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Mr. Chairman, Ranking Member Sires, distinguished members of the committee, it is an honor and privilege to appear before you today to discuss U.S. policy in the Western Hemisphere.

It goes without saying that the United States has important interests in the Americas, related to security, commerce, and the consolidation of democratic institutions. On the one hand, we are fortunate that the region is basically stable and at peace. On the other, it seems that too often the absence of war, humanitarian disasters, or widespread human rights atrocities, makes it difficult for our neighborhood to capture the attention of official Washington, given the existence of so many other serious strategic threats to U.S. national security and the world order that beset us today.

The good news in the Americas today is that after more than a decade after the rise of populist governments uninterested in productive relations with the United States, the political pendulum has begun swinging back to the center, with the election of pragmatic governments in a number of those countries that possess no ideological hang-ups about the United States and are open to re-establishing normal, productive relations.

That creates significant opportunities for U.S. policy and the Trump administration to regain lost ground and accomplish new things for the benefit of our and our neighbors' security and prosperity.

To begin with, I suggest the United States would do well to focus on four issues right out of the gate: Mexico, Venezuela, Cuba, and Central America, that is, the fight against transnational criminal organizations.

A Mexican Reset

During the recent presidential campaign, Mexico became a target for voters' concerns about a U.S. immigration policy run amok, even though Mexicans crossing the border contribute little to an immigration crisis fueled more by Central Americans and by visa overstays. Still, "The Wall" resonated, but it is more a metaphor for lackluster enforcement of U.S. immigration laws and Washington's indifference to their impact on Americans' way of life.

Yet the U.S.-Mexico relationship is one of the most important bilateral relationships the United States has in the world. Mexico is the United States' second-largest export market after Canada, and its third-largest trading partner after Canada and China, with a two-way trade that amounts to $530 billion (more than Japan, Germany, and South Korea combined). Six million U.S. jobs depend on trade with Mexico; 14 million depend on the North American Free Trade Agreement, or NAFTA. Moreover, U.S.-Mexico trade encompasses "production sharing," in which 40 cents of every dollar spent on imports from Mexico come back to the United States.

President Trump has a mandate to make border security or a NAFTA review priority issues. One hopes, however, that they are carried out in a collaborative way that encourages vital cooperation with our neighbors. As with any border relationship, there is an array of issues in which respective interests coincide and others where they differ. We need to approach them as statesmen, find common ground, and work together to promote security and prosperity. For example, Mexico has its own security issues on its southern frontier and counts on the commerce on its border with the United States. Why not create a presidential

binational working group with a mandate to identify gaps and weaknesses, recommend specific measures, and ensure accountability?

The 2016 campaign has left a lot of bruised feelings on both sides of the border. The challenge is to pursue very real U.S. interests on a plane of mutual respect and goodwill. Such an approach will likely deliver the stronger border security and a NAFTA that better serves U.S. interests as President Trump sees them.

The Venezuelan Tinderbox

A social implosion in Venezuela could well be one of the first international crises Trump faces. The socialist regime of Nicolas Maduro has presided over an unprecedented economic debacle while systematically gutting the country's democratic institutions. Last October, Maduro eliminated the last option for a peaceful transition when he cancelled a recall referendum the opposition had been pursuing. Meanwhile, pervasive food and medicine shortages are making life intolerable for millions of Venezuelans.

It may not, however, come to a social implosion — at least not yet. Again, the good news is that President Trump will be engaging a hemisphere that is changing politically. In contrast to the previous decade, when governments sympathetic to *chavismo* dominated regional forums, more pragmatic leaders are coming to power in important countries. That creates opportunities for more diplomatic engagement behind the scenes to hold Venezuela accountable for its depredations against democracy.

Encouragingly, President Trump has already demonstrated an early interest in defending democracy in Venezuela by meeting with the wives of two high-profile political prisoners, Leopoldo Lopez and Antonio Ledezma. He has also moved already against senior Venezuelan officials who have been implicated in narcotics trafficking to the United States by sanctioning Venezuela Vice President Tareck El Aissami.

That is a sharp break from the Obama administration, which was reluctant to sanction high-ranking Venezuelans. They feared that any moves would help the

Caracas government play up the specter of U.S. aggression. But not acting in response to crimes against the United States is an abdication of a president's responsibility. While pursuing a multilateral diplomatic solution in defense of democracy and human rights, Trump's team can gain leverage on the Venezuelan regime by continuing to expose and punish the crimes of its officials.

Reviewing the Opening to Cuba

Last December, a Trump spokesman said that Cuba "has been an important issue, and it will continue to be one. Our priorities are the release of political prisoners, return of fugitives from American law, and also political and religious freedoms for all Cubans living in oppression." In late November, President-elect Trump tweeted, "If Cuba is unwilling to make a better deal for the Cuban people, the Cuban/American people and the U.S. as a whole, I will terminate deal." In October, Vice President-elect Mike Pence said, "When Donald Trump and I take to the White House, we will reverse Barack Obama's executive orders on Cuba."

Challenging current Cuban President Raul Castro to implement democratic reforms as a basis for reversing Obama's policy is smart. The regime will of course refuse, while supporters of President Obama's opening to Cuba will be hard-pressed to explain why the Castro government doesn't need to change in exchange for warmer relations with the United States. Of course, Obama policy proponents will continue to argue for engagement and will continue to receive a sympathetic airing in the press. Even so, Trump cannot go wrong by standing with 11 million Cubans.

A review of U.S.-Cuba policy should not necessarily mean a return to the status quo ante. Instead, the Trump administration should seize the opportunity to bring energy and creativity to truly empowering the Cuban people to reclaim their right to decide their own destiny.

First off, the Trump administration should immediately re-establish common cause with Cuba's persecuted dissidents and human rights activists. Perhaps the worst aspect of Obama's Cuba rapprochement was to relegate these groups to a peripheral policy concern. In particular, U.S. assistance for dissidents was

redirected to other activities on the island seen to be less provocative to the Castro regime. That program should be returned to its original purpose, and additional support should be sought from the new Congress.

Secondly, the administration should review all executive orders issued by Obama and commercial deals struck under the Obama administration. They all ought to be judged according to a single standard: Do they help the Cuban people or do they buttress the Castro regime? Any activity found to be sustaining the regime's control rather than directly benefiting the Cuban people should be scrapped. For example, cruise ships that fill military-owned hotels are hard to justify. The guidelines could be: Does the activity promote and strengthen human rights such as freedom of speech and assembly? Does it improve ordinary Cubans access to the internet and information, breaking down the Castro regime's wall of censorship placed between the Cuban people and the outside world, and between Cubans themselves? Does it help to lessen Cubans' dependence on the regime? Does it allow for reputable nongovernmental organizations to freely operate on the island?

Moreover, simply ending such Obama initiatives as tourist travel — combined with the downturn in Venezuelan aid to Cuba — will increase pressure on the Castro regime to undertake real reforms.

Central America and Transnational Crime

The most under-reported story of the decade in the Western Hemisphere has been the expansion and growing sophistication of transnational criminal networks that undermine security and economic growth in the region, particularly in Central America. Secretary of Homeland Security John Kelly, former commander at Southcom, has repeatedly attempted to warn Washington officials and insiders about the threat. In a 2015 congressional testimony, Kelly said that:

> The drug trade — which is exacerbated by U.S. drug consumption — has wrought devastating consequences in many of our partner nations, degrading their civilian police and justice systems, corrupting their institutions, and contributing to a breakdown in citizen safety. The tentacles of global networks involved in narcotics and arms trafficking, human smuggling,

> illicit finance, and other types of illegal activity reach across Latin America and the Caribbean and into the United States, yet we continue to underestimate the threat of transnational organized crime at significant and direct risk to our national security and that of our partner nations.

It is simply impossible to secure our southern border without addressing the "push factor" causing people to flee their homes. Two years after the crisis on the southwest border that saw thousands of unaccompanied minors attempting the dangerous crossing, very little has been accomplished to deal with the push factor, and Central Americans are still crossing in record numbers. The Obama administration's response has been tepid, for fear of being accused by left-wing non-governmental organizations of militarizing U.S. policy in the hemisphere. But people fleeing violence and criminality are not worried about what the United States did or did not do back in the 1970s or 1980s; they want safe and secure homes today.

The Trump administration can bring new energy, commitment, and funding to security assistance and training for our beleaguered neighbors to the south attempting to cope with transnational crime, insecurity, and gang activity. Unless we help them help themselves it will not matter how high or intimidating the wall; even if we build it, they will come.

To that end, Mr. Chairman, please allow me to outline several lapidary assumptions that must — must — serve as the foundation of any U.S. approach to the security problems plaguing Central America in particular:

1. There is no way this will be neat and tidy. Taking down drug networks and gangs is a messy business. We have to remain focused and committed.

2. There are no silver bullets. It is not a question of the hard side or the soft side of assistance. It's going to take all sides;

3. We cannot want it more than they do, Mr. Chairman. We can only help them if they are truly committed to helping themselves — and that means, first and foremost, Mr. Chairman, tackling the twin evils of corruption and impunity.

4. We must be clear on sequencing: that is, security doesn't follow from resolving social and economic problems. Rather, it is only by first creating effective security that social and economic problems can be addressed.

5. A strong commitment to human rights is not a hindrance, it is essential. It creates legitimacy and trust among the very people we are trying to help.

Brazil and Argentina

Beyond these four imperatives, Mr. Chairman, there are longer-term plays, such as realigning U.S. relations with two of the largest and most important countries in the Western Hemisphere: Brazil and Argentina.

Besides being the largest and third-largest economies in Latin America, respectively, Brazil and Argentina carry great weight politically in the region and could help the United States — after many years of less-than-cordial relations — in support of consolidating democratic and free-market development in the region, enhancing both U.S. security and prosperity.

It so happens that presently both countries are attempting to shake off the legacies of statist economics that cratered both economies. More market-friendly presidents are now in power — in Brazil, Michel Temer, and in Argentina, Mauricio Macri — and they are desperate to generate economic growth and less willing to carry water diplomatically for the neo-populist authoritarianism of the late Venezuelan leader Hugo Chávez and his successors.

With two important countries in our hemisphere with whom we have been estranged in recent years undergoing profound course corrections, we ought to take advantage of the situation. Brazil and Argentina are countries with populations of 200 million and 40 million, and GDPs of $1.6 trillion and $550 billion, respectively. Both are sophisticated markets and have vast natural resources in energy and agriculture.

While U.S. relations with Brazil have always been tricky (its Foreign Ministry has always seen relations as a zero-sum game), in Argentina, the path will likely be smoother. First and foremost, President Macri already has a personal relationship with Donald Trump, dating back to the 1980s and a major New York real estate deal between the Macri family and Trump. In short, they are entrepreneurs and negotiators, risk-takers and deal-makers.

Indeed, there is an array of earlier U.S. initiatives launched with either Brazil and Argentina that can be invigorated with renewed political will to take advantage of the situation for the benefit of all: for example, Commercial Dialogues, CEO Forums, Trade & Investment Councils, Defense Industry Dialogues, and Strategic Energy Dialogues. Counter-terrorism and counter-narcotics cooperation (including illicit finance and the troublesome Tri-Border area) can always be improved.

In seeking to escape the economic wilderness of its populist years, Argentina has petitioned the U.S. to re-designate it as a beneficiary developing country for the Generalized System of Preferences (GSP) program, from which it was suspended in 2012. It also wants to accede to the Paris-based Organization of for Economic Co-operation and Development (OECD), in which Chile and Mexico are the only representatives from Latin America.

But the big economic play is in energy. Cutting across grain of "resource nationalism," Brazil and Argentina are eager for private investment to boost gas and oil production. In Brazil, recent discoveries of oil in deep-sea areas off the coast — estimated at more than 50 billion barrels — are said to be one of the world's most important in the past decade. And with the country scrapping the rules requiring the state-oil company Petrobras to have at at least 30% ownership of all projects and to be the sole operator, it will clearly draw the interest of foreign investors and large oil companies.

Meanwhile, Argentina has some of the largest shale oil and gas reserves in the world, much of it unexploited. The huge formation known as Vaca Muerte, about the size of Belgium, has already attracted international interest, and the Macri government is desperate to entice more investment to boost domestic production of gas. As ExxonMobil's CEO, before becoming Donald Trump's Secretary of State,

Rex Tillerson said last year, "I'm optimistic about the changes that have happened in Argentina with the new government."

Conclusion

Mr. Chairman, despite the myriad challenges, I remain optimistic on U.S. relations with Latin America and the Caribbean in the next four years. It will not be all smooth sailing; it never is. But the key is to move past the 2016 presidential campaign by pursuing serious initiatives with tangible benefits to both and those who want to work with us. Granted, to some, there may remain an air of uncertainty regarding President Trump's intentions on foreign policy and trade, but what is clear is that the President is looking for relationships that produce tangible results for the United States — and, for that, he need look no further than our own neighborhood.