

EXPRESSING PROFOUND CONCERN ABOUT THE ONGOING POLITICAL, ECONOMIC, SOCIAL AND HUMANITARIAN CRISIS IN VENEZUELA, URGING THE RELEASE OF POLITICAL PRISONERS, AND CALLING FOR RESPECT OF CONSTITUTIONAL AND DEMOCRATIC PROCESSES; AND THE NICARAGUA INVESTMENT CONDITIONALITY ACT (NICA) OF 2016

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MARKUP

BEFORE THE  
SUBCOMMITTEE ON  
THE WESTERN HEMISPHERE  
OF THE

COMMITTEE ON FOREIGN AFFAIRS  
HOUSE OF REPRESENTATIVES

ONE HUNDRED FOURTEENTH CONGRESS

SECOND SESSION

ON

**H. Res. 851 and H.R. 5708**

SEPTEMBER 15, 2016

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**EXPRESSING PROFOUND CONCERN ABOUT THE ONGOING  
POLITICAL, ECONOMIC, SOCIAL AND HUMANITARIAN CRI-  
SIS IN VENEZUELA, URGING THE RELEASE OF POLITICAL  
PRISONERS, AND CALLING FOR RESPECT OF CONSTITU-  
TIONAL AND DEMOCRATIC PROCESSES; AND THE NICA-  
RAGUA INVESTMENT CONDITIONALITY ACT (NICA) OF 2016**

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**Thursday, September 15, 2016**

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

The subcommittee met, pursuant to notice, at 10:00 a.m., in room 2172 Rayburn House Office Building, Hon. Jeff Duncan (chairman of the subcommittee) presiding.

Mr. DUNCAN. The subcommittee will come to order. Pursuant to notice, we meet today to mark up two bipartisan measures and I think this is the first markup of this subcommittee since I have been the chairman, so kind of a momentous day.

As members, we were notified previously to ensure that we can move expeditiously to our hearing. We will consider today's items en bloc, and so without objection the following items provided to your offices earlier this week will be considered en bloc and considered as read: House Resolution 851, expressing profound concern about the ongoing political, economic, social, and humanitarian crisis in Venezuela, and the Duncan Amendment 73 in the nature of a substitute to H.R. 851. Members will please note that two words have been stricken from page 3 per agreement with the majority and minority from the ANS that was previously circulated. We apologize for that.

The second bill be H.R. 5708, the Nicaraguan Investment Conditionality Act of 2016 and also the Sires Amendment No. 16 in the nature of a substitute, H.R. 5708.

[The information referred to follows:]

114TH CONGRESS  
2D SESSION

## H. RES. 851

Expressing profound concern about the ongoing political, economic, social and humanitarian crisis in Venezuela, urging the release of political prisoners, and calling for respect of constitutional and democratic processes.

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### IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 8, 2016

Ms. WASSERMAN SCHULTZ (for herself, Ms. ROS-LEHTINEN, Mr. DUNCAN of South Carolina, Mr. SIREs, Mr. ROYCE, Mr. DEUTCH, Mr. HASTINGS, Mr. CURRELO of Florida, Mr. McCAUL, Mr. DESANTIS, Mr. ENGEL, Ms. FRANKEL of Florida, Mr. CICILLINE, Mr. BUCHANAN, Mr. LOWENTHAL, Mr. GRAYSON, Mr. MURPHY of Florida, Mr. BILIRAKIS, Ms. WILSON of Florida, Mr. YOHIO, Mr. CASTRO of Texas, and Mr. DIAZ-BALART) submitted the following resolution; which was referred to the Committee on Foreign Affairs

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## RESOLUTION

Expressing profound concern about the ongoing political, economic, social and humanitarian crisis in Venezuela, urging the release of political prisoners, and calling for respect of constitutional and democratic processes.

Whereas the deterioration of basic governance and the economic crisis in Venezuela have reached deeply troubling levels, which in turn have led to an unprecedented humanitarian situation in Venezuela where millions of people are suffering from severe shortages of essential medicines and basic food products;

Whereas Venezuela lacks more than 80 percent of the basic medical supplies and equipment needed to treat its population, including medicine to treat chronic illnesses and cancer as well as basic antibiotics, and 85 percent of pharmacies are at risk of bankruptcy, according to the Venezuelan Pharmaceutical Federation;

Whereas, despite the massive shortages of basic foodstuffs and essential medicines, President of Venezuela Nicolas Maduro has rejected repeated requests from the majority of members of the National Assembly and civil society organizations to bring humanitarian aid into the country;

Whereas the International Monetary Fund assesses that, in Venezuela, inflation reached 275 percent and the gross domestic product contracted 5.7 percent in 2015, and further projects that inflation will reach 720 percent and the gross domestic product will contract an additional 8 percent in 2016;

Whereas Venezuela's political, economic, and humanitarian crisis is fueling social tensions that are resulting in growing incidents of public unrest, looting, and violence among citizens;

Whereas these social distortions are taking place amidst an alarming climate of violence as Caracas continues to have the highest per capita homicide rate in the world at 120 per 100,000 citizens, according to the United Nations Office on Drug and Crime;

Whereas the deterioration of governance in Venezuela has been exacerbated by widespread public corruption and the involvement of public officials in illicit narcotics trafficking and related money laundering, which has led to indictments by the United States Department of Justice

and ongoing investigations by the United States Department of the Treasury and the United States Drug Enforcement Administration;

Whereas domestic and international human rights groups recognize more than 85 political prisoners in Venezuela, including opposition leader and former Chacao mayor Leopoldo Lopez, Judge Maria Lourdes Afiuni, Caracas Mayor Antonio Ledezma, former Zulia governor Manuel Rosales, and former San Cristobal mayor Daniel Ceballos;

Whereas, in December 2015, the people of Venezuela elected the opposition coalition (Mesa de Unidad Democrática) to a two-thirds majority in the unicameral National Assembly, with 112 out of the 167 seats compared with 55 seats for the government's Partido Socialista Unido de Venezuela party;

Whereas, in late December 2015, the outgoing National Assembly increased the number of seats in the Supreme Court of Venezuela and confirmed magistrates politically aligned with the Maduro Administration and, thereafter, the expanded Supreme Court has blocked four legislators, including 3 opposition legislators, from taking office;

Whereas, during the first 6 months of the new legislature, the Supreme Court has repeatedly issued politically motivated judgments to overturn legislation passed by the democratically elected National Assembly and block internal legislative procedures;

Whereas, in 2016, President Maduro has utilized emergency and legislative decree powers to bypass the National Assembly, which, alongside the actions of the Supreme



Court, have severely undermined the principles of separation of powers in Venezuela;

Whereas, in May 2016, Organization of American States Secretary General Luis Almagro presented a 132-page report outlining grave alterations of the democratic order in Venezuela and invoked Article 20 of the Inter-American Democratic Charter, which calls on the OAS Permanent Council “to undertake a collective assessment of the situation”;

Whereas, in June 2016, at a joint press conference with Prime Minister Justin Trudeau of Canada and President Enrique Peña Nieto of Mexico, President Barack Obama stated, “Given the very serious situation in Venezuela and the worsening plight of the Venezuelan people, together we’re calling on the government and opposition to engage in meaningful dialogue and urge the Venezuelan government to respect the rule of law and the authority of the National Assembly.”; and

Whereas, at the joint press conference with Prime Minister Justin Trudeau and President Peña Nieto, President Barack Obama continued, “Political prisoners should be released. The democratic process should be respected and that includes legitimate efforts to pursue a recall referendum consistent with Venezuelan law.”: Now, therefore, be it

- 1       *Resolved*, That the House of Representatives—
- 2               (1) expresses its profound concern about wide-
- 3       spread shortages of essential medicines and basic
- 4       food products faced by the people of Venezuela, and

1       urges President Maduro to permit the delivery of  
2       humanitarian assistance;

3           (2) calls on the Government of Venezuela to im-  
4       mediately release all political prisoners, to provide  
5       protections for freedom of expression and assembly,  
6       and to respect internationally recognized human  
7       rights;

8           (3) supports meaningful efforts towards a dia-  
9       logue that leads to respect for Venezuela's constitu-  
10      tional mechanisms and resolves the country's polit-  
11      ical, economic, social, and humanitarian crisis;

12          (4) affirms its support for OAS Secretary Gen-  
13      eral Almagro's invocation of Article 20 of the Inter-  
14      American Democratic Charter and urges the OAS  
15      Permanent Council, which represents all of the orga-  
16      nization's member states, to undertake a collective  
17      assessment of the constitutional and democratic  
18      order in Venezuela;

19          (5) expresses its great concern over the Ven-  
20      ezuelan executive's lack of respect for the principle  
21      of separation of powers, its overreliance on emer-  
22      gency decree powers, and its subjugation of judicial  
23      independence;

24          (6) calls on the Government of Venezuela and  
25      security forces to respect the Constitution of Ven-

1       ezuela, including constitutional provisions that pro-  
2       vide Venezuelan citizens with the right to peacefully  
3       pursue a fair and timely recall referendum for their  
4       President this year if they so choose;

5       (7) stresses the urgency of strengthening the  
6       rule of law and increasing efforts to combat impu-  
7       nity and public corruption in Venezuela, which has  
8       bankrupted a resource-rich country, fuels rising so-  
9       cial tensions, and contributes to elevated levels of  
10      crime and violence; and

11      (8) urges the President of the United States to  
12      provide full support for OAS efforts in favor of con-  
13      stitutional and democratic solutions to the political  
14      impasse, and to instruct appropriate Federal agen-  
15      cies to hold officials of the Government of Venezuela  
16      accountable for violations of United States law and  
17      abuses of internationally recognized human rights.

PAGE 3)

**AMENDMENT IN THE NATURE OF A SUBSTITUTE  
TO H.RES. 851  
OFFERED BY MR. DUNCAN OF SOUTH CAROLINA**

Strike the preamble and insert the following:

Whereas the deterioration of basic governance and the economic crisis in Venezuela have reached deeply troubling levels, which in turn have led to an unprecedented humanitarian situation in Venezuela where millions of people are suffering from severe shortages of essential medicines and basic food products;

Whereas Venezuela lacks more than 80 percent of the basic medical supplies and equipment needed to treat its population, including medicine to treat chronic illnesses and cancer as well as basic antibiotics, and 85 percent of pharmacies are at risk of bankruptcy, according to the Venezuelan Pharmaceutical Federation;

Whereas, despite the massive shortages of basic foodstuffs and essential medicines, President of Venezuela Nicolas Maduro has rejected repeated requests from the majority of members of the National Assembly and civil society organizations to bring humanitarian aid into the country;

Whereas the International Monetary Fund assesses that, in Venezuela, inflation reached 275 percent and the gross domestic product contracted 5.7 percent in 2015, and further projects that inflation will reach 720 percent and the gross domestic product will contract an additional 8 percent in 2016;

Whereas Venezuela's political, economic, and humanitarian crisis is fueling social tensions that are resulting in growing incidents of public unrest, looting, and violence among citizens;

Whereas these social distortions are taking place amidst an alarming climate of violence as Caracas continues to have the highest per capita homicide rate in the world at 120 per 100,000 citizens, according to the United Nations Office on Drug and Crime;

Whereas the deterioration of governance in Venezuela has been exacerbated by widespread public corruption and the involvement of public officials in illicit narcotics trafficking and related money laundering, which has led to indictments by the United States Department of Justice and ongoing investigations by the United States Department of the Treasury and the United States Drug Enforcement Administration;

Whereas domestic and international human rights groups recognize more than 85 political prisoners in Venezuela, including United States citizens Francisco Márquez and Josh Holt, opposition leader and former Chacao mayor Leopoldo Lopez, Judge Maria Lourdes Afiuni, Caracas Mayor Antonio Ledezma, former Zulia governor Manuel Rosales, and former San Cristobal mayor Daniel Ceballos;

Whereas, in December 2015, the people of Venezuela elected the opposition coalition (Mesa de Unidad Democrática) to a two-thirds majority in the unicameral National Assembly, with 112 out of the 167 seats compared with 55 seats for the government's Partido Socialista Unido de Venezuela party;

Whereas, in late December 2015, the outgoing National Assembly increased the number of seats in the Supreme Court of Venezuela and confirmed magistrates with the Maduro Administration and, thereafter, the expanded Supreme Court has blocked four legislators, including 3 opposition legislators, from taking office;

Whereas the Supreme Court has repeatedly issued ~~politically motivated~~ judgments to overturn legislation passed by the democratically elected National Assembly and block internal legislative procedures;

Whereas, in 2016, President Maduro has utilized emergency and legislative decree powers to bypass the National Assembly, which, alongside the actions of the Supreme Court, have severely undermined the principles of separation of powers in Venezuela;

Whereas democracy is failing in Venezuela, the Maduro government controls the presidency, a majority of the municipalities, the Supreme Court, the military leadership, the state-owned oil company (PDVSA) leadership, and most of the media;

Whereas the former Presidents of Spain, Panama, and the Dominican Republic have pursued dialogue between President Maduro and the National Assembly;

Whereas, in May 2016, Organization of American States Secretary General Luis Almagro presented a 132-page report outlining grave alterations of the democratic order in Venezuela and invoked Article 20 of the Inter-American Democratic Charter, which calls on the OAS Permanent Council “to undertake a collective assessment of the situation”;

Whereas the countries of Argentina, Belize, Brazil, Canada, Chile, Colombia, Costa Rica, Guatemala, Honduras, Mexico, Panama, Paraguay, Peru, United States, and Uruguay called on the Venezuelan Government in June 2016 to “guarantee the exercise of the constitutional rights of the Venezuelan people and that the remaining steps for the realization of the Presidential Recall Referendum be pursued clearly, concretely and without delay”;

Whereas, in June 2016, at a joint press conference with Prime Minister Justin Trudeau of Canada and President Enrique Peña Nieto of Mexico, President Barack Obama stated, “Given the very serious situation in Venezuela and the worsening plight of the Venezuelan people, together we’re calling on the government and opposition to engage in meaningful dialogue and urge the Venezuelan government to respect the rule of law and the authority of the National Assembly.”; and

Whereas, at the joint press conference with Prime Minister Justin Trudeau and President Peña Nieto, President Barack Obama continued, “Political prisoners should be released. The democratic process should be respected and that includes legitimate efforts to pursue a recall referendum consistent with Venezuelan law.”: Now, therefore, be it

Strike all after the resolving clause and insert the following:

That the House of Representatives—

- 1 (1) expresses its profound concern about wide-
- 2 spread shortages of essential medicines and basic

1 food products faced by the people of Venezuela, and  
2 urges President Maduro to permit the delivery of  
3 humanitarian assistance;

4 (2) calls on the Government of Venezuela to im-  
5 mediately release all political prisoners, including  
6 United States citizens; to provide protections for  
7 freedom of expression and assembly, and to respect  
8 internationally recognized human rights;

9 (3) supports meaningful efforts towards a dia-  
10 logue that leads to respect for Venezuela's constitu-  
11 tional mechanisms and resolves the country's polit-  
12 ical, economic, social, and humanitarian crisis;

13 (4) affirms its support for OAS Secretary Gen-  
14 eral Almagro's invocation of Article 20 of the Inter-  
15 American Democratic Charter and urges the OAS  
16 Permanent Council, which represents all of the orga-  
17 nization's member states, to undertake a collective  
18 assessment of the constitutional and democratic  
19 order in Venezuela;

20 (5) expresses its great concern over the Ven-  
21 ezuelan executive's lack of respect for the principle  
22 of separation of powers, its overreliance on emer-  
23 gency decree powers, and its threat to judicial inde-  
24 pendence;



1           (6) calls on the Government of Venezuela and  
2       security forces to respect the Constitution of Ven-  
3       ezuela, including constitutional provisions that pro-  
4       vide Venezuelan citizens with the right to peacefully  
5       pursue a fair and timely recall referendum for their  
6       President this year;

7           (7) stresses the urgency of strengthening the  
8       rule of law and increasing efforts to combat impu-  
9       nity and public corruption in Venezuela, which has  
10      bankrupted a resource-rich country, fuels rising so-  
11      cial tensions, and contributes to elevated levels of  
12      crime and violence;

13          (8) urges the President of the United States to  
14      provide full support for OAS efforts in favor of con-  
15      stitutional and democratic solutions to the political  
16      impasse, and to instruct appropriate Federal agen-  
17      cies to hold officials of the Government of Venezuela  
18      accountable for violations of United States law and  
19      abuses of internationally recognized human rights;  
20      and

21          (9) urges the President to continue to stand in  
22      solidarity with the Venezuelan people by urging the  
23      Maduro government to—

24              (A) hold a fair and free recall referendum  
25              by the end of this calendar year;

- 1 (B) release all political prisoners, including  
2 United States citizens, from prison;  
3 (C) adhere to democratic principles; and  
4 (D) permit the delivery of emergency food  
5 and medicine.



114TH CONGRESS  
2D SESSION

# H. R. 5708

To oppose loans at international financial institutions for the Government of Nicaragua unless the Government of Nicaragua is taking effective steps to hold free, fair, and transparent elections, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 11, 2016

Ms. ROS-LEHTINEN (for herself, Mr. STRES, Mr. DIAZ-BALART, Mr. CÁRDENAS, Mr. DUNCAN of South Carolina, Mr. NORCROSS, Mr. CURBELO of Florida, Mr. CUELLAR, Mr. YOHIO, and Mr. BRENDAN F. BOYLE of Pennsylvania) introduced the following bill; which was referred to the Committee on Foreign Affairs, and in addition to the Committee on Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To oppose loans at international financial institutions for the Government of Nicaragua unless the Government of Nicaragua is taking effective steps to hold free, fair, and transparent elections, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

### 3 SECTION 1. SHORT TITLE.

4 This Act may be cited as the “Nicaraguan Invest-  
5 ment Conditionality Act (NICA) of 2016”.

1 **SEC. 2. FINDINGS.**

2 Congress makes the following findings:

3 (1) In 2006, Nicaragua, under President  
4 Enrique Bolaños, entered into a \$175,000,000, 5-  
5 year compact with the Millennium Challenge Cor-  
6 poration (MCC).

7 (2) After the 2008 municipal elections, the  
8 MCC stated that there was a pattern of decline in  
9 political rights and civil liberties in Nicaragua.

10 (3) In 2009, the MCC terminated the compact  
11 and reduced the amount of MCC funds available to  
12 Nicaragua by \$61,500,000, which led to the compact  
13 ending in 2011.

14 (4) According to Nicaraguan law, the National  
15 Assembly is the only institution allowed to change  
16 the constitution but in 2009, Daniel Ortega cir-  
17 cumvented the legislature and went to the Supreme  
18 Court, which he controls, to rule in his favor that  
19 Presidential term limits were inapplicable.

20 (5) The House Committee on Foreign Affairs  
21 convened a congressional hearing on December 1,  
22 2011, entitled “Democracy Held Hostage in Nica-  
23 ragua: Part 1” where former United States Amba-  
24 sador to Nicaragua Robert Callahan testified,  
25 “First, that Daniel Ortega’s candidacy was illegal,  
26 illegitimate, and unconstitutional; second, that the

1 period leading to the elections and the elections  
2 themselves were marred by serious fraud; third, that  
3 Daniel Ortega and his Sandinista party have system-  
4 atically undermined the country's fragile govern-  
5 mental institutions".

6 (6) From fiscal year 2012 until present, the  
7 Department of State found that Nicaragua did not  
8 meet international standards of fiscal transparency.

9 (7) On January 25, 2012, a press statement  
10 from Secretary of State Hillary Clinton said: "As  
11 noted by international observers and Nicaraguan  
12 civil society groups, Nicaragua's recent elections  
13 were not conducted in a transparent and impartial  
14 manner, and the entire electoral process was marred  
15 by significant irregularities. The elections marked a  
16 setback to democracy in Nicaragua and undermined  
17 the ability of Nicaraguans to hold their government  
18 accountable.".

19 (8) According to the Department of State's  
20 2015 Fiscal Transparency Report: "The government  
21 does not publicly account for the expenditure of sig-  
22 nificant off-budget assistance from Venezuela and  
23 this assistance is not subject to audit or legislative  
24 oversight. Allocations to and earnings from state-  
25 owned enterprises are included in the budget, but

1 most state-owned enterprises are not audited. The  
2 supreme audit institution also does not audit the  
3 government's full financial statements. Nicaragua's  
4 fiscal transparency would be improved by including  
5 all off-budget revenue and expenditure in the bud-  
6 get, auditing state-owned enterprises, and conducting  
7 a full audit of the government's annual financial  
8 statements and making audit reports publicly avail-  
9 able within a reasonable period of time."

10 (9) According to the Department of State's  
11 Country Reports on Human Rights Practices for  
12 2015: "In 2011 the Supreme Electoral Council  
13 (CSE) announced the re-election of President Daniel  
14 Ortega Saavedra of the Sandinista National Libera-  
15 tion Front (FSLN) in elections that international  
16 and domestic observers characterized as seriously  
17 flawed. International and domestic organizations  
18 raised concerns regarding the constitutional legit-  
19 imacy of Ortega's re-election. The 2011 elections  
20 also provided the ruling party with a supermajority  
21 in the National Assembly, allowing for changes in  
22 the constitution, including extending the reach of ex-  
23 ecutive branch power and the elimination of restric-  
24 tions on re-election for executive branch officials and  
25 mayors. Observers noted serious flaws during the

1 2012 municipal elections and March 2014 regional  
2 elections.”.

3 (10) According to the Department of State’s  
4 Country Reports on Human Rights Practices for  
5 2015 in Nicaragua: “The principal human rights  
6 abuses were restrictions on citizens’ right to vote;  
7 obstacles to freedom of speech and press, including  
8 government intimidation and harassment of journal-  
9 ists and independent media, as well as increased re-  
10 striction of access to public information, including  
11 national statistics from public offices; and increased  
12 government harassment and intimidation of non-  
13 governmental organizations (NGOs) and civil society  
14 organizations.”.

15 (11) The same 2015 report stated: “Additional  
16 significant human rights abuses included consider-  
17 ably biased policies to promote single-party domi-  
18 nance; arbitrary police arrest and detention of sus-  
19 pects, including abuse during detention; harsh and  
20 life-threatening prison conditions with arbitrary and  
21 lengthy pretrial detention; discrimination against  
22 ethnic minorities and indigenous persons and com-  
23 munities.”.

1           (12) In February 2016, the Ortega regime de-  
2       tained and expelled Freedom House's Latin America  
3       Director, Dr. Carlos Ponce, from Nicaragua.

4           (13) On May 10, 2016, the Supreme Electoral  
5       Council announced and published the electoral cal-  
6       endar which aims to govern the electoral process.

7           (14) After receiving the electoral calendar for  
8       the 2016 Presidential elections, the Nicaraguan po-  
9       litical opposition raised concerns and pointed to a  
10      number of anomalies such as: the electoral calendar  
11      failed to contemplate national and international ob-  
12      servations, failed to agree to publicly publish the  
13      precincts results of each Junta Receptora de Voto  
14      (JRV), and failed to purge the electoral registration  
15      rolls in a transparent and open manner.

16          (15) Nicaragua's constitution mandates terms  
17      of 5 years for municipal authorities, which would in-  
18      dicate that the next municipal elections must occur  
19      in 2017.

20          (16) On June 3, 2016, the Nicaraguan Su-  
21      preme Court—which is controlled by Ortega—in-  
22      structed the Supreme Electoral Council not to swear  
23      in Nicaraguan opposition members to the depart-  
24      mental and regional electoral councils.



1           (17) On June 5, 2016, regarding international  
2     observers for the 2016 Presidential elections, Daniel  
3     Ortega stated: “Here, the observation ends. Go ob-  
4     serve other countries . . . There will be no observa-  
5     tion, neither from the European Union, nor the OAS  
6     . . .”.

7           (18) On June 7, 2016, the Department of  
8     State’s Bureau of Democracy, Human Rights and  
9     Labor posted on social media: “Disappointed govern-  
10    ment of Nicaragua said it will deny electoral observ-  
11    ers requested by Nicaraguan citizens, church, and  
12    private sector . . . We continue to encourage the  
13    government of Nicaragua to allow electoral observers  
14    as requested by Nicaraguans.”.

15          (19) On June 8, 2016, the Supreme Electoral  
16    Council—which is controlled by Ortega—announced  
17    a ruling, which changed the leadership structure of  
18    the opposition party and in practice allegedly barred  
19    all existing opposition candidates from running for  
20    office.

21          (20) On June 14, 2016, Daniel Ortega expelled  
22    three United States Government officials (two offi-  
23    cials from U.S. Customs and Border Protection and  
24    one professor from the National Defense University)  
25    from Nicaragua.

1           (21) On June 22, 2016, a Global Fellow from  
2           the Woodrow Wilson Center chose to leave Nica-  
3           ragua because of fear. According to a media report,  
4           the fellow stated “Police were following me. I did  
5           not understand the reason why they were following  
6           me, but it was clear to me what they were doing  
7           . . . Of course (I felt fear), I was surprised espe-  
8           cially because the research I am doing is completely  
9           academic, not journalistic, and that made me wonder  
10          why they would be so interested in something like  
11          that.”.

12          (22) On June 29, 2016, the Department of  
13          State issued a Nicaragua Travel Alert which stated:  
14          “The Department of State alerts U.S. citizens about  
15          increased government scrutiny of foreigners’ activi-  
16          ties, new requirements for volunteer groups, and the  
17          potential for demonstrations during the upcoming  
18          election season in Nicaragua . . . Nicaraguan au-  
19          thorities have denied entry to, detained, questioned,  
20          or expelled foreigners, including U.S. government of-  
21          ficials, academics, NGO workers, and journalists, for  
22          discussions, written reports or articles, photographs,  
23          and/or videos related to these topics. Authorities  
24          may monitor and question private U.S. citizens con-

cerning their activities, including contact with Nicaraguan citizens.”.

(23) On June 30, 2016, the Human Rights Foundation issued a press release stating: “. . . Daniel Ortega has used all sorts of trickery to push for constitutional reforms and illegal court rulings in order to extend his time in power indefinitely . . . If the opposition is not allowed to meaningfully compete, the upcoming elections in Nicaragua cannot be considered free and fair and the Inter-American Democratic Charter should be applied to the Sandinista regime.”. The release continued, stating that “The principle of alternation of power is enshrined in the Inter-American Democratic Charter (IADC) as an essential element of democracy. Even though Ortega pushed through a constitutional amendment allowing for indefinite re-election, he did so by circumventing the separation of powers illegally. An uncontested re-election of Ortega would clearly violate the IADC, which was signed by Nicaragua in 2001. If that is the case, Secretary General Almagro should activate the IADC and, if necessary, call for the suspension of Nicaragua from the OAS.”.

**SEC. 3. STATEMENT OF POLICY.**

It is the policy of the United States to support—

- 1 (1) the rule of law and an independent judiciary
- 2 and electoral council in Nicaragua;
- 3 (2) independent pro-democracy organizations in
- 4 Nicaragua; and
- 5 (3) free, fair, and transparent elections under
- 6 international and domestic observers in Nicaragua in
- 7 2016 and 2017.

8 **SEC. 4. INTERNATIONAL FINANCIAL INSTITUTIONS.**

9 (a) IN GENERAL.—The President shall instruct the  
10 United States Executive Director at each international fi-  
11 nancial institution to use the voice, vote, and influence of  
12 the United States to oppose any loan or other utilization  
13 of the funds of the respective institution for the benefit  
14 of the Government of Nicaragua, other than to address  
15 basic human needs or to promote democracy, unless the  
16 Secretary of State certifies and reports to the appropriate  
17 congressional committees that the Government of Nica-  
18 ragua is taking effective steps to—

- 19 (1) hold free, fair, and transparent elections
- 20 overseen by credible domestic and international elec-
- 21 toral observers;
- 22 (2) promote democracy, as well as an inde-
- 23 pendent judiciary system and electoral council;
- 24 (3) strengthen the rule of law; and

1 (4) respect the right to freedom of association  
2 and expression.

3 (b) DEFINITIONS.—In this section:

4 (1) APPROPRIATE CONGRESSIONAL COMMIT-  
5 TEES.—The term “appropriate congressional com-  
6 mittees” means—

7 (A) the Committee on Foreign Affairs, the  
8 Committee on Appropriations, and the Com-  
9 mittee on Financial Services of the House of  
10 Representatives;

11 (B) the Committee on Foreign Relations,  
12 the Committee on Appropriations, and the  
13 Committee on Banking, Housing, and Urban  
14 Affairs of the Senate.

15 (2) INTERNATIONAL FINANCIAL INSTITU-  
16 TION.—The term “international financial institu-  
17 tion” means the International Monetary Fund,  
18 International Bank for Reconstruction and Develop-  
19 ment, European Bank for Reconstruction and Devel-  
20 opment, International Development Association,  
21 International Finance Corporation, Multilateral In-  
22 vestment Guarantee Agency, African Development  
23 Bank, African Development Fund, Asian Develop-  
24 ment Bank, Inter-American Development Bank,  
25 Bank for Economic Cooperation and Development in

1 the Middle East and North Africa, and Inter-Amer-  
2 ican Investment Corporation.

3 (c) TERMINATION.—This section shall terminate on  
4 the day after the date on which the Secretary of State  
5 certifies and reports to the appropriate congressional com-  
6 mittees that the requirements of subsection (a) are met.

7 **SEC. 5. ORGANIZATION OF AMERICAN STATES.**

8 (a) FINDINGS.—Congress finds that, according to the  
9 Organization of American States (OAS) report on the Nie-  
10 araguan 2011 Presidential elections, Nicaragua: Final Re-  
11 port, General Elections, OAS (2011), the OAS made the  
12 following recommendations to the Government of Nica-  
13 ragua:

14 (1) “Prepare alternative procedures for updat-  
15 ing the electoral roll when a registered voter dies.”.

16 (2) “Publish the electoral roll so that new addi-  
17 tions, changes of address and exclusions can be  
18 checked.”.

19 (3) “Reform the mechanism for accreditation of  
20 poll watchers using a formula that ensures that the  
21 political parties will have greater autonomy to ac-  
22 credit their respective poll watchers.”.

23 (4) “Institute regulations to ensure that party  
24 poll watchers are involved in all areas of the elec-  
25 toral structure, including the departmental, regional

1 and municipal electoral councils and polling stations.  
2 Rules should be crafted to spell out their authorities  
3 and functions and the means by which they can ex-  
4 ercise their authority and perform their functions.”.

5 (5) “Redesign the CSE administrative structure  
6 at the central and field levels, while standardizing  
7 technical and operational procedures, including the  
8 design of control mechanisms from the time registra-  
9 tion to the delivery of the document to the citizens;  
10 the process of issuing identity cards should be timed  
11 to the calendar and, to avoid congestion within the  
12 process, be evenly spaced.”.

13 (b) **ELECTORAL OBSERVATION MISSION.**—The Presi-  
14 dent shall direct the United States Permanent Represent-  
15 ative to the Organization of American States (OAS) to  
16 use the voice, vote, and influence of the United States at  
17 the OAS to strongly advocate for an Electoral Observation  
18 Mission to be sent to Nicaragua in 2016 and 2017.

19 **SEC. 6. STATEMENT OF POLICY.**

20 The Department of State and the United States  
21 Agency for International Development should prioritize  
22 foreign assistance to the people of Nicaragua to assist civil  
23 society in democracy and governance programs, including  
24 human rights documentation.

**AMENDMENT IN THE NATURE OF A SUBSTITUTE  
TO H.R. 5708  
OFFERED BY MR. SIRES OF NEW JERSEY**

Strike all after the enacting clause and insert the following:

**1 SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Nicaraguan Invest-  
3 ment Conditionality Act (NICA) of 2016”.

**4 SEC. 2. FINDINGS.**

5 Congress makes the following findings:

6 (1) In 2006, Nicaragua, under President  
7 Enrique Bolaños, entered into a \$175,000,000, 5-  
8 year compact with the Millennium Challenge Cor-  
9 poration (MCC).

10 (2) After the 2008 municipal elections, the  
11 MCC stated that there was a pattern of decline in  
12 political rights and civil liberties in Nicaragua.

13 (3) In 2009, the MCC terminated the compact  
14 and reduced the amount of MCC funds available to  
15 Nicaragua by \$61,500,000, which led to the compact  
16 ending in 2011.

17 (4) According to Nicaraguan law, the National  
18 Assembly is the only institution allowed to change



1 the constitution but in 2009, Daniel Ortega cir-  
2 cumvented the legislature and went to the Supreme  
3 Court, which he controls, to rule in his favor that  
4 Presidential term limits were inapplicable.

5 (5) The House Committee on Foreign Affairs  
6 convened a congressional hearing on December 1,  
7 2011, entitled “Democracy Held Hostage in Nica-  
8 ragua: Part 1” where former United States Amba-  
9 sador to Nicaragua Robert Callahan testified,  
10 “First, that Daniel Ortega’s candidacy was illegal,  
11 illegitimate, and unconstitutional; second, that the  
12 period leading to the elections and the elections  
13 themselves were marred by serious fraud; third, that  
14 Daniel Ortega and his Sandinista party have system-  
15 atically undermined the country’s fragile govern-  
16 mental institutions”.

17 (6) From fiscal year 2012 until present, the  
18 Department of State found that Nicaragua did not  
19 meet international standards of fiscal transparency.

20 (7) On January 25, 2012, a press statement  
21 from Secretary of State Hillary Clinton said: “As  
22 noted by international observers and Nicaraguan  
23 civil society groups, Nicaragua’s recent elections  
24 were not conducted in a transparent and impartial  
25 manner, and the entire electoral process was marred

1 by significant irregularities. The elections marked a  
2 setback to democracy in Nicaragua and undermined  
3 the ability of Nicaraguans to hold their government  
4 accountable.”.

5 (8) According to the Department of State’s  
6 2015 Fiscal Transparency Report: “Nicaragua’s fis-  
7 cal transparency would be improved by including all  
8 off-budget revenue and expenditure in the budget,  
9 auditing state-owned enterprises, and conducting a  
10 full audit of the government’s annual financial state-  
11 ments and making audit reports publicly available  
12 within a reasonable period of time.”.

13 (9) According to the Department of State’s  
14 Country Reports on Human Rights Practices for  
15 2015: “In 2011 the Supreme Electoral Council  
16 (CSE) announced the re-election of President Daniel  
17 Ortega Saavedra of the Sandinista National Libera-  
18 tion Front (FSLN) in elections that international  
19 and domestic observers characterized as seriously  
20 flawed. International and domestic organizations  
21 raised concerns regarding the constitutional legit-  
22 imacy of Ortega’s re-election. The 2011 elections  
23 also provided the ruling party with a supermajority  
24 in the National Assembly, allowing for changes in  
25 the constitution, including extending the reach of ex-

1 executive branch power and the elimination of restric-  
2 tions on re-election for executive branch officials and  
3 mayors. Observers noted serious flaws during the  
4 2012 municipal elections and March 2014 regional  
5 elections.”.

6 (10) According to the Department of State’s  
7 Country Reports on Human Rights Practices for  
8 2015 in Nicaragua: “The principal human rights  
9 abuses were restrictions on citizens’ right to vote;  
10 obstacles to freedom of speech and press, including  
11 government intimidation and harassment of journal-  
12 ists and independent media, as well as increased re-  
13 striction of access to public information, including  
14 national statistics from public offices; and increased  
15 government harassment and intimidation of non-  
16 governmental organizations (NGOs) and civil society  
17 organizations.

18 (11) The same 2015 report stated: “Additional  
19 significant human rights abuses included consider-  
20 ably biased policies to promote single-party domi-  
21 nance; arbitrary police arrest and detention of sus-  
22 pects, including abuse during detention; harsh and  
23 life-threatening prison conditions with arbitrary and  
24 lengthy pretrial detention; discrimination against

1 ethnic minorities and indigenous persons and com-  
2 munities.”.

3 (12) In February 2016, the Ortega regime de-  
4 tained and expelled Freedom House’s Latin America  
5 Director, Dr. Carlos Ponce, from Nicaragua.

6 (13) On May 10, 2016, the Supreme Electoral  
7 Council announced and published the electoral cal-  
8 endar which aims to govern the electoral process.

9 (14) After receiving the electoral calendar for  
10 the 2016 Presidential elections, the Nicaraguan po-  
11 litical opposition raised concerns and pointed to a  
12 number of anomalies such as: the electoral calendar  
13 failed to contemplate national and international ob-  
14 servations, failed to agree to publicly publish the  
15 precincts results of each Junta Receptora de Voto  
16 (JRV), and failed to purge the electoral registration  
17 rolls in a transparent and open manner.

18 (15) Nicaragua’s constitution mandates terms  
19 of 5 years for municipal authorities, which would in-  
20 dicate that the next municipal elections must occur  
21 in 2017.

22 (16) On June 3, 2016, the Nicaraguan Su-  
23 preme Court—which is controlled by Nicaragua’s  
24 leader, Daniel Ortega—instructed the Supreme Elec-  
25 toral Council not to swear in Nicaraguan opposition

1 members to the departmental and regional electoral  
2 councils.

3 (17) On June 5, 2016, regarding international  
4 observers for the 2016 Presidential elections, Presi-  
5 dent Ortega stated: “Here, the observation ends. Go  
6 observe other countries . . . There will be no obser-  
7 vation, neither from the European Union, nor the  
8 OAS . . .”.

9 (18) On June 7, 2016, the Department of  
10 State’s Bureau of Democracy, Human Rights and  
11 Labor posted on social media: “Disappointed govern-  
12 ment of Nicaragua said it will deny electoral observ-  
13 ers requested by Nicaraguan citizens, church, and  
14 private sector . . . We continue to encourage the gov-  
15 ernment of Nicaragua to allow electoral observers as  
16 requested by Nicaraguans.”.

17 (19) On June 8, 2016, the Supreme Electoral  
18 Council—which is controlled by Nicaragua’s leader,  
19 Daniel Ortega—announced a ruling, which changed  
20 the leadership structure of the opposition party and  
21 in practice allegedly barred all existing opposition  
22 candidates from running for office.

23 (20) On June 14, 2016, President Ortega ex-  
24 pelled three United States Government officials (two  
25 officials from U.S. Customs and Border Protection

1 and one professor from the National Defense Uni-  
2 versity) from Nicaragua.

3 (21) On June 29, 2016, the Department of  
4 State issued a Nicaragua Travel Alert which stated:  
5 “The Department of State alerts U.S. citizens about  
6 increased government scrutiny of foreigners’ activi-  
7 ties, new requirements for volunteer groups, and the  
8 potential for demonstrations during the upcoming  
9 election season in Nicaragua . . . Nicaraguan au-  
10 thorities have denied entry to, detained, questioned,  
11 or expelled foreigners, including United States Gov-  
12 ernment officials, academics, NGO workers, and  
13 journalists, for discussions, written reports or arti-  
14 cles, photographs, and/or videos related to these top-  
15 ics. Authorities may monitor and question private  
16 United States citizens concerning their activities, in-  
17 cluding contact with Nicaraguan citizens.”.

18 (22) On August 1, 2016, the Department of  
19 State issued a press release to express grave concern  
20 over the Nicaraguan government limiting democratic  
21 space leading up to the elections in November and  
22 stated that “[o]n June 8, the Nicaraguan Supreme  
23 Court stripped the opposition Independent Liberal  
24 Party (PLI) from its long recognized leader. The  
25 Supreme Court took similar action on June 17 when

1       it invalidated the leadership of the Citizen Action  
2       Party, the only remaining opposition party with the  
3       legal standing to present a presidential candidate.  
4       Most recently, on July 29, the Supreme Electoral  
5       Council removed 28 PLI national assembly members  
6       (16 seated and 12 alternates) from their popularly-  
7       elected positions.”.

8       **SEC. 3. STATEMENT OF POLICY.**

9       It is the policy of the United States to support—  
10       (1) the rule of law and an independent judiciary  
11       and electoral council in Nicaragua;  
12       (2) independent pro-democracy organizations in  
13       Nicaragua; and  
14       (3) free, fair, and transparent elections under  
15       international and domestic observers in Nicaragua in  
16       2016 and 2017.

17       **SEC. 4. INTERNATIONAL FINANCIAL INSTITUTIONS.**

18       (a) IN GENERAL.—The President shall instruct the  
19       United States Executive Director at each international fi-  
20       nancial institution to use the voice, vote, and influence of  
21       the United States to oppose any loan or other utilization  
22       of the funds of the respective institution for the benefit  
23       of the Government of Nicaragua, other than to address  
24       basic human needs or promote democracy, unless the Sec-  
25       retary of State certifies and reports to the appropriate

1 congressional committees that the Government of Nica-  
2 ragua is taking effective steps to—

3 (1) hold free, fair, and transparent elections  
4 overseen by credible domestic and international elec-  
5 toral observers;

6 (2) promote democracy, as well as an inde-  
7 pendent judicial system and electoral council;

8 (3) strengthen the rule of law; and

9 (4) respect the right to freedom of association  
10 and expression.

11 (b) DEFINITIONS.—In this section:

12 (1) APPROPRIATE CONGRESSIONAL COMMIT-  
13 TEES.—The term “appropriate congressional com-  
14 mittees” means—

15 (A) the Committee on Foreign Affairs, the  
16 Committee on Appropriations, and the Com-  
17 mittee on Financial Services of the House of  
18 Representatives; and

19 (B) the Committee on Foreign Relations,  
20 the Committee on Appropriations, and the  
21 Committee on Banking, Housing, and Urban  
22 Affairs of the Senate.

23 (2) INTERNATIONAL FINANCIAL INSTITU-  
24 TION.—The term “international financial institu-  
25 tion” means the International Monetary Fund,



1 International Bank for Reconstruction and Develop-  
2 ment, European Bank for Reconstruction and Devel-  
3 opment, International Development Association,  
4 International Finance Corporation, Multilateral In-  
5 vestment Guarantee Agency, African Development  
6 Bank, African Development Fund, Asian Develop-  
7 ment Bank, Inter-American Development Bank,  
8 Bank for Economic Cooperation and Development in  
9 the Middle East and North Africa, and Inter-Amer-  
10 ican Investment Corporation.

11 (c) TERMINATION.—This section shall terminate on  
12 the day after the earlier of—

13 (1) the date on which the Secretary of State  
14 certifies and reports to the appropriate congressional  
15 committees that the requirements of subsection (a)  
16 are met; or

17 (2) 5 years after the date of the enactment of  
18 this Act.

19 (d) WAIVER.—The President may waive this section  
20 if the President determines that such a waiver is in the  
21 national interest of the United States.

22 **SEC. 5. ORGANIZATION OF AMERICAN STATES.**

23 (a) FINDINGS.—Congress finds that, according to the  
24 Organization of American States (OAS) report on the Nic-  
25 araguan 2011 Presidential elections, Nicaragua: Final Re-

1 port, General Elections, OAS (2011), the OAS made the  
2 following recommendations to the Government of Nica-  
3 ragua:

4 (1) “Prepare alternative procedures for updat-  
5 ing the electoral roll when a registered voter dies.”.

6 (2) “Publish the electoral roll so that new addi-  
7 tions, changes of address and exclusions can be  
8 checked.”.

9 (3) “Reform the mechanism for accreditation of  
10 poll watchers using a formula that ensures that the  
11 political parties will have greater autonomy to ac-  
12 credit their respective poll watchers.”.

13 (4) “Institute regulations to ensure that party  
14 poll watchers are involved in all areas of the elec-  
15 toral structure, including the departmental, regional  
16 and municipal electoral councils and polling stations.  
17 Rules should be crafted to spell out their authorities  
18 and functions and the means by which they can ex-  
19 ercise their authority and perform their functions.”.

20 (5) “Redesign the CSE administrative structure  
21 at the central and field levels, while standardizing  
22 technical and operational procedures, including the  
23 design of control mechanisms from the time registra-  
24 tion to the delivery of the document to the citizens;  
25 the process of issuing identity cards should be timed

1 to the calendar and, to avoid congestion within the  
2 process, be evenly spaced.”.

3 (b) ELECTORAL OBSERVATION MISSION.—The Presi-  
4 dent shall direct the United States Permanent Represent-  
5 ative to the Organization of American States (OAS) to  
6 use the voice, vote, and influence of the United States at  
7 the OAS to strongly advocate for an Electoral Observation  
8 Mission to be sent to Nicaragua in 2016 and 2017.

9 **SEC. 6. STATEMENT OF POLICY.**

10 The Department of State and the United States  
11 Agency for International Development should prioritize  
12 foreign assistance to the people of Nicaragua to assist civil  
13 society in democracy and governance programs, including  
14 human rights documentation.

15 **SEC. 7. REPORT ON CORRUPTION IN NICARAGUA.**

16 (a) REPORT REQUIREMENT.—Not later than 120  
17 days after the date of the enactment of this Act, the Sec-  
18 retary of State, in consultation with the intelligence com-  
19 munity (as defined in section 3(4) of the National Security  
20 Act of 1947 (50 U.S.C. 3003(4)), shall submit to Con-  
21 gress a report on the involvement of senior Nicaraguan  
22 government officials, including members of the Supreme  
23 Electoral Council, the National Assembly, and the judicial  
24 system, in acts of public corruption or human rights viola-  
25 tions in Nicaragua.

- 1 (b) FORM.—The report required in subsection (a)  
 2 shall be submitted in unclassified form, but may contain  
 3 a classified annex. The unclassified portion of the report  
 4 shall be made available to the public.

Amend the title so as to read: “A bill to oppose loans at international financial institutions for the Government of Nicaragua, other than to address basic human needs or promote democracy, unless the Government of Nicaragua is taking effective steps to hold free, fair, and transparent elections, and for other purposes.”.



Mr. DUNCAN. Without objection, all members may have 5 days to submit statements and materials for the record. I will now recognize myself to speak on today's measures.

As the co-sponsor of both pieces of legislation, I want to applaud the efforts of Representatives Wasserman Schultz and Ros-Lehtinen for highlighting the U.S. congressional concerns about the events in Venezuela and Nicaragua and for their leadership on both of these bills. This subcommittee has held two hearings on Venezuela. And we will hold a hearing today on Nicaragua following up the markup.

Ranking Member Sires and I have also worked closely together in our authoring a letter last month to the State Department and the Treasury Department. This letter was signed by over 30 Members of Congress and highlights the need to prioritize Venezuela. These two bills are very timely, given the deteriorating situations in both countries.

We are all familiar with the humanitarian and political crisis in Venezuela right now. This week, a new study found that at least 15 percent of Venezuelans are eating out of the trash. Almost 90 percent of people fear running out of food. More than 1.7 million Venezuelans have fled to Colombia to buy food and medicines since the reopening of that border crossing last month. Further, although Venezuelan people have made their wishes known through protest after protest after protest for a recall referendum to be held this year, President Maduro has suppressed protesters chanting “We want food” and refused to hold the referendum this year.

I strongly support H. Res. 851 and my amendment in the nature of a substitute highlights the continuing imprisonment of U.S. citi-

zens, Francisco Marquez and Josh Holt; recognizes that democracy is failing in Venezuela; and acknowledges the efforts of the former President of Spain, Panama, and the Dominican Republic in calling for a dialogue and efforts of 15 countries in the region calling for Venezuela to hold a recall referendum without delay.

My amendment also urges President Obama to continue to stand in solidarity with the Venezuelan people by advocating that President Maduro hold a free and fair recall referendum by the end of this year; release all political prisoners, including U.S. citizens from prison; adhere to democratic principles; and permit the delivery of emergency food and medicine.

In Nicaragua, the people will go to the polls on November 6th in an election where President Ortega is running for a consecutive third term. The opposition has been stripped of their leading candidates and the First Lady is on the Vice Presidential ballot, even though Nicaragua's Constitution bars those related to the President from being a candidate. And Ortega has refused to allow international election observers.

I am deeply concerned about the impacts of President Ortega's consolidation of power and I fully support this legislation authorized by Representative Ros-Lehtinen. Since today, there appears to be no cost to Ortega for his actions undermining the democracy and the rule of law in the country in pursuit of his own interests.

It is my hope that this legislation will support Nicaraguan people by encouraging Ortega to take steps to begin to show a respect for democracy, respect for free and fair elections, respect for the rule of law and respect for human rights in the country.

So I will now recognize the ranking member for his comments on today's measures.

Mr. SIRE. Thank you to my good friend Chairman Duncan and Chairman Emeritus Ros-Lehtinen for their efforts in bringing attention to the political and humanitarian crisis in Venezuela and to the authoritarian policies of Nicaraguan's President, Daniel Ortega.

I also want to thank my colleagues on the committee and the staff from both sides of the aisle who have worked hard to support the subcommittee's efforts. We are here today to mark up two timely and bipartisan pieces of legislation, working to combat the constant, oppressive tactics of both Maduro and Ortega's regime.

The resolution before us, H. Res. 851, is in response to the deterioration of basic governance and the resulting humanitarian crisis currently taking place in Venezuela. Under Maduro's government, millions of families, women, and children are suffering from severe shortages of essential medicines, fuel, and basic needs. It is frustrating to see the Venezuelan people suffer and struggle to find basic food items when Venezuela is home to one of the world's largest oil reserves and has the potential to prosper.

The crisis in Venezuela has also been exacerbated by widespread public corruption and the alarming level of violence in the country. On the corruption front, dozens of public officials are suspected of involvement in drug trafficking and money laundering. The U.S. Justice and Treasury Departments, as well as DEA, each have ongoing investigations involving Venezuela's officials.

Crime and violence have also reached alarming high levels. According to the U.N. Office on Drug and Crime, Caracas has one of the highest per capita homicide rates in the world at 120 murders per 100,000 citizens. Despite the massive shortages in basic essentials and the resulting violence, Maduro's government refuses to allow humanitarian aid from the international community into the country.

Maduro also has refused to release the more than 80 political prisoners held by his government. These include former Mayor Leopoldo Lopez and Daniel Ceballos and U.S. citizens Josh Holt and Francisco Marquez. In May of this year, the OAS invoked Article XX of the Inter-American Democratic Charter which called on the OAS to assess the situation in Venezuela proving that this is not a U.S. conspiracy as Venezuela falsely tries to claim, but an urgent concern to all of our neighbors in the Western Hemisphere.

H. Res. 851 loudly and clearly voices concern of this Congress regarding the widespread shortages in Venezuela, urging the Maduro government to allow the delivery of international aid and support the current actions taking place in the OAS to restore true democracy to Venezuela.

It is my sincere hope that the administration will aggressively support this resolution and instruct the appropriate Federal agencies to do all they can to hold Venezuela's officials accountable for all the violations of U.S. laws and human rights.

Regarding the authoritarian policies of Daniel Ortega in Nicaragua, I am proud to be a cosponsor of the Nicaraguan Investment Conditionality Act. This legislation calls on the U.S. to oppose loans at international financial institutions for Nicaragua until the country takes effective steps to hold free, fair, and transparent elections.

Since coming to the Presidency a decade ago, Ortega has always seen a steady decline in political rights, civil rights, and civil liberties in Nicaragua. For example, in 2009, Ortega circumvented the legislation and had the Supreme Court packed with his supporters eliminate Presidential term limits. In 2011, he won election in an election widely deemed by international and domestic observers as fraudulent. These undemocratic tactics led to the Millennium Challenge Corporation ending its 5-year \$175 million compact with the country. Along with its lack of political transparency, Ortega has also refused to demonstrate fiscal transparency. Since 2012, Nicaragua has not met any of the international standards for fiscal transparency.

According to the State Department's 2015 Fiscal Transparency Report, the Ortega administration did not publicly account for its assistance received from Venezuela, nor did it audit the majority of Nicaragua's state-owned enterprises. Such fiscal lapses allow public corruption to thrive.

It has long been the policy of the United States to support the rule of law, an independent judiciary, democracy, and free, fair, and transparent elections.

I believe that H.R. 5708 will help bring these critical elements of freedom and democracy to Nicaragua. If signed into law, the NICA Act will mean that U.S. representatives at the International Financial Institution will oppose all loans or other utilization of

funds for Nicaragua unless and until the country takes effective steps to return to a more democratic system, including transparent elections, and greater respect for civil rights.

Again, my thanks to all who have worked on this important piece of legislation. I urge my colleagues to support H. Res. 851 and H.R. 5708. Thank you.

Mr. DUNCAN. I thank the ranking member for his words and his help on this and his amendment.

Do any other members seek recognition to speak on today's business?

Hearing no further request for recognition, the Chair will now move that the subcommittee favorably report the items considered en bloc to the full committee as amended.

All those in favor say aye.

All opposed no.

In the opinion of the Chair, the ayes have it and the motion is approved and H.R. 5708 and House Resolution 851 are reported favorably to the full committee as amended.

I want to thank our members and staff for all their assistance and cooperation on today's markup and the subcommittee business meeting will stand adjourned and then we will move right into the hearing. So we will stand adjourned.

[Whereupon, at 10:38 a.m., the subcommittee was adjourned.]





## A P P E N D I X

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MATERIAL SUBMITTED FOR THE RECORD

**SUBCOMMITTEE MARKUP NOTICE**  
**COMMITTEE ON FOREIGN AFFAIRS**  
U.S. HOUSE OF REPRESENTATIVES  
WASHINGTON, DC 20515-6128

**Subcommittee on the Western Hemisphere**  
**Jeff Duncan (R-SC), Chairman**

**TO: MEMBERS OF THE COMMITTEE ON FOREIGN AFFAIRS**

You are respectfully requested to attend an OPEN markup and hearing of the Committee on Foreign Affairs, to be held in Room 2172 of the Rayburn House Office Building (and available live on the Committee website at <http://www.ForeignAffairs.house.gov>):

**DATE:** Thursday, September 15, 2016

**TIME:** 10:00 a.m.

**MARKUP OF:** H. Res. 851, Expressing profound concern about the ongoing political, economic, social and humanitarian crisis in Venezuela, urging the release of political prisoners, and calling for respect of constitutional and democratic processes; and

H.R. 5708, Nicaragua Investment Conditionality Act (NICA) of 2016.

**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 MARKUP

MINUTES OF SUBCOMMITTEE ON the Western Hemisphere MARKUP

Day Thursday Date 09/15/2016 Room 2172

Starting Time 10:00 AM Ending Time 10:38 AM

Recesses n/a (    to    ) (    to    ) (    to    ) (    to    ) (    to    ) (    to    )

Presiding Member(s)

*Chairman Jeff Duncan*

Check all of the following that apply:

Open Session ☒

Executive (closed) Session ☐

Televised ☒

Electronically Recorded (taped) ☒

Stenographic Record ☒

**BILLS FOR MARKUP:** (Include bill number(s) and title(s) of legislation.)

*H. Res. 851 ; H.R. 5708*

**COMMITTEE MEMBERS PRESENT:**

*Chairman Jeff Duncan, Ranking Member Albio Sires, Rep. Ileana Ros-Lehtinen, Rep. Matt Salmon, Rep. Ted Yoho, Rep. Dan Donovan, Rep. Joaquin Castro, Rep. Alan Grayson*

**NON-COMMITTEE MEMBERS PRESENT:**

*n/a*

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

*n/a*

**ACTIONS TAKEN DURING THE MARKUP:** (Attach copies of legislation and amendments.)

*A voice vote was taken and H. Res. 851 and H.R. 5708 were favorably reported to the full committee as amended.*

**RECORDED VOTES TAKEN (FOR MARKUP):** (Attach final vote tally sheet listing each member.)

<u>Subject</u>	<u>Yeas</u>	<u>Nays</u>	<u>Present</u>	<u>Not Voting</u>
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*n/a (voice vote)*

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

or

TIME ADJOURNED 10:38 AM

  
Subcommittee Staff Associate

**9/15/16 Western Hemisphere Subcommittee Markup Summary**

By unanimous consent, the Chair called up the following measures and amendments to be considered *en bloc*:

- 1) H.R. 5708 (Ros-Lehtinen), the Nicaragua Investment Conditionality Act (NICA) of 2016;
  - a. Sires 16, an amendment in the nature of a substitute to H.R. 5708.
- 2) H. Res. 851 (Wasserman Schultz), Expressing profound concern about the ongoing political, economic, social and humanitarian crisis in Venezuela, urging the release of political prisoners, and calling for respect of constitutional and democratic processes;
  - a. Duncan 73, an amendment in the nature of a substitute to H. Res. 851.

The measures considered *en bloc* were agreed to by voice vote. By unanimous consent, the measures were ordered favorably reported to the Full Committee, as amended.

The Subcommittee adjourned.