



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

**Mark P. Sullivan, Coordinator**  
Specialist in Latin American Affairs

**June S. Beittel**  
Analyst in Latin American Affairs

**Anne Leland**  
Information Research Specialist

**Peter J. Meyer**  
Analyst in Latin American Affairs

**Clare Ribando Seelke**  
Specialist in Latin American Affairs

**Maureen Taft-Morales**  
Specialist in Latin American Affairs

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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. Current U.S. policy toward the region is 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 112<sup>th</sup> Congress is focusing 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, continues 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, has 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 has been concern about the deterioration of democracy in several Latin American countries, especially Nicaragua and Venezuela. Congressional concern has 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, 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 identifying key policy issues facing Congress in 2012. The final section of the report analyzes several upcoming events in the region in 2012 that could have an impact on developments in several countries or on U.S. relations with the region: the Pope's upcoming trip to Cuba in March, the sixth Summit of the Americas in April, Mexico's elections in July, and Venezuela's elections in October. An appendix provides a listing of hearings in the 112<sup>th</sup> Congress focused on Latin America. For additional information, see the CRS Issues in Focus webpage on "Latin America and the Caribbean."

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## **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.<sup>1</sup> 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.<sup>2</sup>

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<sup>1</sup> 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.

<sup>2</sup> 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.<sup>3</sup> 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.<sup>4</sup>

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.<sup>5</sup> 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.<sup>6</sup>

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

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

<sup>4</sup> 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>.

<sup>5</sup> Corporación Latinobarómetro, *2010 Report*, December 2010.

<sup>6</sup> 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.<sup>7</sup>

## **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.

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

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

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.<sup>8</sup> 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.<sup>9</sup> Some policy analysts maintain that the growing polarization of U.S. domestic politics is an additional impediment to productive engagement with the region.<sup>10</sup>

## **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—5.9% in 2010 and 4.3% in 2011<sup>11</sup>—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 next CELAC summit will not take place until January 2013. 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 of the Americas process, with the next summit scheduled for April 2012 in Colombia, is an

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

<sup>9</sup> 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.

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

<sup>11</sup> U.N. Economic Commission for Latin America and the Caribbean, *Preliminary Overview of the Economies of Latin America and the Caribbean 2011*, December 2011.



important mechanism for the United States to engage with Latin American nations at the highest level.

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.<sup>12</sup> 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 recent congressional testimony that ALBA was "created in part to spread Chávez's influence in the region" but "is only muddling through."<sup>13</sup>

## **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 112<sup>th</sup> Congress is focusing 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, has 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, has 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 remains the leading source country of both legal permanent residents and unauthorized immigrants in the United States, have been disappointed by what they see as a lack of effort in Congress on comprehensive immigration reform.

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<sup>12</sup> 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>

<sup>13</sup> Ibid.

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 112<sup>th</sup> Congress, numerous oversight hearings have been held evaluating drug assistance programs—especially the Mérida Initiative in Mexico, CARSI in Central America, and CBSI in the Caribbean—and related domestic initiatives and border security efforts.<sup>14</sup>

Another focus of congressional oversight has been 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 include declines in production and 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.<sup>15</sup> 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.<sup>16</sup> Members of Congress have expressed concern about the continued U.S. dependence on imported oil from Venezuela, although observers point 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 pending issue for Congress is Cuba's development of its offshore oil sector and the potential

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<sup>14</sup> For additional information, see CRS Report R41215, *Latin America and the Caribbean: Illicit Drug Trafficking and U.S. Counterdrug Programs*, coordinated by Clare Ribando Seelke.

<sup>15</sup> Derived from oil important statistics provided by the U.S. Energy Administration.

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

impact of an oil spill on the United States. A foreign consortium led by the Spanish oil company Repsol will soon begin exploratory drilling off Cuba's north coast.<sup>17</sup>

With regard to trade, the 112<sup>th</sup> 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 is now likely to turn to the implementation of those agreements. Oversight on Colombia, which was the more controversial of the two agreements, will focus on whether the country is meeting its commitments under an "Action Plan Related to Labor Rights." Progress on U.S. negotiations with eight Pacific rim countries for a Trans-Pacific Partnership (TPP) Agreement will likely be of congressional interest—Chile and Peru are among the eight TPP countries that are negotiating the trade agreement with the United States, while Mexico has expressed strong interest in joining.<sup>18</sup> Other trade issues related to Latin America includes consideration of potential changes to U.S. cotton subsidies that would allow the United States to avoid retaliatory trade measures imposed by Brazil, and the safety of Mexican trucks operating in the United States.

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.<sup>19</sup> 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 has also been increased congressional concern 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 sixth 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 translated into Brazilian backing for U.S. initiatives. 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. Although U.S. policymakers

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<sup>17</sup> For additional information, see CRS Report R41522, *Cuba's Offshore Oil Development: Background and U.S. Policy Considerations*, by Neelesh Nerurkar and Mark P. Sullivan.

<sup>18</sup> For additional information on the TPP, see CRS Report R40502, *The Trans-Pacific Partnership Agreement*, by Ian F. Fergusson and Bruce Vaughn; and CRS Report R42344, *Trans-Pacific Partnership (TPP) Countries: Comparative Trade and Economic Analysis*, by Brock R. Williams.

<sup>19</sup> For additional information, see CRS Report RS21049, *Latin America: Terrorism Issues*, by Mark P. Sullivan.

have expressed concerns about Brazil's foreign policy, they have continued to pursue bilateral 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 the tariff on Brazilian ethanol to expire at the end of 2011 has 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:** Energy and trade relations with Brazil are likely to continue to be of congressional interest in 2012. Congress may seek to advance collaboration on biofuels issues and build upon the Agreement on Trade and Economic Cooperation that President Obama and Brazilian President Rousseff signed in March 2011. As Congress debates the 2012 farm bill, it will likely evaluate potential changes to U.S. cotton subsidies that would ensure U.S. compliance with World Trade Organization (WTO) rulings, and allow the United States to reach a permanent agreement with Brazil to avoid WTO-sanctioned retaliatory measures. Brazil's foreign policy, including its relations with Iran, China, and others, is also likely to be an ongoing issue for congressional oversight.

For additional information, see CRS Report RL33456, *Brazil-U.S. Relations*, by Peter J. Meyer and CRS Report RL32571, *Brazil's WTO Case Against the U.S. Cotton Program*, by Randy Schnepf.

## **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 appropriated almost \$362 million for CARSI between FY2008 and FY2011, and \$139 million for CBSI between FY2010 and FY2011. For FY2012, congressional appropriators expressed support for the Administration's request of \$100 million for CARSI and \$73 million for CBSI.

**Key Policy Issues in 2012:** Congress will likely continue to closely track the implementation of CARSI and CBSI in 2012, including how funds are being employed and the extent to which the programs are advancing U.S. objectives. The FY2012 appropriations bill placed conditions on aid to security forces in Guatemala, Honduras, and Haiti, and human rights abuses in those and other countries in the region are likely to remain of congressional interest. Additional questions of interest to Congress may include How do CARSI and CBSI fit into a broader Western Hemisphere security strategy? How do the initiatives relate to other U.S. security efforts in Central America and the Caribbean such as those conducted by the Department of Defense? And are current U.S. efforts striking the right balance between assisting partner nations with immediate needs and fostering the institutional reforms necessary for long-term success?

For additional information, see CRS Report R41731, *Central America Regional Security Initiative: Background and Policy Issues for Congress*, by Peter J. Meyer and Clare Ribando Seelke; CRS Report RL34112, *Gangs in Central America*, by Clare Ribando Seelke; and CRS Report R41215, *Latin America and the Caribbean: Illicit Drug Trafficking and U.S. Counterdrug Programs*, coordinated by Clare Ribando Seelke.

## 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 violence against Colombian trade unionists, protection of workers rights, and related human rights issues.

**Key Policy Issues in 2012:** Following successful passage of the CFTA in late 2011, Congressional interest will likely shift to entry into force and implementation of the comprehensive trade agreement and Colombia's compliance with the "Action Plan Related to Labor Rights" announced prior to passage of the CFTA. Congress will also consider U.S. assistance to Colombia with its ongoing counternarcotics, counterterrorism, judicial reform, economic development, and human rights components.

For additional information, see CRS Report RL32250, *Colombia: Issues for Congress*, by June S. Beittel; CRS Report RL34470, *The U.S.-Colombia Free Trade Agreement: Background and Issues*, by M. Angeles Villarreal; and CRS Report RL34759, *U.S.-Colombia Free Trade Agreement: Labor Issues*, by Mary Jane Bolle.

## 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. In light of Fidel Castro's stepping down from power in 2006 because of poor health and the potentially significant economic changes that have been implemented under the government of Raúl Castro, a number of observers have 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 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:** Legislative efforts in 2011 to roll back President Obama's easing of restrictions on remittances and family travel were unsuccessful, but the issue may again be debated in 2012. Other policy issues of sustained congressional interest include the status of Cuba's offshore oil development and preparedness and response in the case of a spill (drilling is expected to begin in 2012); funding for U.S. government democracy and human rights projects; funding for Radio and TV Martí broadcasting to Cuba; the continued imprisonment of Alan Gross; payment terms for U.S. agricultural and medical exports to Cuba; and the human rights situation in Cuba.

For additional information, see CRS Report R41617, *Cuba: Issues for the 112<sup>th</sup> Congress*, by Mark P. Sullivan; CRS Report RL31139, *Cuba: U.S. Restrictions on Travel and Remittances*, by Mark P. Sullivan; and CRS Report R41522, *Cuba's Offshore Oil Development: Background and U.S. Policy Considerations*, by Neelesh Nerurkar and Mark P. Sullivan.

## **Haiti**

In the two years since the January 2010 earthquake that devastated much of Haiti and killed an estimated 316,000 people,<sup>20</sup> 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 five million cubic feet of rubble (a much faster rate than in recent disasters elsewhere); the election of and transition to a new president and legislature; a rapid and coordinated response to a cholera epidemic and prevention of its outbreak in displaced persons camps in the capital; and increased agricultural production.

Nonetheless, there is widespread criticism that aid is not being disbursed quickly enough. There are many obstacles to more rapid recovery and reconstruction, including the concentration of damage in a densely populated urban area. 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; the election process to choose a new government was flawed and sometimes violent; gridlock between the new administration of President Michel Martelly and the legislature continue to make aid disbursement and development difficult. An aid coordinating mechanism, the Interim Haiti Reconstruction Commission (IHRC), was criticized for being slow to get organized and approve programs, and its term has now expired without a new mechanism in its place. A cholera epidemic further delayed the shifting of funds and efforts from emergency response to reconstruction programs.

**Key policy issues:** The key congressional concern remains, how effectively is U.S. aid to Haiti being disbursed and implemented, especially now that no an official coordinating mechanism is

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

in place? Other concerns include, what is the best way to continue to improve security in Haiti, through further strengthening of the Haitian National Police, as outlined in Haiti's national plan for development, and agreed upon by international donors, or through re-creation of an army, as proposed by President Martelly? How can U.S. aid programs further strengthen Haitian institutions of governance and rule of law in a context of political gridlock between the Haitian executive and parliament? How can U.S. programs promote greater respect for basic human rights, including addressing the problem of gender-based violence?

For background information, see CRS Report R41689, *Haiti's National Elections: Issues, Concerns, and Outcome*, by Maureen Taft-Morales; and CRS Report R41023, *Haiti Earthquake: Crisis and Response*, by Rhoda Margesson and Maureen Taft-Morales.

## **Mexico**

In recent years, security issues have overshadowed immigration and trade in U.S. relations with Mexico, a country with which the United States shares a nearly 2,000 mile border and close to \$400 billion in annual trade. Upon taking office in December 2006, Mexican President Felipe Calderón made combating organized crime a top priority of his Administration and expanded security cooperation with the Bush and then Obama Administrations through the Mérida Initiative. From FY2008 to FY2012, Congress appropriated more than \$1.9 billion in Mérida assistance for Mexico, with the focus of aid gradually shifting from training and equipping security forces towards institution-building. Bilateral cooperation has helped Mexico arrest or kill record numbers of drug kingpins, but more than 47,500 people have died as a result of organized crime-related violence since President Calderón took office. Concerns about the violence in northern Mexico have prompted border security to return to the forefront of the bilateral agenda, with policymakers trying to find ways to make the border as secure and efficient as possible. As comprehensive immigration reform efforts have stalled in Congress, the enactment of tough state laws against illegal immigration has concerned the Mexican government. In the economic realm, the U.S. and Mexican governments have sought to improve North American competitiveness as both countries continue to recover from the 2008-2009 global economic crisis. And, as Mexico is a top U.S. oil supplier, energy policy could become a more important bilateral issue should Mexico's oil production continue to decline.

**Key Policy Issues in 2012:** Congressional funding and oversight of the Mérida Initiative is likely to continue, but Congress may also engage in broader debates about how U.S.-Mexican efforts and related U.S. domestic programs might be revised in order to better respond to security conditions in Mexico. Congress may also monitor how organized crime and government efforts to suppress it are affecting human rights and democracy in Mexico, particularly as the July 1, 2012 Mexican elections approach. Ongoing drug trafficking-related violence in northern Mexico is likely to keep border security on the agenda of congressional oversight committees. While comprehensive immigration reform is unlikely to advance this year, Congress may consider discrete immigration measures to facilitate the admission of nurses and other highly skilled workers. Efforts to boost bilateral trade and increase economic integration, as well as to resolve periodic trade disputes under the North American Free Trade Agreement (NAFTA), are also likely to be of interest to Congress, including the implementation of NAFTA trucking provisions that permit Mexican trucks to travel in the United States.

For additional information, see CRS Report RL32724, *Mexico: Issues for Congress*, by Clare Ribando Seelke; CRS Report R41349, *U.S.-Mexican Security Cooperation: The Mérida Initiative*

*and Beyond*, by Clare Ribando Seelke and Kristin M. Finklea; and CRS Report RL32934, *U.S.-Mexico Economic Relations: Trends, Issues, and Implications*, by M. Angeles Villarreal.

## 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 2011, President Obama issued the seventh 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 are 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 two 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 will likely continue on human rights, drug trafficking, and terrorism concerns, including the extent of relations with Iran. Venezuela's October 2012 presidential elections will also focus congressional attention on the state of democracy in the country—President Chávez, who underwent significant cancer treatment in 2011, is running against a candidate of the unified opposition, Henrique Capriles Radonski. (Also see "October 7, 2012: Venezuelan Election" below.)

For additional background, see CRS Report R40938, *Venezuela: Issues for Congress*, by Mark P. Sullivan.

## 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.



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 is continuing its strong oversight of Iran and Hezbollah in Latin America, with hearings on the issue in both houses. Some Members want the Administration to do more to counter the activities of Iran and Hezbollah in the region, while others maintain that the Administration is already taking significant actions through economic sanctions.

For additional background, see CRS Report RS21049, *Latin America: Terrorism Issues*, by Mark P. Sullivan; and CRS Report RL32048, *Iran: U.S. Concerns and Policy Responses*, by Kenneth Katzman.

## **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 the organization's repeal of a 1962 resolution that expelled Cuba, its nearly two-year suspension of Honduras after the country's 2009 presidential turmoil, and what some consider its 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:** Although the FY2012 appropriations bill continued to provide funding for the OAS, legislation that would prevent the United States from paying its assessed contributions (\$48.1 million in FY2011) advanced through the House Committee on Foreign Affairs in 2011 and may be further debated in 2012. Congress is also likely to maintain interest in OAS efforts to promote and protect democracy in the hemisphere, with particular emphasis on efforts to ensure free and fair elections in Venezuela. Other policy issues of ongoing Congressional interest include the transparent and efficient use of OAS resources, and efforts by some OAS member states to weaken the authority of the autonomous Inter-American Commission on Human Rights.

## Looking Ahead: Key Events in 2012

Several upcoming events and scheduled elections in the region in 2012 could have a significant impact on political developments in several countries or on U.S. relations with the region.

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

Pope Benedict XVI is scheduled to visit Cuba from March 26-28, 2012, the first papal visit since the visit of Pope John Paul II in 1998. The Pope's visit coincides with the 400<sup>th</sup> 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 will begin in the eastern city of Santiago, where he will celebrate mass in the Plaza of the Revolution, and visit the shrine of Our Lady of Charity in the town of El Cobre outside Santiago. The Pope will then travel to Havana, where he will celebrate an outdoor mass in the Plaza of the Revolution and also meet with church and Cuban government officials. While the purpose of the Pope's visit is pastoral (some 60 to 70% of Cubans are Catholic), the trip will also serve to highlight 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.<sup>21</sup> Today, there are reported to be around 60 remaining political prisoners, although the government has continued to harass and intimidate 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.

The visit of Pope Benedict could augment the increasing role of the Catholic Church in Cuba as intermediary between the government and the opposition. The visit could also 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

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<sup>21</sup> "2,991 Inmates Benefit from Cuba's Pardons," *Agence France Presse*, December 28, 2011.

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**

The Western Hemisphere's 34 democratically-elected leaders are scheduled to gather in Cartagena, Colombia on April 14-15, 2012 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 is "Connecting the Americas: Partners for Prosperity." It is expected to focus in particular 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.

The heads of government attending the Cartagena Summit are unlikely to resolve their differences regarding how best to address hemispheric challenges; however, the Summit could serve as a forum for President Obama to introduce new initiatives and set the stage for U.S. policy toward Latin America and the Caribbean moving forward. At the last Summit of the Americas, which was held in April 2009, the assembled leaders disagreed on a range of subjects and ended up producing a rather expansive and vague Summit Declaration that many observers characterized as lacking measurable objectives. President Obama's actions at the 2009 Summit were more notable. He introduced several initiatives—including the Caribbean Basin Security Dialogue, the Energy and Climate Partnership of the Americas, and the Microfinance Growth Fund for the Western Hemisphere—which were limited in scale but served as early indications of the Administration's priorities for the region. Similarly, President Obama's speech at the 2009 Summit spoke of "equal partnership" and "mutual respect," foreshadowing his Administration's greater emphasis on multilateral diplomacy. President Obama's actions at the Cartagena Summit could be of interest to Congress, particularly if he introduces new initiatives requiring U.S. funding, or provides indications that his Administration intends to pursue changes in U.S. policy toward the region during the remainder of 2012, or during a potential second term.

### **July 1, 2012: Mexican Elections**

On July 1, 2012, Mexico will hold presidential, legislative, and state elections. Mexican voters will elect a president who will serve a six-year term that begins on December 1, 2012. All 128 seats in the Senate and all 500 seats in the Chamber of Deputies are also up for election, with senators serving six-year terms and deputies serving three-year terms that begin on September 1, 2012.<sup>22</sup> Elections for local and state offices will take place in the federal district and 14 states, five of which will hold gubernatorial elections. The three major parties competing in the elections are the centrist Institutional Revolutionary Party (PRI) party that governed Mexico from 1929 to 2000, the conservative National Action Party (PAN) that has held the presidency since 2000, and the leftist Party of the Democratic Revolution (PRD). The PRI is in alliance with the Green Ecological Party (PVEM) party, while the PRD is in alliance with the Workers' Party (PT) and Citizens' Movement (PMC).

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<sup>22</sup> A portion of each Chamber is selected through direct election (300 senators and deputies) and the remainder are chosen through a closed-list proportional representation system.

Given the security and economic challenges that Mexico has experienced during the current PAN Administration, and the recent weak electoral performances of the leftist PRD, many observers are predicting a strong showing by the PRI in the 2012 elections. The PRI possesses formidable campaign machinery and will seek to build on the momentum it has gathered after winning four of the six gubernatorial races held in 2011. Polls published in early January showed Enrique Peña Nieto of the PRI, the former governor of the state of Mexico, with a commanding lead over Andrés Manuel López Obrador, the populist PRD candidate who narrowly lost the 2006 presidential election, and any potential PAN candidate.<sup>23</sup> Analysts predict, however, that this lead will narrow as the elections approach, particularly since the PAN has selected Josefina Vázquez Mota, a popular former Education Minister and leader of the PAN in the Chamber of Deputies as its standard bearer.<sup>24</sup> The parties will not officially register their candidates until mid-March, with the campaign beginning on March 30.

The results of the Mexican elections could have an impact on U.S.-Mexican relations, including the future of security cooperation efforts under the Mérida Initiative. For this reason, congressional interest is likely to focus on each of the candidate's positions on security, trade, migration, and energy policy. Congress is likely to support the Mexican government's efforts to ensure that the elections are carried out in a transparent manner. Electoral challenges include trying to keep the process free from the influence of criminal groups and ensuring that deteriorating security conditions in some areas of the country do not interfere with the electoral process.

## **October 7, 2012: Venezuelan Election**

Venezuela is scheduled to hold its next presidential election on October 7, 2012, with the inauguration to take place on January 10, 2013. Venezuela has traditionally held its presidential election in December, but in September 2011, the country's National Electoral Council (CNE), dominated by Chávez supporters, moved up the date of the presidential election to October. Venezuelans had approved a constitutional referendum in 2009 abolishing the term limits for elected officials, so President Chávez is once again a candidate for re-election. He was first elected in 1998, then in 2000 (under a new Constitution), and most recently in 2006 to a six-year term. Venezuela's 2006 presidential election was characterized as free and fair by international observers with some irregularities, while 2010 national legislative elections were also characterized as free and fair by domestic observers with scattered irregularities, although there was criticism of the electoral law and the government's partisan use of state resources. Venezuela's opposition held a unified primary on February 12, 2012 under the banner of the Mesa de la Unidad Democrática (MUD, Democratic Unity Roundtable) and chose Henrique Capriles Radonski of Primero Justicia (PJ, Justice First) as their candidate. Capriles is the governor of Miranda, Venezuela's second most populous state, which includes several municipalities of metropolitan Caracas.

Some observers predict that Chávez's continued popularity (between 50-60%) and use of state resources will result in him capturing another six-year term. Nevertheless, the opposition appears

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<sup>23</sup> According to a Mitofsky poll published in early January 2012, 42% of those surveyed said that they would vote for Peña Nieto, 21% for Vázquez Mota (highest among the PAN), and 17% for López Obrador.

<sup>24</sup> Andrew Selee, *Five Questions About Mexico and U.S.-Mexican Relations in 2012*, Woodrow Wilson Center for Scholar: Mexico Institute, January 18, 2012, <http://mexicoinstitute.files.wordpress.com/2012/01/five-questions-2012.pdf>; Shannon K. O'Neill, "Vázquez Mota and the 2012 Mexican Election," *Foreign Affairs*, February 8, 2012.

to have a better opportunity than ever before to win the presidency because of Venezuelans' concerns about high rates of crime (including murder and kidnapping) and a difficult economic situation with high inflation, and food and electricity shortages. A wildcard in the elections is the health status of President Chávez, who underwent operations and several rounds of chemotherapy in Cuba in 2011 for an undisclosed form of cancer. Chávez now maintains that he is cancer free, although there continue to be unsubstantiated press reports that he still needs significant treatment. There is no clear successor to President Chávez among his supporters. Under Venezuela's Constitution, new elections are to be called if the President leaves office in the first four years of his term, but the Vice President would assume office if the President left office during the last two years of his term. Chávez has indicated that he will replace current Vice President Eliás Jaua who will be a candidate for the governorship of Miranda state in December 2012 elections, but there is no indication who will become the new Vice President.

The October 2012 presidential election could have significant implications for Venezuela's political and economic future as well as for U.S.-Venezuelan relations. If Chávez were to be re-elected, there would likely be a continuation of statist economic policies and continued erosion of democratic institutions. His health status also could end up requiring new presidential elections. If the opposition were to win the presidency, it would face a National Assembly still dominated by Chávez supporters since the country's next legislative elections are not due until September 2015. Without legislative support, an opposition President could face difficulty in making significant policy changes, with the result being extensive political gridlock. For the United States, an opposition victory would likely reduce tension in bilateral relations and allow potential progress in the key areas of anti-drug and counterterrorism cooperation.

## Appendix. Hearings in the 112<sup>th</sup> Congress

**Table A-1. Congressional Hearings in the 112<sup>th</sup> Congress on Latin America and the Caribbean**

<b>Committee and Subcommittee<sup>a</sup></b>	<b>Date</b>	<b>Title</b>
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
Senate Caucus on International Narcotics Control	June 15, 2011	Illegal Tunnels on the Southwest Border

<b>Committee and Subcommittee<sup>a</sup></b>	<b>Date</b>	<b>Title</b>
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
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
House Ways and Means Committee	September 23, 2011	Hearing on the Pending Free Trade Agreements with Colombia, Panama, and South Korea and the Creation of U.S. Jobs
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
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	Democracy Held Hostage in Nicaragua
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
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

**Source:** Prepared by Anne Leland, 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](http://www.senate.gov/pagelayout/committees/d_three_sections_with_teasers/committees_home.htm).

## **Author Contact Information**

Mark P. Sullivan, Coordinator  
Specialist in Latin American Affairs  
[msullivan@crs.loc.gov](mailto:msullivan@crs.loc.gov), 7-7689

June S. Beittel  
Analyst in Latin American Affairs  
[jbeittel@crs.loc.gov](mailto:jbeittel@crs.loc.gov), 7-7613

Anne Leland  
Information Research Specialist  
[aleland@crs.loc.gov](mailto:aleland@crs.loc.gov), 7-4704

Peter J. Meyer  
Analyst in Latin American Affairs  
[pmeyer@crs.loc.gov](mailto:pmeyer@crs.loc.gov), 7-5474

Clare Ribando Seelke  
Specialist in Latin American Affairs  
[cseelke@crs.loc.gov](mailto:cseelke@crs.loc.gov), 7-5229

Maureen Taft-Morales  
Specialist in Latin American Affairs  
[mtmorales@crs.loc.gov](mailto:mtmorales@crs.loc.gov), 7-7659