

# COMMUNISM ON OUR DOORSTEP: THE THREAT OF CHINA'S MALIGN INFLUENCE IN LATIN AMERICA

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## HEARING BEFORE THE SUBCOMMITTEE ON WESTERN HEMISPHERE OF THE COMMITTEE ON FOREIGN AFFAIRS HOUSE OF REPRESENTATIVES ONE HUNDRED EIGHTEENTH CONGRESS FIRST SESSION

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# **COMMUNISM ON OUR DOORSTEP: THE THREAT OF CHINA'S MALIGN INFLUENCE IN LATIN AMERICA**

**Thursday, September 28, 2023**

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

The subcommittee met, pursuant to notice, at 2:06 p.m., in room 210, House Visitor Center, Hon. Maria Elvira Salazar (chair of the subcommittee) presiding.

Mrs. SALAZAR. The Subcommittee on the Western Hemisphere will come to order. The purpose of this hearing is to examine China's growing diplomatic, economic, and security engagement in Latin America and the Administration's effort to counter the PRC's influence in our own hemisphere.

I now recognize myself for an opening statement. China, in my understanding, is the greatest threat to the United States, the greatest threat that the United States has ever faced. That is not fantasy. This is a fact.

China is the second economic power behind the United States. Their GDP is now nearly 75 percent of ours, greater than Nazi Germany or Soviet Russia. They are the top source of spying and cyberattacks in the world. They have the worst human rights record in modern history, and they have brought military equipment and Marxist ideology to our shores.

Today I am here to announce the great power competition is back in the Americas. The hammer and the sickle has returned in full force, and the Chinese Communist Party's first order of business is to own Latin America, our backyard. Their playbook is accomplished in three ways, economically, militarily, and ideologically.

Let's go to the economic front. In the last 20 years, China has secured a presence in Latin America through what we could call a Trojan Horse strategy, to become the No. 1 trading partner in our region. We have seen their tactics, low quality goods, slave labor, securing critical infrastructure in exchange for access, and destroying the environment at every opportunity with no remorse.

Let me repeat it. Our hemisphere has been invaded by China. And they are now the No. 1 trading partner in the region, No. 1 trading partner in the region. Twenty years ago they traded \$12 billion. Twenty years later, last year, they hit \$450 billion. That is a 3,000 percent increase, 3,000 percent increase. Right now China has free trade agreements with Chile, Costa Rica, Ecuador, Peru, and another one with Uruguay is on the way.

Specifically in South America they have surpassed the United States as the top trading partner. What? And 10 years from now, everything indicates if we continue with this trend, in Latin America, the trade with China will exceed \$700 billion. That's only trade.

Now let's talk about loans. In the last 20 years, China has lent almost \$150 billion to the region and, of course, they are doing business with our enemies, Cuba, Venezuela, Nicaragua. Twenty-one Latin American countries have signed onto China's nefarious Belt and Road Initiative, which is a pretty name for something that is very simple, to create infrastructure to dominate world trade.

Today they control key ports in Peru, railroads in Argentina, airports in Honduras, dams in Ecuador, factories in Brazil, critical minerals in Bolivia, creating a major security risk for us in the United States. Needless to say, they are bad actors with very bad intentions. And their only intention is to own power.

Now the military presence in our hemisphere. Cuba is hosting four Chinese spy bases to intercept United States' communications only 90 miles away from our shores because in Florida, the State that I represent, has 20 military bases, and this military base gives the ability to intercept communications.

And they are also thinking, the Chinese are also thinking, of creating a military base to house Chinese troops in Cuba. Chinese troops in Cuba, 90 miles away.

All right. Now let's go to Argentina. Right now they operate a satellite space station, which has the size of 400 football fields. And the worst part of it all is that the Argentinian government cannot even go in because the trade agreement or the agreement between both countries does not allow the Argentinian government to go in and inspect what's happening in that military or that spy base.

Venezuela, China sold to Venezuela \$650 million in arms in the last 10 years, including VN1 tanks and state-of-the-art radar systems.

But the most serious threat, according to my understanding, is their ideology and information control. Their propaganda machine is brainwashing Latin American youth. There are 40 Confucius Institutes across Latin America, dedicated to spreading their repressive ideology, Communism.

They also want to control their phones. Huawei, their state-owned telecommunications company, operates in 20 countries in Latin America. In Brazil, Huawei controls 50 percent of the phone market, not only phones, but they also want to control internet services. And why do they want to do that? Because Communists silence anyone who gets in their way.

I have just proven with a few examples that China is on the offense while the United States is ignoring our allies in Latin America. Chairman Xi Jinping has made official visits to 11 Latin American countries, 11 times in the last 10 years.

So if we sit back as the No. 1 force, military force, in the world, we will watch in the next decade that Mandarin will replace English as the second language in Latin America. China's Belt and Road Initiative will overtake the USMCA trade deal. There will be a monumental cold war style military buildup in our backyard. And worst of all Communist censorship will overwhelm Latin America's

democracies. So we must engage now as a country. Communism is on our doorstep once again, and it is time for us to wake up.

I am just going to say a few words because these hearings are also watched in Latin America throughout our allies in the hemisphere. So I'm going to say a few words so our friends will know what we are thinking.

[Speaking foreign language.]

Now I would like to welcome our guests and the witnesses, Ms. Kerri Hannan. She is the Deputy Assistant Secretary for the Bureau of Western Hemisphere Affairs of the Department of State. Thank you for being here. I should have said hi to you before I started speaking, but they said that I needed to start the hearing. So thank you. And welcome, and thank you very much for being here, answering our questions.

And Mileydi Guilarte, whom I haven't seen in many years. Good to talk to you again. She is the Deputy Assistant Administrator for the Bureau for Latin America and the Caribbean at the United States Agency for International Development. So now I think I'm going to give the opportunity for the ranking member, Mr. Castro from Texas, to say a few words. Thank you.

Mr. CASTRO. Thank you, Chairwoman, and thank you to our panelists also. Thanks for convening this hearing on the influence of the People's Republic of China in Latin America. And thank you, Ms. Hannan and Ms. Guilarte, for joining us today.

We are by far the biggest economic and security actor in the Western Hemisphere. But we must recognize that countries have deepened their economic and political ties with the PRC. And our foreign policy must acknowledge that.

As we have this important discussion about the PRC's influence in the region, I hope that our approach is one that respects the sovereignty and independence of the countries in Latin America and the Caribbean.

We cannot repeat the mistakes of the 20th Century where in the name of combating the influence of the Soviet Union, the U.S. perpetrated and enabled horrific abuses, including military coup d'etats and death squads.

Make no mistake, I'm not saying that I support China's deepening engagement in the Western Hemisphere or that I want it to be successful. The PRC is enabling authoritarianism in countries like Cuba, Venezuela, and Nicaragua. They are exporting surveillance technologies to deepen repression in those nations.

They make false promises and investment that create and dash the hopes of those looking for prosperity. In Chinese fishing fleets, hundreds of ships illegally fish in the waters of Central and South America and hurt the livelihoods of thousands.

The United States must help our partners in our hemisphere in the face of the PRC's efforts. And there are a few principles that I would like to lay out in how we should do so.

First, when we decide to oppose the foreign policy actions of China, we need to be specific about what we oppose and why those actions are not in the best interest of the people of the Western Hemisphere. If we oppose China just because it's China without being specific, our message will not be heard in Latin America.

Second, we need to stand by our values when engaging with the region. During the cold war, the U.S. backed many authoritarian leaders in our effort to keep the Soviet Union out of the Western Hemisphere. The brutality of these leaders' reigns is still felt today just as the Soviet-backed regime brutality in Cuba continues to be felt today.

Thousands of people still do not know where their parents and grandparents disappeared during the Pinochet dictatorship and so many others. People remember that their country suffered in part due to the actions of the United States and that still matters today.

Last, the United States needs to prioritize the region in a way that we simply haven't in the past. In the last decade, China has significantly expanded its diplomatic presence in the hemisphere, including by opening diplomatic relations with Panama, the Dominican Republic, El Salvador, Nicaragua, and Honduras.

Meanwhile, House Republicans have posed significant cuts to our diplomatic programs in the Western Hemisphere. And we have had a number of nominees that have cleared the Senate Foreign Relations Committee, but haven't had a vote by the whole Senate because of holds by Republican members of the U.S. Senate.

That includes, for example, Mr. Roger Nyhus, the Ambassador to Barbados, Ms. Stephanie Syptak-Ramnath to Peru, Mr. Art Brown to Ecuador, Mr. Dennis Hankins to Haiti, Mr. Tobin Bradley to Guatemala, and Mr. Leo Martinez to be the U.S. Executive Director for the Inter-American Development Bank. These positions need to be filled immediately. And their vacancies are harming the United States. And they are harming the United States when it comes to our competition with China in the hemisphere.

So we need these nominees confirmed and at their post. And we need to reject the serious cuts proposed by House Republicans to our diplomatic and development programs in the Western Hemisphere.

In this week, we're on the verge of a shutdown in the Federal Government, and I need to raise this. We are competing with the hearts and minds of the people of the Western Hemisphere and speaking to the strength of America's democratic system over China's authoritarian one. As we speak, our diplomats in Mexico City, Bogota and Brasilia are sharpening their talking points to explain to the governments and the people of Mexico, Columbia and Brazil, the embarrassing reality of political dysfunction in the United States and in this building.

If this government shuts down this weekend because of the demands of the far right and this congress, it would severely undermine faith in the American democratic system. And I urge my colleagues who care about China's influence in the Western Hemisphere to think about that.

I will look forward to hearing from our witnesses on how we're currently working on those goals and what more Congress can do to support these efforts. With that, I yield back, Chairwoman.

Mrs. SALAZAR. Thank you, Ranking Member. And I now recognize Ms. Hannan for her opening statement.



**STATEMENT OF KERRI HANNAN, DEPUTY ASSISTANT SECRETARY, BUREAU OF WESTERN HEMISPHERE AFFAIRS, U.S. DEPARTMENT OF STATE**

Ms. HANNAN. Chairwoman Salazar, Ranking Member Castro, distinguished members of the subcommittee. Thank you for the opportunity to testify on the Department's efforts related to People's Republic of China engagement in the Western Hemisphere.

As Secretary Blinken has said, our strategic competition with the PRC represents one of the defining challenges of the 21st Century. This challenge remains particularly important in our hemisphere. It requires close coordination with interagency colleagues, international organizations, and allies and partners around the world.

Just as important, it requires strong cooperation between the Administration and Congress, so I welcome continued engagement on these issues with the committee and the chance to be with you today.

Our strategic goal remains to promote a more democratic, inclusive, secure, prosperous, and climate-resilient Western Hemisphere, aligned with U.S. values and interests. We advance a positive agenda for the hemisphere, based on values we share with our partners, respect for human rights and diversity, democratic governance, inclusive economic growth and entrepreneurship, and the rule of law.

Managing the strategic competition with the PRC in the Western Hemisphere requires long-term solutions, which include strengthening governance and democratic institutions, reducing corruption, and helping our partners build economies that attract more investment from U.S. businesses and trusted partners.

All U.S. embassies in the Western Hemisphere have staff that focus on tracking and reporting PRC activities, and each country team seeks to advance a coherent interagency response to the challenges posed by the PRC.

The Department has four regional China officers based in the WHA region, each with deep expertise on the PRC, to support embassies and consulates in addressing this challenge. Our embassies and consulates have developed country-specific strategies to counter problematic PRC activity in more than two-thirds of the countries in the hemisphere.

The United States works with democratic partners from outside the hemisphere as well. European partners, Japan, the Republic of Korea, and Taiwan all promote stability and growth in the region.

With seven of Taiwan's 13 official diplomatic partners located in WHA, we remain focused on countering the PRC's campaign to induce these countries to switch recognition and squeeze out Taiwan from multilateral organizations.

On the economic front, we focus on ensuring competitive and transparent investment environments that help level the playing field for U.S. companies.

The United States remains by far the greatest source of investment and remittances for the region. We offer higher standard and transparently procured infrastructure investment alternatives that uphold labor, environmental, and social safeguards. They also foster inclusive growth in line with international best practices, in-

cluding those initiatives like the Partnership for Global Infrastructure and Investment, Deal Teams, and the Blue Dot Network.

We continue to respond to structural corruption problems by encouraging civil society, activists, and journalists to raise concerns with governments regarding opaque deals.

On security, the proliferation of PRC-linked telecommunications and surveillance equipment highlights risks to national security, human rights, and privacy. Many of our technical delegations and engagements have focused on ICT and cybersecurity sectors for which an aggressive economic campaign by PRC-backed companies threatens free-market access.

Our robust foreign military sales program far outpaces the PRC and demonstrates that regional partners prefer to work with the United States. The Department also works to counter PRC propaganda and disinformation campaigns in the region.

The Global Engagement Center works specifically to address propaganda and disinformation. We build resilience through targeted support to independent civil society organizations and journalists. And by funding independent third-party research, we help shine a spotlight on PRC information manipulation.

Public diplomacy remains key to our efforts to counter the PRC. The American Spaces Network of 131 brick and mortar locations in the region are the U.S. government's primary in-country public-facing platforms to connect foreign audiences to the United States. Our American Spaces are outnumbered by a 3-to-1 ratio the Confucius Institutes in the region.

While American Spaces provide open access to accurate information reflecting American values, including the promotion of democratic and civic engagement, the rule of law, and the protection of human rights, the Confucius Institutes expand PRC cultural influence in the hemisphere and aim to send thousands of young people to the PRC on exchanges. Meanwhile, our American Spaces are hosting English Language programs and exchanges and successfully reinforcing economic, commercial, cultural, and political engagement with the United States.

These exchange programs ensure the United States is seen as a steadfast partner to the region by promoting academic ties and professional development opportunities as well as building institutional capacity. This includes programs such as our Young Leaders of the Americas Initiative Fellowship, among others.

YLAI, launched in 2015, has since hosted over 1,500 young entrepreneurs, over half of them women, from 37 countries throughout the Western Hemisphere, collaborating with over 100 U.S. companies and organizations in 85 cities across 34 states.

YLAI promotes U.S. business models, increases trade, encourages job creation, and builds lasting and sustainable networks of young entrepreneurs and business and social leaders across the Western Hemisphere, including the United States.

To conclude, as we work to compete with and counter the challenges posed by the PRC in the region, we are intently focused on promoting a more democratic, inclusive, secure, prosperous, and climate-resilient Western Hemisphere, aligned with U.S. values and interests, so we can remain the region's preferred partner. That will remain our steadfast goal.

Thank you again for this opportunity. I look forward to your questions.  
[The prepared statement of Ms. Hannan follows:]

**Deputy Assistant Secretary of State Kerri Hannan's Statement  
Before the House Foreign Affairs Sub-committee on Western Hemisphere:  
Communism on Our Doorstep: The Threat of China's Malign Influence in  
Latin America  
Thursday, September 28, 2023, 2:00PM, 5 minutes**

Chairwoman Salazar, Ranking Member Castro, distinguished members of the sub-committee, thank you for the opportunity to testify on the Department's efforts related to People's Republic of China (PRC) engagement in the Western Hemisphere. As Secretary Blinken has said, our strategic competition with the PRC represents one of the defining challenges of the 21st Century. This challenge remains particularly important in our hemisphere. It requires close coordination with interagency colleagues, international organizations, and allies and partners around the world. Just as important, it requires strong cooperation between the Administration and Congress, so I welcome continued engagement on these issues with the Committee and the chance to be with you today.

Our strategic goal remains to promote a more democratic, inclusive, secure, prosperous, and climate-resilient Western Hemisphere, aligned with U.S. values and interests. We advance a positive agenda for the hemisphere, based on values we share with our partners – respect for human rights and diversity, democratic governance, inclusive economic growth and entrepreneurship, and the rule of law. Managing the strategic competition with the PRC in the Western Hemisphere requires long-term solutions, which include strengthening governance and democratic institutions, reducing corruption, and helping our partners build economies that attract more investment from U.S. businesses and trusted partners.

All U.S. embassies in the Western Hemisphere have staff that focus on tracking and reporting PRC activities and each country team seeks to advance a coherent interagency response to the challenges posed by the PRC. The Department has four Regional China Officers (RCO) based in the WHA region, each with deep expertise on the PRC, to support embassies and consulates in addressing this challenge. Our embassies and consulates

have developed country-specific strategies to counter problematic PRC activity in more than two-thirds of the countries in our hemisphere.

The United States works with democratic partners from outside the hemisphere as well. European partners, Japan, the Republic of Korea, and Taiwan all promote stability and growth in the region. With seven of Taiwan's 13 official diplomatic partners located in WHA, we remain focused on countering the PRC's campaign to induce these countries to switch recognition and squeeze out Taiwan from multilateral organizations.

On the economic front, we focus on ensuring competitive and transparent investment environments that help level the playing field for U.S. companies. The United States remains by far the greatest source of investment and remittances for the region. We offer higher-standard and transparently procured infrastructure investment alternatives that uphold labor, environmental, and social safeguards. They also foster inclusive growth in line with international best practices, including through initiatives like the Partnership for Global Infrastructure and Investment, Deal Teams, and the Blue Dot Network. We continue to respond to structural corruption problems by encouraging civil society, activists, and journalists to raise concerns with governments regarding opaque deals.

On security, the proliferation of PRC-linked telecommunications and surveillance equipment highlights risks to national security, human rights, and privacy. Many of our technical delegations and engagements have focused on ICT and cybersecurity, sectors for which an aggressive economic campaign by PRC-backed companies threatens free-market access. Our robust foreign military sales program far outpaces the PRC and demonstrates that regional partners prefer to work with the United States.

The Department also works to counter PRC propaganda and disinformation campaigns in the region. The Global Engagement Center (GEC) works specifically to address propaganda and disinformation. We build resilience through targeted support to independent civil society organizations and

journalists. And by funding independent third-party research, we help shine a spotlight on PRC information manipulation.

Public diplomacy remains key to our efforts to counter the PRC. The American Spaces network of 131 brick and mortar locations in the region are the U.S. government's primary in-country public-facing platforms to connect foreign audiences to the United States. Our American Spaces outnumber by a 3-to-1 ratio the 40 Confucius Institutes in the region. While American Spaces provide open access to accurate information reflecting American values, including the promotion of democratic and civic engagement, the rule of law, and the protection of human rights, Confucius Institutes expand PRC cultural influence in the hemisphere and aim to send thousands of young people to the PRC on academic and professional exchanges. Meanwhile, our American Spaces host English Language programs and exchanges and reinforce economic, commercial, cultural, and political engagement with the United States.

Exchange programs ensure the United States is seen as a steadfast partner to the region by promoting academic ties and professional development opportunities, as well as building institutional capacity. This includes programs such as the Young Leaders of the Americas Initiative (YLAI) Fellowship, among others. Launched in 2015, YLAI has since hosted over 1,500 young entrepreneurs (over half of them women) from 37 countries throughout the Western Hemisphere, collaborating with over 100 U.S. companies and organizations in 85 cities across 34 states. YLAI promotes U.S. business models, increases trade, encourages job creation, and builds lasting and sustainable networks of young entrepreneurs and business and social leaders across the Western Hemisphere, including the United States.

To conclude, as we work to compete with and counter the challenges posed by the PRC in the region, we are intently focused on promoting a more democratic, inclusive, secure, prosperous, and climate-resilient Western Hemisphere, aligned with U.S. values and interests, so we can remain the region's preferred partner. That will remain our steadfast goal.

Thank you again for this opportunity. I look forward to your questions.

Mrs. SALAZAR. Thank you, Ms. Hannan.  
I now recognize Ms. Guilarte for her opening statement.

**STATEMENT OF MILEYDI GUILARTE, DEPUTY ASSISTANT ADMINISTRATOR, BUREAU OF LATIN AMERICA AND THE CARIBBEAN, U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT**

Ms. GUILARTE. Chairwoman Salazar, Ranking Member Castro, members of the subcommittee, good afternoon.

[Speaking foreign language.] Thank you for the opportunity to discuss the way that USAID is responding to the PRC and Latin America and the Caribbean.

The work to prevent the PRC from gaining hold in the region is personal to me. My family came to the U.S. from Cuba when I was 9 years old. Like so many who fled here to escape Communism, I know firsthand the type of corruption and tyranny that it fosters. And you have to look no further than many of the countries fueling the surge in migration, Cuba, Nicaragua, and Venezuela to see the influence of the roots of Communism the PRC promotes.

In my current role, I oversee our operations in countries where concerns about the PRC's growing footprint, predatory economic colonialism, unsustainable infrastructure, and security investments are warranted.

Since launching the Belt and Road Initiative in 2013, the PRC has become the region's largest provider of official finance, offering more than \$215 billion, largely for infrastructure projects that come with strings attached.

The United States is not forcing countries in the Western Hemisphere to choose between the United States and the PRC, but at USAID we offer them an alternative to the PRC's approach. And we are grateful for the support of Congress, like the Countering PRC Influence Fund, which allows us to offer our neighbors that clear alternative with an affirmative agenda based on our shared values.

Our neighbors in the region recognize the difference. They see that more than 35 percent of BRI infrastructure projects have been linked to corruption scandals, labor violations, environmental hazards, and public protests, like the Coca Codo, Sinclair Dam in Ecuador, which was riddled with cracks, cost significant erosion and came with terms that required Ecuador to hand over up to 90 percent of its oil production.

The governments in the region are becoming increasingly aware of the down sides of working with the PRC. USAID tracks perception of the PRC across the hemisphere, and people's trust in the PRC has fallen by nearly 20 percentage points over the past 10 years while trust in the United States has risen by about the same amount since 2019.

So we work to take advantage of those changing dynamics. Our approach to mitigating the challenges posed by the PRC focuses on four strategic lines of effort.

First, we help our neighbors strengthen their democratic institutions and the rule of law to show that democracies can deliver results. We invest in programs that strengthen checks and balances and support actors, like investigative journalists, who shine a light



on the actions and motivations of the PRC and their own governments.

Second, we focus on increasing our partners' economic resilience so they rebuff external coercion. USAID works with governments in the private sector to create transparent, efficient, public procurement systems that reduce corruption and expose the risk of PRC transactions.

In the Dominican Republic, our work on procurement standards created the transparency necessary to prevent backroom deals that PRC was pursuing for the Port of Manzanillo infrastructure projects. Instead, U.S. and other non-PRC firms won tenders for construction with better terms and environmental safeguards.

Third, we focus on creating secure digital ecosystems. USAID provides a secure alternative to the PRC digital investments in 5G technology and cybersecurity. In Jamaica, for example, we invested \$3.5 million to strengthen the government's cybersecurity and provide trusted technologies to reduce vulnerabilities to cyberattacks that could expose data, grind operations to a halt, and jeopardize national security.

And finally, we advance the transparent management of natural resources. By supporting climate finance partnerships, like the Blue Green Bank in Barbados that supports renewable energy and water conservation projects, we help our neighbors attract capital and reduce their reliance on PRC's finance for infrastructure and energy.

In summary, we will continue to search for new tools and opportunities alongside our interagency and multilateral partners to provide what partners are looking for and outcompete the PRC. We thank Congress and this committee especially for your support as we work to tackle this challenge together.

Thank you, and I look forward to your questions.

[The prepared statement of Ms. Guilarte follows:]

**Statement of Mileydi Guilarte**  
**Deputy Assistant Administrator for Latin America and the Caribbean**  
**Before the House Foreign Affairs Subcommittee on the Western Hemisphere**  
**Communism on Our Doorstep: The Threat of China's Malign Influence in Latin America**  
**September 28, 2023**

Chairwoman Salazar, Ranking Member Castro, distinguished members of the subcommittee—thank you for the opportunity to discuss the way that USAID is responding to the People's Republic of China's (PRC) growing interest and investment in Latin America and the Caribbean.

The work to prevent the PRC from gaining hold in the region is deeply personal to me. I came to the United States from Cuba with my family when I was nine years old. Like so many from families who fled here to escape communism, I know firsthand the type of corruption and tyranny that it fosters. During my formative years growing up in Miami, my neighborhood was full of other families who had lived through the same challenges. For me, the threats of communism to basic freedoms and human rights are not just theoretical.

And now, as Deputy Assistant Administrator, I oversee our operations in countries where concerns about the PRC's growing footprint are real and warranted.

**The Challenge of PRC's Growing Presence**

The PRC pursues foodstuffs for its domestic population, raw materials for its industry, markets for its products, derecognition of Taiwan, and geopolitical influence in the Western Hemisphere. Governments look to Beijing for economic benefits, but increasingly experience the downsides to increased PRC influence. These include: predatory economic lending; unsustainable infrastructure investments; security sector support that enables increased surveillance; and ideological education and research programs.

Since launching the Belt and Road Initiative (BRI) in 2013, Beijing has become the region's largest provider of official finance. Between 2013 and 2020 the PRC offered more than \$215 billion in financing, largely for infrastructure projects that come with strings attached. Beijing also has increased its influence on and within multilateral institutions in the region, such as in the Central American Parliament (PARLACEN) where they recently replaced Taiwan who previously held an observer role.

#### USAID Offers our Neighbors an Alternative

The United States is not forcing countries in the Western Hemisphere or anywhere else to choose between the United States and the PRC, but at USAID, we offer our neighbors a clear alternative to the PRC's approach.

Our partners in the region know that, like our interagency colleagues, USAID does not take a coercive, manipulative approach to development. Instead, we offer them an affirmative agenda based on our shared values and goals for the hemisphere. We work to advance democracy, economic freedom, human rights, and the rule of law, which we know to be the best foundations for open, just, transparent, and sovereign societies.

We offer immediate assistance in times of need. So far this fiscal year, USAID has provided nearly \$282 million in emergency response in 13 countries across the hemisphere—from food security projects in El Salvador, Guatemala and Honduras, to wildfire response in Chile, to respond to storms and floods in Peru—providing protection, multipurpose cash assistance, search and rescue, and logistics support.

During the COVID-19 pandemic, we helped deliver 70 million vaccines donated by the U.S. government in 29 countries—contributing to an over 70 percent vaccination rate in the region.

USAID also works to go beyond a donor-recipient mentality to one that puts us on equal footing. We prioritize developing trusted relationships that put local actors in the lead. And we work to help countries prepare themselves to confront the greatest challenges of our time—from the impacts of our changing climate, to economic downturns, to food insecurity.

USAID leverages our long-term relationships with these nations, our partners in civil society, and our network of foreign service nationals who are trusted advocates in their communities to show the benefits of partnering with the United States every day.

#### Window of Opportunity

Our neighbors in the region recognize the difference between the approaches of the PRC and the United States, and they see the different results they produce. They see that more than 35 percent of Belt and Road Initiative infrastructure projects have been linked to major

implementation problems, including corruption scandals, labor violations, environmental hazards, and public protests.

For example, in Ecuador, the PRC provided billions of dollars in loans and financing which were used to fund a number of public works projects, several of which are now under investigation due to questionable standards and lax planning—like the Coca Codo Sinclair Dam, which was riddled with cracks and caused significant soil erosion. Moreover, the PRC negotiated debt payment plans that require Ecuador to hand over the vast majority of its extracted petroleum to China—up to 80 to 90 percent of its oil production by some estimates.

Governments in the region are becoming increasingly aware of the downsides of working with the PRC and the coercive and predatory tactics it often employs. We see countries continue to approach the U.S. as their partner of choice, with support from their citizens. USAID knows this because we track perceptions of the PRC across Latin America and the Caribbean through our support of the Americas Barometer public opinion survey—and Beijing’s star is falling in the region as more countries have buyer’s remorse. Latin Americans’ trust in the PRC has fallen by nearly 20 percentage points over the course of the past ten years; while trust in the United States has risen by about the same amount since 2019.

So USAID is thinking critically about how we can take advantage of these changing dynamics and how we work in support of the Partnership for Global Infrastructure and Investment (PGI) to provide our partners with a viable alternative.

#### Four Strategic Lines of Effort

USAID recognizes that development assistance is not only a reflection of our values as a people, but also a strategic tool that helps advance our national security strategy and objectives. USAID’s approach to mitigating the challenges posed by the PRC focuses on four strategic lines of effort.

First, we are working to strengthen democratic institutions and the rule of law by supporting our neighbors who are working to show that democracies can deliver results for their citizens. We invest in stronger institutions, programs that strengthen checks and balances, and support actors who shine a light on the actions and motivations of the PRC and their own governments.

USAID supports investigative journalists across the region whose reporting throughout the region calls citizens’ attention to the environmental, financial, and dependency perils of China’s opaque and opportunistic investment model.

Second, we focus on increasing the economic resilience of partner countries so that they can more effectively rebuff external coercion. In Ecuador, El Salvador, Guatemala, Honduras, and throughout the Caribbean, USAID is working with host governments and the private sector to create the kinds of transparent, efficient public procurement systems necessary for private investment in the infrastructure, energy, and telecommunications sectors.

Under the PGI initiative, we invest in procurement systems that help our partners reduce corruption and assess the risks of PRC transactions. In the Dominican Republic, our support for the establishment of international procurement standards created the transparency necessary to prevent back-room deals the PRC was pursuing for Port of Manzanillo infrastructure projects. Instead, two U.S. firms were able to win tenders for construction at better terms and with better environmental safeguards.

Additionally, USAID works to combat direct threats to our neighbors' economies posed by PRC activity, like illegal fishing practices.

Third, we focus on realizing the promise of an open and secure digital ecosystem. USAID provides an alternative to the PRC's digital investments in state-sponsored construction, which often increase surveillance, enable autocratic policing, impose high long-term costs, and crowd out the private sector.

In line with PGI priorities, USAID works to increase cyber resilience in the public and private sectors, offering partner nations secure alternatives with respect to 5G technology and cybersecurity. In Jamaica, we invested \$3.5 million in efforts to strengthen the government's cybersecurity institutions and provide trusted technologies to reduce vulnerabilities to frequent cyber attacks that could potentially fuel regional instability and put U.S. national security at risk.

And finally, we advance the transparent management of natural resources. By supporting climate initiatives like the U.S.-Caribbean Partnership to Address the Climate Crisis, PACC 2030, under PGI, and new climate-finance partnerships like the Blue Green Bank in Barbados that can attract capital for competitive, private sector-led investments in climate resilience, we help our neighbors reduce their reliance on PRC finance for infrastructure and energy.

#### Conclusion

But there's no question we will continue to search for new tools and opportunities to do more to provide what our partners are looking for and outcompete the PRC. We are looking to use

every tool available to us, including the PGI, as well as leveraging the Development Finance Corporation (DFC) and the Inter-American Development Bank Invest, to provide a viable alternative to PRC investment.

By working with our allies and partners, USAID will continue to advance our national security goals, counter the growing influence of the PRC, and make the Western Hemisphere stronger, more prosperous, and more secure.

Thank you for your continued support for the region. I look forward to your questions.

Mrs. SALAZAR. Thank you, Ms. Guilarte for your opening statement. Now I'm going to recognize myself for 5 minutes of questioning. And thanks again to both of you. Let me just start with you, Ms. Hannan, and I just have a few questions about different countries.

Do you know how many countries President Biden has visited since he assumed office? He has been to 32 countries. And do you know how many countries in Latin America, or I should say in South America, he has visited? Zero, zero. And do you know how many times Chairman Xi Jinping has visited South America? Eight times.

So what message do you think that sends to the region? I understand that You're telling me you have great plans and wonderful ideas, but perception is reality. So if you do not go visit your neighbors, what does that say?

Ms. HANNAN. Thank you for the question, Chairwoman. I can say that the Secretary of State has traveled to the region 11 times in the last 2 years.

Mrs. SALAZAR. Yes, but that's the Secretary of State. That's not the President.

Ms. HANNAN. That's the Secretary of State. It is not the President. It's the Secretary of State. And he has deeply engaged in diplomacy in the region. Additionally, President Biden has met with numerous leaders at various events, including last week where we were able to conduct important diplomacy.

Mrs. SALAZAR. Well, we are going to talk about many Latin American Presidents the President of the United States has invited to the White House. But I am going to get to that later.

Now, have you, as one of the top officials dealing with Latin America in the State Department, have you advised the Biden Administration, hey, you have to go to Latin America?

Ms. HANNAN. I can offer that any regional bureau would ask that the President visit their region. Of course, we would love for the President, for the Secretary, for every—

Mrs. SALAZAR. What makes you believe that he has not been able to go—I mean, we are pretty close.

Ms. HANNAN. Yes, I cannot speak to the President's travel schedule. But I can say that it is still a top priority.

Mrs. SALAZAR. But have you advised them regularly? Have you advised the White House to take that step, to visit Latin America?

Ms. HANNAN. We continually advocate for robust diplomatic engagement with our leadership in Latin America.

Mrs. SALAZAR. You know that there was a visit to Brazil and Chile for October, but the trip was canceled. Why? Why was it canceled? Do you know?

Ms. HANNAN. No, I do not know. I am sorry.

Mrs. SALAZAR. You know why it was canceled? Because there was no interest. I mean, Chile is only 8 hours away, and Brazil is nine. But, you know, that does not really send a good message.

Now let's go to Honduras. President Xiomara Castro is the wife of Manuel Zelaya. Manuel Zelaya was a friend of Fidel Castro and told Fidel, and we know this, that capitalism was the most repugnant system he knew and that he had a profound aversion to the United States.

President Biden celebrated her election, Xiomara Castro, who is the actual President of Honduras, sending Vice President Harris to her inauguration. Something that this White House denied to President Lasso of Ecuador, President Chaves of Costa Rica, President Pena of Paraguay. Those three Administrations are conservative. But Manual Zelaya's wife received the honor of having the Vice President of the United States at her inauguration. What type of message does that send?

Ms. HANNAN. I think that we engage with every democratic re-elected government. Our participation in the inauguration of Honduras demonstrates the incredibly important bilateral relationship that we have with Honduras addressing a whole range of issues that they continue to work with us on, including migration.

Mrs. SALAZAR. I am just asking you specifically. The White House sent the Vice President to Honduras, and he did not do that with Lasso in Ecuador, who is a conservative. It's very clear to see the difference in treatment to these two countries.

Ms. HANNAN. What I can say is just yesterday I participated in a meeting with the foreign minister of Ecuador as we signed a SOFA between the United States and Ecuador. So our robust diplomacy continues with all countries. Regardless of travel, I think we demonstrate continued commitment to all of those countries you named.

Mrs. SALAZAR. Did you know that the President of Honduras was going to break relations with Taiwan and recognize Communist China?

Ms. HANNAN. So I was in Honduras in 2022 raising the issue of the value of a relationship with Taiwan as a democratic partner to the region. You know, countries make their own sovereign decisions about the relationships they have as Honduras did in this case. But we continue to advocate strongly for Taiwan to maintain international——

Mrs. SALAZAR. But they decided to part ways with Taiwan and embrace China. That has been decided already. And apparently we did not have any type of influence over her decision.

Now do you know that in Honduras, like you said, it is such an important ally so close to the United States, they have been implementing the Chavez agenda, meaning Venezuela's Chavez agenda, expropriating businesses, defending Cuba, Nicaragua and Venezuela of the United Nations and creating something called the Colectivos, which are a nefarious word because those are the gangs that are enforcing the Socialist government agenda. Are you aware of that?

Ms. HANNAN. I can offer that we continue to engage with Honduras at the highest levels about all of the issues that you are raising.

Mrs. SALAZAR. And what do they say back to you?

Ms. HANNAN. I am not in those conversations personally, but I——

Mrs. SALAZAR. Are you making any inroads because it is very worrisome that Honduras, which is so close, and like you said, most of the migrants are coming to the United States through Central America have to go through Honduras. And Honduras is really not doing anything in order to stop that flow. On the contrary, they



are charging those migrants to make it easier. And the government of Honduras, according to our sources in Miami, the district that I represent where we have hundreds of thousands of Hondurans, now the government of Honduras is using the desire to come to the United States as a business proposition. Are you aware of that?

Ms. HANNAN. I am aware that Honduras continues to partner with us closely to address irregular migration. I know that we remain—

Mrs. SALAZAR. Partner with us, in which way are they partnering with us if they are charging \$25 for every migrant that goes from Point A to Point B?

Ms. HANNAN. I cannot speak to that particular scheme you are describing. But I can say that we continue to work closely with the government of Honduras as well as the rest of the Central American countries to address migration and to find solutions to try and reduce the flow of irregular migrants.

I will also offer that we remain the preferred partner of the Honduran people. And I think—

Mrs. SALAZAR. Oh, people, of course, the people of Venezuela and the people of Nicaragua and the people of Cuba. Of course, the people always side with the Americans. No doubt about it. But I am talking about the people that make the decisions, the governments.

Ms. HANNAN. And we continue to engage with the government at the highest levels. We have raised our concerns about the switch to PRC recognition and the potential for, you know, buyer's regret. We have seen other countries in the region switch recognition from Taiwan to the PRC, and we see how that plays out.

Mrs. SALAZAR. Now, I am going to—I do not want to fatigue you. Let me go to Guatemala, a next door neighbor. The Biden Administration had tagged President Giammattei for being too conservative. How do I know that? Because the President himself told me. He is on his way out. Everything indicates that Mr. Bernard Arevalo is going to be the next President of Guatemala, and he has expressed interest to increase ties with Communist China. Have you had any conversations with the President-elect about engaging with China and leaving Taiwan behind?

Ms. HANNAN. I have not personally had conversations with President-elect Arevalo, but I know that we are in conversation with the democratically elected President and that Taiwan remains, you know, promoting Taiwan as a responsible and democratic partner in the region is one of the topics of conversation that we have.

Mrs. SALAZAR. Thank you. I am going to then stop my question. I am going to give time, and I will pass the time over to the ranking member.

Mr. CASTRO. Thank you, Chairwoman. Well, I want to say first, thank you, USAID and the State Department. Thank you for working with Latin America and hopefully with leaders who are on the left or the right who are democratically elected. I think that we should respect the will of the people as long as the elections were democratic and the leaders are not brutalizing their people.

Unfortunately, throughout Latin American history, not to mention world history, but there are times when there are leaders on the left or the right who have become authoritarian and have committed brutality.

I see it less as a matter of ideology. And, you know, at some point when a person, when a President, or prime minister becomes like that, it no longer becomes about ideology but rather this brutality and authoritarianism.

And, you know, I do have a question. But I think as we have these discussions, and obviously the Congress is very focused on China, we want the United States to prevail to compete against China in different parts of the world, including Latin America and win. We want to stop China's repressive actions and human rights violations. For example, what they are doing to Uyghur Muslims is an atrocity.

But, you know, I am always—when I have spoken to folks in Latin America and others, once in a while, sometimes I feel like that they may be feeling too polite to challenge us on it. But, you know, here, well, you know, the United States is one of China's largest trading partners. We, really, I mean, you have got a Communist country, and we are literally one of China's largest trading partners, which is enabling part of their success including in ways the expansion of Belt and Road Initiative. We also do a lot of trade with Vietnam, for example, which is a Communist country.

So, but on the issue of China, it is tough to—the reason I said in my opening remarks that we cannot just say do not work with China because it is China. Well, they would just put a mirror back at us and say, well, the United States is feeding the beast so to speak if that is your perspective. And how do you confront that diplomatically and at the same time hopefully prevail in this competition?

And then I wanted to ask with respect to USAID and our aid footprint there, our initiatives, what do you see—so it is kind of two questions here, one for both of you. But what do you see as from their development side, from their aid side, how is it different from ours and how is it evolving, if it is evolving? So I open those questions for you all.

Ms. GUILARTE. Thank you, Congressman, for your question. Our motto is very different and that is very clear. We work through partnerships and values, not transactions. And just to give you a snapshot. For every dollar of foreign aid, PRC creates \$9 of debt. I think it is very clear that our motto is very different. And as I mentioned in my opening remarks, I think we are seeing buyer's remorse already in some of the countries that have already flipped to China.

So that is, I think, a clear indication that their motto is not, you know, what they are making it out to be. I think the fact that we provide the type of assistance that is more sustainable in the long-term, that is more in line with our values, goes a long way.

We have doubled down our efforts on supporting civil society, especially human right defenders, those that are on the front lines on reporting the different violations and harmful impacts that are creating serious consequences, right? You have communities that have been displaced. So there are endless examples on how the investments with the PRC is creating negative impacts.

We are also investing on transparency procurement assistance to reduce corruption. The example that I mentioned in the Dominican

Republic is one. So that is one way where our money can go a long way.

We also, you know, support improving the cybersecurity systems that protect against surveillance from foreign adversaries, like the PRC. Of course, we have done that in Jamaica. And, again, the work that we have done with investigative journalists has really been effective to be able to call citizens' attention to, you know, a set of issues that are either again environmental and financial dependency perils.

So I think that model has been very clear and that is where we are making our bed in the long-term.

Mr. CASTRO. Thank you. Maybe a quick answer?

Ms. HANNAN. Sure. Quickly I would offer that, you know, the Secretary laid out the invest, align, and compete model for how we are dealing with China. And I think, you know, we focus a lot on the compete part. But I think the invest and align part matters. And that, you know, we are not seeking to block China from the role that they play in the world. So we are trying to give options so that they are not forced to make opaque investment choices that might leave countries in debt. And it is important that we give that option, especially in Latin America. Thank you.

Mr. CASTRO. Thanks. I yield back.

Mrs. SALAZAR. Now I will recognize Mr. Mark Green from the wonderful State of Tennessee.

Mr. GREEN. Thank you, Chairwoman Salazar, and I thank Ranking Member Castro for holding this hearing. I want to thank you to our witnesses for being here today.

If you thought COVID-19 was the deadliest disease to come from China, think again. Authoritarianism is a far deadlier disease, having killed hundreds of millions of people throughout history. And like COVID-19, it's highly contagious.

I've spoken before the full committee about how the CCP's censorship regime has made its way to the United States through Hollywood. And even Biden's Defense Department agrees with me on that.

Now we are faced with a much bolder and a far more dangerous case of Authoritarianism affecting Latin America. The Chinese Communist Party has made it no secret that it is willing to export a particularly insidious strand of authoritarianism across the globe. and its preferred method is the Belt and Road Initiative.

Using this Initiative, the CCP is rapidly and aggressively spreading its malign influence in Latin America and the Caribbean. Not only does it allow the CCP to extend its dictatorial reach and plunge vulnerable countries into virtual indentured servitude, but it is also squeezing Taiwan out of the region. Twenty-six of the thirty-three countries in the region now have diplomatic ties with China and have severed their relationship with Taiwan.

Many of these same countries have military and security agreements with China, posing such a high risk that SOUTHCOM has concluded that the CCP now has not only the intent but also the capability, and I quote, "to eschew international norms, advance its brand of authoritarianism, amass power, influence, and expense at the existing and emerging democracies in our hemisphere." This

situation is no longer a mere future threat to the United States. It is a reality that we are now living with.

It is China that is largely responsible for trafficking fentanyl coming into our country through the southern border. It is China that is sourcing Mexican cartels with the precursor chemicals that kill tens of thousands of Americans every year. It is China that is exploiting the unstable countries in Latin America and the Caribbean, and it is the same brand of CCP authoritarianism that is causing the mass of illegal migrations into the United States in the first place.

Do not talk about the crisis at the southern border and the crisis that the leading source of death for American adults aged 18 to 45 without talking about the CCP's involvement. If we continue to ignore our allies in Latin America and the Caribbean, we will fully cede control of the region to a Communist dictator, and more American lives will be at risk.

The first phase of ensuring America's interest in the region are identical to the first phase of the CCP's involvement in the region and that is economic engagement. China used predatory economic engagement to set itself up in the region, but we can combat it by genuinely investing in our partners and seeking mutual benefits.

And that is why I introduced by Nearshoring Bill, which accomplishes three things. First, it pushes the CCP out of the region by re-engaging with our partners. Second, it rebuilds diplomatic ties and establishes regional stability, key prerequisites for prosperity.

Third, it builds Latin American Caribbean economies, provides job opportunities, thereby reducing mass migrations that overwhelm our southern border. And I will just thank Secretary Blinken for actually his team helping me write that bill.

China's growing influence in the region is good news for no one. China has and will continue to destabilize the region, keep these countries from becoming prosperous and independent and turn them against the interest of the United States. We must not allow the CCP to continue its malign activities.

To ignore our partners in the hemisphere is to ignore the critical realities that threaten our national security. Without quick and decisive action, the CCP brand of authoritarianism will metastasize.

My first question is for Ms. Hannan. Have there been any attempts by the State Department to engage China regarding its supply of fentanyl precursors into the region and if not, why?

Ms. HANNAN. Thank you for the question, Mr. Green. We have had successful cooperation with the PRC on counternarcotics in the past, but we do need them to do more to disrupt illicit drug supply chains. You know, we approach the problem of fentanyl from several channels, including sanctions which attack the cartels, like the Sinaloa cartel. We—

Mr. GREEN. I mean, we're back—I get the cartel piece. But has the CCP given you one piece of information or one piece of evidence that show they have decreased the flow from China to the Latin American area? I mean, the price of fentanyl on the street now is one-third of what it was when Biden came into office.

Ms. HANNAN. Yes, so Secretary Blinken actually launched the global coalition at the U.N. General Assembly last week, which has

over 50 countries working globally to address illicit drugs, including fentanyl.

We have engaged heavily diplomatically with the PRC. We have worked with them both at the diplomatic level but also to address things like——

Mr. GREEN. I get the engagement. But have they done one thing, given you one piece of information, helped in one way——

Ms. HANNAN. They have——

Mr. GREEN [continuing]. That has decreased the flow of fentanyl?

Ms. HANNAN. Well, I mean, I cannot say the direct impact of the PRC action to decrease fentanyl. But I can say that we are partnering with them to address standards, customer recognition, manufacturing, labeling. But they absolutely can do more. This is an absolute scourge. And the PRC has a role that needs to be addressed.

Mr. GREEN. Thank you for saying that last part. That's an important admission. Thank you.

Mrs. SALAZAR. We now recognize Congressman Greg Stanton of the State of Arizona.

Mr. STANTON. Thank you, Chairwoman, very much. The Health Foreign Affairs Committee has already held several hearings regarding China's global influence, a topic that is critically important to my home State in Arizona.

Arizona is a border State, and it is a thoroughfare for illicit fentanyl traffic from Mexico, which is often manufactured using precursor chemicals shipped from China. So my question is—we will play a little upon Chairman Green's as well. But before we get to that, I do want to talk a little bit about budgets.

As we are aware of how important it is that the United States continue investing in our relationship with Latin American nations so that we can work with our neighbors on critical issues like drug trafficking and migration. We can also check the PRC's presence in our own backyard. That is a bipartisan goal. We have heard that today. We just need budgets that match the policy goal, budgets that match the rhetoric.

Fortunately, in the majority's proposed budget earlier this year, it would cut the State and foreign operations budget a full 24 percent from what the President had asked for all the way back to 2009 levels. And, of course, the world is very different than it was 15 years ago.

Arizona is seeing an increase in numbers of migrants crossing our southwest border. But unfortunately, the majority want to cut funding, for example, immigration processing centers in Colombia, Guatemala, Costa Rica, that screen migrants before they get to our borders.

The proposed continuing resolution that we will likely be voting on hopefully tomorrow, maybe Saturday. We do not know what day the CR is going to come before this Congress, would cut funding for 800 Border Patrol agents. And, of course, a shutdown would be horrific, forcing Border Patrol agents to work without pay. All this would mean less support for border communities and would hamstring Federal law enforcement's abilities to prevent drugs like fentanyl from being trafficked across our borders.

Fentanyl is behind an exponential spike in overdose deaths in Arizona. We know China tragically plays a deadly role in this crisis as an estimated 97 percent of fentanyl here in the U.S. is manufactured using precursor chemicals exported from China.

You mentioned we are working directly with the PRC and through other multilateral organizations to put pressure on China to do more to crack down on the trade of precursor chemicals. Unfortunately, it does not seem to be working at this point.

So I want to followup with what Chairman Green asked. How is the Biden Administration working with not only China but the Mexican government to clamp down on the flow of precursor chemicals from China to drug cartels currently?

Ms. HANNAN. Thank you for your question, sir. You know, we work with Mexico to target TCOs. As I mentioned, the Sinaloa cartel is one that we sanctioned. The Treasury, we used the Fentanyl Sanction Act. We sanctioned over 90 entities or individuals, many of which come from Mexico and over 20 from the PRC.

We are cooperating with Mexico in the bicentennial framework for security, public health, and safe communities. And in fact, next week we have the high level security dialog where fentanyl will be one of the topics we discuss.

You know, we are using every sanction tool we have. We are also working with the PRC. We also do diplomatic engagement. Our Bureau of International Narcotics and Law Enforcement puts combating illicit fentanyl and the precursor chemicals at the top of their list of things of things to address.

Mr. STANTON. Switching gears, I am very lucky. In my community, the Taiwanese Semiconductor Manufacturing Company is building a \$40 billion manufacturing facility in Phoenix. We are supplying chips through the next generation of Apple iPhones. So the safety of the people of Taiwan, protecting the democracy in Taiwan, protecting trade with Taiwan is critically important to the local economy in Phoenix. Thousands and thousands of jobs are being created because of that foreign direct investment by TSMC. And therefore, recognition of Taiwan is very important around the globe.

Deputy Assistant Secretary Hannan, a number of South and Central American countries have switched diplomatic recognition from Taiwan to PRC. Honduras just switched earlier this year. You talked about it a little bit, maybe a little bit more now, if you would. How can the U.S. preempt more countries from switching their diplomatic ties to the PRC, especially as we think about nearshoring parts of our semi-conductor supply chain?

Ms. HANNAN. Certainly. Thank you for the question. We have seven countries in the Latin America and the Caribbean who still recognize Taiwan. In all of our public and private discussions in the region, we continue to emphasize that Taiwan's relationships, both with countries that recognize them and that do not are reinforcing the hemisphere's democratic values and supporting sustainable development.

We continue to support the United States' support of Taiwan's robust and meaningful participation, both throughout the U.N. system and the international community where appropriate. And we

strongly are encouraging all countries to expand their engagement with Taiwan.

Mr. STANTON. Thank you, Madam Chair, and I yield back.

Mrs. SALAZAR. Thank you. And now I am going to recognize Congressman Keith Self of Texas.

Mr. SELF. Thank you, Madam Chair. I want to comment on my colleague across the aisle's comments about the border. The border is lawless, and it informs a lot of my opinions about South America, Latin America as a whole.

This Administration makes no effort on the border. He considers this Congress irrelevant. He considers the law irrelevant, and the border shows it.

I may end with some questions, but I hear your talking points and responses so I may have some questions at the end. My questions would be, but I do not want to spend a lot of time on them, do you actually consider China as the greatest threat to the U.S.? Because I think there is ambivalent responses to that question in the Biden Administration.

But I do want to—before I do that, soft power must still be power. I wish we had a hard power balanced approach in this hearing, but we do not. So what sanctions have you put on nations that have removed recognition from Taiwan. What actual sanctions have you put in the soft power realm on the nations that have removed recognition from Taiwan?

Ms. HANNAN. Thank you, sir. We do not put sanctions on countries.

Mr. SELF. I suspected that would be the answer.

Ms. HANNAN. Those are sovereign decisions of nations to determine who they have to—

Mr. SELF. It is also in our best interest to make sure that they do not recognize Taiwan. The President has said—the way I understand the official position of the United States is that we will provide Taiwan the weapons to defend themselves. However, this President has said four times recently that we will defend Taiwan. So I do not see that in the official policy of the United States so I'm not sure what to believe about the Administration's policy.

Do you actually want to counter China in Latin America or do you simply want to have this soft competition? That would be a question—I am not sure I see any efforts to actually counter China. We talk about it, but I am not sure the efforts are there.

Do you have any examples of how you have actually countered, responded to China's involvement in Latin America as a whole, and what are the red lines that you have for their involvement in dual use facilities? Do you have any red lines?

Ms. GUILARTE. Thank you, Congressman, for your questions. I will give our perspective from a development perspective. Of the seven countries that remain recognizing Taiwan and Latin America, we have seen and actually created valuable partnerships with Taiwan to be able to demonstrate why working with Taiwan and the countries where we are is worth the investment.

I can give you examples from Uruguay, Guatemala, and even in the Caribbean, where investments in education, agriculture, food security, and women's economic empowerment has gone a long way. These are areas where the PRC has not—

Mr. SELF. Has it deterred any country from de-recognizing Taiwan?

Ms. GUILARTE. Not de-recognizing.

Mr. SELF. Can you give me an example?

Ms. GUILARTE. Not de-recognizing, we haven't, no.

Mr. SELF. Because there are nations that still recognize Taiwan. Has any of this—do you know of an example where a country have used your efforts, have persuaded them not to de-recognize Taiwan?

Ms. GUILARTE. I can give you one concrete example. I recently traveled as part of my job, because I think it is important to be in Washington, but it is just as equally important to visit the region and our partners.

I was just in Belize, a country where USAID does not have a presence, we are actually considering in places where USAID does not have a presence increasing our footprint or considering being there exactly for those same reasons.

Mr. SELF. Well—

Ms. GUILARTE. The way that they have—

Mr. SELF. Well, that's—

Ms. GUILARTE. I just give you an example, they have not recognized PRC. They are a strong partner with Taiwan-Belize. I had meeting with our counterparts, Taiwanese counterparts while I was there. And there is definitely an eye-to-eye, you now, same level approach toward development—

Mr. SELF. OK.

Ms. GUILARTE [continuing]. With the Belizean government, where they are not interested in PRC.

Mr. SELF. Thank you. Thank you. You used the term buyer's remorse earlier. And I do not see that in the move away from Taiwan in Latin America because they understand how important this is. I hope they understand how important this is to the United States.

I think the move away from Taiwan is a major indicator of the failure of our soft power in Latin America as a whole. Madam Chair, I yield back.

Mrs. SALAZAR. Thank you, Congressman. And now we are going to begin a second round of questions. And I want to recognize myself for 5 minutes. And I want to go to two different countries and continue with you, Ms. Hannan.

Let's go to Argentina. You know that next month there are going to be elections. And everything indicates, we do not know, we cannot control that process, but everything indicates that Javier Milei will be elected the next President of Argentina.

Milei is the opposite of Xiomara Castro in Honduras. And he has said repeatedly on many television interviews that he does not—I'm going to quote him—that he does not deal with Communists. That the Chinese government kills people who want to be free. That he is going to break ties with Cuba, Venezuela, Nicaragua, and China, which I think are policies that are actually pretty good for the United States' interest in the region.

So my question to you is if Milei were to win the Presidency in Argentina, would you recommend to the White House to send Vice President Harris to attend his inauguration if he were to win the presidency?



I understand that you do not control the President's schedule. I understand that you do not. But you are highly influential. The State Department sends a clear message to the White House as to what should be the right policies that we should pursue.

Ms. HANNAN. I cannot predict who wins an election. I can say that we always engage with democratic elected governments for any country. So if Milei were to——

Mrs. SALAZAR. I am saying in case that were to be true. And Milei, who has stated those statements repeatedly shared with the press what his presidency will look like, what will the Biden Administration do?

Ms. HANNAN. What I can offer is that our relationship with Argentina is incredibly important. I cannot say who would attend the particular swearing in of a President. I do not think that necessarily predicts totally the importance of a relationship that we have. We have robust diplomatic engagement in a variety of scenarios.

I will say that we will continue to work with Argentina whoever is elected.

Mrs. SALAZAR. You understand what I am trying to say. The Biden Administration has not shown the same respect toward those governments who are democratically elected. And they tended to be on the conservative side. They have not shown the same type of respect to those on the conservative as on the left. And I think that is very worrisome.

So I am explaining—I am asking you in this case, which the Biden Administration has a new opportunity to demonstrate equality, equity, and diversity, could you commit to the fact that Milei, if he were to be President, deserves the same type of respect as Xiomara Castro?

Ms. HANNAN. I can commit to the idea that every democratically elected leader in Latin America deserves a robust diplomatic engagement with our government, with our current Administration.

Mrs. SALAZAR. But they are not having it because that is not the case with the Dominican Republic. It was not the case Guatemala. So all we are trying to find is the same respect for one side of the ideology as for the other. And you can definitely influence those decisions.

Now let's go to Cuba. Cuba is currently hosting at least four Chinese spy bases, four. And now they are thinking about opening up a new base to harbor Chinese troops, Chinese troops, 90 miles away from us. That is part of Project 141, which is a secretive project to have military bases all over the world.

My question is, have you shared with the Cubans that it is unacceptable to the United States to have Chinese troops 90 miles away? Yes or no?

Ms. HANNAN. So our strategy begins with diplomacy. And we are engaging governments about hosting PRC bases at high levels, exchanging information with them. I would refer you to the classified briefing that you had or to ODNI for additional information. But I will offer that we have raised our concerns with the PRC at the highest levels, including when Secretary Blinken was in Beijing last about Cuba.

Mrs. SALAZAR. All right. Now that you said about the classified hearing that we attended, since we cannot share that information with the public, could you commit to publish an unclassified report of what the United States knows about the Chinese presence in Cuba so we can share it with my constituency, which is the Cuban exile community in the United States?

Ms. HANNAN. I can take that back to my team to inquire. Thank you.

Mrs. SALAZAR. To inquire if you can publish an unclassified report?

Ms. HANNAN. I can take that back to my team. I cannot speak to whether or not we can, but I can take it back. Absolutely.

Mrs. SALAZAR. All right. Thank you. I yield back. I now recognize the ranking member, Mr. Castro.

Mr. CASTRO. Thank you, Chairwoman. You know, we are talking about China and competition with China. One thing that I did not mention, had not addressed, was the success and the cooperation of our business community in Latin America. And, you know, Representative Self asked the question, well, what are we doing to counter China?

Well, one of the things that we have been working on is pressing them not to purchase and accept and integrate technology like Huawei into their infrastructure systems. That is an important counter that I know the United States is working on day in and day out. But I also want to make sure, and I know that we do it, but I guess partially in answer to his question is helping our business to succeed.

I do think, like I said, I think that there are ways in the world where China cheats on human rights, for example, and should be held accountable. Debt traps is another one. But there are other ways where they are competing against the United States and Europe around the world. And I believe that we need to compete with them, and I believe that we can beat them, that our businesses can beat them. That our systems, our aid system, can beat them. So I think that's an important part.

But I want to ask the question, I have about three and a half minutes left, on a separate topic, and that is the rise of illegal, unreported, and unregulated fishing in Latin America and the Caribbean. And it is a major concern that affects livelihoods in communities and labor rights and the environment and regional security. And combating IUU fishing has been a priority for numerous Latin American countries and is a key policy framework of the Biden Administration.

Much IUU fishing is perpetrated by large scale operations of Chinese fishing fleets, sometimes supported by ports financed by the PRC. I am currently working on legislation to address this issue.

Beyond supporting Naval and military capacities, which I know falls under the DOD, Ms. Hannan, how is the United States addressing the challenges and impact of IUU fishing in coordination with our allies in the region?

Ms. HANNAN. Thank you so much for the question. I think IUU fishing is an incredibly important issue because it also resonates with Latin America because they see it as their resource. And so we do a lot of soft diplomacy. I do not know if I agree with the term

soft, but we reach out. We draw attention to actions by the Chinese fleets.

I know SOUTHCORP has helped to draw attention to what they are doing. I personally participated in a working group in Peru that brought together NGO's and the Peruvian Coast Guard and the American Embassy to talk about ways that we can address IUU fishing where they launched a program that will focus on the impact that the fisheries are having, looking at the zero tolerance policy that the PRC has in holding them accountable to the same standards.

We have a working group. We have the SAFE Act that we can use. We are deeply supportive of Sea Mar. That is one of the most important areas in the world in terms of being a fishery bed. You know, we are looking at deep sea squid fisheries. We take the issue very seriously. We work on it with governments, but also with NGO's and with aid programs.

Mr. CASTRO. Well, thank you for that. Thank you so much for your testimony today, both of you. I appreciate it. I yield back, Chair.

Mrs. SALAZAR. All right. We are going to begin a third round of questions, and I recognize myself for 5 minutes. And after that, I'm not sure if the ranking member would like to continue, but let's just extract and just get more information out of you.

And this question is for Mileydi Guilarte. Thank you. I am sorry that I could not talk to you before. But definitely we very much appreciate the fact that you are coming and as a Cuban American you recognize the threat of that Communist ideology penetrating our hemisphere.

This has nothing to do with political parties. This has to do with being an American and caring about the American values being carried into our back yard, into the hemisphere that we belong to. So thank you, Mileydi, for being here once again.

So I am not sure if you know that after Daniel Ortega came back from China, he started raffling off all expenses paid trips to China for whatever Nicaraguan wanted to adopt that all expenses paid trip.

And according to the Nicaraguan press, no one participated. I mean, it is really weird that if they are paying for your room and board and for your plane tickets to go to a country that no one cares about it, or no one has raised their hand. So that is very interesting. And everyone like free trips. But according to the Nicaraguan press, I repeat, no one participated in this offering from the Ortega regime.

You are, through USAID, in charge—you are in charge indirectly of the public diplomacy in favor of the United States. So we understand that Latin Americans like the United States a lot more than they like China. And this is a very good example. How do you think that—what else can we do in this Congress to help people like you take the message that we are still the best game in town?

Ms. GUILARTE. Thank you, Congresswoman, for your question. You know, I think Nicaragua, as you know the region really well, it is really hurtful to see how things continue to deteriorate. I mean, you saw in GAIA, you saw the VUCA organizations, people are fleeing.

Our investments are modest. USAID, most—all of our partners are not operating in Nicaragua no longer. So our investments have been to double down on ensuring that when there is an opening that those that remain outside and continue to fight for a free Nicaragua 1 day are ready to do so. And I think that's really where our funding should continue to be focused on.

There is a lot of work that is being done to continue putting a spotlight on the human rights violations that are happening in Nicaragua. We have from USAID work very closely with inter-agency colleagues to ensure that our partners in the multilateral institutions keep a close eye on not approving any loans on Nicaragua.

So it's a multi-prong approach. I think development does play a role. And we flex our development muscle in supporting those that are fighting the good fight outside. But it also requires other institutions to play a role. I mean, there are regional financing institutions that keep giving them a lifeline, right?

Mrs. SALAZAR. So what do your people—are telling you—people that are based in Nicaragua still, what are they telling you?

Ms. GUILARTE. I think it is very obvious that the conditions—I mean, there is no closing of civil space, there is none, right? But our work is not focused inside of Nicaragua.

Mrs. SALAZAR. And that is very sad the fact that the soft diplomacy is not in place right now in Nicaragua. What about Venezuela? Do we have any activity in Venezuela?

Ms. GUILARTE. We have—

Mrs. SALAZAR. USAID, do you have any programs? What type of participation are we having in Venezuela at this hour with the Maduro Regime?

Ms. GUILARTE. In Venezuela, and forgive me because I am not as knowledgeable in Venezuela. I cover all of Mexico and Central America. But in terms of our focus, it is on the upcoming election. And I think that is where we are ensuring that there is fair representation from opponents.

Mrs. SALAZAR. And now that you say that, I can ask Ms. Hannan, and she is saying that the focus is on the coming election. There is a candidate by the name of Maria Corina Machado that everything indicates that may be—if the Maduro regime accepts free and fair elections, that she may be the next President, in which way we are helping, let's say, the diplomatic forces, I mean, the democratic forces in Venezuela to help have—to give the opportunity to the Venezuelan to speak their conscience and not be suppressed by the Maduro regime?

Ms. HANNAN. I think you are asking—I mean, we continue, I mean, it is a top priority to support the free and fair election in Venezuela.

Mrs. SALAZAR. But in particular the State Department, not so much USAID, but the State Department, what can we be doing right now in order to help those democratic forces in Venezuela?

Ms. HANNAN. Inside of Venezuela?

Mrs. SALAZAR. Inside Venezuela?

Ms. HANNAN. We continue to respect the will of the Venezuelan people in their efforts to do free and fair elections. We continue to

have some aid programs that provide food security and give opportunity for them to continue to live. But we are waiting for the Maduro regime to—I do not want to say waiting. You know, we are supporting the free and fair election process that is being administered between the opposition and the Maduro regime. And we will continue to work——

Mrs. SALAZAR. But you know that he is not willing to help any type of program that involves free and fair elections——

Ms. HANNAN. Yes, yes, it is the regime.

Mrs. SALAZAR [continuing]. Or help the opposition have any air time or any type of support. So what can we do, the State Department, soft diplomacy, what are the activities right now happening?

Ms. HANNAN. We continue drawing attention to the plight of the Venezuelan people. We also support the Venezuelans that are outside of Venezuela that have had to leave because of the economic situation.

Mrs. SALAZAR. But in particular with the Maduro regime, do we have any type of contact?

Ms. HANNAN. I would like to come back to you on that question. I do not have the answer right here. Sorry.

Mrs. SALAZAR. Please do because the Biden Administration has been good to the Maduro regime, and we are talking about oil purchases. So if we are good to them economically speaking, maybe they would be wanting to hear on the diplomatic side. So it would be very interesting to know what type of contact when it comes to helping those opposition forces are we having from the State Department. Thank you. Please get back to us. I yield back.

Mr. CASTRO. Thank you. Just one last question from me. I know some of the challenges USAID and State face in posing ourselves as an alternative to the PRC and our funding limitations and restricted presence on the ground.

So I wanted to ask you all, can each of you speak to the challenges and barriers you are currently facing in developing sustainable and mutually beneficial ties with regional governments and then what effect would the proposed cuts by the Republican majority have on these operations if they were to go through?

Ms. GUILARTE. Thank you, Congressman. Any type of government shutdown or lapse in funding would cause a disruption to our presence in the region. I think basically it would come down to ceding space to China because they do not have to—they do not have the same rules as we do.

I think one important piece where USAID has been playing a critical role given the migration and the influx of migrants that are crossing and fleeing is the integration work that we have throughout the region.

So any type of budget cuts would pose significant harm in the settlement of some of these returnees, and I think would result in increased flows to our border. So that's definitely one direct impact that the budget cuts would have.

And I think something else would be—the human rights budget would be detrimental to protecting the courageous human rights defenders that are doing that work. So any pause would be harmful.

So those are some of the things that I could think of right away that would be impacted by any budget cuts.

Ms. HANNAN. I mean, I think she laid it out well. I would just add that, you know, we have so many programs and projects that support the values that we share with the hemisphere. And we are trying to advance a positive agenda. And, you know, these programs take time. And they are investments, and we want to see them continue.

Mr. CASTRO. Thank you. I yield back.

Mrs. SALAZAR. So pursuant to committee rules, all members may have 5 days to submit statement questions and other materials for the record. Without objection, the committee stands adjourned. And once again, thank you for your presence.

[Whereupon, at 3:20 p.m., the subcommittee was adjourned.]



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

**Subcommittee on the Western Hemisphere  
Maria Salazar (R-FL), Chairwoman**

September 21, 2023

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

You are respectfully requested to attend an OPEN hearing of the Committee on Foreign Affairs to be held at 2:00 p.m. in room 210 of the House Visitor Center. The hearing is available by live webcast on the Committee website at <https://foreignaffairs.house.gov/>.

**DATE:** Thursday, September 28, 2023

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

**LOCATION:** HVC-210

**SUBJECT:** Communism on Our Doorstep: The Threat of  
China's Malign Influence in Latin America

**WITNESSES:** Ms. Kerri Hannan  
Deputy Assistant Secretary  
Bureau of Western Hemisphere Affairs  
U.S. Department of State

Ms. Mileydi Guilarte  
Deputy Assistant Administrator  
Bureau for Latin America and the Caribbean  
U.S. Agency for International Development

\*NOTE: Witnesses may be added.

**By Direction of the Chair**

*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 202-226-8467 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 FULL COMMITTEE HEARING

Day Thursday Date September 28, 2023 Room HVC-210

Starting Time 2:06 pm Ending Time 3:30 pm

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

Presiding Member(s)  
*Rep. Maria Salazar*

Check all of the following that apply:

Open Session ☒

Electronically Recorded (taped) ☒

Executive (closed) Session ☐

Stenographic Record ☒

Televised ☒

**TITLE OF HEARING:**

*Communism on Our Doorstep: The Threat of China's Malign Influence in Latin America*

**COMMITTEE MEMBERS PRESENT:**

*Rep. Mark Green, Rep. Warren Davidson, Rep. Keith Self, Rep. Joaquin Castro, and Rep. Greg Stanton.*

**NON-COMMITTEE MEMBERS PRESENT:**

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.)

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

or  
TIME ADJOURNED 3:30 pm

*Meg Wagner*  
Full Committee Hearing Coordinator



**Committee on Foreign Affairs**  
**Subcommittee on Western Hemisphere**

118<sup>th</sup> Congress

ATTENDANCE

Meeting on: Communism on Our Doorstep: The Threat of China's Malign Influence in Latin America

Date: 9.28.2023

Convened: 2:06 pm

Adjourned: 3:30 pm

Representative	Present	Absent	Representative	Present	Absent
Ms. Salazar	X		Mr. Castro	X	
Mr. Green	X		Mr. Stanton	X	
Mr. Huizenga		X	Mr. Moskowitz		X
Mr. Davidson	X		Ms. Kamlager-Dove		X
Mr. Self	X				
Mr. James		X			

RESPONSES TO QUESTIONS SUBMITTED FOR THE RECORD

**Questions for the Record Submitted to  
Deputy Assistant Secretary Kerri Hannan by  
Chairman Michael McCaul (N0.1 -N0. 7)  
House Foreign Affairs Committee  
September 28, 2023**

**Question 1:**

Given the difference between strategy versus the policies and activities of individual agencies, could you clarify what is the core of the administration's overall strategy in responding to the challenge of PRC activities in the Western Hemisphere?

**Answer 1:**

As the Secretary said, our competition with the PRC remains a defining challenge for the 21st century. We advance a positive agenda for the Western Hemisphere, based on the values we share with our partners – respect for human rights and diversity, democratic governance, inclusive economic growth and entrepreneurship, and the rule of law. We employ a diverse range of tools to strengthen regional prosperity, security, and democracy, from diplomatic engagement to technical exchanges, public diplomacy and targeted foreign assistance, and partnership with the private sector and civil society. We align our efforts with our network of allies and partners to advance a shared vision for the future.

**Question 2:**

What is the extent of PRC investment in the critical mineral supply chain, from mining to refining, in the western hemisphere? How is the administration using its tools such as the DFC to invest in the critical mineral supply chain? Has there been specific outreach to American mining and refining companies? What, if any, incentives/opportunities have the administration provided to said U.S. companies?

**Answer 2:**

The Biden-Harris Administration is committed to using all our tools to strengthen the resilience of America's supply chains to sustainably manage lithium and other critical mineral resources, aid in project commercialization, and develop diverse sources to meet growing global demand for these critical minerals.

For example, DFC, under the Partnership for Global Infrastructure and Investment, has invested \$30 million and holds equity in TechMet Limited to advance mining in Piauí, Brazil, of nickel and cobalt, two critical minerals needed to power electric vehicles and other clean energy technologies. The State Department's Minerals Security Partnership also collaborates closely

with DFC and EXIM to engage on specific projects throughout the Western Hemisphere and advance investment deals, including those involving U.S. companies.

**Question 3:**

What is the Administration doing to provide better public and government-use data on the relative performance and risks associated with the activities of PRC companies and other PRC-based entities in the Western Hemisphere?

**Answer 3:**

We consistently advocate for our partners to conduct due diligence on public projects and advise our partners about the risks associated with PRC investment in certain sectors. We also advise countries on building sustainable and secure digital ecosystems, including spectrum allocation, procurement policies incorporating lifecycle costs and trust considerations, and investment screening mechanisms ensuring new technologies do not jeopardize security.

**Question 4:**

What is the Administration doing to provide better public and government-use data on risks associated with the activities of PRC companies and other PRC-based entities in the Western Hemisphere?

**Answer 4:**

We consistently advocate for our partners to conduct due diligence on public projects and advise our partners about the risks associated with PRC investment in certain sectors. We also advise countries on building sustainable and secure digital ecosystems, including spectrum allocation, procurement policies incorporating lifecycle costs and trust considerations, and investment screening mechanisms ensuring new technologies do not jeopardize security.

**Question 5:**

What is the Administration doing to ensure that incentives for “near-shoring” in countries such as Mexico, Central America and the Caribbean do not inadvertently drive more Chinese companies to locate to those countries, integrating themselves into US-oriented value chains?

**Answer 5:**

The Administration has taken several measures to prevent PRC companies seeking to exploit lax regulations from inadvertently integrating into U.S.-oriented value chains. Our efforts include diplomatic engagement, investment in development, trade policies that prioritize labor rights and environmental standards, and building strong partnerships in the region with governments, civil society, and the private sector to enhance governance, transparency, and the rule of law.

**Question 6:**

What is the Administration doing to effectively reward governments such as Costa Rica or the Dominican Republic who have foregone “benefits” offered by the PRC, to make responsible decisions turning down PRC loans, or keeping the PRC out of sensitive networks, so that others see the benefit in doing the same?

**Answer 6:**

The administration actively engages governments in the region to build stronger partnerships based on shared values, transparency, and good governance. Specifically, we work with partners through initiatives like the Digital Connectivity and Cybersecurity Partnership, Deal Teams, Partnership for Global Infrastructure and Investment, and Minerals Security Partnership to help coordinate and mobilize modern investments. The President also requested \$75 million to recapitalize IDB Invest, the Inter-American Development Bank’s (IDB) private sector arm, so it can provide WHA countries more alternatives to finance infrastructure and nurture private sector-led growth. Finally, we provide foreign assistance, including through



the Countering PRC Influence Fund, to support projects that may otherwise be pursued with PRC assistance.

**Question 7:**

What is the Administration doing through messaging, incentives, or other means, to persuade those countries in the Hemisphere that continue to maintain relations with Taiwan to continue to do so?

**Answer 7:**

Taiwan is a meaningful, democratic partner in the region, for both its diplomatic partners, and for other countries with which it maintains unofficial relations. We partnered with Japan, Australia, and Taiwan to bring the Global Cooperation and Training Framework (GCTF) to Latin America and the Caribbean, to highlight the benefits of working with Taiwan. In both public and private discussions in the region, we emphasize that Taiwan's relationships reinforce the hemisphere's democratic values and support sustainable development. Under the auspices of the American Institute in Taiwan and the Taipei Economic and Cultural Representative Office, the Taiwan International Cooperation and Development Fund (TaiwanICDF) and the U.S. Agency for International Development cooperate to promote economic development in the region.

We also note that Taiwan demonstrated its strong partnership to Latin America throughout the pandemic, making donations of ventilators and

protective equipment, not only to the countries with which it has diplomatic ties, but also to others with which it does not. Our embassies support Taiwan in its official and unofficial bilateral relationships and in international fora, including regional multilateral organizations. This Administration makes clear that our commitment to Taiwan will remain rock-solid. Taiwan is a leading democracy and a critical economic and security partner.

**Questions for the Record Submitted to  
Deputy Assistant Secretary Kerri Hannan by  
Congressman Bill Huizenga (N0.1 to N0. 2)  
House Foreign Affairs Committee  
September 28, 2023**

The United States' foreign policy has been reactionary under the Biden Administration's leadership. In fact, recent reporting indicates that a long-time ally of the U.S., Argentina, is struggling to decide between purchasing fighter jets from the U.S. or from China.[1] To think that the PRC is attempting to erode another one of our allies in the Western Hemisphere through a military relationship is deeply concerning and should be a concern to all Americans.

**Question 1:**

Who is having these high-level discussions with Argentine officials about fostering a relationship with China, specifically about the implications such a relationship could have for regional stability? Has a strategy to combat continued exploitation by the Chinese in the Western Hemisphere been drafted? Furthermore, are you committed to holding nations, that host Chinese military assets capable of spying on the US, accountable?

**Answer1:**

The United States has approved a third-party transfer of F-16's from Denmark to Argentina. We hope the transfer will occur following the current Argentine election cycle. The transfer, if concluded, would allow for improved regular training and exercises to increase interoperability between

the United States and the Argentine Armed Forces. The entire U.S. government has worked more than a year to address obstacles and ensure this deal can go forward. The United States uses a total package approach in its foreign military sales, which includes training, spare parts, and other services and technical support needed to sustain defense procurements. U.S. Air Force officials have provided pricing and availability information for the F-16s to the Argentine Air Force Chief for the associated weapons, sustainment, and training required by the Argentine Air Force. The United States has not turned down any Argentine request in this regard. Additionally, the Department has approved a grant of \$40.15 million to offset Argentina's F-16 procurement effort.

**Questions for the Record Submitted to  
Deputy Assistant Secretary Kerri Hannan by  
Congressman Bill Huizenga (N0.1 to N0. 2)  
House Foreign Affairs Committee  
September 28, 2023**

**Question 2:**

Recently, the President of Mexico said, “We do not produce fentanyl, and we do not have consumption of fentanyl,” and “Why don’t they [the United States] take care of their problem of social decay.” How did the Biden Administration respond to these abhorrent remarks? Do you believe Mexico is cooperating with the U.S. in combatting the fentanyl crisis? How can the U.S. hold China accountable for permitting the export of precursor chemicals to cartels to use for nefarious purposes?

**Answer 2:**

U.S. - Mexico security cooperation remains a top national security priority. The October 5 U.S.-Mexico High-Level Security Dialogue (HLSD) demonstrates our continued commitment to work with Mexico to intensify our efforts to combat illicit drug trafficking, particularly synthetic drugs such as fentanyl and their chemical precursors. We also had high-level discussions on fentanyl during the first and second meetings of the Canada-Mexico-United States Trilateral Fentanyl Committee in April and July.

As a result of its efforts to disrupt clandestine laboratories producing synthetic drugs and prevent the diversion of chemical precursors, Mexico has destroyed 2,131 clandestine laboratories, seized 7,691 kg of fentanyl, and seized 188 tons of methamphetamines and 1,435 tons of precursors and chemical substances during President López Obrador's administration.

Through a coordinated global effort with international partners, the Administration has taken action to disrupt the illicit synthetic drug trade. We have emphasized to Mexico that synthetic drugs pose a threat to all countries, including Mexico, which is why we have successfully coordinated UN action to internationally control new psychoactive substances and precursor chemicals, including fentanyl analogues and precursors. Secretary Blinken also launched a Global Coalition to Address Synthetic Drug Threats. This coalition, which includes Mexico, aims to mobilize global action to stop the manufacture and trafficking of synthetic drugs such as fentanyl, identify new substances that pose an ever-evolving threat, and strengthen our global public health response to the rise in synthetic drugs.

While the PRC has cooperated with the United States on counternarcotics-related issues in the past, it must act now to do more to

address the current crisis. Secretary Blinken and other officials have repeatedly raised this issue in person in his meetings with PRC leadership, including an invitation to join the Global Coalition to Address Synthetic Drug Threats.



**Questions for the Record Submitted to  
Deputy Assistant Secretary Kerri Hannan by  
Congressman Kamlager-Dove (N0.1 to N0. 3)  
House Foreign Affairs Committee  
September 28, 2023**

**Question 1:**

It is incredibly important to be clear-eyed about the PRC's malign influence and exploitative relationships in our hemisphere, with the operative word being clear-eyed. We must be deliberate about focusing on the kind of PRC activity that actively threatens our strategic interests and those of our regional partners, rather than throwing the kitchen sink at any sign of Chinese engagement. Along those lines, in our efforts to counter exploitative PRC actions, we must ensure this does not become the sole or even primary reason for engaging with our Latin American and Caribbean neighbors. We have so many more shared interests beyond the PRC on which to partner with these countries, and there is a bitter history in the region of relationships defined by great power rivalry that we must learn from. So with that I want to focus my questions on some specific sources of malign PRC influence in Latin America and the Caribbean. Chinese technology, including untrusted data centers, telecommunications networks, and cloud computing infrastructure, is a latent coercive instrument that compromises countries' sovereignty and threatens their national security.

- Deputy Assistant Secretary Hannan, how many countries' service providers in the Western Hemisphere have formally agreed to contract with Huawei to build out their 5G networks? In countries seriously considering Huawei, what have we done to move quickly to provide access to trusted alternatives?

**Answer 1:**

The United States actively encourages countries in the Western Hemisphere to prioritize security in their communications infrastructure. Huawei maintains a presence throughout Latin America and the Caribbean and holds approximately equal market share with Nokia and Ericsson in the region's radio access network market. Our consistent focus on 5G and telecommunications security emphasizes collaboration with likeminded partners, capacity building, and regulatory cooperation.

We have engaged Costa Rica, among others, on these important topics. We welcomed Costa Rica's August 2023 decree that telecom providers only use hardware and software from suppliers headquartered in countries that are signatories to the Budapest Convention on Cybercrime.

We will continue to encourage governments to secure their 5G networks by excluding high-risk vendors.

**Questions for the Record Submitted to  
Deputy Assistant Secretary Kerri Hannan by  
Congressman Kamlager-Dove (N0.1 to N0. 3)  
House Foreign Affairs Committee  
September 28, 2023**

**Question 2:**

Caribbean nations are repeatedly overlooked in U.S. foreign policy, yet are incredibly strategic partners for U.S. national security. The PRC has sought to grow its influence on our third border, loaning billions of dollars to Caribbean nations over the past two decades, especially for badly-needed infrastructure projects.

- Deputy Assistant Secretary Hannan, what is your assessment of the PRC's intentions to invest in dual-use infrastructure in the Caribbean that could one day support Chinese military capabilities? How are we responding to Caribbean nation's infrastructure needs to provide an alternative to PRC loans?

**Answer 2:**

In addition to urging our Caribbean counterparts to conduct thorough due diligence on public projects, to avoid risks to national security, data privacy, environmental quality, and supply chain resiliency posed by many PRC investments, particularly for critical infrastructure, the U.S government responds to Caribbean needs and priorities through programs such as the U.S.-Caribbean Partnership to Address the Climate Crisis (PACC 2030).

Among other activities, PACC 2030 provides technical assistance to help countries access finance and explore ways to assess the impacts that climate change will have on certain critical security infrastructure.

The Department is working with our Caribbean missions on a workshop to bolster the economic viability and security of seaports targeted by the PRC for investment. The workshop will impart training in maritime economy and security matters to equip host countries with tools they can use to maintain sovereignty over their critical infrastructure.

**Questions for the Record Submitted to  
Deputy Assistant Secretary Kerri Hannan by  
Congressman Kamlager-Dove (N0.1 to N0. 3)  
House Foreign Affairs Committee  
September 28, 2023**

**Question 3:**

South America contains 52% of the world's lithium, a critical mineral used to produce electric vehicles and batteries that will be instrumental in the clean energy transition needed to fight climate change. The PRC has been making inroads in dominating the lithium trade in Latin America, bringing with it exploitative mining practices that harm laborers and local communities.

- Deputy Assistant Secretary Hannan, what is the U.S.'s strategy to ensure the PRC does not obtain a monopoly over lithium production in our hemisphere?

**Answer 3:**

The Biden-Harris Administration is committed to strengthening the resilience of America's supply chains to ensure our economic prosperity and national security. The Inflation Reduction Act boosts U.S. energy security and independence by reshoring our supply chains and driving clean energy manufacturing. We continue to work with key partner countries through the Minerals Security Partnership and technical assistance programs to support sound sector governance and catalyze public and private

investment in critical minerals projects along the entire value chain that will help diversify these supply chains.

We remain committed to working with partner countries on best practices related to critical minerals.

**Questions for the Record Submitted to  
Deputy Assistant Secretary Kerri Hannan by  
Congresswoman Maria Salazar (N0.1 to N0. 1)  
House Foreign Affairs Committee  
September 28, 2023**

**Question 1:**

Some believe the use of “soft power” is a powerful way to provide a counterforce to Chinese gradualism. We’ve seen programs such as the Worldwide Aviation Support Services (WASS) used in other parts of the world to great effect. When the challenge is quietly but effectively demonstrating US commitment without busting the bank or overwhelming a Partner Nation – this program can quietly come alongside a Partner Nation to develop, with US hardware support, lower cost aviation capabilities critical in a Partner Nations struggle to extend their reach and presence throughout their sovereign territory.

- To what extent are we considering resources such as the WASS program as a tool to slow Chinese gradualism in the region?

**Answer 1:**

The Department recognizes that lending aviation support to partner nations using U.S. equipment and support for counternarcotics, law enforcement, and other efforts can be an effective tool in combatting PRC influence in addition to accomplishing other regional objectives. The Department of State’s Bureau of International Narcotics and Law Enforcement (INL) is mindful of this as it looks for opportunities with available resources to assist other countries using manned and unmanned

systems. As an example, as a result of INL-provided twin engine helicopters and technical support using the WASS contract in Costa Rica, the Air Vigilance Service has now disposed of PRC-donated Harbin Y-12 aircraft. Additionally, WHA has been working closely with DoD and its partner nations to provide American military hardware options which they want, including the third-party transfer of F-16 aircraft to Argentina instead of PRC-made aircraft, which the Argentines considered as an option. However, countering PRC gradualism involves a comprehensive approach that goes beyond specific efforts like INL's WASS contract support. It requires a multi-pronged effort with other bureaus within the Department of State, with the Department's interagency partners, and with its international partners. The U.S. government employs various diplomatic, economic, and strategic tools to address concerns related to PRC influence in the Western Hemisphere. These efforts include promoting trade and investment alternatives, strengthening regional partnerships, and advocating for transparency and good governance.



**Questions for the Record Submitted to  
Deputy Assistant Secretary Kerri Hannan by  
Congressman Joaquin Castro (N0.1 to N0. 10)  
House Foreign Affairs Committee  
September 28, 2023**

It's easy to say that countries in the Western Hemisphere should reject what the People's Republic of China (PRC) is offering, but there are real needs for investment in the region and PRC is offering financing. Last year, Secretary Blinken said "This is not about forcing countries to choose. It's about giving them a choice."

**Question 1:**

How is the United States working to provide a choice to countries considering assistance from China? How are we ensuring that our alternatives are economically competitive and politically appealing?

Both the United States and China are consistently considered critical partners by leaders in Latin America and the Caribbean, although the United States has a longer history of engaging with the region.

**Answer 1:**

The United States seeks to advance a positive economic agenda for the Western Hemisphere, including through supporting high-quality investment in infrastructure that meets international standards, and economic development that creates jobs.

We also focus on ensuring competitive and transparent investment environments that help level the playing field for U.S. companies. We offer

higher-standard and transparently procured infrastructure investment alternatives that uphold labor, environmental, and social safeguards. They also foster inclusive growth in line with international best practices, including through initiatives like the Partnership for Global Infrastructure and Investment, Deal Teams, and the Blue Dot Network.

Promoting transparency in relationships, and broader awareness of the PRC's problematic practices around lending and investment, also enables Latin American countries to maintain sovereignty over their infrastructure.

The Americas Partnership for Economic Prosperity (APEP) is the Western Hemisphere's principal leader-level forum for driving regional economic cooperation and integration. APEP was founded in January 2023 by 12 countries: Barbados, Canada, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, Mexico, Peru, Panama, the United States, and Uruguay. APEP will work to accelerate more inclusive, equitable, and sustainable growth that creates good jobs; build the world's most competitive supply chains in the Americas and increase regional integration; and establish the Americas as a top destination for responsible private investment in infrastructure and other critical sectors.

**Questions for the Record Submitted to  
Deputy Assistant Secretary Kerri Hannan by  
Congressman Joaquin Castro (N0.1 to N0. 10)  
House Foreign Affairs Committee  
September 28, 2023**

**Question 2:**

How are United States public diplomacy programs building support for deeper ties between the United States and the region?

**Answer 2:**

In coordination with the Bureau of Education and Cultural Affairs (ECA) and local partners, our public diplomacy programs foster personal, professional, and academic networks critical to solving regional challenges. Our 131 American Spaces in the hemisphere provide the opportunity to learn about the United States and develop workforce and English-language skills. Exchange programs like the Young Leaders of the Americas Initiative and the Fulbright program connect entrepreneurs, students, and scholars to advance our shared goals of prosperity, security, and democracy.

**Questions for the Record Submitted to  
Deputy Assistant Secretary Kerri Hannan by  
Congressman Joaquin Castro (N0.1 to N0. 10)  
House Foreign Affairs Committee  
September 28, 2023**

**Question 3:**

A number of countries in the Western Hemisphere have taken public financing from the People's Republic of China, including Ecuador. Given the ongoing domestic debt crisis in China, how do you assess their ability to refinance these loans to countries in the Western Hemisphere when they come due?

**Answer 3:**

While the PRC's banks and other government entities can refinance loans to countries in the Western Hemisphere, PRC authorities face a complex set of challenges given the PRC's role as creditor to a growing number of developing countries in or at risk of debt distress and there is no certainty that the PRC will choose to refinance loans to countries in the Western Hemisphere.

**Questions for the Record Submitted to  
Deputy Assistant Secretary Kerri Hannan by  
Congressman Joaquin Castro (N0.1 to N0. 10)  
House Foreign Affairs Committee  
September 28, 2023**

**Question 4:**

Is there concern regarding PRC's economic coercion of Latin American countries who may face inability to pay back loans?

**Answer 4:**

Yes, we are concerned about the potential for the PRC's economic coercion of Latin American countries who face the inability to service their sovereign debt as unsustainable debt increases a country's vulnerability to coercive influences. In response to these concerns, this administration seeks to provide resources to the World Bank and the International Monetary Fund to ensure the United States can provide an alternative to coercive financing provided by the PRC and advance fair processes for restoring debt sustainability where necessary. We have seen some positive movement by the PRC in acceding to international norms for sovereign debt resolutions including its participation in Zambia's Common Framework debt treatment this year, and we will continue to encourage PRC participation in such

multilateral debt treatments for countries in debt distress. Under Secretary for Economic Growth, Energy, and the Environment Jose W. Fernandez leads efforts to enhance coordination with partners to counter economic coercion, strengthen resilience, and reduce vulnerability to potential coercion.

**Questions for the Record Submitted to  
Deputy Assistant Secretary Kerri Hannan by  
Congressman Joaquin Castro (N0.1 to N0. 10)  
House Foreign Affairs Committee  
September 28, 2023**

**Question 5:**

The Chinese government and Chinese companies have invested billions of dollars across the Western Hemisphere. Some of these investments have concerning implications for U.S. national security, but many of them are also purely commercial in nature. How do you differentiate between the PRC's economic activities that have strategic goals and those that are purely commercial in nature?

**Answer 5:**

Though Beijing uses debt partly to build strategic influence, we have focused our diplomatic efforts on countering PRC investments into critical infrastructure.

**Questions for the Record Submitted to  
Deputy Assistant Secretary Kerri Hannan by  
Congressman Joaquin Castro (N0.1 to N0. 10)  
House Foreign Affairs Committee  
September 28, 2023**

**Question 6:**

How are you prioritizing what kinds of economic investments from China you are responding to?

**Answer 6:**

We have focused our diplomatic efforts on countering PRC investments into critical infrastructure and emerging and foundational technologies that most directly implicate U.S. national security.



**Questions for the Record Submitted to  
Deputy Assistant Secretary Kerri Hannan by  
Congressman Joaquin Castro (N0.1 to N0. 10)  
House Foreign Affairs Committee  
September 28, 2023**

**Question 7:**

PRC influence in the Caribbean has increased significantly over the last few years, with 4 of the top 10 countries for Chinese loans being in the Caribbean (Jamaica, Suriname, Trinidad and Tobago, Dominican Republic, Guyana is 11th) and ten Caribbean countries having signed up for the Belt and Road Initiative (Cuba, Jamaica, Dominican Republic, Antigua & Barbuda, Dominica, Barbados, Grenada, Trinidad & Tobago, Guyana, and Suriname). The PRC has prioritized significant investments in infrastructure and energy projects and tourism. How is the United States working with our Caribbean partners to address the PRC's growing role in our hemisphere?

**Answer 7:**

The People's Republic of China (PRC) has established considerable influence in the Caribbean region. We do not ask countries to choose between the United States and the PRC, but we want to empower governments to make decisions with full information about costs, benefits, and risks. We share information with Caribbean partners on problematic PRC economic practices and projects' social and environmental impacts.

Working to remain the Caribbean's primary partner includes being responsive to Caribbean needs and mutually shared priorities, particularly on climate and security. The U.S.-Caribbean Partnership to Address the Climate Crisis (PACC 2030) advances climate adaptation and resilience and clean energy cooperation. The Caribbean Basin Security Initiative (CBSI) works to build Caribbean partners' capacity to disrupt illicit trafficking and transnational crime, improve citizen security, and advance the rule of law.

In addition, the FY 2024 budget request includes \$5 million for Latin America and the Caribbean to increase financial transparency practices, combat corruption, promote private sector engagement, and build energy resilience, to counter problematic PRC activities that undermine the Western Hemisphere's shared values of democracy and rule of law.

**Questions for the Record Submitted to  
Deputy Assistant Secretary Kerri Hannan by  
Congressman Joaquin Castro (N0.1 to N0. 10)  
House Foreign Affairs Committee  
September 28, 2023**

**Question 8:**

How are we responding to address the Caribbean's specific needs, including climate adaptation and energy security?

**Answer 8:**

As the U.S. government's flagship partnership with Caribbean countries, PACC 2030 facilitates collaboration between the U.S. private sector and Caribbean companies to support renewable energy infrastructure projects. Under PACC 2030, we implement more than 50 technical assistance programs to enhance Caribbean partners' regulatory and technical capacity to integrate more renewables into their grids and lessen their dependence on imported fuel. For example, the State Department provides technical support to Dominica as it develops a 10-megawatt geothermal power plant and transmission lines.

USAID partners with countries in the Caribbean to enhance national disaster response capacity and support farmers in practicing climate-resilient

agriculture; NOAA has a program for boosting early warning systems to ensure people can anticipate and prepare for current and future climate impacts; and the Department of Defense's "Operationalize Climate Resilience Initiative" will assist partners in the Western Hemisphere, particularly in the Caribbean, in climate resilience and climate security planning. Strengthening adaptation and resilience is also a core objective of the President's Emergency Plan for Adaptation and Resilience (PREPARE), a whole-of-government effort to help more than a half billion people adapt to and manage the impacts of climate change.

**Questions for the Record Submitted to  
Deputy Assistant Secretary Kerri Hannan by  
Congressman Joaquin Castro (N0.1 to N0. 10)  
House Foreign Affairs Committee  
September 28, 2023**

**Question 9:**

Where does Latin America fall in the Biden administration's Indo-Pacific Strategy?

**Answer 9:**

The vast majority of countries want a stable and open rules-based order that respects their sovereignty and territorial integrity, provides a fair means of economic exchange with others, promotes shared prosperity, and enables cooperation on shared challenges. The United States builds coalitions with all countries that share in these beliefs to leverage our collective strengths, including a broad group of partners in Latin America.

For example, through APEP, we galvanized regional action to address the core challenges facing the Western Hemisphere to drive economic recovery, and mobilize the region behind a bold and unprecedented approach to migration through the Los Angeles Declaration on Migration and Protection.

The Transaction Advisory Fund (TAF), created as a part of the Indo-Pacific Strategy, provides best in class legal and consultative services to support infrastructure development and expanded to also fund projects in the Western Hemisphere and Africa. TAF's successes to date include supporting the Palau undersea cable spur and pushing off predatory PRC lending in the Marshall Islands. We actively source potential TAF projects in the Western Hemisphere and hope to have our first success story soon.

**Questions for the Record Submitted to  
Deputy Assistant Secretary Kerri Hannan by  
Congressman Joaquin Castro (N0.1 to N0. 10)  
House Foreign Affairs Committee  
September 28, 2023**

**Question 10:**

How are we coordinating with our allies, as we do in the Indo-Pacific, to provide viable alternative partnerships and economic and trade opportunities to the region?

**Answer 10:**

The Department works with government counterparts and shares resources and expertise that support entrepreneurship and sustainable infrastructure. With likeminded partners and allies, we offer higher-standard, transparently procured and governed infrastructure investment alternatives that uphold labor, environmental, and social safeguards and foster inclusive growth in line with international best practices, including through initiatives like the Deal Teams, the Partnership for Global Infrastructure and Investment, the Digital Connectivity and Cybersecurity Partnership, and the Minerals Security Partnership. In these initiatives our

respective development finance toolkits help coordinate and mobilize investments to meet 21st century infrastructure needs.

The President requested \$75 million in the FY 2024 Congressional Budget Justification to recapitalize IDB Invest, the Inter-American Development Bank's (IDB) private sector arm. With more funds, IDB Invest can provide WHA countries more alternatives to finance infrastructure and nurture private-sector-led growth in the region. Moreover, through its "Bid for the Americas" initiative, the IDB seeks to attract more U.S. private sector bidders for its procurement contracts, and redesign procurement practices to emphasize both quality and price

In alignment with the international business and finance community's recommendations, we advocate that our partners conduct due diligence on public projects and advise about the risks associated with PRC investment in certain sectors. We advise countries on building sustainable and secure digital ecosystems, and to make use of investment screening mechanisms to ensure new technologies do not jeopardize their security or the privacy of their citizens.



Building on our strong historic ties, we used U.S. government technical delegations to the region to share best practices on labor rights, procurement practices, and critical infrastructure, including information and communications technology (ICT), and investment screening.

**Questions for the Record Submitted to  
Deputy Assistant Administrator Mileydi Guilarte by  
Chairman Michael McCaul  
House Foreign Affairs Committee  
September 28, 2023**

**Question:**

Given the difference between strategy versus the policies and activities of individual agencies, could you clarify what is the core of the administration's overall strategy in responding to the challenge of PRC activities in the Western Hemisphere?

**Answer:**

USAID leverages its international development tools and programs to support the Administration's 2022 National Security Strategy in Latin America and the Caribbean. USAID has identified four lines of efforts where development expertise, investments, and tools can be especially critical in supporting sustainable development amid the PRC's investment and influence efforts in partner countries. These include:

- Empowering partner countries to develop open and secure digital ecosystems—including robust cybersecurity—and policies and regulations consistent with international standards.
- Helping partner countries demonstrate that democratic institutions, respect for human rights, and adherence to the rule of law will deliver tangible results for societies and individuals.
- Supporting partner countries to transparently conserve and manage natural resources, address and adapt to the climate crisis, and better protect the environment.
- Ensuring that partner countries can enhance their own resilience and independence so that they can more effectively make their own sovereign decisions.

**Question:**

What is the Administration doing through messaging, incentives, or other means, to persuade those countries in the Hemisphere that continue to maintain relations with Taiwan to continue to do so?

**Answer:**

USAID is continuing to strengthen its relationships with other countries that are diplomatic allies of Taiwan, including Belize. I co-led a high-level U.S. delegation to Belize in early September 2023 alongside Deputy Assistant Secretary of Defense Dan Erickson and representatives from

the Department of State and the Office of the Vice President. During the visit, Belize was commended for its support for Taiwan, and Taiwanese representatives participated in a reception with the delegation.

Taiwan has a long history of supporting development with its diplomatic partners in Latin America and the Caribbean, and USAID continues to look for opportunities to work together. In November 2022, the American Institute in Taiwan (AIT) and the Taipei Economic and Cultural Representative Office (TECRO) signed a Memorandum of Understanding (MOU) institutionalizing a framework for ongoing and new development and humanitarian cooperation between USAID and the Taiwan International Cooperation and Development Fund (TaiwanICDF), Taiwan's development agency. This MOU was a historic first for USAID and signifies USAID's commitment to strengthen its cooperation with Taiwan with key development partners.

To date, this partnership has allowed USAID and TaiwanICDF to leverage our respective assistance tools for greater impact in providing assistance to host country governments that are diplomatic allies of Taiwan—including Guatemala, Paraguay, Saint Kitts and Nevis, Saint Lucia, and Saint Vincent and the Grenadines—and increasing the visibility of Taiwan's assistance. Building off the global MOU, USAID's Eastern and Southern Caribbean Mission is working to finalize a regional arrangement between USAID and TaiwanICDF. As USAID and TaiwanICDF solidify and advance partnership opportunities, we will work to identify strategic moments to publicly announce these concrete partnerships and emphasize Taiwan's willingness and ability to address global challenges and demonstrate how our partnership is delivering on development priorities.

**Question:**

What is the Administration doing to effectively reward governments such as Costa Rica or the Dominican Republic who have foregone "benefits" offered by the PRC, to make responsible decisions turning down PRC loans, or keeping the PRC out of sensitive networks, so that others see the benefit in doing the same?

**Answer:**

USAID is working throughout the region to ensure that democratic and transparent government delivers results for its people. USAID invests in transparent procurement systems to reduce corruption and help our partners assess the risks of PRC transactions. We also help governments improve cybersecurity systems that elevate the privacy of citizens and protect against surveillance from foreign adversaries.

In the Dominican Republic, USAID and U.S. Army Corps of Engineers supported the Dominican government to establish international procurement standards to create the transparency necessary to prevent back-room deals the PRC was pursuing for Port of Manzanillo

infrastructure projects. Instead, one U.S. firm and other international consortia were able to win tenders for construction at better terms and with better environmental safeguards.

USAID is also working closely with the Dominican government to support nearshoring efforts in the northwest, by identifying and helping to relocate strategic supply chains that will generate local employment and create opportunities for trade within the Caribbean and with the United States.

USAID is also working with Jamaica to improve its cybersecurity ecosystem. A weak digital and cybersecurity ecosystem leaves Jamaica vulnerable to frequent cyber attacks, affecting the Government of Jamaica's ability to effectively govern and build public trust, potentially fueling regional instability, and putting U.S. national security at risk. In 2022, USAID provided \$3.5 million to support efforts to strengthen the Jamaican government's ability to protect against cyber attacks by strengthening their institutions and providing trusted technologies. USAID is also helping the Jamaican government establish a civilian-led National Cybersecurity Authority which will be housed in Jamaica's Office of the Prime Minister.

While Costa Rica is one of USAID's non-presence countries in the region, USAID has several regional assistance programs operating in Costa Rica that address specific needs, including migration, citizen security, and humanitarian assistance.

**Questions for the Record Submitted to  
Deputy Assistant Administrator Mileydi Guilarte by  
Congressman Joaquin Castro  
House Foreign Affairs Committee  
September 28, 2023**

**Question:**

In 2019, Beijing shifted to what they called a “green” Belt and Road, aiming to address concerns on the environmental impact of their projects and shifting focus to green energy sectors as well as the extraction of minerals and metals that support clean technology.

How is the United States prioritizing programs to provide much-needed support to renewable and clean energy sectors in Latin America and the Caribbean, especially in the context of energy scarcity concerns since the Russian invasion of Ukraine?

**Answer:**

USAID supports the U.S.-Caribbean Partnership to Address the Climate Crisis 2030 (PACC 2030) initiative to increase energy and climate resilience in the Caribbean region. USAID’s contribution to PACC 2030 includes activities that support private sector investment in clean energy, renewable energy, and energy efficiency. For example, USAID is supporting the deployment of battery storage in Barbados through assistance to reform the licensing process and update data exchange between the government and the electric utility in order to encourage private sector investment.

Furthermore, USAID’s Energy Sector Reform program, which operates in the Caribbean, supports governments to make the legal and regulatory reforms that allow integration and increased use of sustainable and clean energy and reduce the need for imports like oil and petroleum-based fuels.

USAID is supporting climate-finance partnerships like the Blue Green Bank in Barbados that supports renewable energy and water conservation projects, which helps our neighbors attract capital and reduce their reliance on PRC finance for infrastructure and energy. Furthermore, in July 2023, USAID launched support to the Dominican Association of Banks to increase renewable energy project financing.

**Question:**

PRC influence in the Caribbean has increased significantly over the last few years, with 4 of the top 10 countries for Chinese loans being in the Caribbean (Jamaica, Suriname, Trinidad and Tobago, Dominican Republic, Guyana is 11th) and ten Caribbean countries having signed up for the Belt and Road Initiative (Cuba, Jamaica, Dominican Republic, Antigua & Barbuda, Dominica,

Barbados, Grenada, Trinidad & Tobago, Guyana, and Suriname). The PRC has prioritized significant investments in infrastructure and energy projects and tourism.

- How is the United States working with our Caribbean partners to address the PRC's growing role in our hemisphere?
- How are we responding to address the Caribbean's specific needs, including climate adaptation and energy security?

**Answer:**

To address the PRC's growing role in the Caribbean, USAID is prioritizing its comparative advantages and actionable interests by supporting development partnerships with Taiwan; procurement, financing, and transactional assistance for energy and infrastructure investment; cybersecurity technical support; natural resource management; climate and disaster resilience; rule of law and anti-corruption work; and facilitating private sector investment.

In the Dominican Republic, USAID supported the establishment of international standards in procurement documents that prevented PRC contractors from winning three large Port of Manzanillo infrastructure projects through their opaque and corrupt practices. USAID is also working closely with the Dominican government to support nearshoring efforts in the northwest, by identifying and helping to relocate strategic supply chains that will generate local employment and create opportunities for trade within the Caribbean and with the United States.

In Jamaica, USAID is collaborating with the Inter-American Development Bank and providing \$3.5 million to support the Government of Jamaica's efforts to strengthen its cybersecurity ecosystem against attacks, which will strengthen its ability to effectively govern and build public trust.

USAID is also expanding our investments and footprint in the region to reach places where the PRC has a presence and USAID does not. USAID program budgets in the Caribbean have increased in recent years and we have increased our staff presence in the region, with USAID personnel now on the ground in Trinidad and Tobago and Suriname.

Regarding climate adaptation and energy security, USAID supports the White House's U.S.-Caribbean Partnership to Address the Climate Crisis (PACC 2030) initiative to increase energy and climate resilience in the Caribbean region. USAID has contributed to the government-wide initiative with activities that support private sector investment in clean energy, renewable energy, and energy efficiency. For example, USAID's Energy Sector Reform program supports governments to make the legal and regulatory reforms that allow integration and increased use of sustainable and clean energy and reduce the need for imports like oil and petroleum-based fuels.

USAID works in partnership with the Caribbean Community (CARICOM) and our support under PACC 2030 spans a spectrum of climate resilience and adaptation activities. For example, USAID is supporting the Caribbean Community Climate Change Centre to increase institutional capacity for climate data, data management and modeling tools, and the development and execution of climate projects and their financing.

**Questions for the Record Submitted to  
Deputy Assistant Administrator Mileydi Guilarte by  
Congressman Bill Huizenga  
House Foreign Affairs Committee  
September 28, 2023**

**Question:**

Recently, the President of Mexico said, “We do not produce fentanyl, and we do not have consumption of fentanyl,” and “Why don’t they [the United States] take care of their problem of social decay.” How did the Biden Administration respond to these abhorrent remarks? Do you believe Mexico is cooperating with the U.S. in combatting the fentanyl crisis? How can the U.S. hold China accountable for permitting the export of precursor chemicals to cartels to use for nefarious purposes?

**Answer:**

The Administration engages on a constant basis with the Government of Mexico to address the fentanyl crisis as part of our coordination under the U.S.-Mexico Bicentennial Framework for Security, Public Health, and Safe Communities. USAID has long worked to address the organized criminal groups that traffic fentanyl to the United States today. In partnership with the Mexican government at all levels (federal, state, municipal), USAID works with at-risk youth in Mexico to deter their recruitment into organized criminal groups and break cycles of violence. USAID programs also work to improve the efficiency and effectiveness of state justice systems, many of which are now receiving fentanyl-related cases.

For additional information on holding the PRC accountable, USAID refers the Congressman to the Departments of Justice and State, which are directly focused on law enforcement activity and international agreements to combat the fentanyl crisis.