

TESTIMONY OF
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U.S. DEPARTMENT OF STATE
BEFORE
THE SUBCOMMITTEE ON WESTERN HEMISPHERE
HOUSE COMMITTEE ON FOREIGN AFFAIRS
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Chairman Duncan, Ranking Member Sires, and Members of the Committee:

Thank you for the opportunity to testify before you today. Today's hearing coincides with the 195th anniversary of Central American independence and provides an opportunity to review the evolution of U.S. policy toward the region. Our policy seeks to promote a region that is secure, prosperous, and democratic, and thanks to bipartisan support of the U.S. Congress, we are investing significant resources toward this end. But we also see troubling signals with regard to democratic space in Nicaragua that may have important regional implications.

We are at a critical juncture in the U.S.-Nicaragua bilateral relationship. While the Nicaraguan government engages with us on some issues, and remains a willing partner in countering irregular migration and drug trafficking, there is no question that since taking office in 2006, Nicaraguan President Daniel Ortega has been working to transform the country into a de facto one-party system. Its recent actions to restrict free and fair elections and to dismantle democratic institutions, such as independent political parties, are troubling. While certain freedoms continue to exist and elections are still being held, the Sandinista National Liberation Front (FSLN) has applied the tools of government, the judiciary, political manipulation, and intimidation to eliminate the system of checks and balances necessary for a vibrant and functioning democracy.

The United States is concerned by the actions of the Nicaraguan government and Supreme Court to limit democratic space in advance of presidential and legislative elections in November. The cumulative effect of these actions threatens to render the upcoming elections a pantomime of democracy. We strongly urge the Nicaraguan government to change course and create a more open environment for free and fair elections that will allow the Nicaraguan people to determine the future

of their country, and to restore opposition political parties to the control of their members. We support Nicaraguan civil society, business leaders, and religious leaders' efforts to continue to advocate for a strengthening of democratic institutions, a separation of powers, and a fair electoral process.

I want to highlight recent actions taken by the Nicaraguan government to shrink the democratic space in the lead-up to the November 2016 presidential and legislative elections.

- President Daniel Ortega announced June 4 that international election observers would not be allowed to monitor the upcoming elections.
- On June 8, the Nicaraguan Supreme Court stripped the opposition Independent Liberal Party (PLI) of its long-time leader, Eduardo Montealegre. The Supreme Court designated a new leader who is widely considered to be beholden the FSLN.
- The Supreme Court took similar action June 17 when it invalidated the leadership of the Citizen Action Party, the only remaining opposition party with the legal standing to present a presidential candidate.
- As a result of these decisions, all Municipal Electoral Councils, which determine voting procedures and monitor votes on election day, consist only of members or allies of the FSLN.
- On July 29, at the request of the new PLI leader, the Supreme Electoral Council removed 28 PLI national assembly members from their popularly-elected positions.
- On August 2, Ortega named First Lady Rosario Murillo as his running mate. Murillo has been running day-to-day government activities for several years and serves as spokesperson.
- President Ortega is able to run for his third term due to a constitutional reform passed in 2014 after the FSLN gained a super majority in the National Assembly in the 2011 elections that international and domestic observers characterized as seriously flawed.
- The State Department's 2015 Human Rights Report documents a number of additional actions that the Nicaraguan government has taken to limit free and

fair elections. For example: making party membership mandatory for many public sector employees and requiring non-FSLN members to present government-issued identification cards in order to vote.

We have spoken out against these developments in public and private, both in the United States and in Nicaragua, and are working to internationalize the response via the UN, OAS, EU, and like-minded democracies.

Our mission with respect to Nicaragua is to promote a prosperous, secure, and democratic Nicaragua that is an integrated and constructive bilateral, regional, and global actor. As such, we focus our engagement with Nicaragua on three pillars – prosperity, security, and democracy.

The U.S. Strategy for Engagement in Central America, including Nicaragua, focuses on three overarching lines of action: 1) promoting prosperity and regional economic integration, 2) enhancing security, and 3) promoting improved governance. U.S. foreign assistance for Nicaragua advances these focus areas by working with civil society to prevent the erosion of national democratic governance, improve citizen security along Nicaragua's Caribbean coast and in the Northern regions, and support efforts to reduce the transshipment of drugs through Nicaragua. Our assistance programs are primarily directed at civil society, in order to limit engagement with the central government.

Nicaragua has avoided the gang and drug-related violence that plagues some of its neighbors. Nicaragua also remains focused on denying entry to northbound irregular migrants and has resisted domestic and international pressure from countries to the south to allow these groups free passage. Because Nicaragua is the second poorest country in the hemisphere, it is important that we maintain our robust trade and economic relationship with Nicaragua, which benefits the Nicaraguan people and provides opportunities to American businesses. This includes strengthening the investment and business climate, improving agricultural productivity, and increasing access to education and workforce development through food for education, English-language, and technical training programs. U.S. exports to Nicaragua increased 18 percent from January–July 2016 compared with the same time period the previous year. The United States is now on pace to export approximately \$200 million in oil products to Nicaragua in 2016, five times the amount exported in 2014.

Russia is Nicaragua's security partner of choice. We share Congressional concerns about Russian activities around the world. We are closely monitoring Russia's presence in Nicaragua.

Going forward, we will also remain focused on the full range of our strategic interests with respect to Nicaragua. These interests will require, appropriately calibrated engagement with the Nicaraguan government. At the same time, our support for the right of the Nicaraguan people to exercise their fundamental freedoms and to choose their leadership in free and fair elections is unwavering; however, we will continue to articulate our objections to the actions the Nicaraguan government has taken to limit the democratic space in the lead-up to the November 2016 elections. We will vocalize our position bilaterally, and we will work together with our many partners in multilateral fora to underscore our support for Nicaraguan democracy. It is in the U.S. national interest to maintain engagement in areas that promote a prosperous, secure, and democratic Nicaragua so that the Nicaraguan people can be empowered to embrace freedom and their universal human rights.

I look forward to your questions.