



Latin America and the Caribbean: U.S. Policy and Key Issues for Congress in 2012

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Summary

Geographic proximity has ensured strong linkages between the United States and the Latin American and Caribbean region, with diverse U.S. interests, including economic, political and security concerns. U.S. policy toward the region under the Obama Administration has focused on four priorities: promoting economic and social opportunity; ensuring citizen security; strengthening effective democratic institutions; and securing a clean energy future. There has been substantial continuity in U.S. policy toward the region under the Obama Administration, which has pursued some of the same basic policy approaches as the Bush Administration. Nevertheless, the Obama Administration has made several significant policy changes, including an overall emphasis on partnership and shared responsibility.

U.S. policy toward the region must also contend with a Latin America that is becoming increasingly independent from the United States. Strong economic growth has increased Latin America's confidence in its ability to solve its own problems. The region has also diversified its economic and diplomatic ties with countries outside the region. Over the past few years, several Latin American regional organization organizations have been established that do not include the United States.

Congress plays an active role in policy toward Latin America and the Caribbean. Legislative and oversight attention to the region during the 112th Congress focused on the continued increase in drug trafficking-related violence in Mexico and U.S. assistance to Mexico under the Mérida Initiative; efforts to help Central American and Caribbean countries contend with drug trafficking and violent crime; as well as continued counternarcotics and security support to Colombia. The January 2010 earthquake that devastated Port-au-Prince, Haiti, continued to focus congressional attention on the enormous task of disaster recovery and reconstruction. As in past years, U.S. sanctions on Cuba, particularly restrictions on travel and remittances, remained a contentious issue in the debate over how to support change in one of the world's last remaining communist nations. Another area of congressional oversight was the deterioration of democracy in several Latin American countries, especially Nicaragua and Venezuela. Congressional concern also increased about Iran's growing relations in the region, especially with Venezuela, and about the activities of Hezbollah.

This report provides an overview of U.S. policy toward Latin America and the Caribbean in 2012, including the Obama Administration's priorities for U.S. policy and a brief comparison of policies under the Obama and Bush Administrations. It then examines congressional interest in Latin America, first providing an overview, and then looking at selected countries and regional issues and key policy issues faced by Congress in 2012. The final section of the report analyzes several key events in the region that took place in 2012: the Pope's trip to Cuba in March, the sixth Summit of the Americas in April, Mexico's elections in July, and Venezuela's upcoming elections in October. An appendix provides a listing of hearings in the 112th Congress focused on Latin America. For additional information and access to over 30 CRS reports on the region, see the CRS Issues in Focus webpage on "Latin America and the Caribbean."

Contents

Latin America and the Caribbean: Overview of U.S. Policy	1
Four Priorities for the Region.....	1
Continuity and Change in U.S. Policy.....	4
Latin America’s Increasing Independence.....	5
Congressional Interest in Latin America and the Caribbean.....	6
Overview	6
Brazil	8
Central America and the Caribbean: Citizen Security.....	9
Colombia	10
Cuba.....	11
Haiti	11
Mexico.....	12
Venezuela.....	13
Iran’s Growing Relations in Latin America.....	14
Organization of American States	15
Key Events in 2012.....	16
March 26-28, 2012: Pope Benedict XVI Visit to Cuba	16
April 14-15, 2012: Summit of the Americas	17
July 1, 2012: Mexican Elections.....	18
October 7, 2012: Venezuelan Election.....	19

Figures

Figure 1. Latin America and the Caribbean.....	2
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Tables

Table A-1. Congressional Hearings in the 112 th Congress on Latin America and the Caribbean.....	22
---	----

Appendixes

Appendix. Hearings in the 112 th Congress.....	22
---	----

Contacts

Author Contact Information.....	25
---------------------------------	----

Latin America and the Caribbean: Overview of U.S. Policy

U.S. interests in the Western Hemisphere are diverse, and include economic, political, security and humanitarian concerns. Geographic proximity has ensured strong economic linkages between the United States and the region, with the United States being the major trading partner and largest source of foreign investment for many countries. Free trade agreements (FTAs) have augmented economic relations with many countries in the region, including Mexico, Chile, Peru, Central America, and the Dominican Republic. Latin American nations, primarily Mexico and Venezuela, supply the United States with almost one-third of its imported crude oil. The Western Hemisphere is also the largest source of U.S. immigration, both legal and illegal, with geographic proximity and economic conditions being major factors driving migration trends. Curbing the flow of illicit drugs from Latin America and the Caribbean has been a key component of U.S. relations with the region and a major interest of Congress for almost two decades, and in recent years has included close security cooperation with Mexico as that country struggles to combat drug trafficking and related violence. With the exception of Cuba, the region has made enormous strides in terms of democratic political development over the past two decades, but the rise of undemocratic practices in several countries, especially Venezuela, has been a U.S. concern. The United States has often taken the lead in responding to natural disasters in the region, as was demonstrated once again in the aftermath of Haiti's catastrophic 2010 earthquake.

Four Priorities for the Region

The Obama Administration has set forth a broad framework for U.S. policy toward Latin America and the Caribbean centered on four pillars or priorities:

- promoting economic and social opportunity;
- ensuring citizen security;
- strengthening effective institutions of democratic governance; and
- securing a clean energy future.

According to former Assistant Secretary of State for Western Hemisphere Affairs Arturo Valenzuela, these policy “priorities are based on the premise that the United States has a vital interest in contributing to the building of stable, prosperous, and democratic nations” in the hemisphere that can play an important role in dealing with global challenges.¹ The Obama Administration has emphasized that its policy approach toward the region is one that emphasizes partnership and shared responsibility, with policy conducted on the basis of mutual respect through engagement and dialogue.²

¹ U.S. Department of State, Arturo Valenzuela, Assistant Secretary of State, Bureau of Western Hemisphere Affairs, “U.S.-Latin American Relations: A Look Ahead,” January 6, 2011.

² Ibid; and U.S. Department of State, Arturo Valenzuela, Assistant Secretary of State, Bureau of Western Hemisphere Affairs, “U.S. Foreign Policy in the Obama Era,” October 9, 2010. The same general policy approach has continued under Acting Assistant Secretary of State for Western Hemisphere Affairs Secretary Roberta Jacobson, who was also nominated to the position by President Obama and is awaiting Senate confirmation.

Figure I. Latin America and the Caribbean



Source: Map Resources, adapted by CRS.

Expanding economic opportunity focuses on one of the key problems facing Latin America: lingering poverty and inequality. At the end of 2010, some 177 million people in Latin America were living in poverty—31.4% of the region’s population—while 70 million people or 12.3% lived in extreme poverty or indigence. These statistics reflect a significant improvement from

2002 when 44% of the region's population lived in poverty.³ Moreover, the 2010 statistics showed an improvement from 2009 when the region faced an uptick in poverty because of the global financial crisis. In addition to traditional U.S. development assistance programs focusing on health and education, expanding economic opportunity also has included programs such as: the Pathways to Prosperity Initiative launched in 2008, designed to help countries learn from each other's experiences through the exchange of best practices; and support for the Organization of American State's Inter-American Social Protection Network (IASPN), launched in 2009 to facilitate an exchange of information on policies, experiences, programs, and best practices in order to reduce social disparities and inequality and reduce extreme poverty.⁴

Citizen safety is one of the most important concerns among Latin Americans, with high levels of crime and violence (often associated with drug trafficking) a significant problem in many countries.⁵ The Central America-Mexico corridor is the route for 95% of South American cocaine entering the United States, while murder rates in several Central American and Caribbean countries are among the highest in the world and drug trafficking-related violence in Mexico has risen to unprecedented levels. U.S. support in this area includes a series of partnerships to help countries combat drug trafficking and organized crime such as the Mérida Initiative for Mexico, the Central American Regional Security Initiative (CARSI), and the Caribbean Basin Security Initiative (CBSI). The Colombia Strategic Development Initiative (CSDI) is designed to support Colombia's strategy in remote, but strategically important, areas by increasing the presence of civilian state economic and social development institutions.

Over the past three decades, Latin America has made enormous strides in democratic political development, not only in terms of regular free and fair elections, but in terms of an improvement in respect for political rights and civil liberties. Despite this improvement, many countries in the region still face considerable challenges. Improving and strengthening democratic governance includes support to improve the capacity of state institutions to address citizens' needs through responsive legislative, judicial, law enforcement and penal institutions. It includes defending press freedoms and democratic rights, such as free and fair elections and the protection of minority rights. Most significantly, according to former Assistant Secretary Valenzuela, because democratic institutions are absolutely critical and because of the history of military and other coups in the region, hemispheric nations need to stand together collectively to ensure that elected democratic institutions are not interrupted.⁶

Many countries in Latin America and the Caribbean are vulnerable to climate change, which can have a negative effect on sustainable development and economic prosperity. Leaders in the region have committed to working together to address the challenges of climate change and to strengthen energy security. The Obama Administration advanced an Energy and Climate Partnership of the Americas (ECPA) in 2009 through which nations have committed themselves to strengthen inter-American collaboration on clean energy. ECPA includes voluntary bilateral and multi-country initiatives to promote clean energy, advance energy security, and reduce greenhouse gas

³ U.N. Economic Commission for Latin America and the Caribbean, *Social Panorama of Latin America 2011*, Briefing paper, November 29, 2011.

⁴ U.S. Department of State, "Pathways to Prosperity in the Americas, Fact Sheet," April 8, 2011. See the website of the IASPN at <http://www.socialprotectionet.org/english/index.html>.

⁵ Corporación Latinobarómetro, *2010 Report*, December 2010.

⁶ U.S. Department of State, Arturo Valenzuela, Assistant Secretary of State, Bureau of Western Hemisphere Affairs, "First Diplomacy Briefing Series Meeting: Issues and Challenges of U.S. Relations with Latin America," December 11, 2009.

emissions. Some of the initiatives involve international and regional organizations and the private sector.⁷

Continuity and Change in U.S. Policy

Substantial continuity characterizes U.S. policy toward the region under the Obama Administration, which has pursued some of the same basic policy approaches as the Bush Administration. Like the Bush Administration, the Obama Administration is providing significant anti-drug and security support to Colombia and significant support to Mexico and Central America to combat drug trafficking and organized crime through the Mérida Initiative and CARSI. In anticipation of a potential “balloon effect” of drug trafficking shifting to the Caribbean region, the Obama Administration also established the CBSI, the origin of which dates back to the Bush Administration. Implementing bills for FTAs with Colombia and Panama that were negotiated under the Bush Administration were officially introduced in early October 2011 after extensive work by the Administration to resolve outstanding congressional concerns related to both agreements, which were then approved by Congress. Just as the Bush Administration had, the Obama Administration has expressed support for comprehensive immigration reform, an especially important issue in U.S. relations with Mexico and Central America. In terms of Venezuela, it can be argued that the Obama Administration is following a policy similar to the latter years of the Bush Administration by attempting to avoid any unnecessary public spats with President Hugo Chávez, but at the same time speaking out with regard to concerns about undemocratic actions of the Venezuelan government as well as drug trafficking and terrorism concerns.

Despite the continuity, the Obama Administration has made a number of changes that differentiate its policy from that of the Bush Administration. The Obama Administration has put an emphasis on partnership and multilateralism. It has also implemented several changes in Cuba policy by lifting restrictions on family travel and remittances, restarting semi-annual migration talks, and easing restrictions on other types of purposeful travel and remittances. At the same time, the Administration has continued to speak out about the poor human rights situation in Cuba and has repeatedly called for the release of a U.S. government subcontractor, Alan Gross, imprisoned since late 2009. The Administration has also increased development assistance to the region compared to that provided under the Bush Administration, although overall budget cutbacks could end up reducing both development and other types of foreign assistance to the region.

In some areas where there has been continuity in U.S. policy toward Latin America, there nevertheless has been a change of emphasis. For example, assistance to Mexico is shifting toward more support for rule of law programs (including police, judicial, and penal reform) and programs to help communities withstand the pressures of crime and violence. Another example is Colombia, where assistance has become more evenly balanced between enhancing rule of law, human rights and economic development programs on the one hand, and continuing efforts on security and drug interdiction on the other. Moreover, U.S. assistance levels to Colombia have begun to decline as the country is increasingly taking over responsibility for programs once funded by the United States.

⁷ White House, “Energy and Climate Partnership of the Americas,” March 21, 2011.

Assessments of U.S. policy toward Latin America during the Obama Administration offer a mixed picture. Some policy analysts have lauded the Administration for its emphasis on partnership and multilateralism; for deepening security cooperation with Mexico, Central America, and the Caribbean; for broadening relations with Colombia beyond counternarcotics and counterterrorism issues; and for a strong U.S. response to the earthquake in Haiti. On the other hand, some have urged the Administration to articulate a strategic vision and approach toward Latin America with a clearer explanation of why the region matters to the United States.⁸ Other critics of the Administration call for U.S. policy toward Latin America to be reshaped to support Mexico more strongly in its efforts against organized crime and to provide more sustained focus on Venezuela's conduct and activities.⁹ Some policy analysts maintain that the growing polarization of U.S. domestic politics is an additional impediment to productive engagement with the region.¹⁰

Latin America's Increasing Independence

U.S. policy toward the Latin American region needs to be considered in the context of the region's increasing independence from the United States. The region has diversified its economic and diplomatic ties with countries outside the region—China, for example, has become a major trading partner for many countries in the region. Strong regional economic growth rates—6% in 2010 and 4.3% in 2011¹¹—also has increased confidence in Latin America's ability to solve its own problems, and has lessened the region's dependency on the United States. The region's growing ideological diversity in recent years has also been a factor in the region's increased independence from the United States, as has the rise of Brazil as a regional and global power.

Several Latin America regional integration organizations have been established in the past few years, a reflection of both the region's increasing independence and its growing internal cooperation. In December 2011, 33 hemispheric nations—excluding the United States and Canada—met in Caracas to establish the Community of Latin American and Caribbean States (CELAC) to boost regional integration and cooperation. While some observers have concerns that CELAC could be a forum for countries that have tense or difficult relations with the United States, others point out that strong U.S. partners in the region are also members. Some observers have predicted that CELAC could diminish the role of the Organization of American States (OAS), while others maintain that CELAC does not have a permanent staff or secretariat that could compete with the OAS. The organization reportedly will work in the areas of energy, science and technology, infrastructure, finance, and social development.

Some observers contend that CELEC's establishment reflects declining U.S. influence in Latin America, but the United States still remains very much engaged in the region bilaterally and multilaterally through the OAS and its numerous affiliated organizations. In addition, the Summit

⁸ *Shifting the Balance, Obama and the Americas*, ed. Abraham F. Lowenthal, Theodore J. Piccone, and Lawrence Whitehead (Washington, D.C.: Brookings Institution Press, 2011).

⁹ Roger F. Noriega, "Latin American Action Agenda for the New Congress," American Enterprise Institute, January 2011; Testimony by Ambassador Jaime Darembaum, Hudson Institute, Senate Foreign Relations Committee, December 1, 2010.

¹⁰ Testimony by Dr. Cynthia J. Arnson, Woodrow Wilson International Center for Scholars, Senate Foreign Relations Committee, December 1, 2010.

¹¹ U.N. Economic Commission for Latin America and the Caribbean, *Macroeconomic Report on Latin America and the Caribbean*, June 2012, p. 44.

of the Americas process remains an important mechanism for the United States to engage with Latin American nations at the highest level. While the April 2012 summit in Colombia displayed U.S. divergence from the region in terms of policy toward Cuba and a reconsideration of the region's anti-drug strategy, the meeting also included a variety of initiatives to deepen hemispheric integration and addresses key hemispheric challenges (also see "April 14-15, 2012: Summit of the Americas" below).

Other regional organizations that have been established in recent years include the 12-member Union of South American Nations (UNASUR), established in 2008 (largely because of Brazil's influence) to promote political coordination in South America. It has served as a forum for dispute resolution. For example, the organization played a role in defusing tensions between Colombia and Venezuela in 2008, and helped resolve political conflicts in Bolivia in 2008 and Ecuador in 2010. Some analysts, however, have raised questions about UNASUR's overall efficacy, financial support, and ability to develop specialized capabilities and programs.¹² Another regional grouping, the Venezuelan-led Bolivarian Alliance of the Americas (ALBA, originally established as the Bolivarian Alternative for the Americas), was launched by President Hugo Chávez in 2004 with the goals of promoting regional integration and socioeconomic reform and alleviating poverty. In addition to Venezuela, this eight-member group includes Bolivia, Cuba, Ecuador, and Nicaragua as well as the Caribbean island nations of Dominica, Antigua and Barbuda, and St. Vincent and the Grenadines. Some observers maintain that ALBA has lost its initial energy. Director of National Intelligence James Clapper maintained in February 2012 congressional testimony that ALBA was "created in part to spread Chávez's influence in the region" but "is only muddling through."¹³

Congressional Interest in Latin America and the Caribbean

Overview

As in the previous Congress, legislative and oversight attention to Latin America and the Caribbean during the 112th Congress focused on the continued increase in drug trafficking-related violence in Mexico and U.S. assistance to Mexico under the Mérida Initiative; efforts to help Central American and Caribbean countries contend with drug trafficking and violent crime; as well as continued counternarcotics and security support to Colombia, which still faces threats from armed actors. The earthquake that devastated Port-au-Prince in January 2010, combined with a cholera outbreak in the fall of 2010, continued to focus congressional attention on the enormous task of disaster recovery and reconstruction in Haiti. As in past years, debate over U.S. sanctions on Cuba, particularly restrictions on travel and remittances, remained a contentious issue with ongoing congressional debate over how to support change in one of the world's last remaining communist nations. Latin American nations, especially Mexico, which remained the

¹² Michael Shifter, "The Shifting Landscape of Latin American Regionalism," *Current History*, February 2012; Testimony of James R. Clapper, Director of National Intelligence, before the Senate Select Committee on Intelligence, January 31, 2012, "Worldwide Threat Assessment of the U.S. Intelligence Community," available at <http://intelligence.senate.gov/120131/clapper.pdf>

¹³ Ibid.

leading source country of both legal permanent residents and unauthorized immigrants in the United States, were disappointed by what they viewed as a lack of effort in Congress on comprehensive immigration reform.

The U.S. government has spent billions of dollars in anti-drug assistance programs since the mid-1970s aimed at reducing the flow of Latin American-sourced illicit drugs (largely from the Andean region) to the United States. Most of these programs have emphasized supply reduction tools, particularly drug crop eradication and interdiction of illicit narcotics. Successes in one country or sub-region have often led traffickers to alter their cultivation patterns, production techniques, and trafficking routes and methods in order to avoid detection. Congress has influenced U.S. drug control policy in Latin America by appropriating certain types and levels of funding for counterdrug assistance programs and conditioning the provision of antidrug funding on the basis of human rights and other reporting requirements. Congress has also sought to ensure that counterdrug programs are implemented in tandem with judicial reform, anti-corruption, and human rights programs. In the 112th Congress, numerous oversight hearings were held evaluating drug assistance programs—especially the Mérida Initiative in Mexico, CARS in Central America, and CBSI in the Caribbean—and related domestic initiatives and border security efforts.¹⁴

Another focus of congressional oversight in the 112th Congress was the deterioration of democracy in several Latin American countries, including Nicaragua, where Daniel Ortega was re-elected in November 2011 in elections widely seen as seriously flawed, and Venezuela, where there have been concerns for several years about the deterioration of democratic institutions and threats to freedom of speech and press. Despite significant improvement in political rights and civil liberties in the region over the past three decades, in a number of countries weaknesses remain in the state's ability to deliver public services, ensure accountability and transparency, and advance the rule of law. The executive's abuse of power in several countries in the region has led to a setback in liberal democratic practices. The quality of democracy in Latin America is also being negatively affected by organized crime and violence; some governments have been unable to stem the wave of violence and to protect citizens, journalists, and elected officials.

With regard to energy, issues of congressional concern included declines in production as well as U.S. dependence on oil from the region. Latin American and Caribbean nations supplied the United States with almost one-third of U.S. crude oil imports in 2010—Mexico and Venezuela accounted for 12.5% and 9.9%, respectively.¹⁵ There have been concerns in recent years, however, about Mexico's declining oil production; the country's proven oil reserves are declining because of insufficient funds available for maintenance and exploration. Venezuela has vast proven oil reserves, the second largest in the world, but its production also has been in decline in recent years because of maintenance issues, natural decline of older fields, and compliance with Organization of Petroleum Exporting Countries (OPEC) production cuts. Venezuela remains a major supplier of crude oil to the United States (the fifth largest), but its U.S.-destined oil exports have declined as the country has diversified its trading partners and supplied significant amounts of oil at preferential prices to Caribbean and Central American nations, especially Cuba.¹⁶ Members of Congress expressed concern about the continued U.S. dependence on imported oil

¹⁴ For additional information, see P.L. 112-127CRS Report R41215, *Latin America and the Caribbean: Illicit Drug Trafficking and U.S. Counterdrug Programs*, coordinated by (name redacted).

¹⁵ Derived from oil important statistics provided by the U.S. Energy Administration.

¹⁶ U.S. Energy Information Administration, "Country Analysis Briefs: Venezuela," March 2011.

from Venezuela, although observers pointed out that the two countries are mutually dependent on the oil sector since a large portion of Venezuela's oil is refined in the United States. Another issue for Congress was Cuba's development of its offshore oil sector and the potential impact of an oil spill on the United States.¹⁷

With regard to trade, the 112th Congress conducted numerous hearings during the first session on the pending FTAs with Colombia and Panama, with implementing legislation for both agreements introduced and approved in October 2011. Congressional attention then turned to the implementation of those agreements, with the Colombia FTA entering into force on May 15, 2012, and the Panama FTA entering into force on October 31, 2012. Oversight on Colombia, which was the more controversial of the two agreements, focused on the country's commitments under an "Action Plan Related to Labor Rights." Progress on U.S. negotiations with 10 Pacific rim countries for a Trans-Pacific Partnership (TPP) Agreement was also of congressional interest. Chile, Mexico, and Peru are among the TPP countries negotiating the trade agreement.¹⁸ Other trade issues related to Latin America included the safety of Mexican trucks operating in the United States (the two countries resolved the issue in 2011) and consideration of potential changes to U.S. cotton subsidies that would have allowed the United States to avoid retaliatory trade measures imposed by Brazil, and

U.S. attention to terrorism in Latin America intensified in the aftermath of the September 2001 terrorist attacks on New York and Washington, with an increase in bilateral and regional cooperation.¹⁹ The State Department maintains that terrorism in the region today is largely perpetrated by terrorist organizations in Colombia and by the remnants of radical leftist Andean groups, while the threat of a transnational terrorist attack remains low for most countries in the hemisphere. Cuba has been on the State Department's list of state sponsors of terrorism since 1982, and both Cuba and Venezuela are on the State Department's annual list of countries determined to be not cooperating fully with U.S. antiterrorism efforts. There was increased congressional concern in 2012 about Iran's growing relations with several countries in the region, especially Venezuela, and related concerns about the activities of Hezbollah in the region. Both Hezbollah and Iran have been implicated in the bombing of two Jewish targets in Buenos Aires in the early 1990s. The State Department maintains that there are no known operational cells of either Al Qaeda or Hezbollah-related groups in the hemisphere, but it has concerns about the fundraising activities of these groups in the region.

Brazil

U.S. policy toward Brazil is in flux as policymakers seek to adjust to Brazil's role as an emerging center of influence. Brazil's economy is now the seventh largest in the world, and the country has utilized its economic clout to consolidate its power in South America and exert more influence on global matters. Consequently, U.S.-Brazilian engagement increasingly involves regional and international issues in addition to bilateral concerns. The changing relationship has occasionally frustrated U.S. officials as the two multicultural democracies' shared values have not always

¹⁷ For additional information, see the discussion of Cuba's offshore oil development in CRS Report R41617, *Cuba: Issues for the 112th Congress*, by (name redacted).

¹⁸ For additional information on the TPP, see CRS Report R42694, *The Trans-Pacific Partnership Negotiations and Issues for Congress*, coordinated by (name redacted)

¹⁹ For additional information, see CRS Report RS21049, *Latin America: Terrorism Issues*, by (name redacted) and (name redacted).

translated into common approaches to international affairs. In 2010 and 2011, for example, Brazil used its temporary seat on the U.N. Security Council to advocate engagement with internationally isolated regimes like Iran, Libya, and Syria, rather than sanctions, which it views as a prelude to armed conflict. Although some U.S. policymakers have expressed concerns about Brazil's foreign policy, they have continued to pursue cooperation on many issues. Collaboration on energy issues, especially biofuels development, has been a major focus of bilateral engagement, and the decision by Congress to allow a 54-cent-per-gallon duty on imported ethanol to expire at the end of 2011 removed a major barrier to further cooperation. U.S. policymakers have also sought to boost trade relations as Brazil's fast growing market is a potential destination for increased U.S. exports.

Key Policy Issues in 2012: Congress maintained interest in Brazil in 2012 with several Members introducing potential legislation related to energy and trade; however, none of the bills advanced. H.R. 4621, introduced in April, would have authorized negotiations with Brazil to obtain open and reciprocal market access for trade in ethanol products. Likewise, a bill introduced in September, H.R. 6539, would have created a U.S.-Brazil Joint Commission on Commerce and Trade to address bilateral trade issues and promote commercial opportunities in both countries. Both versions of the 2012 farm bill, S. 3240 and H.R. 6083, would have addressed issues in the long-running U.S.-Brazil cotton dispute through modifications of the U.S. cotton program.

For additional information, see CRS Report RL33456, *Brazil-U.S. Relations*, by (name redacted); and CRS Report RL32571, *Brazil's WTO Case Against the U.S. Cotton Program*, by (name redacted).

Central America and the Caribbean: Citizen Security

In recent years, U.S. policymakers have grown increasingly concerned about security conditions in Central America and the Caribbean. Although conditions vary by country, many nations in the region have struggled for years to deal with rising levels of crime and violence, which analysts have linked to factors such as widespread social exclusion, security force corruption, and impunity for the perpetrators of crime. These problems have been compounded by traffickers seeking to exploit the region's institutional weaknesses to transport illicit narcotics from producers in South America to consumer markets in the United States and Europe. The U.S. government has sought to counter these trends through the Central America Regional Security Initiative (CARSI) and the Caribbean Basin Security Initiative (CBSI). Both initiatives provide partner nations with equipment, training, and technical assistance to support immediate law enforcement and interdiction operations. They also fund efforts to strengthen the long-term capacities of governmental institutions to address security challenges and the underlying conditions that contribute to them. Congress has appropriated an estimated \$496.5 million for CARSI since FY2008 and an estimated \$203 million for CBSI since FY2010.

Key Policy Issues in 2012: Congress continued to closely track security developments and support U.S. assistance efforts in Central America and the Caribbean during 2012. The Senate Caucus on International Narcotics Control, for example, held a hearing on U.S.-Caribbean security cooperation and issued a report on the subject. Both houses of Congress expressed continued support for CARSI and CBSI in their annual foreign aid appropriations measures, H.R. 5857 (H.Rept. 112-494) and S. 3241 (S.Rept. 112-172). Congress chose not to act on either bill, however, so funding for the two initiatives is being provided through a continuing resolution, P.L. 112-175, until March 27, 2013. Congress also closely tracked human rights conditions in the two

sub-regions, and placed some security assistance to Honduras—a country of particular concern—on hold.

For additional information, see CRS Report R41731, *Central America Regional Security Initiative: Background and Policy Issues for Congress*, by (name redacted) and (name redacted); CRS Report RL34112, *Gangs in Central America*, by (name redacted); and *Latin America and the Caribbean: Illicit Drug Trafficking and U.S. Counterdrug Programs*, coordinated by (name redacted).

Colombia

A key U.S. ally in the region, Colombia has endured internal armed conflict for nearly half a century. In recent years, the Colombian government, in close cooperation with the United States through a strategy known as Plan Colombia, has reestablished government control over much of its territory, reduced poverty, and made significant headway in combating drug trafficking and terrorist activities. Colombia's achievements in improved citizen security and economic stability are notable, but some observers continue to raise concerns about human rights conditions in the country. Between FY2000-FY2012, Congress provided Colombia more than \$8 billion in assistance. This support, provided through U.S. State Department and Department of Defense accounts, is gradually being reduced as programs are being turned over to Colombian control. Under current President Juan Manuel Santos, Colombia has been strengthening its trade relations with the United States and others, and improving its relationships with neighboring countries, including Venezuela and Ecuador. In October 2011, Congress approved implementing legislation for the U.S.-Colombia Free Trade Agreement (CFTA) with bipartisan support, despite continuing concerns about allegations of anti-trade union violence and related human rights and labor issues. In April 2012, when Colombia hosted the Summit of the Americas in Cartagena (see "Key Events in 2012" below), the Obama Administration announced the CFTA would enter into force on May 15, 2012. Following its May entry into force, the trade agreement eliminated duties on 80% of U.S. exports to Colombia. Most remaining tariffs and barriers to bilateral trade will be eliminated within 10 years of implementation. In October 2012, formal peace talks with the country's dominant leftist guerrilla organization opened in Norway and are continuing in Cuba.

Key Policy Issues in 2012: Congressional interest in Colombia centered on trade, human rights, counternarcotics and security. After entry into force of the U.S. Colombia-Free Trade Agreement, some Members of Congress continued to monitor Colombia's compliance with the "Action Plan Related to Labor Rights" announced prior to the trade agreement's passage. Policymakers also considered U.S. assistance to Colombia with its ongoing counternarcotics, counterterrorism, judicial reform, economic development, and human rights components. In House and Senate FY2013 foreign aid appropriations bills, there was broad support for the Obama Administration's FY2013 request of \$332 million for Colombian foreign assistance. Late in 2012, Members of Congress monitored the progress of the peace negotiations between the government and leftist guerrilla forces and their effect on security conditions in Colombia.

For additional information, see CRS Report RL32250, *Colombia: Background, U.S. Relations, and Congressional Interest*, by (name redacted); CRS Report RL34470, *The U.S.-Colombia Free Trade Agreement: Background and Issues*, by (name redacted); and CRS Report RL34759, *U.S.-Colombia Free Trade Agreement: Labor Issues*, by (name redacted).

Cuba

Since the early 1960s, U.S. policy has consisted largely of isolating Cuba through a variety of strong economic sanctions. A second policy component has consisted of support measures for the Cuban people, including U.S.-sponsored broadcasting and support for democracy and human rights activists. After Fidel Castro's stepping down from power in 2006 because of poor health and the economic goals of the Raúl Castro government that could significantly alter Cuba's state economic model, a number of observers called for a new approach aimed at influencing the Cuban government and society through increased contact and engagement. Others maintain that despite Cuba's release of many political prisoners, the human rights situation remains poor with thousands of short-term detentions. They contend that easing U.S. sanctions without concrete political reform would facilitate the survival of the communist regime. The Obama Administration has relaxed various restrictions on travel and remittances to Cuba, most significantly for Cuban families, but the Administration has continued to express concern about the poor human rights situation. Moreover, a key impediment to improved relations since late 2009 has been Cuba's imprisonment of U.S. Agency for International Development (USAID) subcontractor Alan Gross, who was working on USAID-funded democracy projects in Cuba. (Also see "March 26-28, 2012: Pope Benedict XVI Visit to Cuba" below.)

Key Policy Issues in 2012: Strong congressional interest on Cuba continued in 2012. Policy issues of sustained congressional interest included the country's human rights situation; the status of Cuba's offshore oil development and oil prevention and response capability; funding for U.S. government democracy and human rights projects; funding for Radio and TV Martí broadcasting to Cuba; and the continued imprisonment of Alan Gross. In terms of legislative action, S.Res. 366, approved in February, condemned the Cuban government for the death of democracy activist Wilman Villar Mendoza after a hunger strike; S.Res. 525, approved in July, honored prominent Cuban dissident Oswaldo Payá, killed in a car accident; and S.Res. 609, approved on December 5, 2012, called for the release of Alan Gross. While Congress did not complete action on FY2013 foreign aid appropriations legislation, funding for Cuba democracy programs and Cuba broadcasting was continued through March 27, 2013 by a continuing appropriations resolution (P.L. 112-175).

For additional information, see CRS Report R41617, *Cuba: Issues for the 112th Congress*, by (name redacted); CRS Report RL31139, *Cuba: U.S. Restrictions on Travel and Remittances*, by (name redacted); and CRS Report R41522, *Cuba's Offshore Oil Development: Background and U.S. Policy Considerations*, by (name redacted).

Haiti

In the almost three years since the January 2010 earthquake that devastated much of Haiti and killed an estimated 316,000 people,²⁰ the overarching goal of U.S. assistance there has been to help Haiti "build back better." U.S. assistance focuses on four key sectors, in alignment with Haiti's national plan for reconstruction and development: 1) infrastructure and energy; 2) governance and rule of law; 3) health and other basic services; and 4) food and economic security. Major accomplishments include removal of rubble at a much faster rate than in recent

²⁰ U.S. Agency for International Development, "Haiti – Earthquake and Cholera, Fact Sheet #3, FY2012," December 12, 2011.

disasters elsewhere; the election of and transition to a new president and legislature; a coordinated response to an ongoing cholera epidemic and prevention of its outbreak in displaced persons camps in the capital; and increased agricultural production.

Nonetheless, there is widespread criticism that neither the disbursement of aid nor reconstruction is occurring quickly enough. There are many obstacles to more rapid recovery and reconstruction, including the concentration of damage in a densely populated urban area. Although an aid coordinating mechanism, the Interim Haiti Reconstruction Commission (IHRC), was criticized for being slow to get organized and approve programs, its term expired in October 2011, and about a year passed before the Haitian government created a committee to take over its coordinating duties in late 2012. The cholera epidemic that broke out in late 2010 further delayed the shifting of funds and efforts from emergency response to reconstruction programs and continues to require substantial resources.

Another obstacle is political fragility and instability. The already weak Haitian government suffered massive losses in infrastructure and personnel, and often seemed paralyzed with inaction after the disaster. Gridlock between President Michel Martelly- who took office in May 2011- and the legislature continue to make aid disbursement and development difficult. Former members of the Haitian army and would-be soldiers protesting in favor of reestablishing the army disrupted parliament; after one of their marches turned violent in May 2012, the government closed the ten old bases they had been occupying. Elections for one-third of the Senate and a variety of local officials are long overdue. Prime Minister Laurent Lamothe said in July 2012 that they would be held before the year's end, but as 2012 draws to a close, an election date has yet to be set.

Key policy issues: The key congressional concerns in 2012 included whether U.S. aid to Haiti is being disbursed and implemented effectively. A related issue is corruption. Officials in Haiti and the Dominican Republic have been investigating corruption allegations linked to President Martelly, triggering protests against the President. Martelly has denied the charges. Other concerns included how best to continue to improve security in Haiti. By year's end, the Haitian government had turned its focus to further strengthening the Haitian National Police, as outlined in Haiti's national plan for development, and agreed upon by international donors. Plans for re-creation of an army, as initially proposed by President Martelly, appeared to be on the back burner, and envisioning a limited, emergency response role if one were to be revived. Some Members of Congress also expressed the desire to promote greater respect for basic human rights, including addressing the problem of gender-based violence. Congress was also concerned that U.S. aid programs further strengthen Haitian institutions of governance and rule of law, and that the overdue elections be held in a free, fair, and transparent manner.

For background information, see CRS Report R42559, *Haiti Under President Martelly: Current Conditions and Congressional Concerns*, by (name redacted); CRS Report R41689, *Haiti's National Elections: Issues, Concerns, and Outcome*, by (name redacted); and CRS Report R41023, *Haiti Earthquake: Crisis and Response*, by (name redacted) and (name redacted).

Mexico

Security issues have recently overshadowed immigration and trade in U.S. relations with Mexico, but newly-inaugurated President Enrique Peña Nieto hopes to refocus attention to economic matters. Since FY2008, Congress has appropriated \$1.9 billion in anticrime and counterdrug assistance for Mexico as part of the Mérida Initiative, with the focus of aid gradually shifting

from training and equipping security forces towards institution-building. Bilateral cooperation helped the Felipe Calderón Administration (December 2006-November 2012) arrest or kill record numbers of drug kingpins, but some 60,000 people may have died as a result of organized crime-related violence during its term in office. Concerns about the violence in northern Mexico prompted border security to return to the forefront of the bilateral agenda, as policymakers sought to make the border as secure and efficient as possible. As comprehensive immigration reform efforts stalled in the U.S. Congress, the enactment of tough state laws against illegal immigration concerned the Mexican government. In the economic realm, the U.S. and Mexican governments resolved a longstanding trade issue in 2011 involving the trucking provisions of the North American Free Trade Agreement and sought to improve North American competitiveness through regulatory cooperation. On June 18, 2012, President Obama announced that the nine countries involved in the negotiations for a Trans-Pacific Partnership (TPP) trade agreement had extended an invitation to Mexico to join the negotiations. The February 2012 signing of a Trans-Boundary Hydrocarbons Agreement for managing oil resources in the Gulf of Mexico could create new opportunities for bilateral energy cooperation.

Key Policy Issues in 2012: Congress maintained an active interest in Mexico, with the agenda dominated by the country's security situation and the Mérida Initiative, human rights conditions, border security, economic issues, and the July 2012 elections and December 1, 2012 political transition (see "Key Events in 2012" below.) The Obama Administration asked for \$269.5 million in assistance for Mexico in its FY2013 budget request, including \$234 million in Mérida assistance. Congress also held hearings and issued reports on how organized crime and government efforts to suppress it are affecting human rights and democracy in Mexico. Drug trafficking-related violence in northern Mexico kept border security on the agenda, with P.L. 112-93 increasing penalties for aviation smuggling; P.L. 112-127 tightening sentencing guidelines for building illicit border tunnels; and P.L. 112-205 providing statutory authority for the bilateral Border Enforcement Security Task Force (BEST) program. Congressional action did not occur on the Trans-Boundary Hydrocarbons Agreement, but may be required in 2013 for the agreement to take effect. Mexico's recent accession to the TPP negotiations has generated congressional interest. Congress has also monitored the policy positions taken by the incoming Peña Nieto administration, particularly in the security realm.

For additional information, see CRS Report RL32724, *Mexico: Issues for Congress*, by (name redacted); CRS Report R41349, *U.S.-Mexican Security Cooperation: The Mérida Initiative and Beyond*, by (name redacted) and Kristin M. Finklea; CRS Report R41576, *Mexico's Drug Trafficking Organizations: Source and Scope of the Rising Violence*, by (name redacted); and CRS Report RL32934, *U.S.-Mexico Economic Relations: Trends, Issues, and Implications*, by (name redacted).

Venezuela

While historically the United States has had close relations with Venezuela, a major supplier of oil, friction in bilateral relations has risen over the past decade under the populist government of President Hugo Chávez. Among the concerns of U.S. policymakers have been the deterioration of human rights and democratic conditions, Venezuela's significant military arms purchases, lack of cooperation on anti-terrorism efforts, limited bilateral anti-drug cooperation, and Venezuela's relations with Cuba and Iran. In September 2012, President Obama issued the eighth annual determination (as part of the annual narcotics certification process) that Venezuela had "failed demonstrably" to meet its obligations under international counternarcotics measures. The State

Department maintains that individual members of the Chávez government and security forces were credibly reported to have engaged in or facilitated drug trafficking activities. The United States has imposed financial sanctions on six current Venezuelan government and military officials for allegedly helping the Revolutionary Armed Forces of Colombia (FARC) with drug and weapons trafficking, including General Henry Rangel Silva, who Chávez appointed as defense minister in January 2012. The United States has also imposed sanctions on three Venezuelan companies for alleged support to Iran and on several Venezuelan individuals for providing financial support to Hezbollah (for more details, see “Iran’s Growing Relations in Latin America” below).

Key Policy Issues in 2012: In 2012, Congressional oversight on Venezuela continued on human rights, drug trafficking, and terrorism concerns, including the extent of relations with Iran. Venezuela’s October 2012 presidential elections also focused some attention on the state of democracy in the country. President Chávez, who underwent significant treatment for two bouts of cancer in 2011 and 2012, won reelection to another six-year term by defeating unified opposition candidate Henrique Capriles Radonski by an 11% margin. (Also see “October 7, 2012: Venezuelan Election” below.) On December 8, 2012, however, Chávez announced that his cancer had returned, and that he supported Vice President Nicolás Maduro as his successor if he were unable to continue to lead the country. Several days later, Chávez returned to Cuba for surgery that was described as complicated. At year’s end, Venezuela’s political future appeared uncertain. While Congress did not complete action on FY2013 foreign aid appropriations legislation, U.S. funding for democracy programs in Venezuela was continued through March 27, 2013 by a continuing appropriations resolution (P.L. 112-175).

For additional background, see CRS Report R40938, *Venezuela: Issues for Congress*, by (name redacted).

Iran’s Growing Relations in Latin America

There has been concern among policymakers in recent years about Iran’s growing interest in Latin America, particularly its relations with Venezuela. The personal relationship between Iranian President Mahmoud Ahmadinejad and Venezuelan President Hugo Chávez has driven the strengthening of bilateral ties, although there has been contention among policymakers over the extent and significance of Iran’s relations with the region. A major rationale for Tehran’s increased focus on Latin America has been Iran’s efforts to overcome its international isolation, including efforts to circumvent U.S. and U.N. sanctions. To date, the United States imposed sanctions on two companies in Venezuela in 2008 because of connections to Iran’s proliferation activities, while in May 2011, the United States imposed sanctions on Venezuela’s state oil company for providing cargoes of a gasoline additive to Iran. Venezuela has played a key role in the development of Iran’s expanding relations with other countries in the region, especially Bolivia, Ecuador, and Nicaragua. While Iran has promised significant investment in these countries, observers maintain that there is little evidence to show that such promises have been fulfilled. President Ahmadinejad’s January 2012 trip to Venezuela, Nicaragua, Cuba, and Ecuador again increased concerns by some about Iran’s efforts to forge ties with the region. In a July 2012 press interview, President Obama maintained overall concern about “Iran engaging in destabilizing activity around the globe,” but indicated that his “sense is that what Mr. Chávez has done over the past several years has not had a serious national security impact on us.”²¹ This was

²¹ “The Situation Room,” Transcript, *CNN*, July 11, 2012.

reiterated by the head of the U.S. Southern Command, General Douglas Fraser, who maintained that he does not see Venezuela as a “national security threat,” and that Iran’s connection with Venezuela is primarily diplomatic and economic.²²

Another reason for U.S. concerns about Iran’s deepening relations with Latin America is its support for the radical Lebanon-based Islamic group Hezbollah, a State Department-designated Foreign Terrorist Organization, which along with Iran is reported to have been linked to two bombings against Jewish targets in Argentina in the early 1990s. In recent years, U.S. concerns regarding Hezbollah in Latin America have focused on its fundraising activities among sympathizers in the region, particularly in the tri-border area of Argentina, Brazil, and Paraguay, and in Venezuela. The United States has imposed sanctions on individuals and companies in the region for providing support to Hezbollah.

Key Policy Issues in 2012: Congress continued its strong oversight of Iran and Hezbollah in Latin America, with hearings on the issue in both houses. Congress took action by completing action on H.R. 3783 in December 2012, a measure requiring the Secretary of State to conduct an assessment within 180 days “of the threats posed to the United States by Iran’s growing presence and activity in the Western Hemisphere” and submit to Congress the results of the assessment and a strategy to address Iran’s growing hostile presence and activity in the region.

For additional background, see CRS Report RS21049, *Latin America: Terrorism Issues*, by (name redacted) and (name redacted); and CRS Report RL32048, *Iran: U.S. Concerns and Policy Responses*, by (name redacted).

Organization of American States

Since its foundation in 1948, the Organization of American States (OAS) has served as a forum through which the United States has sought to foster regional cooperation and advance U.S. priorities in the Western Hemisphere. Throughout much of the institution’s history, OAS actions reflected U.S. policy as the other member states sought to closely align themselves with the dominant economic and political power in the region. This has changed to a certain extent over the past decade as Latin American and Caribbean governments have diversified their foreign relations and grown increasingly independent of the United States. In recent years, U.S. policymakers have expressed concerns about some of the organization’s actions (or lack thereof), including the repeal of a 1962 resolution that had expelled Cuba from participation in the OAS, and what some consider the organization’s insufficient support for democracy in nations such as Nicaragua and Venezuela. These and other issues have led some Members of Congress to assert that the OAS advances policies that run counter to U.S. interests, and that the United States should no longer fund the organization. Others maintain that OAS actions continue to closely align with U.S. priorities in most cases, and that U.S. policy should seek to strengthen the institution since it links the United States to the rest of the region at a time when many nations are intensifying relations with extra-regional powers and participating in multilateral organizations that exclude the United States.

Key Policy Issues in 2012: Debate over the OAS continued in 2012 as Members of Congress engaged in their oversight responsibilities by responding to various developments in inter-

²² Frank Bajak, “Top U.S. General: Venezuela Not a National Security Threat,” *AP Newswire*, July 31, 2012.

American relations. Several Members reiterated their opposition to Cuban participation in the OAS after most of the leaders attending the sixth Summit of the Americas voiced support for Cuba's inclusion at future summits (see "April 14-15, 2012: Summit of the Americas" below). Some Members also spoke out against proposed reforms to the Inter-American Commission on Human Rights (IACHR), expressed concerns that the OAS is not fully pursuing its obligations under the Inter-American Democratic Charter, and called for corrective measures to address the organization's administrative and financial challenges.

For additional information, see CRS Report R42639, *Organization of American States: Background and Issues for Congress*, by (name redacted).

Key Events in 2012

March 26-28, 2012: Pope Benedict XVI Visit to Cuba

Pope Benedict XVI visited Cuba from March 26-28, 2012, the first papal visit since the visit of Pope John Paul II in 1998. The Pope's visit coincided with the 400th anniversary of Our Lady of Charity (La Virgen de Caridad del Cobre), the patron saint of Cuba. After a trip to Mexico, the pontiff's visit to Cuba began in the eastern city of Santiago, where he celebrated mass in the Plaza of the Revolution, and visited the shrine of Our Lady of Charity in the town of El Cobre outside Santiago. The Pope then traveled to Havana, where he celebrated an outdoor mass in the Plaza of the Revolution and also met with church and Cuban government officials. While the purpose of the Pope's visit was pastoral (some 60% to 70% of Cubans are Catholic), the trip also highlighted the increased social and political profile of the Catholic Church in Cuba and its efforts in recent years to influence the Cuban government.

Cuba's Catholic Church became more openly critical of the Cuban government in 1993 when Cuban bishops issued a pastoral letter opposing limitations on freedom, excessive surveillance by state security, and imprisonment and harassment of dissidents. For many observers, the bishops' statement reflected a new era in which the Church would be more openly critical of the government. Pope John Paul elevated Archbishop of Havana Jaime Ortega to the position of Cardinal in 1994, which raised the profile of the Church in Cuba. Since then, Ortega has been widely commended for reinvigorating the Cuban Catholic Church—the role of Caritas Cuban, the Church's social assistance agency, has expanded throughout Cuba under Ortega. Cuban bishops have not refrained from speaking out on the need for change in Cuba, and Church publications have become a way for the Church to broaden the debate in Cuba on social and economic problems facing the country.

Beginning in 2010, the Cuban Catholic Church under Cardinal Ortega took on a prominent role in engaging with the Cuba government over political prisoners. This led to the release of more than 125 prisoners, with the majority going to Spain. In anticipation of Pope Benedict's visit, the Cuban government pardoned almost 3,000 prisoners in late December 2011, although only seven were reported to be political prisoners.²³ Today, there are reported to be at least 50 prisoners sanctioned for political reasons,²⁴ although the government has continued to harass and intimidate

²³ "2,991 Inmates Benefit from Cuba's Pardons," *Agence France Presse*, December 28, 2011.

²⁴ Comisión Cubana de Derechos Humanos y Reconciliación Nacional (CCDHRN), "Lista Parcial de Sancionados o (continued...)"

dissidents and human rights activists with thousands of short-term detentions. The death of imprisoned hunger striker Wilman Villar Mendoza on January 19, 2012, again focused world attention on Cuba's continuing poor human rights situation.

During his March 2012 trip to Cuba, Pope Benedict urged Cubans during his homily in Santiago "to build a renewed and open society, a better society, one more worthy of humanity, and which better reflects the goodness of God."²⁵ In Havana, the Pope invoked 19th century Cuban priest Father Felix Varela (a candidate for sainthood) as someone who offers a "path to a true social transformation ... to form virtuous men and women in order to forge a worthy and free nation." Emphasizing reconciliation, the Pope asserted that "Cuba and the world need change, but this will occur only if each one is in a position to seek the truth and chooses the way of love, sowing reconciliation and fraternity."²⁶ At the end of his visit, in reference to U.S. economic sanctions, the Pope criticized "restrictive economic measures, imposed from outside the country," as an "unfair burden to the Cuban people."²⁷

Some Cuban dissidents, as well as some in the Cuban American community, criticized the Pope for not more forcefully confronting the Cuban government during his visit. The Pope did not meet with any dissidents or human rights activists during his visit or speak out about the increased government harassment surrounding his visit. As a result, some in the dissident community felt the church lost credibility as a result of the Pope's visit. Other dissidents, however, emphasize the record of the Cuban Catholic Church in supporting political prisoners and their families and for the support provided to the Ladies in White. They point to the church's role in opening space for increased public dialogue, including criticism of the government, on economic and social issues, through church publications.

The visit of Pope Benedict could provide the church with more space to speak out on significant economic, social, and political issues facing the country. Given that the Catholic Church is Cuba's largest independent civil society group, it is likely that it will continue to have a significant voice as Cuba confronts economic and political change in the years ahead.

April 14-15, 2012: Summit of the Americas

On April 14-15, 2012, 30 of the Western Hemisphere's 34 democratically elected leaders gathered in Cartagena, Colombia for the sixth Summit of the Americas. The Summits of the Americas, which have been held periodically since 1994, serve as opportunities for the hemisphere's leaders to engage directly with one another and discuss issues of collective concern. The theme of the Cartagena Summit was "Connecting the Americas: Partners for Prosperity," and its official agenda focused on how physical integration and regional cooperation can assist the countries of the hemisphere in addressing the challenges of poverty and inequality, citizen security, natural disasters, and access to technology.

(...continued)

Procesados por Motivos Políticos en Cuba," April 25, 2012, available at <http://cuba.blogspot.com/2012/04/lista-parcial-de-sancionados-o.html>

²⁵ "Full Text of Pope Benedict XVI's Homily in Santiago de Cuba," *Miami Herald*, March 26, 2012.

²⁶ "Full Text of Pope Benedict XVI's Homily in Havana," *Miami Herald*, March 28, 2012.

²⁷ "Full Text of Pope Benedict XVI's Farewell Speech at Jose Martí Airport," *Miami Herald*, March 28, 2012.

The hemisphere's leaders were unable to establish a consensus vision for the region and failed to produce a summit declaration as a result of several contentious issues that overshadowed the official agenda. Two issues that often divide the United States from other countries in the region, engagement with Cuba and U.S.-backed antidrug policies, were discussed extensively. All of the leaders present—with the exceptions of President Obama and Prime Minister Harper of Canada—reportedly voiced support for Cuba's inclusion at the next Summit of the Americas, which is scheduled to be held in Panama in 2015. On drug policy, the hemisphere's leaders agreed to commission a study from the Organization of American States (OAS) analyzing the results of current efforts and exploring new approaches that may be more effective. They also agreed to establish a new regional body to help coordinate efforts to combat transnational organized crime. With regards to the official agenda, the hemisphere's leaders issued a list of 47 commitments involving individual and cooperative efforts to reduce poverty and inequality, improve citizen security, mitigate the effects of natural disasters, integrate physical infrastructure, and expand access to information and technology.

President Obama's actions at the Cartagena Summit suggest he intends to maintain the current direction of U.S. policy toward the region. He reiterated his pledge from the previous summit to seek partnerships of equality and mutual respect, but remained firmly opposed to changes in U.S. policies concerning Cuba and illicit drugs. Likewise, the new initiatives he introduced appear to be relatively limited in scale. The Small Business Network of the Americas initiative, for example, is designed to foster an interconnected network of business development centers to strengthen connections between the region's businesses and increase entrepreneurs' access to financing. Similarly, the Women's Entrepreneurship in the Americas initiative will utilize public-private partnerships to strengthen the skills and capacities of women entrepreneurs, as well as increase their access to financing and markets. As part of a third initiative, USAID's Innovation Fund of the Americas will solicit proposals and finance projects to find, test, support, and scale cost-effective solutions to the hemisphere's development challenges.

July 1, 2012: Mexican Elections

On July 1, 2012, Mexico held federal (presidential and legislative) elections. Turnout reached record levels as 63% of eligible voters cast their ballots. Mexico's Federal Electoral Institute (IFE) conducted the elections with the oversight of the Federal Electoral Tribunal, which must certify the results by September 6, 2012. While some election observers assert that vote-buying and other irregularities marred the electoral process, observers from the Organization of American States generally praised IFE's handling of the elections.

As predicted, the centrist Institutional Revolutionary Party (PRI) that governed Mexico from 1929 to 2000 retook the presidency after 12 years of rule by the conservative National Action Party (PAN) and won a plurality in the Senate and Chamber of Deputies. PRI/Green Ecological Party (PVEM) candidate Enrique Peña Nieto, a former governor of the state of Mexico, won the presidential election, albeit by a smaller margin than polls had forecast. Peña Nieto captured 38.2% of the vote, followed by Andrés Manuel López Obrador of the Party of the Democratic Revolution (PRD) with 31.6%, Josefina Vázquez Mota of the PAN with 25.4%, and Gabriel Quadri of the National Alliance Party (PANAL) with 2.3%. The relatively narrow margin of Peña Nieto's victory, coupled with the fact that López Obrador has challenged the election results before the Electoral Tribunal, could complicate the transition period. And, while PAN President Felipe Calderón has pledged to work with the incoming administration, his party has joined the

PRD in calling on authorities to investigate whether the PRI used any illicit finances to fund Peña Nieto's campaign. Peña Nieto is to take office for a six-year term on December 1, 2012.

Polls predicted that the PRI might also capture a simple majority in one or both chambers of the Mexican Congress, a feat not accomplished since 1994. The PRI and the allied PVEM party failed to capture a simple majority in either house. As a result, the PRI will have to form cross-party coalitions in order to pass key reforms, particularly those requiring constitutional amendments. The PRI will most likely find support from the PANAL and possibly the PAN, which lost seats in the Chamber but retained a powerful bargaining position. The PRD-led coalition, which will now have more seats in the Chamber than the PAN and remains the third-largest force in the Senate, could complicate some reform efforts, including those aimed at increasing private participation in the energy sector, a key priority for Peña Nieto.

Some Members of Congress may be concerned that the leadership changes resulting from the July 1, 2012, Mexican elections will significantly impact U.S.-Mexican relations, particularly now that the party controlling the presidency has changed. However, few analysts are predicting that the transition from PAN to PRI rule will result in seismic shifts in bilateral relations. During the campaign, Enrique Peña Nieto sought to reassure U.S. policy makers that a PRI administration would continue to combat organized crime, while also striving to reduce violence in Mexico. He also expressed support for increased bilateral and trilateral (with Canada) economic and energy cooperation. Since the elections, Peña Nieto has said that he is committed to "having an intense, close relationship of effective [security] collaboration measured by results"²⁸ with the United States. President Obama has congratulated Peña Nieto on his victory and Assistant Secretary of State for Western Hemisphere Affairs Roberta Jacobson has said that U.S. officials "look forward to working with him"²⁹ after he takes office.

For additional background, see CRS Report R42548, *Mexico's 2012 Elections*, by (name redacted).

October 7, 2012: Venezuelan Election

In Venezuela's October 7, 2012 presidential race, President Chávez won reelection by a margin of 11%, receiving 55.07% of the vote compared to 44.31% for opposition candidate Henrique Capriles, according to the National Electoral Council. Chávez received almost 8.2 million votes, about 1.6 million more than Capriles, who received almost 6.6 million votes.³⁰ President Chávez won all but two of Venezuela's 23 states, including a very narrow win Capriles's home state. Unlike the last presidential election in 2006, Venezuela did not host international observer missions. Instead, two domestic Venezuelan observer groups monitored the vote. Most reports indicate that election day was peaceful with only minor irregularities.

A White House spokesman, while acknowledging differences with President Chávez, congratulated "the Venezuelan people on the high level of participation, as well as on what was a

²⁸ William Booth and Nick Miroff, "Closer Ties to U.S. on Horizon," *Washington Post*, July 9, 2012.

²⁹ U.S. Department of State, "Foreign Press Center Briefing with Roberta S. Jacobson, Assistant Secretary of State for Western Hemisphere Affairs," press release, July 11, 2012.

³⁰ See the official results on the website of the National Electoral Council at http://www.cne.gob.ve/resultado_presidencial_2012/t/1/reg_000000.html

relatively peaceful process.”³¹ A State Department official added “that the views of the more than 6 million people who voted for the opposition should be taken into account going forward.”³²

Credited with running an effective well-organized campaign that increased the strength of a unified opposition, Capriles accepted defeat and congratulated President Chávez, but also maintained that being president entails “working to solve the problems of all Venezuelans.”³³ Capriles said that he would continue to serve the Venezuelan people. For the opposition, the election showed a significant strengthening of support – it received about 2.2 million more votes than in the last presidential election in 2006, and its share of the vote grew from almost 37% in 2006 to 44% in 2012.

If Capriles had won the presidency, he would have faced a National Assembly still dominated by Chávez supporters since the country’s next legislative elections are not due until September 2015. Without legislative support, he would have faced difficulty in making significant policy changes. For the United States, however, an opposition victory would likely have reduced tensions in bilateral relations and allowed potential progress in the key areas of anti-drug and counterterrorism cooperation.

For President Chávez, the election was his fourth presidential victory. It affirmed his longstanding popular support as well as support for his government’s array of social programs that have helped raise living standards for many Venezuelans. In his victory speech, President Chávez congratulated the opposition for their participation and civic spirit and pledged to work with them. At the same time, however, the president vowed that Venezuela would “continue its march toward the democratic socialism of the 21st century.”³⁴

With Chávez’s reelection, it is likely that there will be a deepening of statist economic policies, and some fear that there will be continued erosion of democratic institutions and practices. Under President Chávez, it is likely that relations with the United States will continue to be strained as the government continues to espouse an anti-U.S. agenda and close relations with Iran. On the other hand, Venezuela’s role in supporting Colombia’s peace process and its increased counternarcotics and security cooperation with Colombia could lead to an easing of tension in some aspects of U.S.-Venezuelan relations.

Post-Election Developments: Venezuela’s political future became increasingly uncertain when President Chávez announced on December 8, 2012 that his cancer had returned, and that he supported Vice President Nicolás Maduro as his successor if he were unable to continue to lead the country. Several days later, Chávez returned to Cuba for surgery that was described as complicated. Chávez had undergone significant treatment in Cuba for two bouts of cancer in 2011 and earlier in 2012. Venezuela’s Constitution (Article 233) calls for new elections within 30 days if Chávez died before being sworn into office in January 2013 or if he died or had to leave office permanently in the first four years of his new term. Venezuela’s opposition would then have another opportunity to compete at the polls, and would be advantaged by not having Chávez on

³¹ White House, Office of the Press Secretary, “Press Gaggle by Press Secretary Jay Carney En Route Bakersfield, CA,” October 8, 2012.

³² “U.S.: Venezuelan Opposition Views Should be Considered,” *Agence France Presse*, October 8, 2012.

³³ William Neuman, “Chávez Wins a Third Term in Venezuela Amid Historically High Turnout,” *New York Times*, October 8, 2012.

³⁴ Laurent Thomet, “Chávez Reaches Out to Opposition After Victory,” *Agence France Presse*, October 8, 2012.

the ballot. In such a scenario, however, sympathy for Chávez could also engender support for a Chavista candidate aiming to protect Chávez's legacy and programs.

For additional background, see CRS Report R40938, *Venezuela: Issues for Congress*, by (name redacted).

Appendix. Hearings in the 112th Congress

Table A-1. Congressional Hearings in the 112th Congress on Latin America and the Caribbean

Committee and Subcommittee ^a	Date	Title
House Ways and Means Committee, Subcommittee on Trade	January 25, 2011	Hearing on the Pending Free Trade Agreements with Colombia, Panama, and South Korea and the Creation of U.S. Jobs
House Ways and Means Committee	February 9, 2011	President Obama's Trade Policy Agenda
House Foreign Affairs Committee, Subcommittee on the Western Hemisphere	February 15, 2011	Does the U.S. Have a Policy Toward Latin America?
Senate Foreign Relations Committee, Subcommittee on Western Hemisphere, Peace Corps and Global Narcotics Affairs	February 17, 2011	U.S. Policy Toward Latin America
Senate Caucus on International Narcotics Control	March 9, 2011	Money Laundering and Bulk Cash Smuggling Across the Southwest Border
House Foreign Affairs Committee	March 16, 2011	Agency for International Development and the Millennium Challenge Corporation: Fiscal Year 2012 Budget Requests and Future Directions in Foreign Assistance
House Foreign Affairs Committee, Subcommittee on Western Hemisphere	March 17, 2011	The Colombia and Panama Free Trade Agreements: National Security and Foreign Policy Priorities
House Ways and Means Committee, Subcommittee on Trade	March 17, 2011	Job-Creating Trade Agreements Part I
House Armed Services Committee	March 30, 2011	Hearing on National Defense Authorization Act for FY 2012 and Oversight of Previously Authorized Programs: FY 2012 NDAA Budget Requests for U.S. European Command, U.S. Southern Command, and U.S. Northern Command
House Ways and Means Committee, Subcommittee on Trade	March 30, 2011	Job-Creating Trade Agreements: Panama Trade Promotion Agreement, Part II
Senate Foreign Relations Committee, Subcommittee on Western Hemisphere, Peace Corps and Global Narcotics Affairs	March 31, 2011	A Shared Responsibility: Counternarcotics and Citizen Security in the Americas
House Foreign Affairs Committee, Subcommittee on the Western Hemisphere	April 13, 2011	Priorities for U.S. Assistance in the Western Hemisphere
House Agriculture Committee	May 12, 2011	Hearing To Review Pending Free Trade Agreements
Senate Caucus on International Narcotics Control	May 25, 2011	Combating Drug Violence in Central America
House Foreign Affairs Committee, Subcommittee on the Western Hemisphere	June 14, 2011	Holding Honduras Hostage: Revoked Visas and U.S. Policy
Senate Caucus on International Narcotics Control	June 15, 2011	Illegal Tunnels on the Southwest Border

Committee and Subcommittee^a	Date	Title
Senate Foreign Relations Committee, Subcommittee on Western Hemisphere, Peace and Subcommittee on International Development and Foreign Assistance, Economic Affairs, and International Environmental Protection	June 23, 2011	Rebuilding Haiti in the Martelly Era
Joint hearing, House Committee on Oversight and Government Reform, Subcommittee on National Security, Homeland Defense and Foreign Operations and House Foreign Affairs Committee, Subcommittee on the Western Hemisphere and Subcommittee on the Middle East and South Asia	June 24, 2011	Venezuela's Sanctionable Activity
Senate Foreign Relations Committee, Subcommittee on Western Hemisphere, Peace Corps and Global Narcotics Affairs	June 30, 2011	The State of Democracy in the Americas
House Homeland Security Committee, Subcommittee on Counter-terrorism and Intelligence	July 7, 2011	Hezbollah in Latin America—Implications for U.S. Homeland Security
House Foreign Affairs Committee, Subcommittee on the Western Hemisphere and Subcommittee on Oversight and Investigations	September 13, 2011	Has Merida Evolved? Part One: The Evolution Of Drug Cartels And The Threat to Mexico's Governance
Joint Subcommittee Hearing: House Foreign Affairs Committee, Subcommittee on the Western Hemisphere	October 4, 2011	Merida Part Two: Insurgency and Terrorism in Mexico
House Homeland Security Committee, Subcommittee on Oversight, Investigations, and Management		
House Foreign Affairs Committee, Subcommittee on Oversight and Investigations	October 12, 2011	The International Exploitation of Drug Wars and What We Can Do About It
House Foreign Affairs Committee, Subcommittee on Terrorism, Nonproliferation, and Trade	October 12, 2011	Narcoterrorism and the Long Reach of U.S. Law Enforcement, Part I
House Foreign Affairs Committee	October 13, 2011	Emerging Threats and Security in the Western Hemisphere: Next Steps for U.S. Policy
Senate Energy and Natural Resources Committee	October 18, 2011	Hearing to examine the status of response capability and readiness for oil spills in foreign Outer Continental Shelf waters adjacent to US waters
Senate Caucus on International Narcotics Control	October 19, 2011	U.S.-Andean Security Cooperation
Joint hearing, Committee on Homeland Security, Subcommittee on Oversight, Investigations, and Management and Subcommittee on Counterterrorism and Intelligence	October 26, 2011	Iranian Terror Operations on American Soil

Committee and Subcommittee^a	Date	Title
House Natural Resources Committee, Subcommittee on Energy and Mineral Resources	November 2, 2011	North American Offshore Energy: Mexico and Canada Boundary Treaties and New Drilling by Cuba and Bahamas
House Foreign Affairs Committee, Subcommittee on Terrorism, Nonproliferation, and Trade	November 17, 2011	Narcoterrorism and the Long Reach of U.S. Law Enforcement, Part II
House Foreign Affairs Committee	December 1, 2011	Nicaragua: Part I Democracy Held Hostage in Nicaragua: Part I
Senate Foreign Relations Committee, Subcommittee on Western Hemisphere, Peace Corps and Global Narcotics Affairs	December 15, 2011	The U.S.-Caribbean Shared Security Partnership: Responding To The Growth Of Trafficking And Narcotics In The Caribbean
House Foreign Affairs Committee, Subcommittee on the Western Hemisphere	December 15, 2011	Markup Hearing on H.R. 3401 and H.R. 2542
Senate Caucus on International Narcotics Control	February 1, 2012	U.S.-Caribbean Security Cooperation
House Foreign Affairs Committee	February 2, 2012	Ahmadinejad's Tour of Tyrants and Iran's Agenda in the Western Hemisphere
Joint Hearing, House Foreign Affairs Committee, Subcommittee on Africa, Global Health, and Human Rights and Subcommittee on the Western Hemisphere	February 16, 2012	Further Human Rights Violations in Castro's Cuba: the Continued Abuse of Political Prisoners
Senate Foreign Relations Committee, Subcommittee on Western Hemisphere, Peace Corps, and Global Narcotics Affairs	February 16, 2012	Iran's Influence and Activity in Latin America
House Foreign Affairs Committee, Subcommittee on Terrorism, Nonproliferation, and Trade	March 1, 2012	To Provide for a Comprehensive Strategy to Counter Iran's Growing Presence and Hostile Activity in the Western Hemisphere, and for Other Purposes; Markup Hearing of H.R. 3783)
House Foreign Affairs Committee	March 20, 2012	The Fiscal Year 2013 Budget: A Review of U.S. Foreign Assistance Amidst Economic Uncertainty
House Committee on Appropriations Subcommittee on State, Foreign Operations, and Related Programs	March 29, 2012	Security Challenges in Latin America
House Foreign Affairs Committee, Subcommittee on the Western Hemisphere	April 25, 2012	Western Hemisphere Budget Review 2013: What are U.S. Priorities?
House of Representatives, Tom Lantos Human Rights Commission	May 10, 2012	Human Rights in Mexico
House of Representatives, Tom Lantos Human Rights Commission	May 17, 2012	Threats to Civil Society and Human Rights Defenders Worldwide
House Foreign Affairs Committee, Subcommittee on the Western Hemisphere	May 17, 2012	Cuba's Global Network of Terrorism, Intelligence, and Warfare
House Committee on the Judiciary, Subcommittee on Immigration Policy and Enforcement	May 31, 2012	Hearing on H.R. 2831, To amend Public Law 89-732 to modify the requirement for a Cuban national to qualify for and maintain status as a permanent resident.

Committee and Subcommittee ^a	Date	Title
House Foreign Affairs Committee, Subcommittee on Africa, Global Health, and Human Rights	June 6, 2012	The U.S. State Department's Inadequate Response to Human Rights Concerns in Bolivia: The Case of American Jacob Ostreicher
Senate Foreign Relations Committee, Subcommittee on the Western Hemisphere, Peace Corps, and Global Narcotics	June 7, 2012	The Path to Freedom: Countering Repression and Strengthening Civil Society in Cuba
House Homeland Security Committee, Subcommittee on Oversight, Investigations, and Management	June 21, 2012	U.S. Caribbean Border: Open Road for Drug Traffickers and Terrorists
House Foreign Affairs Committee, Subcommittee on Africa, Global Health, and Human Rights	July 19, 2012	Poison Harvest: Deadly U.S. Mine Pollution in Peru
Senate Foreign Relations Committee, Subcommittee on Western Hemisphere, Peace Corps, and Global Narcotics Affairs	July 31, 2012	Doing Business in Latin America: Positive Trends but Serious Challenges
House Foreign Affairs Committee, Subcommittee on Africa, Global Health, and Human Rights	August 1, 2012	Seeking Freedom for American Trapped in Bolivian Prison
House Homeland Security Committee, Subcommittee on Oversight, Investigations, and Management	November 16, 2012	A Line in the Sand: Assessing Dangerous Threats to Our Nation's Borders

Source: Prepared by /name redacted), Information Research Specialist, CRS.

- a. House Committee websites available at <http://www.house.gov/committees/>. Senate Committee websites available at http://www.senate.gov/pagelayout/committees/d_three_sections_with_teasers/committees_home.htm.

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