defense, Homeland Security, State, and USAID, and we will seek new ways to support the country's efforts to achieve its economic development objectives.

Since taking office, President Obama has made clear his commitment to supporting the Cuban people's desire to freely determine their own future. During the first two years of the Obama Administration, we have taken measures to increase contact between separated families and to promote the free flow of information to, from, and within Cuba – including new measures that will enable more Americans to travel to the island for academic, religious, and people-to-people exchanges. And we have engaged the Cuban government directly on key

bilateral matters like migration and direct mail service. However, we deplore the Cuban government's recent announcement that Cuban prosecutors intend to seek a 20 year sentence against U.S. citizen Alan Gross. Mr. Gross is a dedicated international development worker who was in Cuba providing support to members of the Cuban Jewish community. We strongly urge his unconditional release.

Though our hemispheric agenda remains manifestly inclusive and seeks points of convergence even in difficult cases, we remain steadfast in our commitment to core principles and recognition of key values such as human and labor rights, media freedom, and the importance of robust democratic institutions. Building a new spirit of inter-American partnership is especially important at a time when we face a constrained budget environment. Now more than ever, our budget choices must be strategic, and we must align limited funding resources to the areas where our resources can make a critical difference.

The President's 2012 foreign assistance request for the Western Hemisphere includes funding for critical citizen safety programs that will support the hemisphere's ability to combat drug trafficking and transnational crime. These threats to the rule of law in Latin America and the Caribbean also threaten U.S. national security, and strengthening the region's capacity to combat them is in our national interest. We support full fiscal year 2012 funding from Congress for the Merida Initiative with Mexico, the Central America Regional Security Initiative, and the Caribbean Basin Security Initiative as vital for the achievement of these goals. In Colombia, continued funding is key to firmly secure the country's transformational gains on security, democracy, human rights, and the illicit drug industry, while U.S. cooperation with Mexico is critical to the success of Mexico's effort to fight drug trafficking and strengthen its institutions.

The 2010 poll by the public opinion research firm *Latinobarometro* also confirmed one of the core precepts of the Obama Administration's policy towards the hemisphere: that the greatest concern of citizens throughout the hemisphere is achieving safety and security and combating the rise of international crime. Against this backdrop, the United States and Mexico have built an especially close partnership over the past two years, in large part through our cooperative law enforcement efforts to dismantle transnational organized criminal groups. The Congress has appropriated \$1.5 billion to support the Merida Initiative assistance programs. By the end of 2010 the U.S. Government had delivered eleven helicopters, millions of dollars worth of other equipment, and trained over 6,000 Federal Police investigators and corrections staff as well as over 3,000 prosecutors and judicial authorities. We have shifted Merida's focus away from supplying

critical equipment to providing more training and technical assistance. Along these lines, we are partnering with Mexico to help institutionalize justice sector reforms to sustain the rule of law and respect for human rights – and build a stronger institutional basis, including at the community level, for combating crime and the drug trade and enhancing citizen safety. In addition, the United States is increasing its own domestic law enforcement efforts to dismantle Mexican narcotics supply networks in our country, and combat the smuggling of illegal financial proceeds and weapons into Mexico. Although the road ahead remains challenging, we are certain that this is the right approach that will lay the groundwork for long-term sustainable results.

We have learned that a successful approach to security challenges must be a comprehensive regional one. That is why the United States is also working to enhance citizen safety through the Central America Regional Security Initiative (previously part of the Merida Initiative), which has received \$260 million to date, and the Caribbean Basin Security Initiative, which began last year with an initial investment of \$45 million. These programs are central to our strategy to break the power, violence, and impunity of the region's drug, gang, and criminal organizations and strengthen law enforcement and justice sector institutions. Recognizing that the United States is one of many players in the security sector, we are encouraging partners and donors in the field and in capitals to better coordinate their efforts to avoid program redundancy and to improve overall impact. Donors can better leverage resources where they have comparable advantage, such as coordinating with host nations on law enforcement and rule of law programs. This week we met with the European Union, Spain, Canada, the UN, and other partners, and the multilateral development banks to better coordinate international responses.

Our engagement with Central America is especially pivotal. Through our Central America Security Strategy, we are reassessing how we can more rapidly, and effectively, reverse the worrisome decline of citizen safety in Central America. At the President's and Secretary's direction, we are examining ways in which to enhance cooperation on citizen security, especially focused on Central America, in a way that ensures we are mindful of and addressing gaps that transnational criminal organizations may be seeking to exploit. We are working with partners to ensure that Central America is both a development and foreign policy priority, and that pooled donor resources have a greater chance of positively affecting the trajectory there.

Our support for Central America and the Caribbean is by no means limited to security. In El Salvador, Honduras, and Nicaragua, the U.S. Government's Millennium Challenge Corporation has spent almost \$800 million in recent years modernizing farms and building or improving hundreds of miles of highway. In the Caribbean, through the President's Emergency Plan for AIDS Relief (PEPFAR), the United States works with 15 Caribbean countries to treat and prevent exposure to HIV, provide care and treatment and eliminate the stigma and discrimination associated with the disease.

In addition, the United States continues to prioritize economic growth programs that leverage the emerging leadership potential and resources of many Latin American and Caribbean countries. Innovative, partnership-based initiatives like the Energy and Climate Partnership of the Americas and Pathways to Prosperity initiative will support Latin America and the Caribbean's ability to lead its own development by encouraging others to assume leadership roles and commit their own resources in order to promote key policy innovations. Latin America and the Caribbean will also benefit from the Administration's Feed the Future and Global Health Initiatives, which will help foster healthy, prosperous societies.

U.S. economic engagement with the Western Hemisphere extends far beyond foreign assistance for Latin America and the Caribbean. The Western Hemisphere remains a critical economic partner to the United States and many of our neighbors are also among our top trading partners. In 2009, total U.S. merchandise trade between the U.S. and Latin America and the Caribbean reached \$524 billion and 40 percent of Latin America and the Caribbean's exports flowed to the United States, making us the region's single largest export destination. The Western Hemisphere, including Canada, absorbs 42 percent of U.S. exports and total trade with the hemisphere reached \$1.5 trillion in 2009. Earlier this month, President Obama and Prime Minister Harper released a declaration intended to keep the United States safe while increasing American jobs through minimizing bottlenecks and non-tariff barriers. Around 84 percent of our overall trade with the region takes place with our 10 FTA partners in the hemisphere. NAFTA alone represents the largest free trade area in the world, accounting for \$735 billion in trade in 2009. The Administration continues to work with our NAFTA and CAFTA-DR partners on improving the flow of trade through regulatory cooperation and trade capacity building programs. In addition, the U.S. continues to be the largest investor in the region, supplying approximately 37 percent of the foreign direct investment (FDI), which totaled \$34 billion in 2008.



Remittances have also become a critical dimension of the economic relationship between the United States and our neighbors. While the flow of U.S. remittances to Latin America and the Caribbean declined about 11 percent following the 2008 financial crisis, the overall figure of \$62 billion in 2009 remains impressive and underscores the strong family ties with the region. We are currently initiating programs, such as the BRIDGE initiative that was launched in El Salvador and Honduras last year, that seek to harness the investment potential of these remittances to help these countries fund vital infrastructure improvements.

The Western Hemisphere will be a key target of the President's National Export Initiative, known as NEI. As part of his strategy for restoring strong economic growth in the United States, President Obama has called for doubling U.S. exports in five years – an ambitious goal. Last month's deal with South Korea paves the way for congressional approval of a long-stalled FTA with a crucial Asian ally, and creates a valuable example of how best to move forward on our other two pending FTAs with Colombia and Panama. President Obama has instructed U.S. Trade Representative Ron Kirk to intensify engagement with the Colombians and Panamanians to resolve outstanding concerns relating to these trade agreements as soon as possible this year. If we are successful, we will move those forward for Congressional consideration immediately thereafter.

Our efforts to advance economic opportunity are complemented by initiatives to expand social inclusion and provide support to marginalized groups. We also seek to advance gender equity through education, outreach, and government-to-government dialogue. A new area of emphasis is our effort to combat discrimination based on sexual orientation, and we are prepared to speak out forcefully to denounce violence against lesbians, gays, bisexuals, and transgendered persons in the Americas. We have made significant strides in supporting racial and ethnic inclusion throughout the region and look forward to increasing these efforts during 2011, which the United Nations has named the International Year for People of African Descent.

Secretary Clinton attended the inauguration of Brazilian President Dilma Rousseff to underscore our commitment to elevate our bilateral relationship with this rising power to a new level. The United States and Brazil share many common interests and values and are natural partners on a wide range of regional and global issues. We have made important progress in that front over the last year. Brazil was the first country to take the lead in an initiative under the Energy and Climate Partnership of the Americas. The United States commends Brazil's leadership in Haiti, along with that of many other Latin American and Caribbean

countries, and we are pursuing opportunities to work together on development projects in Central America and Africa. Brazil stands out in the global marketplace for the tremendous potential opportunities it offers U.S. companies. We will work with American exporters and investors to take advantage of that potential and would like to devote more resources to efforts that strengthen our bilateral mechanisms with Brazil, such as the Economic Partnership Dialogue. President Obama's visit will be incredibly important to our efforts to establishing a strong working relationship with President Rousseff and her government.

In South America, the United States has forged especially strong partnerships with Colombia, Peru, and Chile. Our relations with these countries have never been so comprehensive, with both regional and global dimensions. Last fall, President Obama met with his counterpart Colombian President Juan Manuel Santos at the United Nations in New York where they announced the creation of the High Level Partnership Dialogue, which Deputy Secretary Steinberg launched when he traveled to Colombia in October. The Dialogue marks a new chapter to broaden our maturing and wide-ranging relationship, making Colombia an ever-more vital strategic partner. We are working to finalize a new framework agreement with Bolivia that will reaffirm both governments' commitment to engagement based on mutual interest and respect, and in a manner consistent with our laws and policies regarding assistance and counternarcotics cooperation. We have engaged Ecuador on a range of important bilateral, regional, and global issues. And we have also struck a new tone in our dialogue and engagement with Uruguay and Paraguay. We strongly believe it serves U.S. interests when we engage both with our friends and allies as well as those countries with which we may not see eye to eye.

This approach goes beyond traditional relationships between governments. People-to-people contacts build mutual understanding and bring to light our shared values. Our diplomatic posts throughout the Western Hemisphere reach youth, civil society groups, opinion leaders, and others who take a constructive interest in the future of their society and how it relates to its neighbors. Educational and cultural programs, outreach through new and traditional media, and diverse voices from U.S. culture are all ways we project our values and translate our policy goals into ideas and actions that affect people's lives.

It is important to note that the Obama administration's strategy of engagement has contributed to a shift in Latin American public opinion. According to the 2010 poll by *Latinobarometro*, two-thirds of the population in most countries had favorable attitudes towards the United States – an increase of

10 to 20 points from 2008 levels. The role of the United States in Latin America is also overwhelmingly viewed as positive. This suggests that the Obama administration's strategy has reversed the dangerous depletion of good will toward the United States that had occurred during the prior decade.

We are also continuing to help the Haitian people rebuild after the terrible earthquake that struck the country a year ago. As President Obama emphasized shortly after the earthquake, U.S. commitment to Haiti will be sustained. We are proud of the role of the United States in the unprecedented bilateral and multilateral cooperation in support of Haiti. Since the earthquake, the U.S. government has spent \$1.1 billion in humanitarian relief assistance and an additional \$406 million in recovery assistance toward job creation, rubble removal, shelter solutions, health and other priorities. In addition, the U.S. government has pledged \$1.15 billion in new money toward reconstruction. To date, we have disbursed more than \$332 million to provide debt relief and contribute to the Haiti Reconstruction Fund. This has allowed the Haitian government to use its resources to support the construction and repair of houses, remove rubble in critical areas of Port-au-Prince, establish funds to finance private sector activity, and provide education assistance. The United States has also provided over \$43 million in assistance since the onset of the cholera crisis in October 2010, for medical supplies and services; and cholera treatment facilities and information campaigns to increase public awareness of prevention and treatment of the disease.

A democratic transfer of power is vital to Haiti's long-term peace, stability and opportunity for economic growth. The United States and the international community support an election process in Haiti that reflects the will of the Haitian people. A free and fair process will allow the incoming government to enjoy full legitimacy, while representing the best way to promote stability and reconstruction. Since the November 28<sup>th</sup> election, our message has been consistent: the people of Haiti have the right to choose their leaders. The Haitian Provisional Electoral Council (CEP)'s February 3<sup>rd</sup> announcement of the final results of the November elections was an important milestone in this electoral process. The United States stands ready to assist Haitian electoral authorities in the next round of elections, currently scheduled for March 20, to promote a free and fair electoral process and reduce the level of fraud and irregularities that affected the first round. As Haiti moves forward with the second round of elections, it is essential that all political actors, including candidates and their supporters, continue to work peacefully and within the law. In short, there has been progress, and, while uneven, it has deepened the resolve and commitment to Haiti of the international community, including the United States.

In conclusion, our hemispheric policy is based on the premise that the United States has a vital interest in contributing to the building of stable, prosperous, and democratic nations in this hemisphere that can play a pivotal role in strengthening a rules-based international system capable of meeting today's global challenges. As President Obama and Secretary Clinton have said, policy must be conducted on the basis of mutual respect and shared responsibility through dialogue and engagement. The United States must be a more effective and determined partner in helping countries throughout the Americas achieve their own chosen paths as determined by their own people. Today, the Obama administration's Latin America and Caribbean policy is informed, engaged, dynamic, and collaborative – and optimistic about what the future will hold for the countries of the Americas. I thank you for your attention.

Mr. MACK. Thank you very much. This is the first hearing of the subcommittee. And we really want to kind of get at the idea of do we have a policy, and as you say in your opening statement, yes, then help us understand it because there is a lot of contradiction out there, and I think the main problem I am having is we appear to be supporting our enemies and kind of turning our back on our allies. I don't know how, and maybe you can answer this question, how can we deny Honduras a compact with the MCC but then allow the money to keep flowing to Nicaragua? I don't know—it is a pretty stark difference. Honduras has been an ally and a friend. Nicaragua is invading other countries. And so I think there is a disparity there that needs some explaining. I would also suggest that again in Cuba, we relax travel and remittance restrictions, and then Cuba turns around and is talking about a 20-year sentence on a USAID, Alan Gross.

So it seems like our foreign policy is not headed in the right direction in Latin America. If we want to show the people of Latin America that we support them and that there is value in being a friend to America, then the Free Trade Agreements must be sent to the Congress immediately for passage. If we want to show that there is value in being a friend to the United States and an ally, then the MCC compact with Honduras needs to move forward immediately. We cannot continue to have this kind of mixed messages to the folks of Latin America. So if you would like to respond to any of that.

Mr. VALENZUELA. Sure, Mr. Chairman. Thanks very much for that. Look, I think that the fundamental starting premise is that it is in our fundamental interest to have successful governments and successful societies in the Western Hemisphere. And that is what we are striving for. And what we see now is a situation as I alluded to in my testimony where we have overcome many of the difficulties of the past.

It wasn't that long ago that most of the countries in the region were under authoritarian regimes. Only three avoided those during the 1960s, 1970s and 1980s, authoritarianism. We had civil conflicts in Central America. Today, in fact, as my testimony suggested, the countries of the Americas are weathering well to financial crisis today. They are growing, they are improving their societies.

There are some significant challenges and we agree about that. And there are some countries that oppose specific challenges. I am happy to address that more specifically as we move forward with this hearing today. But I just want to let you know that when—when you look at things like statistics that have come out on public opinion in Latin America with regard to the standing of the United States in the region, the latest polls by Latinobarometro that just came out suggested that two-thirds of the population in Latin America strongly supports U.S. policy in the region. The standing of President Obama is extremely high in the region. That is an increase of 10 to 20 points.

So in country after country, we are seeing that our engagement, and I described it very thoroughly, the Secretary going to all of the countries, trying to address fundamental issues that are of concern to the peoples of the Americas, such as issues of public security,

such as issues of competitiveness, such as issues of climate change, such as issues of how do you strengthen democratic institutions and that sort of thing. This engagement is paying off, Mr. Chairman.

Mr. MACK. Can you maybe respond to the—how we deny Honduras the MCC compact and then we allow the one in Nicaragua—

Mr. VALENZUELA. The compact in Nicaragua is a 5-year compact that is ending right now. In the case of Honduras, what was at issue was whether there was going to be a renewal of the compact. And that goes to a board and the board determined that Honduras did not meet standards particularly on indicators of corruption. We discussed this with President Lobo and with the Government of Honduras. We are committed to continue to work with Honduras on this. We are going to provide resources. We hope that we might be able to move forward toward a new compact with Honduras in the future. And I doubt very much whether there is going to be any kind of a renewal of a compact with Nicaragua.

Mr. MACK. And the corruption that you referred to, that happened under Zelaya's watch?

Mr. VALENZUELA. The corruption comes from an earlier period. I think that is right. Let me agree with you, Congressman, that Honduras ought to be brought back into the Organization of the American States. We are very impressed with the efforts that this government is making to move forward, to reconcile Honduras after the crisis of last year. And he is doing a superb job and I visited with him several times. We are really committed to working with Honduras and moving forward. We think that they have achieved an extraordinary amount of success and we are strongly supportive of this—their efforts.

Mr. MACK. And the last concern there is in Honduras for the time being is that there is a lot of visas that have not been—I guess that are still being revoked. Is there a movement in State Department to see that those that wish to get a visa that have been—those that have been revoked, that they will be reauthorized?

Mr. VALENZUELA. Visas are not still being revoked, but we are looking into how the visas that were taken away will be restored.

Mr. MACK. Thank you. Mr. Engel, you are recognized for 5 minutes.

Mr. ENGEL. Thank you, Mr. Chairman. Before I begin, let me agree with the chairman. I really was disappointed in Honduras that the MCC compact was not renewed and I think it is especially egregious because a large reason why it was not renewed was because of the corruption that happened in the previous regime.

So it doesn't seem fair to penalize Pepe Lobo, who I think is doing a very good job in terms of trying to get his country back to normal. So I want to add my voice to what the chairman just said. I mentioned that ATPDEA—I have long been a supporter of ATPDEA. I see the Ambassador from Colombia and the Ambassador from Ecuador are here. Tell me what is going on with that?

And I know that we failed to renew it, the majority did. I know we are going to renew it. It has been my feeling that these things

should be renewed for longer periods of time than they have in the past. What can you tell us about the renewal of ATPDEA?

Mr. VALENZUELA. Well, Congressman, I couldn't agree with you more that this is a really significant priority for the administration and it is certainly a very critical priority in our relationship with both Colombia and Ecuador. And I think it is essential to try to find a way for the Congress to move forward and to renew these preferences as soon as possible. And as you suggested for a longer period of time, it would be better because it provides a significant amount of instability. Investors, exporters and so on cannot plan if they are subject to this kind of suspension along the lines that has been occurring recently.

Mr. ENGEL. Thank you. In my opening remarks, I mentioned the Western Hemisphere security coordinator and how now Chairman Mack and myself met with Secretary Clinton last year. I am calling for this. I am wondering if you could tell us what the progress has been on it. It didn't make sense to me when I called the State Department for whatever, nothing seemed to be coordinated as well as it should. And we all agreed, including the Secretary, that this would be a step in the right direction. So please tell me about the progress.

Mr. VALENZUELA. Yes, thank you for the question and we really appreciate—I appreciate—both you and Congressman Mack had with the Secretary at the time. And we have been concerned that with our efforts in Merida with regard to Mexico as well as for the Central American Regional Security Initiatives (CARSI) as well as for the Caribbean Basin Security Initiative, these three critical initiatives on security issues for Mexico and Central America and the Caribbean, that we have this properly coordinated. And in that sense, what we have done is we have identified a coordinator, the deputy Assistant Secretary and the Principal Deputy Assistant Secretary in the Bureau of Western Hemisphere Affairs who has probably more experience in this sort of thing than maybe anybody else that I know of in the State Department.

In fact, she was there when I went into the State Department as a political appointee in 1994 and has extraordinary standing within the State Department. So we are working—and we like to work with your committee so we can properly announce this and review all of the issues that we are doing—all of the matters that we are focusing on with regard to security.

Mr. ENGEL. I would like to announce it because one of the frustrations that all of us have had on both sides of the aisle, regardless of who the administration is, it has been in this administration, it has been with President Bush, we have seen the frustration that Congress moves in one panel and the administration seems to move in another place and this is a very good example of the administration listening to both of us and wanting to work in conjunction with us.

So I look forward to that. And I know I speak for Mr. Mack, we would like to have a meeting with the coordinator as soon as possible so that we can tell the coordinator what our views are and work together on these issues. So I am happy to hear that.

Let me ask you one last question. And that is—well, I have been very unhappy with many of the South American countries recog-

nizing unilaterally the State of Palestine. I think it is unhelpful, frankly, in Middle East peace. I think such unilateral efforts undermine the Middle East peace process. The Middle East peace between Palestinians and Israelis can only happen, in my opinion, if both parties sit together in face to face negotiations and I think this unilateral recognition of Palestine is a disincentive for the Palestinians to come to the negotiating table because they feel that if they just sit back and do nothing, all this recognition will fall in their lap.

So what are we doing in these countries to relay our displeasure with these decisions in South America and what are we doing to prevent other countries in the hemisphere to do the same?

Mr. VALENZUELA. Well, thank you for the question.

Mr. MACK. Be quick, because his time is almost up.

Mr. VALENZUELA. Let me just simply say that we agree completely with your approach and your analysis on this. This is not helpful. It is up to the parties to negotiate this and we shouldn't be encouraging anybody to recognize Palestine, and we have made that very clear, Congressman, to all the countries at the highest levels. We have spoken to Foreign Ministers, we have spoken to Presidents, and we have gone across the region. So we have made a real effort in that regard.

Mr. MACK. Thank you.

Mr. McCaul is recognized for 5 minutes.

Mr. MCCAUL. Thank you, Mr. Chairman.

Mr. Secretary, thank you for being here today. I appreciate your testimony.

Five years ago, the Colombia Free Trade Agreement was negotiated. Four years ago, the Free Trade Agreement with Panama was negotiated. Now we are in 2011. I remember meeting with President Uribe, a staunch ally, supporter of the United States. President Bush negotiated in good faith with him to get the Free Trade Agreement, and it just seems to me continuing to hold up this agreement is a real slap in the face to an ally of ours.

What is the administration's position on these two Free Trade Agreements, and when is the President going to submit these to the Congress?

Mr. VALENZUELA. Well, look, thank you for the question, Mr. Congressman. We agree completely with the fact that we have to move forward on both of these.

And let me just say in some ways I am in a fairly special position, because I was at the White House in 1999 and 2000 when we started working on Plan Colombia, and it became the single most important thing that I was involved in as the Senior Director for Western Hemisphere Affairs at the National Security Council. It was a long slog, and at first it didn't come out. And it turns out, I think, to have been one of the most successful policies of the United States in recent time in the Western Hemisphere and had the added, and I think extremely important, aspect of being a bipartisan foreign policy.

And in that sense I would like to go back to Congressman Mack's suggestion. The more we can look at trying to do our foreign policy in the Americas, it is a bipartisan foreign policy, the better our interests are served.



With regard to Colombia, I think that the Colombians have made extraordinary progress. I think that this current administration, the subsequent administration, has moved even further with regard to addressing many of the questions that had been raised by others.

And so I think that we would agree with you that it is time to move forward on the Colombia and the Panama Free Trade Agreements. I can't tell you exactly how that is going to happen today, but that is certainly our commitment.

Mr. McCAUL. Because, you know, we talk a lot about jobs and the economy, and these two Free Trade Agreements, in my judgment, will create jobs in the United States. It will be a good, positive thing for our economy and good for our relations with our allies in this hemisphere. So I hope the administration will move quickly on that issue.

You mentioned Plan Colombia, and I agree that was a very successful operation, and I applaud you for your efforts from the very beginning. As we look at Mexico, I have often advocated that maybe we need to do something similar in Mexico. Whatever we are doing right now, whatever President Calderon is doing is not working. The situation seems to be getting worse, and I would hate to see our friend just south of our border go into a state of collapse. So I was interested in your thoughts on that.

On the Merida Initiative, why, I mean, it has been years now since we appropriated that funding, and yet it has been bottlenecked up, and we can't seem to push it through the State Department. What is the problem?

Mr. VALENZUELA. Congressman, we are very comfortable with the fact that much of the Merida funding is now flowing very well. In fact, some of the original funding that focused much more on the hard side, on the security side, is now being complemented much more by some of the other things that need to be done as well, particularly, for example, the standing up of effective police institutions and strengthening the judicial system particularly at the local level, where a lot of these challenges are taking place.

So the commitment and the congressional response to it was substantial, as you suggested. I think that we are moving forward on this, and we are making progress.

Mr. McCAUL. The number—\$1.3 billion appropriated, and the number I saw was something like \$350 million has actually made it out through State to Mexico. Is that accurate?

Mr. VALENZUELA. Yes. I don't have the figures right in front of me. I will get them to you, but I think it is substantially more than that has been able to flow now.

Mr. McCAUL. If you could give me that information, I would appreciate that.

Mr. VALENZUELA. I will do that.

Mr. McCAUL. Lastly, I think, something that was very well, eloquently stated by Congressman Rivera. You know, we have an American in jail in Cuba since 2009, and this is one of the biggest human rights violations going on, in my judgment, and yet we do—we tend to give this dictator more and more concessions.

What is this administration doing to secure Alan Gross' freedom?

Mr. VALENZUELA. Well, we would agree with you, Congressman. It is an outrage that they kept him for a year without charging him. Now they have turned around and charged him, and the charges are going to be 20 years, and we are continuing to demand his immediate release.

Mr. McCAUL. Well, I think we need to do everything in our power to free him, but thank you very much for your testimony.

Mr. MACK. Next, Mr. Faleomavaega—how did I do—is recognized for 5 minutes.

Mr. FALEOMAVAEGA. You did excellent, Mr. Chairman. I thank you very much.

Mr. Secretary, I know I haven't traveled throughout Latin America as often as you have, and I am curious, does the State Department currently have statistics or data or information concerning the political, educational and social problems addressing the problems of the indigenous peoples of these countries living in Central and South America?

Mr. VALENZUELA. Congressman, I am very pleased that you have raised this issue, because, in fact, this is one of the most important efforts that we have been focused on more recently is to try to address some of the—in partnership with countries in the Americas—some of the lingering social issues that are so important.

And what we are doing is we are working together with countries to try to improve their own treatment of their own populations to get better protections.

Mr. FALEOMAVAEGA. Well, let us address this specifically, indigenous peoples in their own populations. I mean, I am addressing this issue directly.

Mr. VALENZUELA. Yes.

Mr. FALEOMAVAEGA. Indigenous Indians living in these countries in Latin America. Does the State Department have relevant information and data?

You know, it is like taking a census. If you are not counted, you don't exist, and it seems that over the years, in the times that I have traveled throughout Latin America, I have seen the scourge and the sufferings of the indigenous peoples. And I think there seems to be a little sense of just pretending like the problem doesn't exist.

I visited the Indians of the Amazons, I have visited the people of the Incas. Yes, they participated in some extent. But correct me if I am wrong. Are they not the worst economically, educationally and socially throughout Latin America?

Mr. VALENZUELA. Well, absolutely, you are correct on that. The indigenous populations are the ones that are at the bottom of the rung, that have suffered historically with human rights abuses, and they have gotten trapped in civil conflicts and that kind of thing.

There are large indigenous populations in some countries, as you well know, Bolivia, Peru, Guatemala. The administration is committed to working with these countries to try to come up with more effective programs to provide for not only support, but greater respect and respect for the rights of indigenous peoples. And, yes, it is an important emphasis.

You know what? We are also looking at issues of Afro-descendants in this Year of the Afro-descendants.

Mr. FALEOMAVAEGA. Yes, Mr. Payne has addressed that. You know what is ironic about this—and I don't know if the chairman and our ranking member are aware of this—the George Washington of Mexico was a pure Indian from the Yucatan Peninsula. His name is Benito Juarez. And the irony of all of this, and, interestingly enough, people don't realize, but he was a pure Indian. He was the one that provided and set the independence of Mexico from its rulers. I guess the fellow's name was Napoleon or something. Anyway, it was during that period of time.

I notice also with interest that the first elected Inca Indian, indigenous Indian, was Alejandro Toledo of Peru. The first elected native indigenous leader elected as leader of Bolivia is Evo Morales.

Now, despite this development politically, I am still interested in wanting to find out if we have seriously addressed the issues affecting the needs and the blight of these native peoples, and I wanted to know if the Obama administration is committed in this effort?

Mr. VALENZUELA. Yes, we are committed to this effort. And as you suggest, the fact that in many of these countries you now have indigenous leaders that are being elected President, it shows also how much has, in fact, been overcome. The democracy is not just for a few.

Mr. FALEOMAVAEGA. I apologize. I only have 50 seconds left.

Mr. VALENZUELA. Sure.

Mr. FALEOMAVAEGA. I would like to give you copies of the letters that I sent to your office, to Secretary Clinton, to President Pinera, concerning the plight of the Easter Islanders. There are only 2,500 of them, and I would like to appeal to the good people of Chile, 17 million good Chilean people, sending a military against these natives who live on Easter Island, it just blows my mind how it would be a national security problem for the Government of Chile just to address seriously the needs of these native people.

The reason why I am really concerned about this, Mr. Secretary, is that there are only 2,500 of them. It is not against the 17 million Chileans that I am talking about. And I am sure there are good people of Chile, but please pay attention to the problems that I am describing.

Thank you, Mr. Chairman.

Mr. VALENZUELA. We will answer your letters.

Mr. MACK. Thank you.

The gentleman from Florida Mr. Rivera is recognized for 5 minutes.

Mr. RIVERA. Thank you, Mr. Chairman.

Mr. Secretary, my questions will start off with respect to the Cuban Liberty and Democratic Solidarity Act, otherwise known as Helms-Burton, suspension of Title III of Helms-Burton allowing U.S. citizens the ability to seek legal redress of grievances and access to U.S. courts to remedy claims against the Castro dictatorship in particular. The justification for suspending that provision for U.S. citizens is the promotion of democracy as determined by this government.

How has the suspension of Title III of the Cuban Liberty and Democratic Solidarity Act by this administration promoted democracy in Cuba?

Mr. VALENZUELA. On that, the specifics of Title III, I will have to get back to you, Congressman. I can't answer that question right now.

Mr. RIVERA. You are familiar with the Helms-Burton Act.

Mr. VALENZUELA. I am familiar with Helms-Burton and what Title IV and Title III are, but I am not sure—if your question is what is the ramifications of that, I would not be able to fully answer that right now.

Mr. RIVERA. No, no, no. I don't want to know the ramifications. The administration has to claim the justification for suspending Helms-Burton as the promotion of democracy. How has suspending Title III promoted democracy in Cuba?

Mr. VALENZUELA. As I said, I will have to get back to you on that.

Mr. RIVERA. Alright. Let us go on to lifting of some other sanctions, and let us talk about the recent lifting of the recent sanctions.

Mr. VALENZUELA. Sure.

Mr. RIVERA. Can you provide any other example where unilateral concessions, unilateral concessions, have been met with democratic reforms by a totalitarian dictatorship?

Mr. VALENZUELA. Look, let me explain to you, and we probably have a fundamental difference of opinion, these are not concessions to the Cuban Government. These people-to-people programs are programs that we believe are important in advancing our fundamental interests with regard to Cuba, and that is to promote a climate in Cuba that will allow the Cuban people, in fact, to make their own—

Mr. RIVERA. Let me rephrase the question. Can you cite any concession by the dictatorship for democratic reform that has ever been made in the 52 years of its existence?

Mr. VALENZUELA. As far as I know, there have not been similar kinds of legislation regarding other countries. But I can tell you this—

Mr. RIVERA. I am only talking about Cuba right now. Let me make sure the question is clear. Can you cite any concession toward democratic reform that has ever been made by the Castro dictatorship in the—

Mr. VALENZUELA. Can I cite whether there is concession?

Mr. RIVERA. One more time. Can you cite any concession for democratic reform that has ever been made by the Castro dictatorship?

Mr. VALENZUELA. I can't think of any, no.

Mr. RIVERA. Okay. Then let us go to the specifics of what happens with these concessions.

Mr. VALENZUELA. Alright.

Mr. RIVERA. Travel and trade. In terms of the final disposition of trade and travel-related finances, meaning the money that is generated from this activity, where do these funds end up?

Mr. VALENZUELA. Well, I think that where you are going, Congressman, is that some of the money may, I suspect, in your view,

support the regime, but it is our view that the overwhelming interest—

Mr. RIVERA. I am not judging. I just want to know where the money ends up. I want to see if it supports the regime or doesn't support the regime. Where does the money end up?

Mr. VALENZUELA. In the hands of the people that are going to be benefiting from this, the Cuban people.

Mr. RIVERA. And when they spend it, where does it end up? When they spend it in a diplomatic store, when they spend the money in Cuba, where does it end up, when it leaves their hands?

Mr. VALENZUELA. It goes into buying goods. They buy goods in state commissaries. In that sense it does go into the state commissaries. But as we see right now, Congressman, there is an enormous opportunity with the increasing trend toward privatization in Cuba.

Mr. RIVERA. Let me ask you about that, because you say state commissaries. Are there any private banks where this money goes into? Is there a private-sector entity to make investments, or does money, when it is spent in Cuba, end up anywhere else but in the hands of the state in its final disposition?

Mr. VALENZUELA. The objective of the reforms is for the money to essentially benefit the Cuban people. If there is an ancillary support for government institutions, that is minimal compared with what our objective is in trying to empower the Cuban people through an increase in—

Mr. RIVERA. Money ending up in the hands of the Cuban Government is minimal, okay.

Do you believe Alan Gross is a hostage?

Mr. VALENZUELA. I think that he was unduly detained, incorrectly detained. He was held for a year, as I said earlier, and that was unconscionable. And now he has been changed with 20 years, and we demand his immediate release.

Mr. RIVERA. Can you tell me if you believe he is a hostage?

Mr. VALENZUELA. I don't think he is a hostage, no.

Mr. RIVERA. Thank you.

Mr. MACK. The gentleman's time is expired.

Mr. Sires is recognized for 5 minutes for questions.

Mr. SIRES. Thank you, Mr. Chairman, and thank you, Mr. Valenzuela, for being here today.

I just want to associate myself with some of the comments that were made by the chairman, the ranking member and my friend from Florida.

You might not call them concessions, but this is how we see it. You know, I was born in Cuba. I came here when I was 11 years old. I was probably the only Member of Congress that lived there for 11 years, and I know what it is. So you may not call it concessions, but we do.

You know, we work very hard here to set some of the policies that we have here, and then it goes to the State Department, and concessions are made. So I am not going to belabor the point, but I think Mr. Rivera did a good job on what he did.

But I want to talk a little bit about Colombia. Who set the trip to Colombia? I assume the State Department, right? Excuse me, the trip to South America by the President.

Mr. VALENZUELA. No, it is determined by the White House.

Mr. SIRES. Is there a reason why he is not stopping in Colombia? I mean, I have been in this Congress now 4 years, and I keep hearing what a great supporter Colombia is, what a friend it is, what a great job they are doing. Yet the President is willing to fly right over Colombia and land someplace else. I mean, to me, I would have gone to Colombia before I go to Brazil.

And the other thing that bothered me was that when the President of Colombia was sworn in, I was there. I was there with a couple of other Congresspeople. I didn't see too many high-ranking Department members there from the Department of State, I have to tell you. It was a little embarrassing that this—for 4 years I keep hearing what a great ally Colombia is, and yet when you look around, if it wasn't for the delegation that went, there would have been very little support, it seems.

So, you know, I don't know why the President just seems to fly over Colombia. Can you—

Mr. VALENZUELA. Look, let me say this. We are extremely pleased that the President is going to the region. It is an indication of the commitment that the administration has to the Americas. Obviously there are quite a few countries. Some have to be chosen. It made sense to go to Brazil, the largest country in the region, in South America, and it made sense to go to a country in South America, and it made sense then to go to a country in Central America.

Now, there are a whole host, Congressman, of criteria that I am sure were used by the White House as they looked at this. One example for concern was, you know, are there elections taking place, and would the President going to a particular country, for example, get involved in the internal elections? And so that probably excluded some countries.

And in the case of Colombia, the President will be attending the Summit of the Americas, you know—that is the expectation at least—that is going to take place in Colombia next year. So there is travel by the President that we would hope will take place next year.

I can't speak for the White House.

Mr. SIRES. You hope that it goes to Colombia next year.

Mr. VALENZUELA. I hope it goes to Colombia next year.

Mr. SIRES. Yes, so do we. So you might want to relate to the President that, you know, we would hope that he would consider stopping in Colombia. After all, they are our best friend, our best supporter. We always sing their praises, and yet we ignore them.

Mr. VALENZUELA. The Ambassador of Colombia is right here.

Mr. SIRES. He knows me because I have been to Colombia many times, and he knows exactly what I am talking about.

Mr. VALENZUELA. Right.

Mr. SIRES. In terms of Venezuela and the situation in Venezuela with Iran, I met a group of people at a dinner, and they told me that Iran has the largest, in terms of personnel, Embassy in Venezuela in the world. Is that accurate in terms of the amount of people working at this Iranian Embassy?

Mr. VALENZUELA. I could not say. I don't know whether that is accurate. I could find out for you.

Mr. SIRES. But there are flights twice a week, is it, into Venezuela from Iran, back and forth? And from what I gather, the people have come to my office, it just seems that Iranians are bringing boxes, bringing all sorts of merchandise, never really checked, and it just goes right through.

So I can't—I mean, I am assuming the worst. Obviously this guy Chavez is a nut, you know, in so many words. And so I was just wondering if you have heard anything differently in terms of the amount of people that are working at this Embassy, because obviously that adds a great mischief.

Mr. VALENZUELA. I don't know what the size of their Embassy is in Caracas, and I could try to find out and get back to you on that.

Obviously, Congressman, we are concerned about the relationship between Venezuela and Iran. Iran is, you know—has been designated as an exporter of terror. They are in violation of U.N. Security Council resolutions on issues of nonproliferation. And so we have let both the Venezuelan Government and PDVSA know that they are probably in violation of CISADA commitments that don't permit entities to commercialize with Iran.

Mr. SIRES. Thank you very much.

Mr. VALENZUELA. You are welcome.

Mr. SIRES. Thank you, Mr. Chairman.

Mr. MACK. Thank you.

Mr. Payne, you are recognized for 5 minutes for questions.

Mr. PAYNE. Thank you very much.

There is an international agreement that—and this kind of has a question about human rights—I am sure that you are aware that El Salvador, the smallest country in South America, is being sued by two corporations via the Central American Free Trade Agreement, you know, CAFTA. Citizens, communities leaders and churches have uniformly said “no” to corporations that will jeopardize their water supply, ecosystems and environment. One of these companies, Pacific Rim Mining, is actually a Canadian-based company, went on to register itself in Nevada, was denied, sued in Canada. Now they are suing as a U.S. affiliate.

Is the State Department aware of issues like this, and do we tend to try—of course, we can't dictate what a country should do internally, but do we side, take an advocacy position to the government, at least, suggesting that they should take the will of the people in consideration?

Mr. VALENZUELA. Yes. Thanks, Congressman, for the question. And the answer is yes, that we often work with corporations, and we work with governments, particularly when it comes to extractive industries, to make sure that the practices that extractive industries use are not only respectful of human rights and environmental issues, but also the rights of indigenous populations that might be affected significantly by this kind of activity.

So it is something that we do take very seriously and that we try to work with companies. Many are now much more committed than in the past to corporate social responsibility understood in a broad sense.

Mr. PAYNE. There is a particular issue in Peru, just the reverse. This was a company, U.S.-based company, Doe Run Peru, called

DRP, which is in New York, so I know about the company. And they had—the government said they had to clean up in an environmental issue. They have invested \$315 million in their clean-up. The government was supposed to do the other half. The government has refused to do it.

So this company cannot operate, and I wonder if you could have your—and I will give you some direct information. We have already sent a note to the Secretary, but I would appreciate it if you could follow up on it, because it appears that we have to have these countries know that we are serious about American companies getting a fair shake.

Secondly, we have got to let American companies know that they don't have a right to pollute and make it difficult for people in those countries, because in many instances, as you know, they are vulnerable people. So I will get that to you before you leave.

And as you know, as I mentioned before, labor unions have had a very difficult time in Colombia; 2,800 union activists have been killed since 1986. Now we hear about the fact that we ought to have this Free Trade Agreement, and I think we should, but has the State Department raised the issue? And the problem is that there is no prosecution. You know, the murders go unsolved. Have we had any concern with that?

Mr. VALENZUELA. Yes, absolutely we have had concern, and I am pleased to say that we are moving ahead in a very constructive fashion with the Colombian Government to address these issues. I, myself, took part directly in the high-level dialogue that we have established with the Santos administration on a whole range of issues.

When we deal with Colombia, what is encouraging now is that we are not just talking about security concerns, we are talking about broader issues that have to do with other elements, whether they are social issues and things like that, or how we can work together in Central America and other parts of the hemisphere. So we have a very broad dialogue, and I chaired, myself, co-chaired with the Vice President of Colombia, I chaired our side in this dialogue on human rights and labor rights. And, as you know, the Vice President is a former labor leader and has taken this very, very seriously.

So I think that we have seen tremendous progress in this regard, even though there are some issues that are out there.

Mr. PAYNE. Thank you. My time has expired, but I wonder if you could look into the funding on the State's Race, Ethnicity, and Social Inclusion Unit, which expires, and administers to Brazil and Colombia joint action plans on racial equality. If you could get back to us on whether the State Department will continue that very noble program.

Mr. VALENZUELA. Let me just say that we value that program enormously, and we thought it to be extraordinarily important, and what we want to try to do is expand it. In fact, we have a discussion with the Colombians on Afro-Colombian issues and looking at Central America to maybe look at the Atlantic coast.

Mr. PAYNE. Thank you very much.

Mr. MACK. Thank you, Mr. Payne.



Now I am very pleased to recognize the ranking member of the full committee Mr. Berman for 5 minutes.

Mr. BERMAN. Thank you very much, Mr. Chairman. I won't take that long. I wanted to thank you for yielding me this time.

Secretary Valenzuela, I want to thank you for all the good you have been doing in your position.

The President announced in the State of the Union that he is going to travel to Brazil, Chile and El Salvador in the second half of March, and I want to just particularly express my appreciation that El Salvador is included in the President's upcoming trip.

It seems strange to say it, I mean, El Salvador has been through incredibly difficult times, but it truly—I guess it says something about the region, but it has actually emerged as an anchor of stability in Central America. And I think President Funes deserves our support and the recognition for the role that he is playing by the trip there.

And I was wondering if you could just use this opportunity to explain a little bit. I mean, people could understand Brazil and Chile, obviously, but why El Salvador?

Mr. VALENZUELA. Well, thanks very much for the question, and thanks very much for coming to this hearing and for your interest in Latin America.

I was in El Salvador just last week for 2 days, and there is a lot of excitement in El Salvador about the President's visit.

And as you say, we are particularly delighted to be engaged with a country that has come so far from the tremendous difficulties that we saw in the past.

It is the Central America wars, and today it is a country that strikes me has democratic processes, where there is a greater dialogue across the political divide in the past. There is still a degree of polarization, but there are elements on both sides that are making an effort to try to overcome that and also to try to get the country moving ahead.

They have great challenges, and the problem with public security and citizen security continues to be a really significant problem. But they are kind of an anchor, as you suggest, in the northern tier there in Central America, and thereby they are also absolutely critical for our Central America strategy on security issues and, more broadly, on engagement with Central America.

So the choice of El Salvador, I think, was a very solicitous one, I think, on the part of the White House in that regard. And we agree with you that President Funes is doing a very good job of trying to work through a situation to build a consensus to make sure that the country can move forward.

I might end my comment by saying that I was down there in particular because we have also started a program with four countries in the world, the Philippines, Ghana, Tanzania, and the White House also picked El Salvador on what is called the Partnership for Growth, and that—what we are working with El Salvador is to seek how we can work more effectively to identify constraints to growth. And this is very much on the economic side, because, you know, the proof of the pudding as we move forward is the ability of these societies to generate viable economic systems that produce jobs and that make for better lives for their people.

Mr. BERMAN. Thank you.

Mr. MACK. Thank you very much.

If you don't mind, I think have another round of questions for you.

Mr. VALENZUELA. I would be happy.

Mr. MACK. Wonderful.

As stated in section 7 of the Iran Sanctions Act of 1996, the Secretary of State may issue an advisory opinion explaining whether an action is in violation of the sanctions. Recent reports show that Venezuela is sending shipments of gasoline to Iran that are in clear violation of sanctions against Iran.

So my question to you very specifically, is Venezuela violating the sanctions against Iran?

Mr. VALENZUELA. Let me say that we are looking at that issue; that we have raised this with both, as I said earlier in my testimony, with the state oil firm, with PDVSA, as well as the Venezuelan Government, because we are trying to determine whether or not there is, in fact, a violation of those sanctions.

Mr. MACK. Then I would follow up with that, should we anticipate an advisory opinion regarding Venezuela's violations? Is that something that the committee should expect?

Mr. VALENZUELA. I can't tell you right now, but we are certainly looking into this.

Mr. MACK. I want to go back. There are a lot of questions about the Free Trade Agreements and the trade preferences. And all along we have been hearing that there are—you know, there are certain benchmarks, or they are—almost like we are holding out, the United States is holding out for something.

Can you tell me exactly what it is that we are waiting for that the administration is waiting for to send those agreements to the Congress?

Mr. VALENZUELA. I can't tell you exactly. What we are doing is we are continuing to have a dialogue with the Colombians, as I suggested to you earlier, which includes addressing many of the lingering issues that some folks do have of concern and that we still have a concern on some of these matters. But let me make absolutely clear that our position is that we really need to move forward with the Colombia Free Trade Agreement.

Mr. MACK. And the frustration is we keep hearing that, but nobody knows what it is that you are waiting for. In other words, when you say that there are things that you are talking about, what are those things? You should put those out on the table.

Could you tell us exactly what it is—it is hard to have dialogue about an issue if you are unable to articulate the problems that you are trying to address. So can you tell us what the problems are with those Trade Agreements that are keeping them from coming to the Congress?

Mr. VALENZUELA. As I say, you know, we are committed to moving these forward. And in the dialogue that we have had with the Colombians, we continue to explore some of the areas that are of concern to some Members and to others in this country specifically on issues of labor rights and the issue of the killing of labor leaders. But let me—

Mr. MACK. Let me—real quick.

Mr. VALENZUELA. I don't have a specific metric, Congressman. So that is about—

Mr. MACK. Now, some of those were questions that came up early on that have been addressed. And it just feels like, you know, that we are jerking them around a little bit because no one is able to really answer the question what are the other benchmarks. And may I suggest that if there are one or two Members of Congress that continue to put up these—or stopping the State Department or the President from sending these Trade Agreements, then they should put those out on the table publicly. But the majority of the Members—it is my understanding that the majority of Members are ready, willing and able to pass these Trade Agreements.

The harm that is being done in Latin America is huge because we are not able to move these things. So, you know, if you wouldn't mind, if there are some specific issues that the State Department has or the administration has, if you would bring them forward so we can try to get those answered, because it just feels like we are waiting them out.

Mr. VALENZUELA. Okay. I will get back to you on that, but let me reiterate that we feel the same way that you do, that we have to move forward on it.

Mr. MACK. Well, I have heard the President say that he supports it. I have heard the Secretary of State say that she supports it. I have talked to my colleagues; they support it. So it is frustrating when everyone you talk to says, we are for them. And then when we ask, well, what is held up, we don't seem to get any real answers. So it just seems to me that, again, I think that goes to the whole purpose of this hearing, do we have a foreign policy, because it appears that if we do, it contradicts itself. And this is one way that we can show our friends and allies that we support them.

So I would encourage you to get those questions answered, and let us move forward with those Free Trade Agreements.

Mr. Engel is recognized for 5 minutes.

Mr. ENGEL. Thank you, Mr. Chairman.

First of all, Mr. Secretary, let me personally thank you for the wonderful job that you have done. You and I have talked a great deal, and I do appreciate everything you are doing for our country.

I want to touch on a bunch of points in the 5 minutes I have. Many members here have mentioned Venezuela. I am very concerned as well, as you know, with their relations with Iran, Iran being the greatest exporter of terrorism. We constantly, or periodically, get reports of Iranian or Hezbollah agents traveling through Venezuela. Have you heard any of those reports lately? Is there any validity to that?

And also, Venezuela, just a couple of months ago, formally rejected distinguished career diplomat Larry Palmer to be the next U.S. Ambassador. What is the current status of efforts to exchange ambassadors with Venezuela? I happen to think that they have some nerve rejecting him, quite frankly, and so I want to know about the status of that.

Mr. VALENZUELA. Well, thank you for your kind words, Mr. Chairman—see, I am used to calling you Mr. Chairman.

Mr. ENGEL. You can keep doing it.

Mr. VALENZUELA. I can keep doing that with your permission?

Mr. MACK. That is fine.

Mr. VALENZUELA. With regard to Venezuela, yes, as I said earlier in my testimony, we are concerned about the links with Iran precisely because of Iran's violations of so many of these international dispositions, particularly the U.N. Security Council resolutions, and it is something that we continue to monitor very closely. And I suspect that we are going to look at some other additional determinations on this.

With regard to the naming of the Ambassador, yes, we strongly supported a superb career ambassador, and we were disappointed, very disappointed, that the Venezuelan Government withdrew the agreement for his designation as Ambassador to Caracas.

Mr. ENGEL. Talk to me about the Government of Haiti. The government of Preval has finally accepted the OAS recommendations of the top two candidates, and we now have Baby Doc Duvalier coming there and possibly Aristide coming there. Tell me how confident we are that there will be a peaceful transition of power. And in terms of the relief effort, where does it stand? It seems to be still a lot of people homeless and sleeping in, you know, makeshift tents. And what is the status of our help to the Haitian people?

Mr. VALENZUELA. Well, look, we were pleased that the CEP finally came out with a determination of the first round of the election that tracked the observer mission of the Organization of American States, and we look forward to the second round of the election that is coming up on March 23, I believe. And I think this moves the process forward.

I think it is important for this electoral process to take place. The legitimacy of institutions is very important in Haiti, and so the legitimate electoral process is critical. And I think we are moving in that direction, so that is, I think, helpful. We continue, we must continue, to support them.

Secondly, with regard to the aid and relief effort. If I might take advantage of just one of your minutes to simply compliment the work that MINUSTAH does, the United Nations effort, and particularly some of the countries from the Western Hemisphere that have worked so much with regard to MINUSTAH. And I think that they provide security there.

As you know, this is a mission that is headed up by a Guatemalan diplomat, but with strong support on the security side from Brazil, countries like Uruguay, Chile and others. And this is a notable example, I think, of hemispheric solidarity.

And then thirdly, with regard to the specifics, I think we are moving ahead. It was frustrating at the beginning to get the relief. The immensity of the catastrophe is something that is really beyond words, and so the task of having to sort of—you know, that the international community faced with Haiti was also enormous. But I think that we are seeing now more rubble removed, more progress in terms of trying to be able to rebuild the society.

Mr. ENGEL. I am going to ask the chairman's indulgence because I want to ask you—and perhaps we can talk about it later if you don't have time to answer—what the heck is happening with Argentina with all the stuff happening? I know that they are un-

happy that the President is not visiting there. I wonder if you can comment on that.

But my question is really this: Brazil has recent interest in the U.S. offer to sell fighter aircraft, the F-18, the Super Hornet, as a part of a Foreign Ministry sales transaction between our two countries. I am glad that they are seriously considering it. There are ongoing concerns, however, about the level of U.S. commitment to support the terms of this sale in the area of technology transfer. These are concerns that are raised.

So to what extent do you believe that such a sale promotes the cooperation in interoperability and shared security interests with the U.S.? And what is the administration doing to assure Brazil of our commitment to the terms of this sale and the sharing of associated technologies? And will this be raised by Secretary Clinton in her upcoming consultation with her counterpart Mr. Patriota?

Mr. VALENZUELA. Yes. Well, look, let me make clear that we have made clear through various different entreaties with the Brazilians that we do support the Super Hornet, and that we think it is a far superior aircraft. And we are pleased that, you know, the new President has given some wiggle room to the competition and try to see whether there is a possibility that we might engage.

For further details, I would refer you to our friends at DOD and others on that, but it is something that we are definitely pushing.

Mr. ENGEL. Thank you.

Mr. MACK. Thank you.

The gentleman from Florida is recognized for 5 minutes.

Mr. RIVERA. Thank you, Mr. Chairman.

Mr. Chairman, I want to go back to the case of Alan Gross, because I think it goes to the larger issue of treatment of American citizens generally in Cuba and our Government's response to it.

Are you familiar with the upcoming date of February 24 and its significance in U.S.-Cuba relations?

Mr. VALENZUELA. Remind me.

Mr. RIVERA. February 24, 1996, to be specific?

Mr. VALENZUELA. Oh, yes. Are you referring to the—right.

Mr. RIVERA. I am referring to the date in which four Americans—

Mr. VALENZUELA. The shoot-down.

Mr. RIVERA [continuing]. Were murdered over international waters by the Cuban dictatorship, four Americans murdered on February 24, 15th anniversary coming up. I suspect your Department will be issuing a statement, or the White House will be issuing a statement, once again condemning that inhumane and brutal act.

With respect to Alan Gross, I am wondering, you don't consider him to be a hostage. Do you consider his incarceration lawful?

Mr. VALENZUELA. I think it is unlawful.

Mr. RIVERA. So how would you describe him, as a detainee, unlawful combatant, prisoner? How would you describe Alan Gross?

Mr. VALENZUELA. I haven't thought about it semantically. He is a detainee, I guess.

Mr. RIVERA. Has the Castro dictatorship made any effort—I know they have discussed publicly links between Alan Gross and other issues such as the Cuban Five. Have they privately, or in any

discussions, any negotiations, made any effort to link the Alan Gross case with any other issue whatsoever?

Mr. VALENZUELA. No, they have not, not to my knowledge.

Mr. RIVERA. Every discussion that has come up regarding Alan Gross has never made reference to any other issue related to U.S.-Cuba relations?

Mr. VALENZUELA. Well, we have had our conversations with them on things like the migration talks, and we have raised the issue of Alan Gross. They have complained about—they have a long litany of complaints against the United States, but there has never been, on our part or any part, any specific linkage.

Mr. RIVERA. Such as, in that litany?

Mr. VALENZUELA. Such as?

Mr. RIVERA. Has the Cuban Five ever been raised?

Mr. VALENZUELA. No, not that I am aware of. I haven't been in all conversations with the Cubans.

Mr. RIVERA. Have any sanctions against the government been raised?

Mr. VALENZUELA. No, we have not discussed sanctions with the Government of Cuba.

Mr. RIVERA. So when you say they have raised a litany of issues, what was an example of the litany?

Mr. VALENZUELA. Concerns over the embargo.

Mr. RIVERA. Sanctions.

Mr. VALENZUELA. Embargo is sanctions.

Mr. RIVERA. Okay. So they have discussed the lifting of sanctions in connection with discussions about Alan Gross. Recently I know Alan Gross' wife was able to visit Mr. Gross. At the same time, I believe, one of the wives of the Cuban Five spies was able to visit. Was that a coincidence?

Mr. VALENZUELA. There were two wives were able to visit, or one—I can't remember—and this was—that particular discussion with them was not coincidental. You are right, Congressman.

Mr. RIVERA. It was not coincidental.

And in that case, let me refer you to Webster's dictionary and the definition of "hostage": A person held by one party as a pledge pending the fulfillment of an agreement, or a person taken by force to secure the taker's demand.

Now, you have told me that there was no coincidence in the visitation. You have told me they have raised the issue of sanctions in discussion with Alan Gross. So I will ask you again, based on this definition of "hostage," do you believe Alan Gross is a hostage?

Mr. VALENZUELA. Actually I am going to backtrack on my comment, Congressman. There was an effort made earlier to have those visitations, and that did not go through. So the timing on that was not directly linked to Gross because we had made—there was an effort earlier to try to look at the visitations.

And if you want to call it "hostage," I am happy to agree with you if you want to call it a "hostage." I think he is a detainee.

Mr. RIVERA. Well, if you agree with me that he is a hostage, perhaps a detainee, you said earlier in response to my colleague's questions on efforts to release this hostage that we continue to insist he be released.

Mr. VALENZUELA. Exactly.

Mr. RIVERA. Is that the extent of the administration's efforts to release an American hostage named Alan Gross in Cuba?

Mr. VALENZUELA. We continue to insist that they release him. That is right.

Mr. RIVERA. Thank you, Mr. Chairman.

Mr. MACK. Thank you.

And the gentleman Mr. Faleomavaega is recognized for 5 minutes.

Mr. FALEOMAVAEGA. Thank you, Mr. Chairman. And I deeply appreciate your patience and wanting to give me another opportunity again to ask Secretary Valenzuela a couple of questions.

Mr. Secretary, I realize in fairness to you, because it is difficult for me to raise these questions with you concerning Easter Island, or Rapa Nui, because apparently you may have never received my letter, and maybe the paper shuffling that goes on with the bureaucracy, so you are not aware of the concerns and the problems that I have raised concerning this problem.

I appreciate the definition by my good friend Mr. Rivera what a hostage is, because this is exactly what is happening in Easter Island with the presence of some 100 police, military police, members of the Chilean military forces now in prisons there.

Again, this little island, Mr. Secretary, is well renowned, and pretty much despite its small size, it is known throughout the world for these native people who built these statues called akua-aku, or moai, human statues weighing tens of tons culturally. And I say this because there is a kinship and relationship between the people of Easter Island and me.

Now, whether it be the needs of Mr. Gross or the 2,500 people, they are human beings, and in the advent of the recent military dictatorship of Mr. Pinochet and Chile, I will say that Chile has come a long way not only in obtaining democratic reforms, but the elections that have taken place. And I know that I am also aware that Chile is one of our outstanding trading partners. And I have to give credit to the leaders and the good people of Chile that they have become one of the shining stars of Latin America economically and even politically.

But I will say, Mr. Secretary, that I just am at a loss, maybe because these people are so small. They are members of the Province of Valparaiso that makes up Chile. They bear no economic difference politically—I mean, militarily and economically. These are just people that just want to lay claims to their ancestral homeland or their lands.

And I must say that the Chilean Government has been very unfair, and I say measures of brutality, because people have been wounded seriously by these rubber bullets, have been shot at, in the course of the past couple of weeks. And I don't know if your office has been aware or our Embassy in Chile has been made aware of the problems arising out of Easter Island, but I will deeply appreciate your assistance in seeing that these issues are addressed.

I wanted to ask you, on the question of the historical relationship between Chile and these people, seriously question how they came about taking control of this island that is apparently 2,300 miles

away from Chile, no cultural relationship whatsoever between the people of Easter Island and those of Chile.

I know we have talked about economic exclusive zones, and this is really nice, and talking about fishing rights and all of this, but no questions, despite the appeals made by the Easter Island Parliament, the leaders, in trying to provide some kind of consultations with the Chilean Government. It has been just really don't care. I don't appreciate that, and I wanted to know if your office will look into this.

And before I finish, I just wanted to request from the State Department whatever information or data that the administration has or the State Department has concerning the economic, social and educational standings of the indigenous Indians or indigenous peoples living in these countries throughout Latin America. And I say in the millions, the number of people, but I am just hazarding a guess here, and I would deeply appreciate if you could submit that and be made part of the record. If it is alright, Mr. Chairman, I ask unanimous consent that this be done.

Mr. MACK. Without objection.

Mr. FALEOMAVAEGA. And send it also to my office. I would deeply appreciate it.

Thank you, Mr. Chairman. My time is up.

Mr. MACK. Thank you very much.

A few more questions, if you don't mind.

I want to talk a little bit about—go back to Hugo Chavez a little bit and Venezuela. Isn't it a fact that Hugo Chavez supports terrorists in Venezuela?

Mr. VALENZUELA. There has been some concern, Congressman, of the support that Hugo Chavez has given to elements of the FARC.

Mr. MACK. Some concern, or is this—

Mr. VALENZUELA. Well, no, real concern. This is one of the reasons why he was, you know, put on a—it is short of being on the terrorist list, which is why I know that you are concerned about, but it was designated in such a way because they are not—they are not complying, and they are not cooperating on issues having to do with terrorism. So it is a yes.

Mr. MACK. So, yes, he is supporting terrorists?

Mr. VALENZUELA. Although if I might—if I might add a point, that we see a declining support for the FARC specifically in the last few months, particularly since President Santos in Colombia has reached out to Venezuela.

Let me say that, you know, I am not sure that that is going to work out. You know, I am skeptical about that. But there has been a definite reduction in support for the FARC.

Mr. MACK. Which is a terrorist organization.

Mr. VALENZUELA. It is a terrorist organization, yes.

Mr. MACK. Okay. Isn't it a fact that Chavez supports other rogue regimes by selling gasoline to Iran and engaging with Syria and Libya?

Mr. VALENZUELA. Yes. I mentioned to you that we brought this to their attention to see whether, in fact, they are violating our own legislation in that regard.

Mr. MACK. But the evidence is there. He is supporting, he is selling gasoline to Iran?



Mr. VALENZUELA. He is violating the international sanctions, it appears.

Mr. MACK. And isn't it a fact that Hugo Chavez disavows freedom, undermining the press and discrediting political opposition figures in his country?

Mr. VALENZUELA. We have expressed our concerns over the way he has gone after the press and the way he has harassed opposition figures. And as I said recently publicly, we were concerned about the way in which the National Assembly delegated executive authority to the President, contravening, I think, the sovereignty of the new National Assembly that was elected later.

Mr. MACK. So it is also a fact, then, that Chavez manipulates legislative and judicial institutions in Venezuela, giving himself decree powers, threatening judges?

Mr. VALENZUELA. Exactly. And that is of concern.

Mr. MACK. And when you say "concern," you are not saying concern like concerned whether or not it is happening. It is happening—

Mr. VALENZUELA. It is happening. Yeah, it is happening. When I say about concern, I mean we are concerned about it. Yeah.

Mr. MACK. It brings me to two things. Well, we would agree that in the case of the OAS, that Venezuela is considered to be a member in good standing?

Mr. VALENZUELA. It is a member in good standing, yes.

Mr. MACK. So why do we continue to fund the OAS?

Mr. VALENZUELA. Well, I think we will need to work with other countries to more effectively, Congressman, raise within the OAS and other for a situations where there may be a violation of democratic institutions and democratic rights.

Mr. MACK. But if we know all of these things are facts about Hugo Chavez, why do we continue to support an organization that is in violation of its own charter?

Mr. VALENZUELA. I think it is in our interest, Congressman, to continue to work with the OAS, to try to make sure that the OAS, in fact, meets the obligations that it needs to do. For us to simply walk away from the OAS thinking that because they are not doing this would be to abdicate our own responsibilities and leadership.

Mr. MACK. But wouldn't it show more leadership that if we showed our friends like Panama and Colombia that we support them and that we are going to move the Free Trade Agreements than it is to continue to fund an organization that is in violation of its own charter?

Mr. VALENZUELA. I don't think they are mutually exclusive, Congressman, with all due respect. I think that we need to work to support Colombia free trade, Panama free trade, and at the same time to strengthen our Organization of American States, to make it a more effective institution.

Mr. MACK. Just so you know, I am planning on introducing legislation to withhold funds from the OAS until at such time the OAS can ensure that it actually is fighting for freedom and democracy in Latin America instead of supporting states like Venezuela and Hugo Chavez, who we agree supports terrorists, supports rogue regimes, disavows freedoms, manipulates legislative and judicial in-

stitutions, and has torn apart the domestic fiber of Venezuela. At the same time, I think it is——

Mr. VALENZUELA. Could I interrupt you?

Mr. MACK. Let me just real quick. You are going to also see that I plan on continuing to push that the State Department put Venezuela, put Hugo Chavez on the State Sponsor of Terrorism list. And this gets to the crux of the entire hearing today. The question is, do we have a foreign policy? And it appears that our foreign policy, instead of standing up for America's interests and what is good for America and our allies, we seem to continue to engage in organizations and with countries that are in direct conflict to what it is that America's interests are.

Mr. VALENZUELA. Let me respond by first underscoring the fact that despite some frustration over the inability of the OAS to move forward to strengthen the democratic charter—remember, this is an organization of member states, so there has to be some kind of consensus to do this. This is something that is not just done out of the Secretariat of the OAS.

Mr. MACK. Doesn't it have to be a unanimous vote?

Mr. VALENZUELA. It depends on what for. But, no.

It doesn't have to be a unanimous vote if you want to raise concerns about that.

But let me make a point that the Inter-American Human Rights Commission, which is part of the OAS, has a strong history of defense of democratic values, and they have come out with some very clear statements that are critical of Venezuela recently, and very bold statements. And they have done so by also criticizing press freedoms in Venezuela. And the Secretary General of the OAS also recently made some clear comments about his concerns over the delegation of authority that we talked about earlier. So the picture is not quite as black and white as you suggest, in my view.

Mr. MACK. Well, we have a difference of opinion because I think it is pretty crystal clear.

The gentleman from Florida is recognized for 5 minutes.

Mr. RIVERA. Thank you, Mr. Chairman.

Just continuing on the issue of the treatment of American citizens and how the U.S. Government responds to that treatment by the Cuban dictatorship, are you familiar with the case relating to the 1996 rescue, shoot-down of a Cuban spy who had infiltrated the Brothers to the Rescue Organization and, right before those four Americans were murdered, had returned to Cuba? Are you familiar with that case?

Mr. VALENZUELA. I am not familiar with the case.

Mr. RIVERA. So you are not familiar with the case of the spy who had infiltrated this organization and also married an American citizen named Ana Margarita Martinez?

Mr. VALENZUELA. I am not familiar with that case.

Mr. RIVERA. Well, I know Ana Margarita Martinez was a U.S. citizen who a Cuban spy married who was part of the Brothers to the Rescue shoot-down plot, who also received a judgment by a U.S. court against the Cuban Government for that action against her, and recently has tried to collect on that judgment and has been blocked by this administration collecting on that judgment.

Why is the U.S. Government trying to block a U.S. citizen from collecting a judgment against a foreign government?

Mr. VALENZUELA. Well, I will have to look into that since I don't know this particular case.

Mr. RIVERA. If I send you some written questions, would you indulge me and respond to those questions?

Mr. VALENZUELA. I will respond to your questions.

Mr. RIVERA. Thank you very much.

Going back to one of your previous comments regarding the impact of convertible currency going to the regime, you describe it as minimal compared to what the administration is trying to achieve. We have seen estimates of billions of dollars, U.S. dollars, going to Cuba in terms of travel, particularly travel; business between the United States and Cuba; money that funds the military, military enterprises; money that funds the instruments of repression in Cuba, as you would recognize, I am sure. There are no labor rights or no collective bargaining rights in Cuba. There is no private sector. There is no entrepreneurial class. There is no economic activity that could be considered within normal circumstances, by normal standards, by any other country in the world.

Based on that and the purposes of that money, do you stand by the statement that that money going to the regime really has a minimal impact?

Mr. VALENZUELA. I agree with your analysis that it is a totalitarian state, that the state controls everything, that the people don't have independent economic lives. And that is precisely why the policy needs—we need to find a policy that is effective in reaching out to the Cuban people, because the Cuban people are desirous and want to be able to engage with people elsewhere.

Mr. RIVERA. Let me follow up with that. The problem is I have got 2 minutes left on my time, and I really want to follow up on that statement.

For decades now, people have been traveling to Cuba, families have been traveling to Cuba. We have been trading with Cuba. We are one of Cuba's largest trading partners since 2000, when the restrictions were lifted on trading with medical and agricultural products in particular. The entire world trades with Cuba. The entire world travels to Cuba. You just said to me that that type of policy, that type of engagement, promotes democracy. What democracy has been promoted in the decades and decades that that policy has been pursued with respect to Cuba?

Mr. VALENZUELA. I think that the kind of engagement you might be referring to is people going on tourist vacations and just simply using that opportunity. What this policy does, it does not—

Mr. RIVERA. There is no tourism in going to Cuba from the United States. I am talking about the policy of the United States engaging Cuba, families traveling, trade with Cuba, cultural, academic exchanges that have been there for decades. What reforms have resulted?

Mr. VALENZUELA. I think that those efforts have been minimal and that this is a substantial way to—it takes time to work, Congressman. I think it takes a while for that to work.

Mr. RIVERA. Okay. I appreciate that remark very much, particularly having read some of your books in graduate school. When I

meet privately with you, I am going to remind you of that remark of how much it takes for engagement to work.

Mr. VALENZUELA. Let me sign one of them for you.

Mr. RIVERA. Thank you very much.

With regard to the Colombia FTA and the unresolved issues, that is also something that I would ask if you could try to get us members more specifics on that, and particularly because I think there are many members that are working on that issue, and they shouldn't be wasting their time, if they are.

If there is someone who knows—you said you didn't have the specific metrics, and you said you couldn't say exactly what those unresolved issues are. I am wondering if there is someone else who has the specific metrics or can say exactly what the issues are, because I am one of the freshmen out of many that has been assigned a task of whipping other freshmen, discussing this issue, with the prospect of bringing that Free Trade Agreement to fruition. Is there someone else that can give us that information?

Mr. VALENZUELA. Let us continue to talk about it, because I really would like to be able to be responsive to you on this.

Mr. RIVERA. We will do that, and that was my next question. If you and I could get together perhaps privately, I would love to meet with you. I think it could be the beginning of a beautiful friendship, as Humphrey Bogart said.

Just one more moment, with your indulgence, Mr. Chairman. When I was in graduate school, I really did read several of your books. My professor, who I believe you know, Dr. Eduardo—

Mr. VALENZUELA. I know him very well.

Mr. RIVERA. You know him very well. He spoke always very highly of you. And there are many elements in your writings that I would love to engage in a colloquy with you, particularly as they are relevant to U.S.-Cuba relations.

Mr. VALENZUELA. Excellent. Thanks very much.

Mr. MACK. Thank you.

I thank the gentleman from Florida.

I also thank you, Mr. Valenzuela. We appreciate your time and your patience and your determination to stay and answer questions. And I look forward to continuing the dialogue. As you can see on both sides of the aisle, there are a lot of concerns about if and what our foreign policy is in Latin America. And I think we laid out a lot of questions to you, and hopefully we can expect that you would get back to the committee on a lot of those answers.

And if I could just leave you with this, that I think you have a United States Congress who is begging for you, State Department and the President to send the Free Trade Agreements to the Congress so we can pass them, show our support not only for American workers, but also for our friends in Latin America.

And with that, the subcommittee is adjourned.

[Whereupon, at 4:29 p.m., the subcommittee was adjourned.]

# A P P E N D I X



MATERIAL SUBMITTED FOR THE HEARING RECORD

**HEARING NOTICE**  
**SUBCOMMITTEE ON THE WESTERN HEMISPHERE**  
**COMMITTEE ON FOREIGN AFFAIRS**  
U.S. HOUSE OF REPRESENTATIVES  
WASHINGTON, D.C. 20515-0128

**Connie Mack (R-FL), Chairman**

February 9, 2011

You are respectfully requested to attend an OPEN hearing of the Committee on Foreign Affairs, Subcommittee on the Western Hemisphere, to be held in **Room 2172 of the Rayburn House Office Building (and available live, via the WEBCAST link on the Committee website at <http://www.hcfa.house.gov/hearings.asp>)**:

**DATE:** Tuesday, February 15, 2011

**TIME:** 2:00 p.m.

**SUBJECT:** Does the U.S. have a Policy toward Latin America? Assessing the Impact to U.S. Interests and Allies

**WITNESS:** The Honorable Arturo Valenzuela  
Assistant Secretary of State  
Bureau of Western Hemisphere Affairs  
U.S. Department of State

**By Direction of the Chairman**

*The Committee on Foreign Affairs seeks to make its facilities accessible to persons with disabilities. If you are in need of special accommodations, please call 202-225-5421 at least four business days in advance of the event, whenever practicable. Questions with regard to special accommodations in general (including availability of Committee materials in alternative formats and assistive listening devices) may be directed to the Committee.*

COMMITTEE ON FOREIGN AFFAIRS

MINUTES OF SUBCOMMITTEE ON the Western Hemisphere HEARING

Day Tuesday Date 2/15/11 Room 2172

Starting Time 2:24 p.m. Ending Time 4:29 p.m.

Recesses  (\_\_\_ to \_\_\_) (\_\_\_ to \_\_\_) (\_\_\_ to \_\_\_) (\_\_\_ to \_\_\_) (\_\_\_ to \_\_\_)

Presiding Member(s)

*Connie Mack*

Check all of the following that apply:

Open Session

Electronically Recorded (taped)

Executive (closed) Session

Stenographic Record

Televised

TITLE OF HEARING:

*Does the U.S. Have a Policy Toward Latin America? Assessing the Impact to U.S. Interests and Allies*

SUBCOMMITTEE MEMBERS PRESENT:

*Connie Mack, Michael T. McCaul, Jean Schmidt, David Rivera, Elton Gallegly, Eliot L. Engel, Albio Sires, Eni F.H. Faleomavaega, Donald M. Payne*

NON-SUBCOMMITTEE MEMBERS PRESENT: (Mark with an \* if they are not members of full committee.)

*Howard Berman*

HEARING WITNESSES: Same as meeting notice attached? Yes  No

(If "no", please list below and include title, agency, department, or organization.)

STATEMENTS FOR THE RECORD: (List any statements submitted for the record.)

*Statement: Connie Mack*

*Questions for the Record: Connie Mack, Eliot L. Engel*

TIME SCHEDULED TO RECONVENE \_\_\_\_\_

or

TIME ADJOURNED 4:29 p.m.



Subcommittee Staff Director

SUBCOMMITTEE WH

Hearing/Briefing Title: \_\_\_\_\_

Date: 2/15/11

Present	Member
✓	Connie Mack, FL
✓	Michael McCaul, TX
✓	Jean Schmidt, OH
✓	David Rivera, FL
	Chris Smith, NJ
✓	Elton Gallegly

Present	Member
✓	Eliot Engel, NY
✓	Albio Sires, NJ
✓	Eni F.H. Faleomavaega, AS
✓	Donald M. Payne, NJ



Opening Statement  
Chairman Connie Mack  
Western Hemisphere Subcommittee  
“Does the U.S. have a Policy toward Latin America?  
Assessing the Impact to U.S. Interests and Allies”  
February 15, 2011

President Santos of Colombia, a long time ally of the United States, recently referred to a quote by Henry Kissinger, saying: “to be an enemy of the United States is bad, but to be a friend is fatal”.

Given that there is neither a strategic nor reliable policy coming from this administration toward the region I can understand the frustration of President Santos and our allies in the region. It is my goal to show the entire Western Hemisphere that it is better to be a friend of the U.S. than to be an enemy.

We will focus on various countries, key threats and opportunities from within our Hemisphere throughout my tenure as Chairman, many of which will be addressed at subsequent hearings. Today, however, I want to get to the bottom of key issues where U.S. policies have failed both U.S. citizens and important U.S. allies in the region.

Regarding the Free Trade Agreements: The administration’s lack of action is killing U.S. jobs. The failure to move forward on our promises is hurting important allies in the region. I want to know exact benchmarks for the Panama and Colombia FTA’s and when the president will send them for a vote.

Colombia was signed on November 22, 2006, and then renegotiated to include more stringent environmental and labor standards. It was signed again on May 10, 2007. Panama was signed on June 28, 2007 and South Korea on June 30, 2007 with a renegotiated version signed last December.

I want to warn the Administration that they should send these agreements up in the order that they were signed to ensure the swift passage of each of the agreements.

Regarding Honduras: the Assistant Secretary, and the Secretary for that matter, is very familiar with my position: Honduras has been a great ally of the United States.

The Hondurans managed to escape the target placed on their country by Chavez when the Honduran Supreme Court and Congress legally removed Zelaya from power, and the U.S. administration has been punishing them ever since.

I want to know when all of the visas that were revoked over the past year and a half will be approved for reapplication, and at which board meeting this year the MCC will provide Honduras with their next compact. The fact that Nicaragua, a nation ruled by a corrupt dictator that invaded Costa Rica, is still receiving MCC funds, while Honduras was cut-off, is a disgrace.

Current U.S. policies are weakening Honduran governance and democracy, negatively impacting the Central American region, and harming U.S. interests.

Regarding Venezuela: Hugo Chavez is in violation of U.S. sanctions on Iran, actively supporting terrorist organizations, working directly counter to democracy and freedom in Venezuela and the region, and aggressively opposing U.S. interests. We need to stand with the Venezuelan people who are fighting daily for their freedom and make it clear to Chavez, that like other dictators around the world, that he does not get a free ride.

One place to start is the Keystone XL pipeline. Exports of Venezuelan heavy crude to the U.S. are Chavez's main source of income. Without them, he may have to learn to be more responsive to the needs of Venezuelans. The State Department must approve the Presidential Permit for the pipeline as soon as possible to cut our reliance on Venezuelan oil.

Regarding Cuba: Last month the Administration further loosened travel and remittance restrictions on Cuba, allowing more money to flow to that country. Shortly thereafter, Cuban officials announced they are seeking a 20-year sentence for USAID contractor Alan Gross. Case in point- rewarding dictators only hurts U.S. interests.

Additionally, regarding Mexico: While the Administration has made trips to Mexico, and we have funded the Merida Initiative over the past three years, it isn't enough.

I will be concentrating the time and energy of this subcommittee on determining where a proactive approach from the U.S. can be most effective in fighting the deadly path of the drug trade. We must stop the drug trafficking organizations and illegal armed groups that threaten the security of Mexico, the United States and beyond.

In conclusion, policies of shaking hands with our enemies while ignoring our friends is making us neither a force to be reckoned with nor a friend of value.

You can rely on me to engage the Administration on a very regular basis to ensure we develop a strategic relationship toward Latin America. This is the only way to ensure the freedom, security and prosperity of the United States and our allies.

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**Questions for the Record of the Honorable Connie Mack  
Committee on Foreign Affairs, U.S. House of Representatives  
Subcommittee on the Western Hemisphere  
Hearing: “Does the U.S. Have a Policy Toward Latin America? Assessing the  
Impact to U.S. Interests and Allies”  
*February 15, 2011***

Questions for Assistant Secretary Arturo Valenzuela

**Honduras:** The U.S. State Department has revoked more than 50 Honduran visas in response to the change in government in Honduras in 2009. The State Department is said to be looking into how the revoked Honduran visas will be restored. What is the current status of these visas, why were they revoked, and when will they be reinstated?

**Venezuela:** The State Department is determining whether Venezuela’s state-owned oil corporation, PDVSA, and the Venezuelan Government are subject to sanctions under CISADA. What is the current status of the State Department’s determination and when can Congress expect an advisory opinion regarding the application of sanctions as stated in section 7 of the Iran Sanctions Act of 1996?

**Free Trade Agreements:** The Colombia and Panama Free Trade Agreements were signed in 2006 and 2007, respectively. What are the exact benchmarks, indicators, or metrics that we are waiting on in order to send the Colombia and Panama Free Trade Agreements to Congress?

**Argentina:** The Subcommittee on the Western Hemisphere held a hearing last June on press freedoms in Latin America. At that time, I expressed concern over a range of alarming developments in the Hemisphere in nations from which we have come to expect such oppression and, frankly, others many people ordinarily would not put on that list. Argentina was one such surprise and, I’m sorry to say, it does not appear that government interference in and intimidation of major media outlets there has abated.

In fact, with regard to the nation’s largest cable operator, Clarin, and the newspaper La Nacion, things seem to have gotten much worse as the government appears to be trying to gain control over the supply of newsprint just as Juan Peron’s party did over a half-century ago. The State Department’s human rights report last year didn’t mention these problems, although the OAS’s similar annual report sounded a clear alarm. Will this situation be addressed in State Department’s 2010 Human Rights Report? And if not, why?

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[NOTE: Responses to the above questions were not received prior to printing.]

