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Great Power Competition in the Western Hemisphere  
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Chairman McCaul, Ranking Member Meeks, members of the committee, thank you for the opportunity to testify today.

The Western Hemisphere has become a focal point in great power competition again, with the PRC and Russia vying for influence throughout the region. Addressing this challenge requires close coordination with interagency colleagues, international organizations, and our allies and partners around the world.

As Secretary Blinken has said, our strategic competition with the PRC represents one of the defining challenges of our time. We also remain vigilant as Russia seeks to expand its influence in the Western Hemisphere through malicious cyber activities, disinformation campaigns, and security force projection.

To manage these global challenges, we are bringing together a more integrated, inclusive, and competitive region underpinned by a network of partnerships that can shape the free, open, secure, and prosperous vision for the world.

Through revitalizing long-standing partnerships and institutions and building new, fit-for-purpose coalitions, we are working side-by-side with our partners to address irregular migration, insecurity, the climate crisis, and inequality.

Managing great power competition in the Western Hemisphere requires strengthening democratic institutions, reducing corruption, helping

our partners build economies that attract more investment from U.S. businesses and trusted partners, and ensuring governments can be more responsive to the needs and aspirations of their citizens.

Economic engagement with the Americas represents a critical pillar of our great power competition strategy. The United States is the top trading partner for over two-thirds of the hemisphere's countries; we are the top source of foreign direct investment, having invested over one trillion dollars in the region. In 2022, U.S. goods traded within the Western Hemisphere totaled \$1.9 trillion.

To unlock the region's economic potential and ensure democracies deliver the prosperity their citizens demand, last year President Biden, together with 11 partners across the Americas, launched the Americas Partnership for Economic Prosperity.

The Partnership represents 90 percent of the Western Hemisphere's GDP, and nearly two-thirds of its people. The initiative's goal is to make the Americas the most economically competitive region in the world.

As part of the Partnership, the U.S. International Development Finance Corporation and the Inter-American Development Bank launched an investment platform that has already identified \$3 billion in potential infrastructure projects across our hemisphere. By deepening our collaboration with the largest regional development bank in Latin America and the Caribbean, we are ensuring a greater share of the region's infrastructure is developed with high standards.

We work together under the Partnership to reinvigorate our region's economies, build resilient supply chains, and invest in our workers, our infrastructure, and our strategic industries, including clean energy, critical minerals, and semiconductors.

Last year, Intel announced plans to invest \$1.2 billion to expand its semiconductor operations in Costa Rica. In April, Panama employed the

International Technology Security and Innovation Fund to sign a semiconductor research and development agreement with Arizona State University.

The United States also organized the first Americas Partnership Semiconductor Workforce Symposium and in April, Secretary Yellen and the President of the Inter-American Development Bank discussed the preliminary results of work to identify gaps and opportunities to attract the billions of dollars needed to build out semiconductor and other supply chains. These all represent concrete progress.

I strongly support a capital increase for IDB Invest. In the President's Budget for Fiscal Year 2025, the Administration has requested authorization for the United States' full subscription and appropriation of \$75 million as a first payment.

Our partners unanimously approved the \$3.5 billion capital increase for IDB Invest at the IDB Group Annual Meetings in March 2024, in part due to strong U.S. leadership for this initiative.

A reinforced IDB Invest will deliver on key U.S. objectives for the region of bolstering private sector-led growth, building resilient supply chains, creating economic opportunity for migrant populations, and offering a transparent and accountable alternative to PRC bilateral lending in the region.

Furthermore, if the United States does not participate in the capital increase, we risk diminishing U.S. shareholding and voting power at the IDB – an outcome that could be exploited by China, among others, to grow their influence at the premier development bank in Latin America and Caribbean.

As we pursue a strategy of invest, align, and compete with the PRC in the Americas, we are also actively working to address Russia's destabilizing presence.

Moscow seeks to expand its influence in the region through malicious cyber activities, disinformation campaigns, and security force projection, which is why the United States sanctioned the Russian Interior Ministry's Training Center in Nicaragua on May 15. Russia's training enabled the Nicaraguan regime's brutal repression against its own people.

Russia will conduct heightened naval and air activity in our hemisphere. Russia will temporarily send combat naval vessels to the region. These ships will likely conduct port calls in Cuba and possibly Venezuela. There may also be some aircraft deployments or flights in the region. These actions will culminate in a global Russian naval exercise this fall.

In Cuba, we remain concerned about Kremlin and PRC attempts to shape the nature of Cuba's future. Greater U.S. support for Cuba's private sector remains vital to counter Russia and the PRC's malign influence in Cuba. Promotion of private enterprise is just one part of U.S. engagement in Cuba – we consistently advocate for respect for Cubans' fundamental freedoms and press for the release of political prisoners.

As we grapple with strategic competition, we also confront several multi-dimensional challenges, including helping Haiti restore security and democracy.

We have supported Haiti's call for safety and security and publicly committed \$300 million to support the Multinational Security Mission. We rallied more than 20 nations to pledge some \$100 million in additional financial contributions as well as personnel. One vital method to support the Haitian people and improve prospects for long-term stability is by

reauthorizing the Haiti HOPE/HOPE II/HELP acts and the trade preferences they grant to Haiti's apparel sector as early as possible.

The restoration of democracy in Venezuela also remains at the center of our efforts. We continue to harness all diplomatic tools, including working with Venezuelans and regional and international partners to encourage Maduro and his representatives to hold competitive and inclusive elections.

Finally, we are leveraging partnerships to address irregular migration. Under the Los Angeles Declaration on Migration and Protection – which 22 countries in the region have endorsed – we are working together with our partners to respond to migration and displacement across the region. This means a more coordinated approach to enforce our respective borders and cracking down on smugglers, combined with the opening of new lawful pathways to the U.S. and partner countries, with the goal of reducing irregular migration across the region.

Chairman McCaul, Ranking Member Meeks, members of the committee, thank you for the opportunity to testify before you today. I look forward to your questions.