

**WESTERN HEMISPHERE BUDGET REVIEW 2013:  
WHAT ARE U.S. PRIORITIES?**

---

---

**HEARING**  
BEFORE THE  
SUBCOMMITTEE ON  
THE WESTERN HEMISPHERE  
OF THE  
COMMITTEE ON FOREIGN AFFAIRS  
HOUSE OF REPRESENTATIVES  
ONE HUNDRED TWELFTH CONGRESS  
SECOND SESSION

APRIL 25, 2012

**Serial No. 112-152**

Printed for the use of the Committee on Foreign Affairs



Available via the World Wide Web: <http://www.foreignaffairs.house.gov/> or  
<http://www.gpo.gov/fdsys/>

U.S. GOVERNMENT PRINTING OFFICE

74-000PDF

WASHINGTON : 2012

---

For sale by the Superintendent of Documents, U.S. Government Printing Office  
Internet: [bookstore.gpo.gov](http://bookstore.gpo.gov) Phone: toll free (866) 512-1800; DC area (202) 512-1800  
Fax: (202) 512-2104 Mail: Stop IDCC, Washington, DC 20402-0001

COMMITTEE ON FOREIGN AFFAIRS

ILEANA ROS-LEHTINEN, Florida, *Chairman*

CHRISTOPHER H. SMITH, New Jersey  
DAN BURTON, Indiana  
ELTON GALLEGLY, California  
DANA ROHRBACHER, California  
DONALD A. MANZULLO, Illinois  
EDWARD R. ROYCE, California  
STEVE CHABOT, Ohio  
RON PAUL, Texas  
MIKE PENCE, Indiana  
JOE WILSON, South Carolina  
CONNIE MACK, Florida  
JEFF FORTENBERRY, Nebraska  
MICHAEL T. McCAUL, Texas  
TED POE, Texas  
GUS M. BILIRAKIS, Florida  
JEAN SCHMIDT, Ohio  
BILL JOHNSON, Ohio  
DAVID RIVERA, Florida  
MIKE KELLY, Pennsylvania  
TIM GRIFFIN, Arkansas  
TOM MARINO, Pennsylvania  
JEFF DUNCAN, South Carolina  
ANN MARIE BUERKLE, New York  
RENEE ELLMERS, North Carolina  
ROBERT TURNER, New York

HOWARD L. BERMAN, California  
GARY L. ACKERMAN, New York  
ENI F.H. FALEOMAVEGA, American  
Samoa  
BRAD SHERMAN, California  
ELIOT L. ENGEL, New York  
GREGORY W. MEEKS, New York  
RUSS CARNAHAN, Missouri  
ALBIO SIRES, New Jersey  
GERALD E. CONNOLLY, Virginia  
THEODORE E. DEUTCH, Florida  
DENNIS CARDOZA, California  
BEN CHANDLER, Kentucky  
BRIAN HIGGINS, New York  
ALLYSON SCHWARTZ, Pennsylvania  
CHRISTOPHER S. MURPHY, Connecticut  
FREDERICA WILSON, Florida  
KAREN BASS, California  
WILLIAM KEATING, Massachusetts  
DAVID CICILLINE, Rhode Island

YLEEM D.S. POBLETE, *Staff Director*

RICHARD J. KESSLER, *Democratic Staff Director*

---

SUBCOMMITTEE ON THE WESTERN HEMISPHERE

CONNIE MACK, Florida, *Chairman*

MICHAEL T. McCAUL, Texas  
JEAN SCHMIDT, Ohio  
DAVID RIVERA, Florida  
CHRISTOPHER H. SMITH, New Jersey  
ELTON GALLEGLY, California

ELIOT L. ENGEL, New York  
ALBIO SIRES, New Jersey  
ENI F.H. FALEOMAVEGA, American  
Samoa  
DONALD M. PAYNE, New Jersey

# CONTENTS

---

	Page
WITNESS	
The Honorable Roberta S. Jacobson, Assistant Secretary of State, Bureau of Western Hemisphere Affairs, U.S. Department of State .....	5
LETTERS, STATEMENTS, ETC., SUBMITTED FOR THE HEARING	
The Honorable Roberta S. Jacobson: Prepared statement .....	7
APPENDIX	
Hearing notice .....	30
Hearing minutes .....	31
The Honorable Connie Mack, a Representative in Congress from the State of Florida, and chairman, Subcommittee on the Western Hemisphere:	
Prepared statement .....	33
Material submitted for the record .....	34



## **WESTERN HEMISPHERE BUDGET REVIEW 2013: WHAT ARE U.S. PRIORITIES?**

**WEDNESDAY, APRIL 25, 2012**

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

The committee met, pursuant to notice, at 2 o'clock 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, for joining us for our hearing today.

After recognizing myself and the ranking member, Mr. Engel, for 5 minutes each for opening statements, I will recognize the members of the subcommittee for 2 minutes each, for their opening statements. We will then proceed directly to hear testimony from our distinguished witness.

The full text of the written testimony will be inserted into the record. Without objections, 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 for questions to our witness. And I now recognize myself for an opening statement.

It is a new year, with a new budget hearing, and things look worse for the United States today than they did last year. We spent approximately \$1.8 billion on programs in the Western Hemisphere last year, and we find that the region has less economic freedom, an increased homicide rate and reduced press freedom. If it was a private company generating this data instead of the U.S. Government, it would be made clear that the product is failing to provide desired results and the contract would not be extended.

Unfortunately, these figures represent the outcome of the U.S. Government's programs and this backsliding is compounded by an increased lack of respect for the United States. The headlines emanating from the Summit of the Americas widely reported that the United States is isolated within the region. You have been in a senior position on issues relating to the hemisphere for over 10 years. During this time we have not held the Organization of American States accountable for their inability or lack of desire to act on behalf of democracy in the hemisphere. Now we see the discussion of redefining democracy gaining steam in the region. While it may be a complex system of governing and is difficult to attain and maintain, democracy has but one definition: Government by the people.

It is clear that Cuba does not have government by the people. Other nations in the region have mutilated government by the people by utilizing executive power to alter constitutions and by daily assaults on free speech. Democratic principles act as a standard for protecting freedom. If these principles slip within our region, the impact to security and the economy will be lasting.

Over the past 10 years, U.S. assistance supporting democratic efforts has been cut while the OAS has received yearly increases. Nicaragua and Ecuador have worked counter to freedom and received a boost in U.S. funding, and new global climate change programs have maintained a healthy stipend. Meanwhile, our allies were dragged through a negative campaign on the free trade agreements, and frustrated on the Keystone XL pipeline. Are we to understand that \$78 million spent on climate change programs outside of our country took priority over enhancing business partnerships and the principles of freedom for the citizens of our region?

Backsliding in the hemisphere is extensive, with attacks on the press and business from Argentina to Ecuador, Ortega's stealing the election in Nicaragua, Chavez's involvement in all of the above while ceding Venezuela to drug traffickers and terrorists. Billions of dollars are going to fight the drug trade with countries who take a public stand against U.S. policies, all while the region bands together to demand the world's longest dictatorship in Cuba a seat at the democratic gathering of nations.

Assistant Secretary, I look forward to hearing how you will improve the markers on this declining state in which we find ourselves. As I have said, and I am sure you agree, the strengthening of our economy and the durability of our national security starts right here with the powerful economies in our region and at our borders. Unfortunately, our policies have come down to promoting the lowest common denominator in an attempt to maintain friends. In the end we have lost our friends and our values.

I hope that you will explain how you will use your new position, and a requested \$1.5 billion to set the United States on a more prosperous path forward, standing with our allies and putting our principles before our adversaries.

With that I now recognize the ranking member, Mr. Engel, for 5 minutes.

Mr. ENGEL. Thank you very much, Mr. Chairman. Thank you for holding this hearing today. With the Summit of the Americas having taken place in Cartagena, Colombia, just 1½ weeks ago, this hearing is a timely review of U.S. policies and priorities in Latin America and the Caribbean.

Before discussing our region, I would like to extend my warmest congratulations to Assistant Secretary Roberta Jacobson whose nomination was recently approved by the Senate. Roberta, your work is widely respected and your abilities are highly regarded by me and by many, many others. I could not be happier for you, for the Department, for our country, and I wish you the best of luck. And I am anxious to hear what you will be testifying about today.

I must say, however, that your nomination was yet another example of how the nominations process in the Senate is failing. When individual senators can hold up qualified nonpolitical nominees like yourself due to one agenda or another, it just shows that

the system is broken and the time to fix it is now. Mr. Chairman, so Mr. Mack, if you are in the other body I am going to count on you to fix the system.

Mr. Chairman, you and I were with President Obama as well as Secretary Jacobson at the Summit of the Americas. We had the opportunity to speak with leaders of the region about the conditions in their countries, how they see the region, their ties with the United States. We learned a great deal about how our friends to the south view key issues including how to work together to halt the illicit drug trade and associated violence, and expand trade and prosperity to all people in our hemisphere.

Personally, I would like to express my deepest thanks to President Obama for including me in his delegation at the Summit. It was eye opening to watch the proceedings, not from the angle of the legislative branch, but through the lens of the executive. And having been there, I must say that President Obama, Secretary Clinton and the rest of the U.S. team performed very well and represented our country with distinction. I thank them for our efforts.

Many good things happened at the Summit of the Americas, many good things that the United States is doing. You wouldn't necessarily know that from the media coverage who was focusing on the scandal, but believe me, there were many, many important things at that Summit and I was proud to be a part of it.

Secretary Jacobson, I know the subcommittee is looking forward to hearing from you on some of the key issues we are monitoring in our region. I think we need to continue to assist Haiti so it can rebuild from the earthquake. We will listen carefully to your thoughts on how the drug crime is affecting our friends in Mexico, Central America and the Caribbean, and how our counter narcotics response is proceeding. We look forward to your comments on the more challenging countries in the hemisphere including Venezuela, Ecuador and others, and of course, Cuba.

As Mr. Mack mentioned, many of the countries are demanding that the next time there is a Summit that Cuba be a part of it. I question and say, well, what is Cuba's responsibility? We wanted to invite them, but what are they willing to do in order to get invited? And so far I don't think we have seen very much. And with the U.S.-Colombia FTA entering force next month, we are hoping you will discuss how this will expand prosperity in the region and create jobs in the U.S., but also your thoughts on the status of implementation of the Labor Action Plan.

So Mr. Chairman, I thank you again for holding this hearing, and I look forward to the testimony.

Mr. MACK. Thank you, Mr. Engel. And I would now like to recognize Mr. Sires for 2 minutes for an opening statement.

Mr. SIRES. Thank you, Chairman Mack. Congratulations on your confirmation. Congratulations on your appointment. You have an easy job. It is only about, I don't know how many countries we have but—I would just share a couple of things of my concern. And first I want to thank Chairman Mack for taking the trip down to the Summit. It was very informative. And it was nice to see the Secretary there.

But in meeting with the different Presidents and the different dignitaries that we met with, I took one thing away, which is very

important and obviously is also our concern, is the drug problem. And one of the things that I took with me is the concern that we are not doing a regional effort to combat the cartels. I think that we put a lot of money in one country. I don't think we put enough on some of the other countries. And from what I gather is what happens, when we fight in Mexico or we put some money in some of the other countries, the other countries become roots. And it is that old expression of the balloon. You squeeze it here and something else pop out someplace else.

So I have been saying this since I got to Congress, that our effort has to be a regional effort. This is not now that we are in the minority, but when we were in the majority we always talked about a regional effort. And it was just confirmed in talking with some of the Presidents at the Summit. They are concerned that they are not getting enough assistance to help us fight the drug problem.

The other thing that concerns me is that it seems that we are trending away from the Western Hemisphere and looking at South-Central Asia and the Middle East, and some of the money seems to be going there. I think that there is no better opportunity for us than in the Western Hemisphere. And to take money away at this time, I don't think is really the best policy that this country can have.

And with that I will end, and I will let the Assistant Secretary make her comments, then I have some questions for the Assistant Secretary later. Thank you, Chairman.

Mr. MACK. Thank you. And now I would like to recognize Mr. Rivera from Miami for 2 minutes for an opening statement.

Mr. RIVERA. Thank you very much, Mr. Chairman. Madam Secretary, thank you for being here. Very nice to see you again after spending some time together in Cartagena.

In terms of my opening statement, I just want to give you some of my reflections based on our trip to participate and observe the Summit of the Americas in Cartagena, Colombia. And one of the biggest concerns that I took away from that Summit was this notion that I believe President Santos had introduced maybe weeks or months earlier. When the issue of Cuba's integration into the Summit process came up, President Santos talked about perhaps the need to redefine our definition of democracy. Because as we know, one of the premises of the Summit process is of course participation of democratic nations. And I think it is a very dangerous slippery slope that we get into if Presidents start talking about redefining democracy, because I think there are a lot of tyrants around the world and certainly in Latin America, or prospective tyrants that could seek refuge in the notion that we somehow need to redefine democracy just to make an accommodation or to apologize for a communist, totalitarian dictatorship in Cuba.

So I want to explore that a little more in my question and answer session, but I certainly want you to know that I hope this administration will summarily reject the notion that democracy needs to be redefined somehow in order so that we can accommodate tyrants like the Castro brothers, because all that will do is encourage further anti-democratic behavior in the hemisphere.

Thank you, Mr. Chairman.

Mr. MACK. Thank you, Mr. Rivera. I would now like to recognize our witness. And first of all, again, congratulations on your appointment and nomination.

The honorable Roberta Jacobson currently serves as the Assistant Secretary for the Western Hemisphere Affairs Bureau. She has had a long and distinguished career, and we mean that in a good way, with the State Department, and on issues relating to the Western Hemisphere. You are certainly no stranger to the committee, to the Hemisphere, and we value your input and direction and look forward to a spirited conversation about how we improve our relations in Latin America to do what, I think, most people desire and that is see the cause of freedom and democracy extended to all.

So with that I recognize the Assistant Secretary for 5 minutes for her opening statement.

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

Ms. JACOBSON. Thank you, Mr. Chairman, very much. Chairman Mack, Ranking Member Engel, members of the committee, it is a privilege to be here today, and it is particularly nice to be back in this chamber after an absence of several months. And I really appreciate the opportunity to speak with you, and the support and engagement that this subcommittee has given to our efforts in the Western Hemisphere. I also thank all of you for being in Cartagena, Colombia, and I look forward to talking about the Summit of the Americas with you.

We are fortunate that in our hemisphere we are overwhelmingly presented with opportunities to advance U.S. objectives and promote democracy and greater prosperity for the United States and all the countries of the region. As you noted, the President's and the Secretary's engagements in Colombia demonstrated the power of this vision to expand social and economic opportunity, but the Summit also provided an opportunity to continue our work standing up for shared democratic values in the Americas. We are especially engaged in responding to threats against democratic governance and freedom of expression, threats to citizen security and threats from external actors in the Western Hemisphere that directly impact the security of the United States.

The Summit of the Americas showcased the region's rapid change. Although obscured by reporting on other issues, the Summit highlighted the many practical ways that governments and citizens in the Americas are coming together to solve problems and build a more successful and connected future. President Obama reinforced the spirit of partnership that has been at the core of his administration's policy in the region. The Colombian Government's program for this year's Summit, including the CEO forum and civil society forums, was a successful example of what Secretary Clinton calls "the three-legged stool of a democratic society," accountable governments, private sectors creating opportunities and engaged civil societies.

The initiative that we launched at the Summit included the establishment of the Small Business Network of the Americas to pro-

vide technical assistance to small and medium sized enterprises and encourage American SMEs to take advantage of the market in this region, announcement of the Women's Entrepreneurship network, advancement of the President's 100,000 Strong in the Americas effort to increase student exchanges, expansion of regional broadband capacity, and support for innovations efforts in development. I am especially enthusiastic about the United States' role in the creation of Colombia's Connect 2022 initiative to expand electrical connectivity throughout the Americas.

Through equal partnership and the power of proximity, the United States is working with capable regional partners to address key challenges facing the people of the Americas. Increasingly, these partnerships do not require U.S. assistance, as more and more countries become global players and donors in their own right. At the same time, transnational crime in the hemisphere has caused violence that makes day-to-day life for some of the region's people intolerable. Sustained U.S. engagement and assistance on this front is required to counter these threats, to improve the lives of people throughout the region and protect our security interests.

The administration's Fiscal Year 2013 request of \$1.65 billion for the Western Hemisphere prioritizes our security initiatives in Mexico, in Colombia, in Central America and in the Caribbean. Our request for these initiatives reflect an emphasis on enhancing capacity and strengthening institutions over the long term. Our assistance draws on the capacity of partners in the hemisphere such as Colombia and Mexico, and other international donors such as Canada, the EU, Spain, the Inter-American Development Bank and others. Our Fiscal Year 2013 request also prioritizes assistance for Haiti to support the country's ongoing development efforts focused on sanitation and health services, expansion of energy infrastructure, economic growth to increase job creation, and improving the government's ability to deliver needed services. In Mexico we continue our shift away from heavy equipment and toward institutional capacity building. We are continuing to work with Colombia and its whole-of-government effort to expand state presence in former conflict zones and protect human rights and economic development.

During the Summit of the Americas, the President also announced our intention to seek an increase to at least \$130 million for our assistance under the Central American Citizens Security Partnership in response to continued high levels of violence in that region.

Finally, let me mention that democracy assistance is also a critical component in achieving our goals, and our commitment to democracy and human rights throughout the hemisphere is unwavering. We will continue to support human rights activists and fundamental freedoms around the world, including in challenging environments like Nicaragua, Ecuador, Venezuela and Cuba.

Thank you again, Mr. Chairman, and I look forward to continuing to work with you to advance U.S. interests in the hemisphere.

[The prepared statement of Ms. Jacobson follows:]

**Bureau of Western Hemisphere Affairs  
U.S. Department of State  
Subcommittee on the Western Hemisphere  
House Foreign Affairs Committee  
April 25, 2012**

Chairman Mack, Ranking Member Engel, Members of the Committee, it is an honor and privilege to be here today. I am genuinely pleased to be able to speak with you again after an absence of several months, and I greatly appreciate this subcommittee's engagement and support for both U.S. assistance and our policies and engagement in the Western Hemisphere. Mr. Chairman and Ranking Member Engel, it is especially good to see you again after our visit to Colombia, and I look forward to sharing with you my reflections on the Summit of the Americas.

We are fortunate that our hemisphere overwhelmingly presents opportunities to advance U.S. interests and objectives and promote greater prosperity and growth for the United States and all countries of the region. The President's and the Secretary's engagements in Colombia demonstrated the power of this positive vision to expand social and economic opportunity, the Summit also provided an opportunity to continue our work to stand up for shared democratic values in the Americas. We are especially engaged in responding to threats against democratic governance and freedom of expression, threats to citizen security and threats from external actors in the Western Hemisphere that directly impact the security of the United States. Addressing these

challenges bilaterally and at the Organization of American States remains our top priority; without improvement in these fundamental areas, economic development, social equity, and democratic institutions will falter. These objectives will continue to be the focus for U.S. assistance resources.

The Summit of the Americas, which I am pleased so many of you had the chance to attend, showcased the region's rapid change. Although obscured by reporting on other issues discussed, the Summit highlighted the many practical ways that countries and societies in the Americas are coming together to solve problems and build a more successful and interconnected future. President Obama reinforced the spirit of partnership that has been at the core of his administration's policy in the region. The Colombian government's program for this year's Summit -- including both CEO and civil society forums -- was a successful example of what Secretary Clinton calls the "other legs of the foreign policy stool" -- accountable governments, prosperous economies, and engaged civil societies. A robust business sector and strong civil society are essential counterparts to an effective and responsible government in achieving regional progress.

Our initiatives for the Summit included: establishment of a Small Business Network of the Americas, the SBNA, to provide technical assistance to small and medium enterprises (SMEs) and to encourage American SMEs to take advantage of the market opportunities that the region presents; announcement of the Women's Entrepreneurship network; advancement of the President's 100,000 Strong in the

Americas effort to increase academic exchanges; expansion of regional broadband capacity; and support for innovation efforts in development; and launching a security partnership with Colombia to provide enhanced levels of citizen security assistance in El Salvador, Guatemala, Honduras and Panama. I am especially enthusiastic about the United States' role in the creation of Colombia's Connect 2022 initiative to expand electrical connectivity throughout the Americas, which will further reduce energy poverty in the region and foster a vast regional market for electrical grid technologies and equipment. Our shared goal is that by 2022, all people of the hemisphere will have access to the electricity they need to do their work productively and to educate their children for the future.

Through equal partnership and the power of proximity, the United States is working effectively with capable regional partners to address key challenges facing the people of the Americas. Increasingly, these partnerships do not require U.S. assistance, as more and more countries become global players and donors of global goods in their own right. North America is an example of such a partnership. There, our initiatives to enhance regulatory cooperation and improve border management, including infrastructure at our ports of entry, will further expand trade and create jobs for all involved.

At the same time, trafficking and transnational crime in the hemisphere have created a violent environment that makes day-to-day life for some of the region's people

intolerable, creating situations where people are afraid to leave their homes or send their children to school. Sustained U.S. engagement and assistance on this front is required to counter these threats, improving the lives of people throughout the region and protecting U.S. security interests. In addition to our support for the Partnership for Growth in El Salvador, food security, inclusive economic growth, promoting energy security, and mitigating the effects of climate change, the Administration's FY 2013 request of \$1.65 billion for the Western Hemisphere prioritizes the Merida Initiative in Mexico, security assistance in Colombia, the Central America Regional Security Initiative, and the Caribbean Basin Security Initiative. These U.S. assistance investments support partner governments' efforts to make their streets safer for their citizens by strengthening the institutions of governance, including the judiciary, law enforcement, and defense institutions.

Our FY 2013 requests for these initiatives reflect an emphasis on enhancing capacity and strengthening institutions over the long term. We are also emphasizing prevention assistance, to ensure a comprehensive approach to crime and violence and enhance the rule of law. Our assistance draws upon the capacity of partners in the hemisphere, such as Colombia, Brazil, and Mexico, Canada, and other international donors, such as the European Union, Spain, and the Inter-American Development and World Banks, to contribute to greater security. Engagement with our partners on issues that they care about, including social inclusion, energy and the environment, will help us

build stronger relationships and contribute to a holistic approach to the difficult security problems we face.

Our FY 2013 request also prioritizes assistance for Haiti to support the country's ongoing development efforts, focusing on: sanitation and health services to help prevent and treat cholera and other water-borne diseases, expansion of energy infrastructure, and economic growth to increase agricultural incomes and get Haitians back to work, and improving the government's ability to deliver needed services and restore faith with its people.

In Mexico, the FY 2013 request continues a shift from equipment items toward training and institutional capacity building assistance, especially state-level programs that will strengthen Mexican capacity to sustain the rule of law and reach young people at risk. Assisting Colombia in its whole-of-government efforts to expand state presence in former conflict areas, protect human rights, and promote economic development, remains a priority for U.S. assistance. The ongoing transfer to Colombia of financial and operational responsibility for counternarcotics and military assistance permits the planned reductions of our aid there.

During the Summit of the Americas, President Obama announced our intention to seek an increase to at least \$130 million in FY 2012 assistance under the Central America Regional Security Initiative in response to continued high levels of violence in that region. Our assistance under CARSI is heavily oriented toward training,

professionalization and capacity building. Community action and municipal crime prevention will help at-risk and vulnerable members of society and marginalized communities.

Our FY 2013 request also supports the Caribbean Basin Security Initiative and is consistent with our comprehensive approach to transnational crime and trafficking in our hemisphere.

Finally, democracy assistance is also a critical component in achieving our goals, and our commitment to democracy and human rights throughout the hemisphere is unwavering. While our security assistance seeks to strengthen democratic institutions threatened by transnational crime, we continue to support human rights activists and fundamental freedoms around the world through democracy programming, including in challenging environments like Nicaragua, Ecuador, Venezuela, and Cuba. As with all our assistance requests, our request reflects the needs as best understood at a particular moment in time. Should the underlying conditions change, we will adjust and discuss our needs with you.

Again, I am pleased to be working with you, and I look forward to continuing our joint efforts to advance U.S. interests and objectives in the Western hemisphere and promote greater prosperity, growth, and security for our region. Thank you very much for your time.

Mr. MACK. Thank you very much. Thank you for your opening statement, and I now recognize myself 5 minutes for questions.

I want to explore a little bit more with you the idea that we seem to be cutting funds for supporting democratic efforts, but we see an increase in funds that goes to the OAS. Can you tell me why is it that it appears that—I will just say it this way. It appears that we are making it more difficult for our allies, and that the enemies of the United States tend to be getting a pass. We see it through the FTAs and how long it took in this drawn out campaign of the FTAs. We see it now with the Keystone XL pipeline. In foreign policy, if we want to say it matters to be a friend of the United States, but then when we have the ability for a Keystone pipeline or for the FTAs we drag our allies through the mud.

Can you kind of explain why it is that funding for democracies has gone down while increased funding to the OAS, when the OAS has, I believe, failed in its mission? And then why do we tend to give a hard time to our allies instead of supporting them with free trade agreements and Keystone XL pipeline?

Ms. JACOBSON. Thank you, Mr. Chairman. I think I want to start off by saying that we certainly are delighted that the free trade agreements are entering into force, that we were able to move those ahead, and that they are strong free trade agreements that will serve both countries, in each case the bilateral agreements, very well. We now have free trade agreements that run from Canada all the way down through South America in many countries of the hemisphere, and that remains a very important part of our policy.

Mr. MACK. But you will admit that it was a very long time, and you have to admit that the length of time it took to get them done, in relation to how long it takes free trade agreements to get done in other places with Latin America countries and other countries, has made it difficult for us in the hemisphere.

Ms. JACOBSON. It did take a long time, there is no doubt. But in the end, what we achieved in terms of agreements with all of these countries, I think, were stronger agreements. The Labor Action Plan and the implementation of that action plan is making a difference on the ground, and we are delighted that this is going to open up such new opportunities for American jobs and for the economies in the region.

But when it comes to supporting democracies and supporting our allies, let me start with, for example, the Citizen Security initiatives, which while Mexico and Colombia are going down, because those are countries that are capable of taking over those programs certainly as many years after we began Plan Colombia as we now are, but in places like Central America the funding is going up because we know that our allies in Central America who are fighting this shared responsibility with us need more help to confront this problem.

But I also want to mention that in the OAS there are some critically important efforts that the OAS has undertaken on democracy issues where we think we have to continue to support them including financially. That includes election observation and reporting and reports that have come out in very challenging environments such as Nicaragua. It includes the Special Rapporteur for Press

Freedom, an issue that I know many on this committee are concerned about, and an issue that has been under some pressure in the OAS where we think it is important that we continue to fund those efforts.

Mr. MACK. Thank you for your answer. I don't know that I completely agree. I mean if you just look this graph, it shows that the freedom of the press in Latin America has been on a steady decline.

[Graph shown.]

Mr. MACK. Again this is one of the things I pointed to in my opening statements. I don't know that this is a show of success for what is happening. And I think the OAS stands in the way of democracy, and that we ought to be strengthening our relationships with our friends and allies instead of turning it over to the OAS. And I know you will disagree, and I am sure we will have plenty of time to talk.

But I want to hit on this idea, or about Cuba for moment, because it was disturbing at the Summit to hear the different countries, so many of them, talk about wanting Cuba to be part of the next Summit or be included in the OAS when Cuba is not a democracy. And the idea that we are going to allow a dictatorship to be part of an organization that is to promote democracy, and even to go so far as to talk about redefining democracy almost like trying to create a special space for Cuba that shouldn't exist. I mean this is a country, and I think you would agree with me on this that all the tools, everything that needs to happen with Cuba is in their hands. With free and fair elections, releasing the political prisoners, freedom of speech, freedom of the press, becoming a democracy they would be welcomed. But I am concerned about the overall take in the Western Hemisphere that we are losing ground even with our allies on this issue. And I would just like to get your response to that.

Ms. JACOBSON. Thank you, Mr. Chairman. I think the President and the Secretary have addressed this issue very well. We certainly agree with you that democracy is not a relative concept, it is a universal concept. And it is enshrined in documents in this hemisphere, in the Inter-American Democratic Charter, and in the Summit process from 2001, when democratic governance was required of those participating in Summits. And so we too look forward to the day when Cuba can participate in the Summits, but that day has not come yet. So we feel very strongly about that, that that is a requirement to participate.

Mr. MACK. You would also say it hasn't come yet because it is Cuba's responsibility, not the responsibility of the United States or any other country in the hemisphere to turn a blind eye to what they are doing in—

Ms. JACOBSON. Absolutely, absolutely. The road map has been set out for Cuba to take that path and enter back into the inter-American system.

Mr. MACK. Thank you. I would now like to recognize Congressman Engel, the ranking member, for 5 minutes for questions.

Mr. ENGEL. Thank you very much, Mr. Chairman. You and I agree on much of what needs to be done vis-à-vis the United States and in Latin America policy. One of the reasons I supported the

free trade agreements with both Panama and Colombia was that I think it is important that we let our friends know that there is an upside into being allies with the United States. I think that there is a geopolitical reason for us to do these things and I think that is very important. And I do agree with the chairman that we have to show countries that it is good to align with us, not with the Chavez' of the world, because we are reliable. So we share that. I do, however, think that the President did a very good job, and the administration did a very good job in the free trade agreements. It is very difficult, very politically tricky, and the President did it. And it is done and I commend the administration for doing it, and I think we are going to see more things like that.

I also agree with the chairman that the OAS is a far from perfect organization. But I think where we disagree is I believe it is the best we have. If we don't strengthen the OAS and if we start pulling back so that the United States does not have as much influence as it does on the OAS, we are going to find that the alternatives are far worse. For instance, I want to ask the Secretary how does she view the CELAC? Is it a competitor to the OAS? Shouldn't we be concerned? I believe we should. That the U.S. is not a member but many of the countries antagonistic to the United States in the hemisphere, including Cuba, are.

So it is almost like be careful what you wish for, because if there are these other organizations that do not allow the U.S. or Canada to participate, I think we are better off staying with the OAS, strengthening the OAS, not pulling funds away from the OAS, and going with the organization where we have influence and where we can help to shape things the way we see it.

And I do agree with both you and the chairman that, and I said it in my opening remarks, that Cuba needs to do a lot more before it can be admitted to the OAS or the Summit of the Americas, and I almost find it preposterous that they refuse to do more. They still have Alan Gross, an American citizen, and yet they think that they can just become members of all these organizations without making a change. So I am wondering if you could talk to me about CELAC and OAS and these other things that I mentioned.

Ms. JACOBSON. Thank you very much, Congressman. I think we agree on a lot of these issues. Multilateral diplomacy has been a big part of this administration's push. We think that when we act with other countries in the hemisphere we get better results, we have a stronger position. The best form for doing that, we believe, is the OAS. It is the longest standing body in the hemisphere. It has got institutions that have been developed to carry out some of its functions, technical functions, whether that is election monitoring or the Special Rapporteurs on various issues that I think are very important at giving voice to some of these democracy issues and others.

CELAC, honestly, is very new. It is hard to say where it is going and what it will be like. Obviously there are lots of different regional organizations, some of which do not include us, and have existed on and off over the past number of years. So I think it is a little bit early for us to say whether CELAC really becomes a competitor to the OAS. Our goal is to support the OAS and to continue to view the OAS, which someday will have, I think, a democratic

Cuba as a member and thereby include all of the countries of the hemisphere, as the primary multilateral vehicle in the hemisphere.

Mr. ENGEL. Thank you. Can you talk a little bit about the Summit of the Americas? We all went, all of us up here, all four of us up here. And if you listen to the media you hear about the scandal with the Secret Service but you don't hear about the good work that was done. What is your assessment of the work that was done at the Summit?

Ms. JACOBSON. Thank you. I guess I would start out by saying that the sheer fact, and many of you spoke about this, the President spoke about this, the sheer fact that we were in Cartagena, Colombia, safely for a number of days in a hemispheric gathering was pretty remarkable after the decade-plus that Colombia has been through. And I think in some ways Colombia's leadership of this Summit demonstrated just how far they have come and the kind of partnerships we really do want to create throughout the hemisphere. And so I think Colombia, as the host and leader of this Summit, was very significant.

Similarly, I think the way they structured this, and I made reference to this in my statement, the way they structured this Summit was a very important model. By having a CEO summit where the private sector really, for the first time, was able to have a true dialogue with the leaders, and a civil society summit, they set up a model which really can serve us well in the future. These Summits can't be government leaders isolated from those two other constituencies in the hemisphere.

But lastly, I would note that although there was a lot of commentary on the lack of a political declaration signed by all the leaders at the end of the Summit, it isn't the first time that that has occurred. And unfortunately, we didn't have consensus on every issue. One of these as you know was Cuba, there were others. But what is, I think, missing from a lot of the commentary is, there was huge amount of support for 16 other paragraphs that everybody agreed on. The importance of focusing on energy both traditional, conventional, and renewable. The importance of education to make societies more competitive in the 21st century. The importance of empowering women and small businesses. So unfortunately, the focus in the press wasn't on those pragmatic solutions, but there was a huge amount of discussion on those in the Summit itself.

Mr. ENGEL. Thank you. Thank you, Mr. Chairman.

Mr. MACK. Thank you, Mr. Engel. I would now like to recognize Mr. Rivera for 5 minutes for questions.

Mr. RIVERA. Thank you, Mr. Chairman. I would like to raise the specter of the recent visit between President Obama and Mr. Medvedev, Putin's puppet, in Russia, in which President Obama expressed flexibility or a willingness to be more flexible with respect to U.S.-Russian relations after the upcoming election. And Mr. Medvedev's response that he will of course inform his master, Putin, of the President's willingness for flexibility. Because in essence what the President was signaling to our allies like Poland, a great ally, that we are willing to throw them under a bus on an issue like missile defense, and risk our own security as well once the nuisance of an election is behind President Obama. I think that

was an extraordinary message to be sending to our allies, and a very dangerous message to be sending to our foes.

I know that in Cartagena after the Summit there was a lack of consensus as you just cited regarding a statement inviting Cuba to participate in the next Summit. And I know some of our diplomats saw that as some sort of a victory and that thus maybe we should tone down expressing our concerns on this matter, because of course that is what diplomats do. They don't want to make waves. But I believe President Obama's colloquy with Medvedev gives me grave concerns on a host of foreign policy and national security issues.

So let me just ask you specifically and directly, did President Obama or any member of this administration communicate to representatives of any government, any private assurances of flexibility after this election with respect to Cuba's admission into the Summit process?

Ms. JACOBSON. Congressman, we did not.

Mr. RIVERA. Thank you. Let me ask another question very directly. If President Obama is reelected and assuming you continue in your post, which I hope you will, and assuming Cuba remains the totalitarian dictatorship that exists today when that Summit comes up again in Panama, will the United States attend the next Summit in Panama if Cuba participates?

Ms. JACOBSON. I have to say, Congressman, there is so many hypotheticals in there.

Mr. RIVERA. There is only two. President Obama being reelected, and Cuba being a totalitarian, communist dictatorship that is on the list of terrorist sponsors by your State Department, that your State Department has issued. You have placed Cuba on the list of terrorist sponsors. If those conditions exist at the next Summit in Panama, will the United States participate if Cuba participates?

Ms. JACOBSON. Congressman, I can't say definitely what status Cuba will have 3 years hence—hang on 1 second.

Mr. RIVERA. Today's status.

Ms. JACOBSON. But if nothing changes then neither would our position.

Mr. RIVERA. So if nothing changes in Cuba with respect to their governing structure, and there is an effort to include Cuba, and indeed that effort succeeds and comes to fruition, the United States will not participate in the Summit of the Americas in Panama, is that correct?

Ms. JACOBSON. What I can't do here is make you a promise on behalf of the President. I can't speak for future action by the President. But what I can tell you is nothing will have changed in our view that Cuba should not be part of the Summit process until they are a democracy and have made changes. If those changes have not come, we will not believe they should be part of the Summit process and we will have to confront that at the time that the Summit is being planned. It might include lots of different options.

Mr. RIVERA. Well, I hope a very clear signal will be sent by whatever administration is in power in the White House after these elections. That under no circumstances will the United States provide credibility, legitimacy, credence, to a supposedly democratic

process when such an anti-democratic regime like the Castro dictatorship would be participating. Thank you, Mr. Chairman.

Mr. MACK. Thank you, Mr. Rivera. Now I would like to recognize Mr. Sires for 5 minutes for questions.

Mr. SIRES. Thank you, Mr. Chairman. First, let me congratulate the Secretary of State and the President for holding firm on not allowing Cuba in the Summit. I know it was not easy. I was very disappointed that the OAS was hiding under a rock in not making any comments about this issue. So that is disappointing.

At the same time, I was more disappointed of what happened with our security forces, not only for ruining the Summit for the President, but really ruin it for the people of Colombia in what they have done over the last 10 years. They tried to put a new face on this hemisphere. They worked so hard. And yet the news out of Colombia is about what went on with the security forces. They all should be dismissed. There is no room for that. And I feel very bad for the people of Colombia, they worked very hard. And some of my Colombian friends have talked to me and said to me, for 10 years all we see on CNN and all these other stations is the terrorists in Colombia and what is going on in Colombia. And now after this Summit, what we see is about prostitutes in Colombia. So it is really a sad commentary on those people that, and I know that not all of them did it, but those ten or twelve people that were involved it is really a sad commentary.

The other thing is, I want you to talk to me a little bit about this idea that maybe we are shifting money from the Western Hemisphere and put it on the Middle East and Asia. I am very concerned. I really think that what I took away from the Summit in talking to some of those Presidents is that they also are concerned, and they are our closest neighbors. And especially what is going on with China trying to get a foothold in all these countries. So can you just speak a little bit to that?

Ms. JACOBSON. Absolutely. There is two things I want to mention. One is just, before I turn to the assistance, just how much engagement we have with countries where there is no assistance component. You just saw the visit of President Dilma Rousseff to Washington from Brazil, the Secretary went on to Brazil after the Summit. We have just multiple dialogues with Brazil. Brazil is shifting in their relationship with us vis-à-vis assistance, to become a partner in donating assistance to Africa with us, working together on food security. So some of the closest relationships we have are no longer defined by assistance because the countries have graduated, have outgrown assistance. And that is a very good thing. But it doesn't mean there is less of a partnership with those countries.

In other cases we have countries where we have had very intense, very large aid relationships like with Colombia, over about 12 years, and that aid is on a downslope, because of Colombia's success and because of their economic ability to assume greater financial responsibility. Again it does not signify a lessening of our commitment to Colombia. It signifies the gradual and managed transition of an aid relationship to one where Colombia can take on more of that responsibility.

In Mexico the shift is from some large pieces of equipment that are expensive, frankly, that we put in the beginning of the Merida Initiative despite how long it took to get things there, to one that is much more intense on training and building capacity which, frankly, is cheaper than helicopters. So I think it is important to recognize that while some of those numbers are going down slightly, the intensity of the cooperation is just as great and in some cases it is increasing.

I think that is also true in Central America and in the Caribbean where the capacity is not as great, where we really do have to stay engaged longer. We have tried to maintain those levels of funding and in some cases increase them because we know there isn't as much capacity. So while I know that there is a lot of attention on the Middle East, on Asia, on other parts of the world, we think we have done a pretty good job at defending levels of assistance that will enable us to maintain those intense relationships on issues of critical importance to the U.S.

Mr. SIREN. I am glad to hear that, because one of the concerns that some of the Presidents especially in Central America have is that they are going to become the root, or they already have become the root where the drugs are going to be transported. And they are fearful that they do not have the means to stop it. So I do hope that we keep concentrating in those areas. Thank you very much.

Thank you, Mr. Chairman.

Mr. MACK. Thank you. And if the Assistant Secretary doesn't mind, we would like to have another round of questions, and they just get easier.

I want to go back. There is clearly a difference of opinion with the OAS, and I respect that other people have a different opinion than mine. But what concerns me about the OAS is, we saw what happened in Honduras, and I believe that the OAS instead of standing up for the people of Honduras and their democracy and constitution, instead sided with Chavez and Zelaya. And in fact, I think that our own administration had the wrong position and the State Department had the wrong position.

So I don't know why we continue to, the idea of multilateral, bilateral, if you are part of an organization that ultimately brings down the overall strength of democracy in an attempt to try to be friends with everybody, that is not getting us anywhere. And you keep pointing to the work it does in monitoring elections. There are some who think they do good work monitoring elections, but there are some, including myself, that don't.

We will have a longer discussion about this and maybe we will invite you back and have another hearing on the OAS. Because I do believe that they stand in the way of democracy building and protecting democracies in Latin America instead of supporting democracies. And there shouldn't be a question. People shouldn't have to guess where the OAS or the United States or any other democracy would stand on these issues. And like Congressman Sires said, sometimes when they are quiet on issues as it relates to Cuba, it causes a lot of problems here in the United States.

But I wanted to turn quickly to Argentina. I believe, and I have for awhile now, that Argentina is up to no good and is turning

away from freedom, democracy. We see it with the taking of business assets, when they play shenanigans with us, accusing the United States of doing things, and then we know that there are court documents and court proceedings that they continue to ignore. So I just would like to get from your perspective, from the State Department's perspective, where you see Argentina in its relationships to the United States. Do you see it one that is challenged or one that is on solid footing?

Ms. JACOBSON. Thank you, Mr. Chairman, I appreciate that question. And I guess I would say it is a difficult relationship, and it is one in which we are working very hard to try and focus on the things we can move ahead on, focus on the positive.

I was in Argentina in February. I studied there as a student. It is a place I have a great fondness for. And we are trying to move ahead in areas that we can and that are positive. But frankly, there are areas of the relationship that are very challenging and which are not moving ahead, and some of those are Argentina's relationship to the international financial community.

You made reference, I think, to some of the outstanding claims, the arbitral awards by ICSID, as the acronym is known, which Argentina has not paid. That was the reason that we announced at the end of March, recommendation to suspend Argentina's GSP privileges, certain trade privileges. We think that Argentina needs to get itself back into a positive relationship with the international financial community both for their own economic future and for the system and those creditors in the United States and elsewhere. So that continues to be a very challenging part of the relationship.

The security relationship is also not back to normal yet. We would like it to get there, but since the incident with the DoD plane over a year ago, we have not been able to work as much on issues like narcotics trafficking that we would like to. So we are still committed to working with Argentina on lots of issues, counterterrorism, educational issues, et cetera, but there are challenges in that relationship.

Mr. MACK. Thank you very much, my time has expired. And Congressman Sires, do you have another question? You are recognized for 5 minutes.

Mr. SIRES. Can you talk a little bit about the progress that we have made in Haiti with the money that we have given them, in terms of infrastructure and basic services? Because I know a lot of people are concerned that we are putting a lot of money in Haiti and maybe it is not getting to the people. So can you just talk a little bit about that?

Ms. JACOBSON. Sure, thank you. There is no doubt, I think, in anyone's mind that we would all like to see the assistance that has been appropriated for Haiti and that is being delivered to Haiti, implemented faster and affect people on the ground faster. I think the last year has seen an acceleration of the implementation of those funds. Half of the rubble from the earthquake has now been cleared. That took a very long time, but that is critically important. You have the number of internally displaced persons going down from about 1.5 million to below 0.5 million. People moving into housing. Obviously great efforts being made against cholera to try and control the spread of that in sanitation and health services.

But there is still a huge amount to be done, and there is no doubt that we have to continue to, frankly, keep our foot to the pedal here because there is a huge amount to be done. And frankly, some of that needs to be done with a Government of Haiti that has a Prime Minister in place. And so as you know the Prime Minister, previous Prime Minister, has resigned. He is in caretaker capacity. A new Prime Minister has been nominated, passed by their Senate. And we are hopeful that that person will be passed by the lower House and that then we will be able to accelerate the efforts still further. But there is a great deal more to be done.

Mr. SIRES. I know that the private sector has helped immensely in Haiti. How is the coordination between the private sector and us in terms of whatever is needed to work together on?

Ms. JACOBSON. I think that is obviously a critical part of the reconstruction effort. There are a number of major projects, whether it is port projects, whether it is an industrial park that is scheduled to open fairly soon, the private sector role in all of this and its coordination with the international community and the donors has been critical throughout. And that communication will continue to be very strong.

Mr. SIRES. Thank you, Chairman.

Mr. MACK. Thank you, Mr. Sires. Mr. Rivera, recognized for 5 minutes.

Mr. RIVERA. Thank you, Mr. Chairman. Madam Secretary, it has been the policy of this administration since it was inaugurated vis-à-vis U.S.-Cuba relations, to loosen travel and trade regulations and sanctions on the Castro dictatorship. The result of that policy, which I often refer to as unilateral concessions to the dictatorship, have been well documented.

A wave of oppression across the island. Cuba continues to harbor fugitives from U.S. justice including cop killers and drug traffickers. Cuba continues to be on the State Department list of sponsors of terrorism, even going to the extent of taking and holding a United States citizen, Alan Gross, hostage in Cuba with an expressed willingness, as Bill Richardson's trip to Havana demonstrates, an expressed willingness to try to trade that hostage to the United States. Is there anything else the Castro dictatorship could do that would actually trigger this administration to tighten sanctions?

Ms. JACOBSON. Well, Congressman, let me start off by saying that the People to People programs, the regulatory changes to allow purposeful travel to Cuba are not designed as anything that benefits the regime. They are designed to benefit the Cuban people. They are designed to allow more contact outside of government for Cuban citizens and American citizens in particular areas. And so we don't see those as positive for the Government of Cuba but for the people of Cuba.

We have kept all of the embargo provisions in place. As you know those are, by law those are not ones that could change in regulation, and there is no plan to change those at this point. We have also engaged with the Cuban Government only on issues, frankly, that are in our national interest. That are in our national security interest when it is critical to our interests to do so. So we believe that we have kept a very firm line on sanctions with the Cuban

Government but tried to open up space for average Cubans separate from their government.

Mr. RIVERA. Can you cite any progress in democratic reforms on the island that have resulted from that policy?

Ms. JACOBSON. Congressman, I can't give you specific examples yet of areas in which citizens have yet been able to exercise more freely, political rights. I wish I could. But I do believe, and I am sure that you would agree, that American citizens are often the best ambassadors for our country. And I do think that that increased contact helps bring us closer to—

Mr. RIVERA. Well, of course that contact did not begin with this administration. We have always had travel, family unification and other types of licensed travel to Cuba, and it hasn't resulted in any democratic reforms.

But let me just go, I only have a minute left, to Venezuela very quickly, because my understanding is that in January of this year you were sent documents from the Venezuelan Ministry of Justice implicating Hugo Chavez in covering up a case involving a 2.2 ton shipment of cocaine in November 2005, and that according to these materials, President Chavez was notified in writing of "sufficient evidence linking then Brigadier General Henry de Jesus Rangel Silva in a smuggling case" and that rather than ordering an inquiry of this denunciation of Rangel Silva's involvement in narcotics trafficking, Chavez has actually named him his Minister of Defense. And I am wondering what action, if any, was taken to expose this apparent criminality.

Ms. JACOBSON. Congressman, all I can say on that is that when we receive information about potential wrongdoing, allegations of wrongdoing in Venezuela as in every other country, we make sure that we pass those documents to the relevant U.S. intelligence and law enforcement agencies, and continue to look at those very carefully for potential future actions.

Mr. RIVERA. Thank you very much.

Mr. MACK. Thank you very much, Mr. Rivera. I have one more round of questions, and if you don't mind, well, we will make this the last one.

One of the other issues that was talked to quite a bit during our meetings at the Summit was this notion of legalizing drugs. And I wanted to first give you a minute, if you would like to, here on the record here in the committee, state the official position of the administration and State Department and our U.S. Government.

Ms. JACOBSON. Sure. Very quickly I can tell you that that is not a direction the United States Government believes we should go, that legalization is not the answer to this problem. But we understand the frustration of countries with the violence and the difficulty in confronting trafficking, and we have to discuss a whole lot of options to confront it, but we don't believe legalization in the way to go.

Mr. MACK. Thank you. I think it is important. Obviously this is an area where we agree very much, and was concerned that there was so much talk about it in Latin America at the Summit on this idea that dialogue is good. Well, dialogue is good, but there are certain things you don't put on the table. And we think that legalizing drugs is one of those issues that just should not be on the table.

We know in the United States we have an epidemic on prescription drug abuse, and those are legal drugs but it is the number one killer over cocaine and heroin combined. I just wanted to give you an opportunity here on the record. So I think that is an area we agree.

The last question that I have is, I want to talk about Mexico a little bit. The drug cartels in Mexico have certainly evolved over time, and there is no doubt that they are operating in countries other than just Mexico. We know that they are operating here in the United States. We know that they have, operating in Central and South America. And the Merida Initiative, although I think we all think it is good, I am not sure that it is a program that is situated to handle the evolution in Mexico. And I know it is a touchy subject. Every time I bring up counterinsurgency we get our friends that aren't happy with me.

But I believe that if we are going to be successful in confronting these insurgencies in Mexico, then it is going to take an all-of-government approach. And I am concerned that the Merida Initiative lacks some of the ability to do that, and I would like to just get your opinion on those issues.

Ms. JACOBSON. Thank you, Mr. Chairman. I think you know that I have worked on Mexico for quite a long time, and I completely agree that a whole-of-government approach is absolutely what is needed. What I think is important to remember is that the Merida Initiative and the foreign assistance that the State Department administers, which we work with our colleagues in USAID within the State Department in our International Narcotics and Law Enforcement Office, but also with our colleagues in DEA, in FBI, in DHS, both ICE and others, is only part of what we work with Mexico on. There are also programs under DoD and for the U.S. military to work jointly with counterparts in Mexico on training. So we feel like we really have crossed the law enforcement and security force spectrum to include all the best ideas to respond to the threat and to work with counterparts.

Mr. MACK. Thank you, I appreciate that. But I guess that I see it a little differently, and we are back to this kind of silo mentality. And what I am talking about is, how do we approach this where when we do an all-of-government approach that all of government is actually working together in a coordinated effort? And absolutely I know that there are many agencies, departments in the U.S. Government that is participating in Mexico, but I am concerned about the coordination. And that I know that there has been advances. But I think if we have a program that is going to look at it as one, if you will, that instead of having the silo mentalities of how we are going to deal with the insurgents in Mexico, because look, frankly, the people who live along the southern border are fearful. And so you have drugs and criminals and terrorist organizations that are trying to move north across the border, and you have guns and money that is moving south.

So it is a shared interest to secure that border and also to ensure that the insurgents in Mexico don't have the ability to continue to operate in the United States and in Central and South America. So I think this whole-of-government approach needs to be done under one spectrum instead of the silo effect that we have now.

I will just leave that with you, and thank you very much. Next is Mr. Sires for 5 minutes.

Mr. SIRES. Thank you, Mr. Chairman. We have a situation in Venezuela where the President is obviously in Cuba for treatment and elections are in October. One way maybe that the OAS can become useful is by sending monitors to the election process and be observers. I was just wondering if anything like that has been discussed or anything with the OAS, and then do you know what kind of plans are we making in case Chavez doesn't leave Cuba?

Ms. JACOBSON. Congressman, we certainly believe that international and domestic election observers will be very important in Venezuela, and we would strongly support election observation missions for the October elections. There is obviously lots of different organizations that may be able to do that. Within the OAS context, the Venezuelan Government would have to request the OAS monitor the elections. We hope they will do that. And we certainly are talking with partners and folks around the hemisphere to encourage election monitoring. But we think it is equally important that domestic organizations be able to monitor the elections within Venezuela.

And in terms of the issues of President Chavez' health, we really don't have any more information than everybody else has, but we are obviously watching things very closely making sure we have good information, reaching out to Venezuelans of all stripes as we have over the last number of years, and will continue to do regardless of his health status.

Mr. SIRES. Thank you very much.

Mr. MACK. Thank you, Mr. Sires. Now I will recognize Mr. Rivera for 5 minutes for questions.

Mr. RIVERA. Thank you very much, and pleasantly surprised that we get another round. I didn't know we would. So maybe I will ask about Cuba.

And something very interesting happened in the Summit, and again just want you to kind of have a full association moment here. But Congressman Sires and Congressman Mack and Congressman Engel and I, we were in some meetings where I remember some of us asked Presidents of Latin American countries, why is it that there is this push to reintegrate Cuba into the Summit process so vehemently amongst some Presidents? And we actually had Presidents tell us in a moment of candor that the main reason is because many Latin American countries fear upheaval and civil unrest among the more leftist sectors of their society, labor groups, student groups, nongovernment organizations that are very sympathetic and have alignments and nexus with the Castro dictatorship. And so in order to prevent those types of disturbances and civil unrest, they kowtow to the Castro brothers. We actually heard that from Latin American Presidents.

President Calderon from Mexico was here yesterday. We met with him. And I asked him what he could cite as the success of over 50 years of engagement by Latin America in Cuba, what democratic reforms they can cite. Because they always call our policy a failure, so I asked him for the successes in terms of democratic reforms of engagement in Cuba by Mexico and other Latin American countries. And his response was, well, we were able to

extract Mexican citizens from Cuba's prisons. And again, he stated how Cuba had these relationships with terrorist organizations like the FARC, but they never had terrorist problems in Mexico precisely because of their friendly relationship with the Castro brothers.

And so you have so much experience in Latin America, and I am just going to ask you that whatever candor you can give here within the parameters of being a diplomat and a representative of the U.S. Government, does any of this ring true to you?

Ms. JACOBSON. I guess the part that rings true is that all politicians have different constituencies to engage with, but I also think the President said it really well when he talked about moving beyond left and right. And there are universal standards that we in this hemisphere have signed up to, and I think some of those old debates about the left and the right domestically in countries throughout the hemisphere are just not as relevant as they used to be.

Mr. RIVERA. So do you believe that Latin American leaders fear the connections between the Castro brothers and leftist elements whether they be terrorist elements or civil elements in their societies, and therefore that is why they seem to be so compliant toward the Castro dictatorship?

Ms. JACOBSON. I think it is very hard for me to assert what they may feel or—

Mr. RIVERA. I am asking just based on your experience as a diplomat throughout Latin America.

Ms. JACOBSON. No, I appreciate that. I really do, I appreciate that and I appreciate your confidence that I can ascertain sort of the reasons behind this. But I certainly think as I said, I guess, in the start, they all have constituencies. So there may be some element of political evaluation that this is an issue on which the left cares deeply, and they may want to address that particular constituency.

Mr. RIVERA. Well, I appreciate that. I have 1 minute left and I would like to ask you with respect to the Millennium Challenge funds in Central America, particularly in El Salvador. We have seen what has been happening with El Salvador and confiscation of U.S. investments in El Salvador and so forth, and in other countries in Central America. Do you think it is time for perhaps the United States to reassess our relationship in terms of these programs with these countries that are having, I guess, offensive behavior really toward U.S. interest in these countries?

Ms. JACOBSON. Congressman, I think it is very important that we pursue issues of potential expropriation or takings of properties with governments whether it is El Salvador or others in the hemisphere, and we are going to do that pretty aggressively. But I don't think we have come to the conclusion that it would necessarily be productive to end relationships through the MCC or other of our assistance programs which go to some of the poorest in those countries, and we continue to believe are very important programs. That doesn't mean we are not going to work on the issues of potential takings or expropriations.

Mr. RIVERA. Thank you very much. Thank you, Mr. Chairman.

Mr. MACK. Thank you, Mr. Rivera. And for the last question, Congressman Engel is recognized for 5 minutes.

Mr. ENGEL. Thank you, Mr. Chairman. We have all mentioned Cuba and I mentioned Alan Gross. I am wondering if you could just update us. Is there anything new about him? It is just really an outrage that the Castro government continues to hold him on trumped-up charges, and it is just a disgrace. Anything new with that?

Ms. JACOBSON. Mr. Engel, I really wish I could bring you some new news there. I truly do. This is an issue that I have been working very hard personally, but more importantly so have my boss, Under Secretary Sherman, and the Secretary and others. And we have used just about every means that we could to try and get Alan Gross home where he belongs with his family. We had some hope that the Cuban Government would take the opportunity of the Pope's visit to make this gesture and to release Alan Gross. His mother's 90th birthday was just about 10 days ago while we were in Cartagena. She is very ill with lung cancer. There is just no reason to hold this man and not to allow him to be home with his family. And we will continue to use every mechanism that we can, but I have no progress on that front to report to you.

Mr. ENGEL. Thank you. We have all made the point that Cuba has not moved at all toward democracy and why it should not participate in another conference if it hasn't changed. Democracy aside, and that is the most important issue, but something as small as this, the Government of Cuba has shown its total intransigence on every matter, not just democracy, not just allowing political pluralism, not just to human rights. This is an American citizen who does not by any stretch of the imagination deserve to be incarcerated. And they won't even budge on that.

So it is very disheartening that people want to still give them a free pass and say that we should just keep a blind eye and just pretend, that it doesn't matter what kind of government any country has, we are all of the same. And I think that undermines the organizations and the countries that talk that way. It really diminishes them.

Could you talk to me about the CIFTA treaty, the gun trafficking CIFTA treaty. The State Department has confirmed that the U.S. in compliance with CIFTA, and is this true, and what is the status of treaty and efforts to get it ratified in the Senate?

Ms. JACOBSON. Thank you, Congressman. We, as you know had sent the CIFTA treaty, the small arms treaty, to the Senate after it was signed in 1997. What has changed since then, I am happy to say, is that the treaty is on the State Department's or the administration's list of priority treaties, and that is as of last October when that went forward to the Senate Foreign Relations Committee. So we are still hoping that there will be movement on that treaty.

Most importantly, I think it is important to make clear that there are no U.S. laws or regulations that would have to change for implementation of the CIFTA treaty. It recognizes legal rights to own guns and weapons, and we do not believe there is a conflict between the CIFTA treaty and the laws and the rights that Amer-

ican citizens enjoy. So we hope that it will move ahead. We think it is important in the hemisphere.

Mr. ENGEL. Thank you. Let me ask you a question about Colombia. I mentioned before that I supported the FTA with Colombia, and I believe that Colombia is a tremendous example of a country that works with us, is a strong ally, and I can't say anything more. I am very pleased with the fact that they have done everything expected of them. But can you tell me if Colombia has fully implemented the Labor Action Plan? Because there has been some talk that they have not, and if that is not true, which sections still require implementation and is there a firm timetable for implementation?

Ms. JACOBSON. Congressman, I think that Ron Kirk, the U.S. Trade Representative said it pretty well in Cartagena when he talked about the Colombian Government reaching all of the milestones that we expected and hoped for in the Labor Action Plan. They are clearly making serious efforts to protect trade unionists, to ensure that there are prosecutions of cases of violence against union leaders, and that we were pleased enough with that progress obviously for the free trade agreement to be put into effect. But I will tell you that there still are things that need to be done, and we will continue to work with the Colombian Government really without an end date but continue to work with them to implement fully those provisions and to continue to improve the record on trade unions.

Mr. ENGEL. I don't know if when I was out of the room if we talked a lot about Mexico. What is the status of Merida? Are the funds still flowing? We still know there is lots of help that the Mexicans need, and I think in terms of our relationships with countries, all the countries to our south, none is more important than our relationship with Mexico. Obviously we share a large border. They have been a good ally, and what happens down there affects us up here and vice versa.

Ms. JACOBSON. Congressman, we are very happy that the pace of implementation has accelerated pretty dramatically in Mexico. The Secretary committed that last calendar year we would implement \$500 million in assistance, and we hit that goal, made it just over that so that we are over \$900 million implemented already in the Merida Initiative. But we are continuing. That number continues to increase, and to continue to work with the Mexicans. And now the shift is also to work with Mexican states. Because Mexican police are over 400,000 in state and local jurisdictions and only 40,000 at the Federal level. So there is clearly a lot more we still have to do, but there is huge progress that has been made.

Mr. ENGEL. Okay, I see my time is up. So I want to thank you again, and thank you very much, Mr. Chairman.

Mr. MACK. Thank you, Mr. Engel. And thank you very much for your time, for your responsiveness to our questions. We appreciate it so much and we look forward to the next time we can have you back in front of the committee and continue the dialogue, so thank you very much.

The committee hearing is now adjourned.

[Whereupon, at 3:28 p.m., the subcommittee was adjourned.]



# APPENDIX



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**

April 18, 2012

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>)**:

**DATE:** Wednesday, April 25, 2012  
**TIME:** 2:00 p.m.  
**SUBJECT:** Western Hemisphere Budget Review 2013: What Are U.S. Priorities?  
**WITNESS:** The Honorable Roberta S. Jacobson  
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 202/225-5021 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 Wednesday Date April 25, 2012 Room 2172

Starting Time 2:17 Ending Time 3:28

Recesses  ( to ) ( to )

Presiding Member(s)

*Rep. Conle Mack*

Check all of the following that apply:

Open Session

Electronically Recorded (taped)

Executive (closed) Session

Stenographic Record

Televised

TITLE OF HEARING:

*Western Hemisphere Budget Review 2013: What Are U.S. Priorities?*

SUBCOMMITTEE MEMBERS PRESENT:

*Reps. Mack, Rivera, Engel, and Sires*

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

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.)

*Rep. Mack: Opening Statement, Graphs*

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

or  
TIME ADJOURNED 3:28

  
Subcommittee Staff Director

**Subcommittee Members Attendance**

- Mack, Connie
- McCaul, Michael T.
- Schmidt, Jean
- Rivera, David
- Smith, Christopher H.
- Gallegly, Elton
- Engel, Eliot L.
- Sires, Albio
- Faleomavaega, Eni F. H.



PREPARED STATEMENT AND MATERIAL SUBMITTED FOR THE RECORD BY THE HONORABLE CONNIE MACK, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA, AND CHAIRMAN, SUBCOMMITTEE ON THE WESTERN HEMISPHERE

Opening Statement  
 Chairman Connie Mack  
 Western Hemisphere Subcommittee  
 "Western Hemisphere Budget Review 2013: What are U.S. priorities?"  
 April 25, 2011

It's a new year, with a new budget hearing, and things look worse for the United States today than they did last year. We spent, approximately \$1.8 billion on programs in the Western Hemisphere last year and we find that the region has less economic freedom, an increased homicide rate, and reduced press freedom.

If it was a private company generating this data, instead of the U.S. Government, it would be made clear that the product is failing to provide desired results and the contract would not be extended. Unfortunately, these figures represent the outcome of U.S. Government programs and this backsliding is compounded by an increased lack of respect for the United States. The headlines emanating from the Summit of the Americas widely reported that the United States is isolated within the region.

You have been in a senior position on issues relating to the Hemisphere for over ten years. During this time we have not held the Organization of American States accountable for their inability, or lack of desire, to act on behalf of democracy in the hemisphere. Now we see the discussion of re-defining democracy gaining steam in the region. While it may be a complex system of governing and is difficult to attain and maintain, democracy has only one definition: government by the people.

It is clear that Cuba does not have 'government by the people'. Other nations in the region have mutilated 'government by the people' by utilizing executive power to alter constitutions and by daily assaults on free speech. Democratic principles act as a standard for protecting freedom; if these principles slip within our region the impact to security and the economy will be lasting.

Over the past ten years, U.S. assistance supporting democratic efforts has been cut while the OAS has received yearly increases. Nicaragua and Ecuador have worked counter to freedom and receive a boost in U.S. funding. And new Global Climate Change programs have maintained a healthy stipend. Meanwhile, our allies were dragged through a negative campaign on the free trade agreements and frustrated on the Keystone XL pipeline. Are we to understand that the \$78 million spent on climate change programs outside of our country took priority over enhancing business partnerships and the principle of freedom for the citizens of our region?

Backsliding in the Hemisphere is extensive, with attacks on press and business from Argentina to Ecuador; Ortega's stealing the election in Nicaragua; Chavez's involvement in all the above while ceding Venezuela to drug traffickers and terrorists. Billions of dollars are going to fight the drug trade with countries who are taking a public stand against U.S. policies. All while the region bands together to demand the world's longest dictatorship in Cuba a seat at a democratic gathering of nations.

Assistant Secretary, I look forward to hearing how you will improve the markers on this declining state in which we find ourselves.

As I have said, and I'm sure you agree, the strengthening of our economy and the durability of our national security starts right here, with the powerful economics in our region and at our borders. Unfortunately, our policies have come down to promoting the lowest common denominator in an attempt to maintain friends. In the end, we have lost our friends and our values.

I hope that you will explain how you will use your new position, and a requested 1.65 billion dollars, to set the United States on a more prosperous path forward, standing with our allies and setting our principles before our adversaries.





