

**ADVANCING AMERICAN INTERESTS
IN THE WESTERN HEMISPHERE**

HEARING

BEFORE THE

COMMITTEE ON FOREIGN RELATIONS

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WEDNESDAY, MARCH 5, 2025

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC.

The committee met, pursuant to notice, at 10:06 a.m., in room SD-419, Dirksen Senate Office Building, Hon. James E. Risch presiding.

Present: Senators Risch [presiding], McCormick, Scott, Curtis, Cornyn, Shaheen, Murphy, Kaine, Booker, and Van Hollen.

OPENING STATEMENT OF HON. JAMES E. RISCH, CHAIRMAN, U.S. SENATOR FROM IDAHO

Senator RISCH. Good morning, everyone.

The Foreign Relations Committee of the U.S. Senate will come to order.

Today we are going to have a very interesting hearing on the Western Hemisphere, an area that we do not spend nearly enough attention to primarily because there is so much else going on in the world.

But we, obviously, need to do that, and we want to welcome—we have a number of students it looks like to me. I do not know if we have a group here from somewhere. It is a different kind of crowd than we usually get, and I usually give a speech about you cannot disrupt the hearing or you will get arrested and thrown out and banned for a year.

But I am not going to give that speech because it looks to me like a very orderly crowd. So, thank you. You are welcome here, and we are glad to have you and glad to have you watch these proceedings.

We have a couple of very good witnesses today that—one chosen by the Republicans, one chosen by the Democrats—who will give us some insight into what is going on in Latin America, and I am going to start by making an opening statement.

I am then going to yield to the distinguished Ranking Member to make an opening statement, and after that we will hear from our witnesses, and after that we will open it up to questions from the committee.

So, with that, in 1823 President Monroe asserted the right and interest of the United States to oppose foreign powers meddling with the emerging independent nations in the Western Hemisphere.

Monroe's vision was an America that protects the Western Hemisphere from foreign domination. Of course, Monroe lived in a dif-

ferent era before world wars, before an increasingly global economy, even, of course, before airplanes and any other rapid transportation.

But his point is still relevant today. Prioritizing America's national security interests means prioritizing a stable and prosperous Western Hemisphere because America has adversaries who look to undermine our interests and our security by interfering in the affairs of our closest neighbors.

As our enemies and competitors like Russia, China, and Iran expand their footprint in our hemisphere we need to strengthen security and economic cooperation with our democratic neighbors to protect our interests.

It was interesting to hear yesterday on our panel the people that were up for the ambassadorships focusing on the importance of economic cooperation and bringing that back into the equation, which has gotten a little lost, again, because there are so many other problems.

The most pressing long term threat in the Western Hemisphere is China. It has displaced the United States as the top trading partner for almost every country in South America.

Across Latin America, China is extracting valuable critical minerals, building strategic ports and deepening military cooperation.

China remains the single greatest supplier of fentanyl to Mexican cartels. It is illegal for Chinese companies to sell these chemicals in China, but the Chinese government permits the same companies to send chemicals to Mexico for production of fentanyl.

The production of these opioids and the cartels who shuttle them across our border are killing over 100,000 Americans every year. That is a staggering number, particularly when you put it on a daily and weekly basis.

Further south, China is meddling in the Panama Canal as it seeks to control the shipping companies that move the cargo through it.

President Trump is right to focus on China's involvement in this critical infrastructure that we have spent so much treasure and blood constructing. The fact of the matter is China has and will use footholds in Latin America to threaten the U.S. We must counter their presence today to ensure it is not a vulnerability tomorrow.

Beyond China, Iran has expanded its reach into our hemisphere. Iran warships have docked in Brazil, and Iranian proxies have built networks across Latin America. Meanwhile, Russia meddles in the region, conducting information operations and deploying troops, military aircraft, and naval vessels to Cuba and Nicaragua.

Chinese money supports the governments in Cuba and Venezuela, and Russian personnel ensure they stay in power. We cannot allow these authoritarian expansions of influence so close to home.

While we need to push back we also need to protect Americans by securing our border. President Trump and his team are working aggressively at this, as we all know, and I strongly support his efforts.

Monroe had the right idea. Let us prioritize solving the problems right in front of us and redouble our efforts to protect American national security by making sure our hemisphere is stable.

I look forward to hearing from our witnesses on how we can do that.

I will now turn to my friend, the distinguished Ranking Member, Senator Shaheen.

**STATEMENT OF HON. JEANNE SHAHEEN,
RANKING MEMBER, U.S. SENATOR FROM NEW HAMPSHIRE**

Senator SHAHEEN. Thank you very much, Chairman Risch.

Before I get to my opening statement, I just wanted to make a couple of announcements.

One is I brought up these maps of Latin America, and Senator Kaine will recognize them because we saw them in the Armed Services Committee, and they are actually a couple of years old, but I think they speak to the challenges that we have in Latin America.

As you can see the far map shows the PRC's regional presence and activities, and you can see by how much of Latin America is colored in a dark crimson the influence that China has.

Anybody who wants to come up and look at some of the detail after the hearing will find it very interesting.

The other map is Russia's influence in Latin America. Again, you can see from the orangey red the extent to which Russia is influencing Latin America, and as I said, while these maps are a couple of years old I think they speak to the challenge that we have in Latin America, which I am sure we will hear from our witnesses.

So, thank you both for being here.

I also wanted to just announce—I am sure that most members have seen it—but because so much of the last couple of hearings has focused on what is happening with USAID and the programs and services of foreign assistance, the Supreme Court today sided with restoring the funding for those programs. So, if folks have not seen that decision, it is probably worth our all of us looking at.

So, now, to get to my official remarks.

After President Trump's tariffs on Canada and Mexico and his address to Congress last night I think the question of how the United States approaches the Western Hemisphere is more important than ever.

This region offers incredible opportunity for the United States, as the Chairman has said. It is home to one of our largest trading partners in the world, Mexico. That trading relationship amounted to about \$800 billion recently.

Latin America also includes some of our closest allies. Colombia became a NATO partner country in 2017, for example. But whether it is the 25 percent tariffs that will affect American businesses and consumers, or threats against Panama, these actions undermine trust in the United States and push away our allies when we need them.

Curbing immigration to our southern border and fighting drug cartels, stopping the flow of illegal weapons and fentanyl, all of those are critical issues, and we want countries like Mexico and Canada to help us tackle these challenges.

But undermining trust in the United States gives our adversaries, like China and Russia, more of an opening across the hemi-

sphere. Even before the tariff threats trade with China was surging across Latin America.

According to the World Economic Forum, China's trade with Latin American countries could reach more than \$700 billion in the next decade.

At the same time, Vladimir Putin's propaganda machine has flooded Latin America. According to the University of Oxford, the Spanish language version of the program Russia Today is Putin's most successful, more than RT in English, Arabic, German, or French.

Not only is Putin trying to undermine democratically elected governments in the region with disinformation, but Russia's spy services have also been expanding their footprint.

As former CIA director Bill Burns explained, and I am quoting, part of this is a function of the fact that so many Russian intelligence officers have been kicked out of Europe.

In the face of these challenges it is deeply concerning that the Administration has frozen foreign aid and attacked the United States Agency for International Development, and as I said, hopefully those issues are going to be worked out.

These programs stabilized societies. They gave people in places like Colombia or Haiti incentives to stay home and to not migrate to our borders. They supported women struggling with gender based violence in places confronting a wave of femicides.

As one U.N. report put it, at least 11 women were murdered every day for gender related reasons in Latin America and the Caribbean.

The foreign aid freeze has also thrown counter narcotics programs from Guatemala to Mexico into chaos. One program with the United Nations had been scanning for contraband and fentanyl chemicals in Mexican ports, and that work has stalled.

Cuts to USAID and the Inter-American Foundation also make it harder for the United States to compete with China's Belt and Road infrastructure initiatives. Deep water ports, rail lines, solar energy plants—these are the kinds of projects that increase China's influence in the region.

So, Dr. Myers, Dr. Ledford, I appreciate you both coming to testify before us today, and I think my basic question to both of you is how do we keep from giving China and Russia complete free rein in this atmosphere—I am sorry, in this hemisphere.

How does all of what we are doing make America safer, more secure, and more prosperous? In the long term it is in our interest to ensure that we have close relationships and growing ties in the Western Hemisphere.

So, I look forward to hearing your thoughts. Thank you both.

Thank you, Mr. Chairman.

Senator Risch. Thank you, Senator.

We will now hear from our witnesses. We are going to start with Dr. Ledford.

Dr. Ledford is a Hoover Fellow and assistant director of the Hoover History Lab at the Hoover Institution. His work focuses on the exercise of American power abroad, particularly in the Western Hemisphere, obviously in our wheelhouse today.

So, Dr. Ledford, we are glad you are here. We would like to hear from you.

STATEMENT OF DR. JOSEPH LEDFORD, FELLOW AND ASSISTANT DIRECTOR, HOOVER HISTORY LAB, HOOVER INSTITUTION, STANFORD UNIVERSITY, STANFORD, CALIFORNIA

Dr. LEDFORD. Chairman Risch, Ranking Member Shaheen, and distinguished members of the committee, thank you for this invitation to testify before you on this critical matter.

The views I express today are mine and not the Hoover Institution nor Stanford University.

The Western Hemisphere is foundational to American national security. As the late great Secretary of State George Shultz often said, foreign policy starts in your own neighborhood.

Indeed, throughout our nation's history policymakers understood this guiding principle of statecraft. If the Western Hemisphere is without security the United States cannot continue to support its allies while confronting its adversaries.

To ensure regional stability, preventing hostile foreign powers from spreading their malign influence in the Western Hemisphere must serve as the cornerstone of American foreign policy.

It has in the past, and it should guide national security strategy today. To be sure, the defensive principles enshrined in the Monroe Doctrine have functioned as the enduring bipartisan consensus until recently.

During the first quarter of the 21st century the United States gradually became estranged from its neighbors and America's enemies noticed the neglect.

Strategic competition has come to our neighborhood. In America's absence, China has moved into the Western Hemisphere to spread its economic, military, and political influence deep and wide, complemented by the footprints of its despotic partners Iran, Russia, and North Korea. You could have two more maps up here to my left.

Chinese trade has soared in Latin America and the Caribbean. China is the region's second largest trading partner and South America's largest. Billions in investment have targeted the sectors of energy, mining, manufacturing, infrastructure, and technology.

Take, for instance, Huawei's market share or the mega port that just opened in Peru, majority owned by a Chinese military company, or the encroachment on the Panama Canal by Chinese state enterprises.

The potential ramifications of such dual use infrastructure should alarm every American. Beyond economics, Chinese military and intelligence presence grows from spy stations in Cuba to arms sales and military training programs to surveillance technology exports to authoritarian regimes in Cuba, Nicaragua, and Venezuela.

Compounding these challenges, transnational criminal organizations wreak havoc from South America to Canada. Drug cartels present an intractable threat to the American homeland.

Their enterprises drive the opioid crisis that devastates our communities and kills 200 Americans every day.

China contributes to this crisis by not only supplying the precursor chemicals and the pill press equipment needed to produce

fentanyl but also the money laundering services to wash the ill gotten gains.

With all these problems Americans may ask what are we doing to advance our interests in the Western Hemisphere.

Well, Congress has led the way with bipartisan resolve, especially on this committee, exemplified by the Western Hemisphere Partnership Act enacted in December. This landmark legislation mandates a comprehensive 5 year strategy due by June to promote security, prosperity, and the rule of law.

It provides an overarching framework to address the very issues that we discussed today. At the outset of President Trump's second term, the United States appears now to be pursuing an America first approach.

The Administration aims to eliminate drug cartels, roll back Chinese malign influence in the region, and deepen our partnerships with the Americas to bring about security and prosperity.

These efforts signal a nascent strategic reorientation, but more must be done, and I believe it can be accomplished with bipartisanship and through cooperation between Congress and the White House.

In closing, I will offer a few high level recommendations, though, of course, they are easier said than done.

America must develop a 21st century framework for hemispheric defense and development. To do so, the United States must craft a realistic and attainable 5 year strategy as mandated by legislation.

It must include the ways and means for America to secure binding and sustainable long term economic agreements to further regional integration.

It must also include revitalized security measures that address these acute challenges of the 21st century. The United States must compel China to end its involvement in the fentanyl crisis.

The United States must seek a workable security framework with Mexico. The United States must exercise leadership to resolve the crisis in Haiti.

The United States must continue to isolate pressure and encourage democracy in Cuba, Nicaragua, and Venezuela.

The United States must consistently engage its neighbors. Here, the President must nominate high quality diplomats to serve and Congress must expedite their nominations—their confirmations.

And last, Congress must continue working on the Western Hemisphere in a bipartisan manner. This sends the strongest signal to America's enemies.

Of course, what I have just laid out is easier said than done, but I am an optimist.

With that, I yield, and I look forward to your questions.

[The prepared statement of Dr. Ledford follows:]

Prepared Statement of Dr. Joseph Ledford

Chairman Risch, Ranking Member Shaheen, and distinguished members of the Committee, thank you for the invitation to appear before you and testify on these critical issues.¹

¹The views and opinions expressed in this testimony are solely those of the author and do not necessarily reflect those of the Hoover Institution or Stanford University.

I will begin with the obvious strategic rationale for this hearing: The Western Hemisphere is foundational to American national security.² As the late Secretary of State George Shultz often said, “foreign policy starts in your own neighborhood.”³ Indeed, throughout this nation’s history, policymakers understood this guiding principle of American foreign affairs. If the Western Hemisphere is without stability and security, the United States faces grave challenges at home and abroad. How can the United States continue to support its allies and partners while confronting its adversaries if malign foreign influence disrupts its hemisphere and disorder prevails?

Preventing hostile foreign powers from meddling in the Western Hemisphere to ensure regional stability must serve as the cornerstone of American foreign policy. It has in the past and should guide national security strategy today. As Chairman Risch emphasized last year in a speech at George Mason University, “the Monroe Doctrine is more vital than ever.”⁴ To be sure, the principles enshrined in the Monroe Doctrine have functioned as the enduring bipartisan consensus throughout American history—until recently. During the first quarter of the 21st century, the United States gradually became estranged from its neighbors, and America’s enemies noticed the neglect.

In America’s absence, China moved into the Western Hemisphere.⁵ Here, the Chinese Communist Party (CCP) opportunistically spread its economic, military, and political influence deep and wide, complemented by the expanded footprints of its despotic partners Iran, Russia, and North Korea.

The United States, however, must contend with more than mere strategic competition in its hemisphere. Transnational Criminal Organizations (TCO) wreak havoc from South America to Canada. Latin America and the Caribbean (LAC) are not the only areas profoundly affected by TCOs. Drug cartels present an intractable threat to the American homeland. The opioid crisis devastates communities, ruins families, and kills far too many Americans on a daily basis.

Given the nature of the challenges from hostile foreign powers and TCOs, America’s inattention to the Western Hemisphere has proven ironic and unfortunate. Americans care immensely about the Western Hemisphere, even if the foreign policy priorities of administrations focus elsewhere, often for important reasons. They care not only because of cultural, political, and social connections, but also because of the problems: illegal immigration and drugs consistently poll as their chief concerns. This is the duality of America’s hemispheric dilemma. The United States ranks as both one of the largest Spanish speaking countries in the world and the world’s leader in deaths by drug overdose.⁶

The United States finds itself at an inflection point in its relationship with the Western Hemisphere. The decisions made now will either chart the course for America to reestablish hemispheric security or abandon the region to America’s adversaries. America must prioritize the Americas again. The United States must reorient its foreign policy toward an “Americas First” approach.⁷ America possesses the capabilities and resources to execute this strategic reorientation. Legislators and policymakers understand its necessity. And, I believe, it can be accomplished with bipartisanship and through cooperation between Congress and the White House.

²For instance, the 2022 Biden-Harris National Security Strategy declared, “No region impacts the United States more directly than the Western Hemisphere.” For the 2022 National Security Strategy, see National Security Council, U.S., National Security Strategy (The White House, 2022), <https://bidenwhitehouse.archives.gov/wp-content/uploads/2022/11/8-November-Combined-PDF-for-Upload.pdf>.

³Quoted from James E. Goodby, “Groundbreaking Diplomacy: An Interview with George Shultz,” *Foreign Service Journal* 93, no. 10 (December 2016): 58–59; See also, pp. 9–10 of George P. Shultz, interview by Stephen F. Knott, Marc Selverstone, and James Sterling Young, December 18, 2002, Stanford, California, Ronald Reagan Oral History Project, Presidential Oral History Program, Miller center of Public Affairs, University of Virginia, <https://millercenter.org/the-presidency/Presidential-oral-histories/ronald-reagan>.

⁴See text of keynote address “The Monroe Doctrine: An Evolving Legacy” at the National Security Institute at George Mason University’s Antonin Scalia Law School, April 15, 2024, <https://www.foreign.senate.gov/press/rep/release/risch-monroe-doctrine-is-vital-as-ever-as-china-russia-iran-exert-influence-in-our-hemisphere>.

⁵James T. Areddy, Ryan Dube, and Roque Ruiz, “How China Capitalized on U.S. Indifference in Latin America,” *Wall Street Journal*, November 14, 2024, <https://www.wsj.com/world/china-xi-jinping-latin-america-acf6dbc1>.

⁶Mark A. Green, “The US is the World’s Fourth Largest Spanish Speaking Country,” *Stubborn Things*, Wilson Center, September 6, 2022, <https://www.wilsoncenter.org/blog-post/us-worlds-fourth-largest-spanish-speaking-country>; Evan D. Gumas, “U.S. Overdose Deaths Remain Higher Than in Other Countries—Trend-Tracking and Harm-Reduction Policies Could Help,” *To the Point* (blog), Commonwealth Fund, January 9, 2025, <https://doi.org/10.26099/ppdk-qy10>.

⁷Joseph Ledford, *Americas First: Reorienting US Foreign Policy* (Hoover Institution Press, October 2024), <https://www.hoover.org/research/americas-first-reorienting-us-foreign-policy-ledford>.

On Capitol Hill, and within this Committee especially, the Western Hemisphere summons the fierce spirit of bipartisanship. Congress has been proactive in re-engaging America's neighbors. Recently, for example, the Western Hemisphere Partnership Act (P.L. 118–159) became law through the National Defense Authorization Act for Fiscal Year 2025.⁸ It required 2 years of tough legislative wrangling. Now, the United States has the statutory requirements for a clear-eyed, measurable long-term strategy for promoting security, democracy, trade, investment, and development in the Western Hemisphere. This much-needed strategy will be delivered by June 2025.

Supporting a secure and prosperous Western Hemisphere is also a priority for the White House. On this matter, Congress and the president are aligned. At the outset of his second term, President Donald Trump and his foreign policy team have put a strategic focus on the Americas. Secretary of State Marco Rubio's first trip abroad signaled a positive direction for US-LAC relations.

Today, then, I will briefly address strategic competition in the Western Hemisphere, the perils of transnational organized crime, and current U.S. policies for promoting security and prosperity. In conclusion, I will offer a few general recommendations for bolstering America's position in its geopolitical neighborhood. These aims, taken together, offer a path toward a new hemispheric order.

STRATEGIC COMPETITION IN THE WESTERN HEMISPHERE

The Western Hemisphere is the paramount arena for the contest over world order between China and the United States. China has sought regional dominance while the United States bid for peace and stability in other theaters. In doing so, China has forged formidable economic, military, and political ties in the Americas.⁹

The CCP has made staggering economic gains. 21 LAC countries joined the Belt and Road Initiative (Panama has withdrawn).¹⁰ China's trade with LAC ballooned from \$12 billion in 2000 to \$315 billion in 2020, and it is projected to double in the next 10 years.¹¹ In 2023, estimates put the total around \$478 billion. China's aggressive economic efforts in LAC has resulted in it becoming the region's second-largest trading partner as well as the largest trading partner for South America. China is also Mexico's second-largest trading partner, right behind the United States. In the last twenty-five years, China's investments in LAC business sectors—energy, mining, manufacturing, infrastructure, and technology—have reached roughly \$240 billion. Business has been good for the CCP, and it has placed the United States at a strategic disadvantage in its own hemisphere.¹²

China targets new and old infrastructure, seeking to both build it and embedded itself in it—telecommunications, electricity, and ports alike.¹³ The most striking recent examples have been in Peru and Panama, where American concerns with China dominating “old infrastructure” have overtaken the dilemma of Huawei's

⁸ Western Hemisphere Partnership Act of 2023, S. 1325, 118th Cong. (2023–2024), <https://www.Congress.gov/bill/118th-congress/senate-bill/1325>.

⁹ For a brief overview, see Diana Roy, “China's Growing Influence in Latin America,” Council on Foreign Relations, January 10, 2025, <https://www.cfr.org/backgrounder/china-influence-latin-america-argentina-brazil-venezuela-security-energy-bri>; See also, U.S. Library of Congress, Congressional Research Service, China's Engagement with Latin America and the Caribbean, by Ricardo Barrios and Karla I. Rios, IF10982 (2023), <https://crsreports.Congress.gov/product/pdf/IF/IF10982/20>.

¹⁰ Countries of the Belt and Road Initiative (BRI), Green Finance & Development Center, <https://greenfdc.org/countries-of-the-belt-and-road-initiative-bri/>.

¹¹ Tatiana Lacerda Prazeres and Pepe Zhang, “China's Trade with Latin America is Bound to Keep Growing. Here's Why that Matters,” World Economic Forum, June 17, 2021, <https://www.weforum.org/agenda/2021/06/china-trade-latin-america-caribbean/>.

¹² Briefing, China's increasing presence in Latin America: Implications for the European Union, Marc Jütten, European Parliamentary Research Service, PE 769.504, February 2025, [https://www.europarl.europa.eu/RegData/etudes/BRIE/2025/769504/EPRS_BRI\(2025\)769504_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2025/769504/EPRS_BRI(2025)769504_EN.pdf); This is a rough estimate. For an up-to-date estimate, see American Enterprise Institute's China Global Investment Tracker, <https://www.aei.org/china-global-investment-tracker/>; China-Latin America and the Caribbean Economic Bulletin, 2024 Edition, Rebecca Ray, Zara C. Albright and Enrique Dussel Peters, July 29, 2024, <https://www.bu.edu/gdp/2024/07/29/china-latin-america-and-the-caribbean-economic-bulletin-2024-edition/>.

¹³ Margaret Myers, Ángel Melguizo, and Yifang Wang, “New Infrastructure’: Emerging Trends in Chinese Foreign Direct Investment in Latin America and the Caribbean, Inter-American Dialogue, China-LAC Report, January 2024, <https://www.thedialogue.org/wp-content/uploads/2024/01/Emerging-Trends-in-Chinese-Foreign-Direct-Investment-in-LAC.pdf>; Congressional Testimony, “Examining the PRC's Strategic Port Investments in the Western Hemisphere and the Implications for Homeland Security,” Part I, Ryan C. Berg, CSIS, February 11, 2025, <https://www.csis.org/analysis/examining-prcs-strategic-port-investments-western-hemisphere-and-implications-homeland>.

market share in LAC. In November 2024, Peru opened a brand-new \$3.5 billion megaport in Chancay, which could become the third biggest port in LAC based on its potential capacity. But this engineering feat should not be celebrated. COSCO Shipping is the majority-owner, a corporation identified by the Department of Defense as a Chinese military company. With the electrical grid in Lima already owned by two Chinese companies, a Chinese military company now owns and operates Peru's largest strategic asset in Chancay, which transforms the nature and volume of trade between China and LAC.¹⁴ China has not shied away from boasting about its purpose. China's Ambassador to Peru, Song Yong, proudly declared the CCP's goal: "China is betting on Chancay to become the Shanghai of Peru."¹⁵

In Panama, China likewise achieved symbolic and material gains in its strategic competition with the United States. The CCP has turned a LAC country with strong historical, economical, and security ties to the United States into "a strategic hub."¹⁶ Panama was the inaugural LAC signatory to Beijing's Belt and Road Initiative. Since 2017, moreover, Panama withdrew diplomatic recognition of Taiwan, opened a Beijing embassy, heavily increased Sino-Panamanian trade, investments, and connections across all sectors. Panama welcomed many Chinese companies to locate their regional headquarters in the Colón Free Zone, and the CCP took advantage of the misplaced hospitality. Of these troublesome activities, the footprint of Chinese state-owned enterprises around the Panama Canal has caused the most alarm. Beginning in March 1997, Hong Kong-Based CK Hutchison Holdings has operated the Balboa and Cristóbal ports at the Pacific and Atlantic entryways, respectively. Such potential dual-use infrastructure threatens the sovereignty of the Canal and violates the 1977 Torrijos-Carter Treaties.¹⁷

Worse still, the CCP has established a military and intelligence footprint in LAC. China prioritizes security and defense measures in the region.¹⁸ From Cuba, China performs electronic surveillance operations out of four newly renovated spy stations, capturing signals intelligence on the U.S. military, space and commercial industries, and citizens.¹⁹ Beyond intelligence, China created the China-Latin America High-

¹⁴"Xi Jinping opens huge port in Peru funded by China," NBC News, November 15, 2024, <https://www.nbcnews.com/news/world/xi-jinping-opens-huge-port-peru-funded-china-rcna180289>; Entities Identified as Chinese Military Companies Operating in the United States in Accordance with Section 1260H of the William M. ("Mac") Thornberry National Defense Authorization Act for Fiscal Year 2021 (Public Law 116-283)1, <https://media.defense.gov/2025/Jan/07/2003625471/-1/-1/1/ENTITIES-IDENTIFIED-AS-CHINESE-MILITARY-COMPANIES-OPERATING-IN-THE-UNITED-STATES.PDF>; Ryan C. Berg and Christopher Hernandez-Roy, and Henry Ziemer, "China-owned Chancay Port Set to Become Latin America's Third Largest," CSIS, February 25, 2025, <https://www.csis.org/analysis/china-owned-chancay-port-set-become-latin-americas-third-largest>; Ryan Dubé and James T. Areddy, "A New Chinese Megaport in South America Is Rattling the U.S." *Wall Street Journal*, June 13, 2024, <https://www.wsj.com/world/chancay-peru-port-china-south-america-trade-ffc75d32>; See also Julieta Pelcastre, "China Gains Foothold in Peru with Critical Infrastructure," *Diálogo Américas*, April 4, 2024, <https://dialogo-americas.com/articles/china-gains-foothold-in-peru-with-critical-infrastructure/>; "Enel agrees to sell two Peruvian assets to China's CSGI for \$2.9 bln," Reuters, April 7, 2023, <https://www.reuters.com/markets/deals/enel-agrees-sell-two-peruvian-assets-chinas-csgi-29-bln-2023-04-07/>; Juan Pablo Cardenal, "China in Peru: The Unspoken Costs of an Unequal Relationship," United States Institute of Peace, Special Report No. 531 (July 2024), https://www.usip.org/sites/default/files/2024-07/sr-531_china-peru-unspoken-costs-unequal-relationship.pdf.

¹⁵Sergey Sukhankin, "From Chancay to Shanghai: Peru's Strategic Role in PRC Maritime Strategy," China Brief, Vol. 24, No. 6, Jamestown Foundation, March 15, 2024, <https://jamestown.org/program/from-chancay-to-shanghai-perus-strategic-role-in-prc-maritime-strategy/>.

¹⁶Sabina Nicholls, "Panama: China's Strategic Hub," *Diálogo Américas*, March 29, 2024, <https://dialogo-americas.com/articles/panama-chinas-strategic-hub/>.

¹⁷"Panama cuts ties with Taiwan in favour of China," BBC, June 13, 2017, <https://www.bbc.com/news/world-latin-america-40256499>; "Panama opens embassy in Beijing after break with Taiwan," Reuters, July 26, 2017, <https://www.reuters.com/article/world/panama-opens-embassy-in-beijing-after-break-with-taiwan-idUSKBN1AA2V6/>; On Sino-Panamanian trade, see China/Panama data, Observatory of Economic Complexity, <https://oec.world/en/profile/bilateral-country/chn/partner/pan>; Alexandra Stevenson and Keith Bradsher, "Trump, the Panama Canal and the Hong Kong Firm at the Heart of a Showdown," *New York Times*, February 6, 2025, <https://www.nytimes.com/2025/02/06/business/panama-canal-ck-hutchison.html>; John Yoo and Robert Delahunty, "Trump and the Panama Canal: Why He Should Invoke the Monroe Doctrine," Civitas Outlook, January 9, 2025, <https://www.civitasinstitute.org/research/trump-and-the-panama-canal-why-he-should-invoke-the-monroe-doctrine>.

¹⁸See the CCP's 2016 Defense Strategy paper, http://english.www.gov.cn/archive/white-paper/2016/11/24/content_81475499069158.htm.

¹⁹Matthew P. Funaiole, Aidan Powers-Riggs, Brian Hart, Henry Ziemer, Joseph S. Bermudez Jr., Ryan C. Berg, and Christopher Hernandez-Roy, "Secret Signals: Decoding China's Intelligence Activities in Cuba," Center for Strategic and International Studies, July 1, 2024, <https://features.csis.org/hiddenreach/china-cuba-spy-sigint/>; Warren P. Strobel, "Satellite Images Show

Level Defense Forum, and Chinese military officials have been busy making several hundred visits to LAC over the last 20 years. The People's Liberation Army operates military training programs and conducts military exercises with LAC countries. China also provides law enforcement training exchanges and dispatches its police forces and private security companies into the region. The CCP sends a steady supply of weaponry and equipment to LAC, as well. Authoritarian regimes are the most frequent customers. So, too, does China export surveillance technology to these regimes in Venezuela and Cuba, further entrenching their dictatorial control.²⁰

TRANSNATIONAL CRIMINAL ORGANIZATIONS

If mere strategic competition were not alarming enough, the United States faces a severe hemisphere-wide problem from TCOs, particularly Mexican drug cartels. These cartels dominate the trafficking into the United States of cocaine, fentanyl, heroin, and methamphetamine, leading to an unbearable human toll: an average of 200 deaths overdoses per day. The nefarious operations of cartels also extend to arms dealing, commodities theft, extortion, human smuggling, kidnapping, money laundering, murder, and sex trafficking. Cartels engage in rampant corruption and violence, undermining governance in Colombia, Ecuador, and Mexico, among others. One can also look at the humanitarian catastrophe taking place at US-Mexico border to see the ills of their labor.²¹

As identified by the Drug Enforcement Agency, the Sinaloa and Cartel Jalisco Nueva Generación cartels are the principal threats. The Sinaloa and Jalisco cartels manage global operations. They are established in every American State and preside over every aspect of the drug trade. Undoubtedly, their manufacturing and selling of fentanyl have created and continue to drive the opioid crisis. In the last 4 years, Mexican authorities have intercepted 5.4 tons of fentanyl, with areas controlled by the Sinaloa cartel being the locations for nearly all of it.²²

China plays a critical role in facilitating this fentanyl trade out of Mexico. The United States considers China to be a major illicit drug producing country for its actions.²³ "The fentanyl crisis starts in China," DEA Acting Chief of Operations

Expansion of Suspected Chinese Spy Bases in Cuba," *Wall Street Journal*, <https://www.wsj.com/politics/national-security/china-cuba-suspected-spy-bases-da1d6ec9>.

²⁰ "Why Is China Bolstering Military Ties in Latin America and the Caribbean?" The Dialogue, March 28, 2022, <https://thediologue.org/analysis/why-is-china-bolstering-military-ties-in-latin-america-and-the-caribbean/>; Benjamin Kurylo, "Comparative Analysis of U.S., Russian, and Chinese Military Cooperation with Latin America and the Caribbean," *Military Review*, July 2024, <https://www.armyupress.army.mil/journals/military-review/online-exclusive/2024-07/kurylo-comparative-analysis/>; Ryan C. Berg and Henry Ziemer, *Exporting Autocracy: China's Role in Democratic Backsliding in Latin America and the Caribbean*, Report of the CSIS Americas Program, Center for Strategic and International Studies (February 2024), <https://www.csis.org/analysis/exporting-autocracy>; Evan Ellis, *Chinese Security Engagement in Latin America*, Report, Center for Strategic and International Studies (November 2020), <https://www.csis.org/analysis/chinese-security-engagement-latin-america>; On arms transfers, see data in the SIPRI Arms Transfers Data base, <https://armstransfers.sipri.org/ArmsTransfer/>.

²¹ See page 36 in the transnational criminal organization section of the 2024 Annual Threat Assessment of the U.S. Intelligence Community in Annual Threat Assessment of the U.S. Intelligence Community, Office of the Director of National Intelligence, February 5, 2024, <https://www.dni.gov/files/ODNI/documents/assessments/ATA-2024-Unclassified-Report.pdf>; See also the National Intelligence Council's Transnational Organized Crime Foldout, https://www.dni.gov/files/documents/NIC_toc_foldout.pdf; See also, United Nations Office on Drugs and Crime, *Homicide and Organized Crime in Latin America and the Caribbean*, UNODC Global Study on Homicide 2023, https://www.unodc.org/documents/data-and-analysis/gsh/2023/GSH_2023_LAC_web.pdf; For overdose statistics, see "Drug Overdose Death Rates," National Institute on Drug Abuse, <https://nida.nih.gov/research-topics/trends-statistics/overdose-death-rates>; On the cartels contributing to migration crisis, see Daina Beth Solomon and Laura Gottesdiener, "Insight: Rise in Mexican cartel violence drives record migration to the US," Reuters, December 15, 2023, <https://www.reuters.com/world/americas/rise-mexican-cartel-violence-drives-record-migration-us-2023-12-15/>; On Mexican drug cartels, see also U.S. Library of Congress, Congressional Research Service, *Mexico: Organized Crime and Drug Trafficking Organizations*, by June S. Beittel R41576 (2022), <https://crsreports.congress.gov/product/pdf/R/R41576/47>.

²² Drug Enforcement Administration, 2024 National Drug Threat Assessment, May 2024, https://www.dea.gov/sites/default/files/2024-05/NDTA_2024.pdf; Zedryk Raziel and Patricia San Juan Flores, "Sinaloa, inundada de fentanilo: México golpea a Los Chapitos en el bastión de la droga que parte a Estados Unidos," *El País*, February 22, 2024, <https://elpais.com/mexico/2025-02-23/sinaloa-inundada-de-fentanilo-mexico-golpea-a-los-chapitos-en-el-bastion-de-la-droga-que-parte-a-estados-unidos.html>.

²³ Presidential Determination on Major Drug Transit or Major Illicit Drug Producing Countries for Fiscal Year 2025, September 15, 2024, <https://www.federalregister.gov/documents/2024/09/24/2024-21951/presidential-determination-on-major-drug-transit-or-major-illicit-drug-producing-countries-for>.

Jarod Forget has stated, “and it ends in China.” The process begins with Chinese companies supplying the precursor chemicals and pill press equipment to produce fentanyl. The House Select Committee on the CCP found that the CCP subsidizes and owns partial stakes in the companies providing these materials to cartels. Despite mild cooperation with the United States through a counternarcotics working group, the CCP has not seriously cracked down on their sales. Furthermore, once cartels have distributed the fentanyl in America, Chinese Money Laundering Organizations (CMLO) offer the financial services to launder the profits. Using the Chinese underground banking system, cartels deliver dollars to CMLO assets in the United States in an elaborate laundering scheme that circumvents Chinese capital controls and U.S. law enforcement. In short, CMLOs use WeChat to sell dollars to Chinese customers in exchange for yuan, which they transfer into pesos for the cartels in Mexico. It reaps multibillions for the cartels.²⁴

U.S. POLICIES FOR PROMOTING SECURITY AND PROSPERITY

As the United States grapples with manifold challenges, what is being done to advance American interests in the Western Hemisphere? In a bipartisan manner, I believe, Congress has been at the forefront of reasserting America in its own hemisphere with purpose and direction. Senators and Representatives have generated positive, workable ideas for U.S. policy in the Western Hemisphere, whether in the Americas Act of the 118th Congress or the recent HALT Fentanyl Act, which several members of this Committee co-sponsored.²⁵ More consequentially, though, Congress has passed monumental legislation.

Enacted in late December, the Western Hemisphere Partnership Act is the most significant legislation passed on U.S. policy in the Western Hemisphere in decades. The law requires the administration to develop the policy framework under which it can craft and implement policies to strengthen America’s relationship with its neighbors. It ensures that American foreign policy will no longer be rudderless in the Americas.

Crucially, as the law mandates, the United States will soon possess not only “a 5-year strategy to promote security and the rule of law in the Western Hemisphere,” but also clear guidelines for encouraging investment, trade, and development in LAC. This comprehensive strategy, which features a public diplomacy component, will address the most pressing issues facing US-LAC relations, including TCOs, cybersecurity, stable governance, development, and migration. Importantly, too, it will contain a detailed assessment of the ways and means for attaining concrete ends, in addition to the benchmarks by which the House Foreign Affairs Committee and the Senate Foreign Relations Committee can judge the results during yearly briefings. None other than a co-sponsor of the legislation, Secretary Rubio, is tasked with creating it in consultation with the relevant agency heads. Given the stakes of stra-

²⁴ U.S. Library of Congress, Congressional Research Service, China Primer: Illicit Fentanyl and China’s Role, by Ricardo Barrios, Susan V. Lawrence, and Liana W. Rosen, IF10890 (2024), <https://crsreports.congress.gov/product/pdf/IF/IF10890>; U.S. Congress, The Select Committee on the Strategic Competition between the United States and the Chinese Communist Party, The CCP’s Role in the Fentanyl Crisis, 118th Cong., 2d sess., 2024, H. Rep. <https://selectcommitteeontheccp.house.gov/sites/evo-subsites/selectcommitteeontheccp.house.gov/files/evo-media-document/The%20CCP%27s%20Role%20in%20the%20Fentanyl%20Crisis%204.16.24%20%281%29.pdf>; Patricia Jowmann, Dylan Tokar, and Brian Spegele, “How Dirty Money From Fentanyl Sales Is Flowing Through China,” *Wall Street Journal*, February 18, 2025, <https://www.wsj.com/world/china/china-fentanyl-trade-network-9685fde2>; Press Release, “Treasury Sanctions Mexico- and China-Based Money Launderers Linked to the Sinaloa Cartel,” U.S. Department of the Treasury, July 1, 2024, <https://home.treasury.gov/news/press-releases/jy2439>; See pages 19–20 and 29–30 in Department of Treasury, 2024 National Money Laundering Risk Assessment, February 2024, <https://home.treasury.gov/system/files/136/2024-National-Money-Laundering-Risk-Assessment.pdf>; U.S. Immigration and Customs Enforcement, Cornerstone Report Issue #45, “Chinese Money Laundering,” October 5, 2023, https://content.govdelivery.com/bulletins/gd/USDHSICE-3714ed3?wgt_ref=USDHSICE_WIDGET_217; On how Chinese crime syndicates launder money for drug cartels, see Lisa Cavazuti, “Marijuana and Mexican Cartels: Inside the Stunning Rise of Chinese Money Launderers,” NBC News, August 3, 2024, <https://www.nbcnews.com/investigations/marijuana-mexican-cartels-stunning-rise-chinese-money-launderers-rcna158030>; See also, Joe Miller and James Kynge, “The New Money Laundering Network Fueling the Fentanyl Crisis,” *Financial Times*, June 26, 2024, <https://www.ft.com/content/acaf6a57-4c3b-1c-89c4-c70d683a6619>; For U.S. estimate on Chinese money laundering totals, see pages 72–74 in U.S. Department of State Bureau of International Narcotics and Law Enforcement Affairs, International Narcotics Control Strategy Report, Volume II: Money Laundering (March 2022), <https://www.state.gov/wp-content/uploads/2022/03/22-00768-INCSR-92022-Vol-2.pdf>.

²⁵ Americas Act, S. 3878, 118th Cong. (2023–2024), <https://www.congress.gov/118/bills/s3878/BILLS-118s3878is.pdf>; HALT Fentanyl Act, S. 331, 119th Cong. (2025–2026), <https://www.congress.gov/bill/119th-congress/senate-bill/331>.

tegic competition in the Western Hemisphere, and the threats America faces from TCOs, the U.S. Government must get this strategy right to execute on a long-term vision for hemispheric security.²⁶

To this end, the White House appears to be pursuing an “Americas First” approach in foreign policy, aligning the executive branch with congressional aims.²⁷ In the opening weeks on his second term, the Trump administration has prioritized the Americas, resolving to eliminate drug cartels, rollback Chinese influence, and deepen regional partnerships. At the outset, the administration strived to secure the US-Mexico border and reduce illegal immigration. To more effectively target TCOs, the administration designated six cartels and two transnational gangs as Foreign Terrorist Organizations (FTO) and Specially Designated Global Terrorists (SDGT), including the Sinaloa and Jalisco cartels. These actions are matched by a total-elimination campaign at the Department of Justice and enhanced intelligence operations against TCOs by the Central Intelligence Agency, which include drone flights over Mexico, and U.S. Northern Command.²⁸

Additionally, the president has proposed implementing 25 percent tariffs on imports into the United States from Canada and Mexico to spur aggressive anti-narcotics campaigns at America’s northern and southern borders. The diplomatic pressure has thus far resulted in increased efforts. Mexico has sent 10,000 troops to the US-Mexico border, extradited 29 sought-after cartel members, and considered imposing tariffs on Chinese goods to augment those from the United States. Canada, in turn, launched Operation Blizzard to fight narcotics trafficking at the US-Canada border and designated cartels as FTOs to aid the initiative. Based on the enhanced measures, Canada and Mexico are seeking to work in tandem with the United States. The Trump administration should proactively but sternly continue to engage with these American allies to further counter TCOs as well as China.²⁹

The White House has directly confronted China for its involvement in the fentanyl crisis. In an opening move, the president has imposed 20 percent tariffs on Chinese imports into the United States. Despite the punitive measure, the CCP has not indicated that China will yield in its contribution to the fentanyl crisis in the face of economic consequences.³⁰

As for regional engagement, and rolling back Chinese malign influence, the Trump administration has both sought to reestablish the Panama Canal’s sov-

²⁶For the final version of the Western Hemisphere Partnership Act, see fiscal year 2025 NDAA, <https://www.govinfo.gov/content/pkg/BILLS-118hr5009enr/pdf/BILLS-118hr5009enr.pdf>.

²⁷Marco Rubio, “An Americas First Foreign Policy,” *Wall Street Journal*, January 30, 2025, https://www.wsj.com/opinion/an-americas-first-foreign-policy-secretary-of-state-rubio-writes-western-hemisphere-too-long-neglected-a81707b0?mod=opinion_lead_pos7.

²⁸Rebecca Santana, Elliot Spagat, and Gisela Salomon, “Trump rolls out his blueprint on border security, but his orders will face challenges,” AP, January 20, 2025, <https://apnews.com/article/trump-deportation-immigration-homan-asylum-inauguration-ac10480dc636b758ab3c435b974aeb19>; Eric Schmitt, “Pentagon Sending Combat Forces to the Border in Line With Trump Directive,” *New York Times*, March 1, 2025, <https://www.nytimes.com/2025/03/01/us/politics/military-border-immigration.html>; “US Military Ramping Up Surveillance of Mexican Cartels, General Says,” Reuters, February 13, 2025, <https://www.reuters.com/world/americas/us-military-ramping-up-surveillance-mexican-cartels-general-says-2025-02-13/>; Julian E. Barnes, Maria Abi-Habib, Edward Wong, and Eric Schmitt, “C.I.A. Expands Secret Drone Flights Over Mexico,” *New York Times*, February 18, 2025, <https://www.nytimes.com/2025/02/18/us/politics/cia-drone-flights-mexico.html>; U.S. Library of Congress, Congressional Research Service, The Foreign Terrorist Organization (FTO) List, by John Rollins and Liana W. Rosen, IF10613 (February 25, 2025), <https://crsreports.congress.gov/product/pdf/IF/IF10613>; Memorandum for All Department Employees, Attorney General, Subject: Total Elimination of Cartels and Transnational Criminal Organizations, February 5, 2025, <https://www.justice.gov/ag/media/1388546/dl?inline>.

²⁹Drazen Jorgic, Laura Gottesdiener and Lizbeth Diaz, “Mexico sends major drug capos to US as Trump tariff threat looms,” Reuters, February 28, 2025, <https://www.reuters.com/world/americas/mexico-extradite-us-convicted-drug-kingpin-caro-quintero-other-suspected-cartel-2025-02-27/>; Jasper Ward, “Mexico has proposed matching US tariffs on China, Bessent says,” Reuters, February 28, 2025, <https://www.reuters.com/world/americas/mexico-has-proposed-matching-us-tariffs-china-bessent-says-2025-02-28/>; Randy Thanthong-Knight, “Canada Lists Cartels as Terrorists to Stall Trump Tariffs,” Bloomberg, February 20, 2025, <https://www.bloomberg.com/news/articles/2025-02-20/canada-lists-cartels-as-terrorists-to-try-to-avert-trump-tariffs>; Gabe Gutierrez and Erika Angulo, “Inside Mexico’s border troop deployment following Trump’s tariff threats: Can it make a difference?,” NBC News, February 20, 2025, <https://www.nbcnews.com/news/latino/mexico-troops-border-trump-tariff-threat-rcna192924>; News Release, “CBSA launches Operation Blizzard to target fentanyl and other synthetic narcotics,” Canada Border Services Agency, February 27, 2025, <https://www.canada.ca/en/border-services-agency/news/2025/02/cbsa-launches-operation-blizzard-to-target-fentanyl-and-other-synthetic-narcotics.html>.

³⁰Gavin Bade and Lingling Wei, “Trump Plans Another 10% Tariff on Products from China,” *Wall Street Journal*, February 27, 2025, <https://www.wsj.com/politics/policy/trump-plans-another-10-tariff-on-products-from-china-ftc0d4d9>.

ereignty and build stronger regional partnerships. During Secretary Rubio's historic first trip abroad, he visited Panama, El Salvador, Guatemala, Costa Rica, and the Dominican Republic. There, Secretary Rubio first brought some resolution to the Canal issue in consultation with President José Raúl Mulino, who subsequently acted to withdraw Panama from the Belt and Road Initiative. The Panama Canal Authority then signed a Cyber Cooperation Arrangement with U.S. Southern Command, and Panama's Attorney General Luis Carlos Gómez declared the port lease with CK Hutchison unconstitutional in a move to terminate it. Elsewhere on the trip, Secretary Rubio advanced agreements on transnational crime, development, and migration, including a nuclear energy partnership, cybersecurity agreements, and anti-narcotics initiatives. Such productive visits, which demonstrates the importance of America's neighbors, should continue in the Americas, as both symbolic gestures and cooperative agreements that advance American interests.³¹

In conjunction with rejuvenated diplomacy, the United States adopted a tougher posture toward its perennial adversaries in the region. Maximum pressure has returned. Venezuela and Cuba face renewed isolation and sanctions. President Trump revoked a license permitting Chevron to operate in Venezuela, removing the Maduro regime's financial buttress. Following the Venezuelan Navy's threat to ExxonMobil's operations in Guayana, the State Department warned of steep consequences. The Maduro regime will not persist without challenge. In a similar fashion, the administration also reimposed economic and travel restrictions on Cuba and relisted it as a State Sponsor of Terrorism.³²

Beyond security, the contours of this administration's regional economic engagement have emerged in recent weeks. Presented by the U.S. Special Envoy for Latin America, Mauricio Claver-Carone, América Crece 2.0 seeks to increase America's stake in strategic assets in LAC as a counter to the CCP. The initiative will involve the United States reconstituting the U.S. International Development Finance Corporation to promote private investment in energy and infrastructure, as well as potentially enhancing America's six regional free trade agreements.³³ The key to its success, however, will be securing long-term, sustainable binding agreements.

GENERAL RECOMMENDATIONS FOR ADVANCING AMERICAN INTERESTS IN THE WESTERN HEMISPHERE

- The United States must continue to prioritize combating malign influence in the Western Hemisphere. America must develop a 21st-century framework for hemispheric defense and development. American strategy must align resources, policies, and actions to achieve both short-term and long-term objectives in the Western Hemisphere.
- To execute on such a framework, the United States must craft a realistic and attainable 5-year strategy as mandated by the Western Hemisphere Partnership

³¹ Joseph Ledford, "Trump's Americas Doctrine Starts at the Canal," *Defining Ideas*, February 12, 2025, <https://www.hoover.org/research/trumps-americas-doctrine-starts-canal>; "Panama AG Agrees Hong Kong Firm's Canal Concession Is 'Unconstitutional'," *Barron's*, February 26, 2025, <https://www.barrons.com/news/panama-ag-agrees-hong-kong-firm-s-canal-concession-is-unconstitutional-30142ec3>; Press Release, Marco Rubio, "Secretary of State Marco Rubio and Salvadoran Foreign Minister Alexandra Hill Tinoco at the Signing of a Memorandum of Understanding Concerning Strategic Civil Nuclear Cooperation," U.S. Department of State, February 3, 2025, <https://www.state.gov/secretary-of-state-marco-rubio-and-salvadoran-foreign-minister-alexandra-hill-tinoco-at-the-signing-of-a-memorandum-of-understanding-concerning-strategic-civil-nuclear-cooperation/>; Press Release, Marco Rubio, "Secretary of State Marco Rubio and Costa Rican President Rodrigo Chaves Robles at a Joint Press Availability," U.S. Department of State, February 4, 2025, <https://www.state.gov/secretary-of-state-marco-rubio-and-costa-rican-president-rodrigo-chaves-robles-at-a-joint-press-availability/>; Press Release, Marco Rubio, "Secretary of State Marco Rubio and Guatemalan President Bernardo Arévalo at a Joint Press Availability," U.S. Department of State, February 5, 2025, <https://www.state.gov/secretary-of-state-marco-rubio-and-guatemalan-president-bernardo-arevalo-at-a-joint-press-availability/>; Press Release, Marco Rubio, "Secretary of State Marco Rubio And Dominican President Luis Abinader At a Joint Press Availability," U.S. Department of State, February 6, 2025, <https://www.state.gov/secretary-of-state-marco-rubio-and-dominican-president-luis-abinader-at-a-joint-press-availability/>.

³² Press Release, Marco Rubio, "Restoring a Tough U.S.-Cuba Policy," U.S. Department of State, January 31, 2025, <https://www.state.gov/restoring-a-tough-u-s-cuba-policy/>; Antonio Maria Delgado, "US warns Maduro of 'consequences' following incursion of Venezuelan warship into Guyana," *Miami Herald*, March 1, 2025, <https://www.miamiherald.com/news/nation-world/world/americas/venezuela/article301242254.html>; Ben Lefebvre, "Trump Pulls Chevron License to Export Venezuela Oil, Reversing Biden Deal," *Politico*, February 26, 2025, <https://www.politico.com/news/2025/02/26/trump-reverses-biden-era-concessions-allowing-venezuela-oil-exports-00206273>.

³³ Ari Hawkins, "Trump Ditches Biden's Latin American Trade Framework," *PoliticoPro*, February 15, 2025, <https://subscriber.politicopro.com/article/2025/02/trump-ditches-bidens-latin-american-trade-framework-00204539>.

Act. Due by June 21, 2025, this strategy will guide U.S. policy in the Western Hemisphere, with Congress and the State Department working in concert. It must include the ways and means for America to secure binding and sustainable long-term economic cooperation in the Western Hemisphere to further regional integration in conjunction with revitalized security measures that address the acute challenges from China and TCOs.

- The United States must compel China to end its involvement in the production and selling of Fentanyl. In the context of a strategic competition, the United States is engaged in a proxy war with China over the drug cartels. The United States cannot dismantle and eliminate the cartels without disrupting China's financial and material contributions to the fentanyl trade.

- The United States must seek a workable security framework with Mexico to bring about stability and prosperity. It must have attainable benchmarks and metrics to measure success in both the near and long-term horizon, with a complete buy-in from Mexico.

- The fentanyl crisis presents a supply and demand problem, and it requires a supply and demand solution. Aggressive efforts to degrade and dismantle drugs cartels must be matched with compassion for Americans who suffer from the disease of addiction. The U.S. Government must increase the Federal funding available for substance abuse prevention and treatment programs.

- The collapse of Haiti poses a severe threat to the United States. The U.S. Government must not only increase its financial and material support for restoring order in Haiti but also exercise leadership on the issue to coordinate a larger coalition of regional partners to bring adequate force to bear on the gangs destabilizing the country. In doing so, U.S. policy must have metrics by which legislators, policy-makers, and citizens can judge the progress made toward a stable Haiti.

- The United States and Panama must jointly maintain the sovereignty of the Panama Canal.

- The United States must continue to isolate and pressure the adversarial regimes in Cuba, Nicaragua, and Venezuela.

- The United States must deter war between Venezuela and Guayana. To prevent a conflict, the U.S. Government should consider a Defense Cooperation Agreement with Guayana.

- The United States must consistently and actively engage its neighbors to ensure long-term prosperity and stability. This requires prioritizing the cultivation and maintenance of relationships in the Western Hemisphere. The president must nominate high-quality, seasoned diplomats to serve in the Western Hemisphere, and Congress must expedite their confirmations.

- Congress should reauthorize the Development Finance Corporation and enact changes to make the institution better suited to advance American national security interests in the Western Hemisphere.

- Congress must continue working on Western Hemisphere related issues in a robust bipartisan manner. It sends a strong signal to America's enemies.

Senator RISCH. Thank you very much.

Now we will hear from Ms. Myers. Margaret Myers is a senior advisor at the Inter-American Dialogue and the United States Institute of Peace, and a global fellow at the Woodrow Wilson Center.

Ms. Myers also serves in the faculties of Georgetown University and the Johns Hopkins School of Advanced International Studies, and previously worked as Latin America and China analyst for the U.S. Department of Defense.

Ms. Myers, the floor is yours.

STATEMENT OF MARGARET MYERS, SENIOR ADVISOR, INTER-AMERICAN DIALOGUE GLOBAL FELLOW, WILSON CENTER, WASHINGTON, DC

Ms. MYERS. Thank you very much, and good morning. I would especially like to thank Senator Risch, Ranking Member Shaheen, and the distinguished members of the committee for the opportunity to testify today.

Hemispheric developments in U.S. national interests are deeply intertwined. Shared borders, interpersonal ties, economic interests, and security alliances have bound the nations and people of our hemisphere for much of our recent history.

We derive tremendous economic and other benefit from these ties. At the same time, developments in the hemisphere present some challenges to U.S. interests. Political shifts, violence, natural disasters, and other difficulties have exacerbated irregular migration, an issue that has tested the United States across Administrations and overshadowed much of our substantive engagement.

Other critical issues for the United States include transnational crime, including the trafficking of illegal goods and substances such as fentanyl, which has had a dramatic wasting effect on the U.S. population.

As someone who has followed China's engagement with the region for upwards of two decades now, I am also concerned about the progress that China and Russia, for that matter, have made toward dismantling U.S. ties in the region, whether through targeted messaging campaigns, disinformation campaigns, political alliances, or because of now extensive economic footprint in the hemisphere that China maintains.

Fortunately, there is much that the United States can do to maintain and grow its partnerships in the region to address shared security and other challenges and also to compete effectively with China and other extra regional actors.

But doing so begins with a commitment to constructive engagement, carefully employing the widest range of economic and diplomatic tools and platforms including new, innovative mechanisms to bolster American competitiveness.

In this sense, the Supreme Court decision is quite heartening. Engagement through the many U.S. and multilateral organizations that provide economic and other forms of assistance to the region should be an indispensable part of any effort to advance American interest in the Western Hemisphere.

In fact, only by forging constructive partnerships with the region can we hope to address the full range of challenges and opportunities inherent in the Western Hemisphere-U.S. relationship.

Forceful measures will generate immediate effects, but only for so long. Reliance on sticks alone is not sustainable and will not yield desirable long term outcomes whether for the U.S. or our partners.

The United States is not the only viable economic or political partner for Latin American nations. Unless we recognize the strategic value of our hemispheric relations and demonstrate that we have something substantial to offer, including in the form of investment and development assistance, Latin American nations will increasingly turn toward China or other actors.

With this in mind we must pursue our many national economic and security objectives—national and economic security objectives in ways that support and reinforce our soft power and economic stability and not undermine them.

Our foreign assistance, security cooperation, and diversified economic engagement have historically distinguished us from China.

If we hope to make the case that we are a more reliable, trustworthy, and steadfast partner, then we must demonstrate that to the region.

Equally, failing to invest meaningfully in our relationships with Latin America will exacerbate the challenges we face.

Finally, if we are serious about competing with China, this is a definitive moment. China continues to engage across the region, bringing wide ranging diplomatic and economic tools to bear in support of its interests. Recently, it has aggressively entered into the venture capital ecosystem in Latin America, focusing on technology startups including fintech and AI enabled companies.

If this sounds familiar it is because we have seen the same playbook in strategic infrastructure, critical minerals, and ICT.

The good news, again, is that there is considerable opportunity for the United States to be a significant player across many different sectors in Latin America while also furthering regional integration and challenging China in the process.

For instance, through the Development Finance Corporation the U.S. Government has the capabilities to leverage trusted and knowledgeable institutional partners like the Inter-American Development Bank to present solutions to U.S. national security challenges with relatively small investment.

At the same time, preserving our existing strengths, our partnerships, programming, and relatedly, trust in our country is fundamental.

It is very likely that we will look back on this moment as a definitive one in our hemispheric relations and a possible inflection point in China's global affairs. This is not a time to sacrifice our hard won gains in partnerships.

It is a moment to think critically and carefully about what constitutes power, what we stand for, and how we can creatively and constructively achieve that.

Thank you very much.

[The prepared statement of Ms. Myers follows:]

Prepared Statement of Ms. Margaret Myers

Senator Risch, Ranking Member Shaheen, distinguished members of the committee, thank you for the opportunity to testify today.

Hemispheric developments and U.S. national interests are deeply intertwined. Shared borders, interpersonal ties, economic interests, and security alliances have bound the nations and people of our hemisphere for much of our recent history.

Our economic ties are expansive, facilitated by U.S. company engagement, free trade agreements with 11 Latin American and Caribbean nations, and countless other forms of economic outreach. Since NAFTA entered into force in 1994, U.S. foreign direct investment in Latin America and the Caribbean and regional FDI in the United States have both increased almost ninefold, according to Congressional Research Service calculations. The region accounted for over 21 percent of U.S. total trade in goods in 2023. Mexico is the top trading partner of the U.S. worldwide, representing about 16 percent of our goods trade.

U.S. economic and other ties to the region are also of considerable strategic importance. Hemispheric trade and supply chain development are critical to reducing U.S. overreliance on Chinese goods, for instance. And South America is a major source of the inputs needed for U.S. AI and other high-tech industries. It contains 40 percent of the world's copper reserves, 35 to 40 percent of lithium reserves, and significant deposits of nickel, cobalt, and other critical minerals and metals. Beyond our economic ties, our historic partnerships security and development have been vital to hemispheric stability and our collective ability to address security, humanitarian, and other issues.

Developments in the hemisphere also present some challenges to U.S. interests. The region has experienced major political and socioeconomic shifts in recent years and continues to grapple with the many effects of transnational crime, lingering Covid-19 shocks, natural disasters, and other difficulties. All of this has exacerbated irregular migration—an issue that has tested the United States across administrations and overshadowed much of substantive engagement with the region. Other critical issues include transnational crime, including the trafficking of illegal goods and substances, such as fentanyl, which has had a dramatic, wasting effect on the U.S. population.

Also of concern is the progress that China has made toward dismantling U.S. ties in the region, whether through targeted messaging campaigns, political alliances, or as a result of its now-extensive economic footprint in the hemisphere. In just a matter of decades, China has assumed a dominant economic position in certain sectors and parts of the region. Trade underpins the China-Latin America relationship, as many nations rely heavily on China's demand for their raw materials and on often-artificially low-cost Chinese imports. Latin American nations also look to China for other forms of economic opportunity, including finance and investment. China's economic presence ensures that Beijing's interests now factor prominently in the region's economic and political decisionmaking.

Fortunately, there is much that the United States can still do to maintain and grow its strategic hemispheric partnerships, to address shared security and other challenges, and to compete effectively with China in the Western Hemisphere. Doing so begins with a commitment to constructive engagement, carefully employing the widest possible range of economic and diplomatic tools and platforms, including new, innovative mechanisms to bolster American competitiveness in the hemisphere.

1. ENGAGE CONSTRUCTIVELY, LEVERAGING THE MANY INVALUABLE TOOLS AT OUR DISPOSAL

Engagement, including through the many U.S. and multilateral organizations that provide economic and other forms of assistance to the region, will be an indispensable part of any effort to advance American interests in the Western Hemisphere. Only by forging constructive partnerships within the region can the United States address the full range of challenges and opportunities inherent in the U.S.-Latin America dynamic.

Our country's recent demands on Latin American nations have prompted immediate action on certain issues of U.S. concern, but reliance on "sticks" alone is not sustainable, and will not yield desirable long-term outcomes, whether for the United States or our partners. The United States is no longer the only viable economic or political partner for Latin American nations. Unless we recognize the strategic value of our hemispheric relations and demonstrate that we have something substantial to offer, Latin American nations will increasingly look to diversify their partnerships, leaning toward China.

Lasting solutions to issues that have concerned our electorate—migration, rule of law, transnational crime, drug flows—are also best achieved through constructive engagement with our Western Hemisphere partners. Progress on transnational crime requires law enforcement cooperation, certainly, but also work within the region to address common underlying problems such as weak rule of law, inadequate security forces, and poor governance. Relying on force-based solutions alone—especially unilateral ones—will fail to achieve desired outcomes in the long-term, all while undermining international trust in the United States. Sustained U.S. efforts to promote stability and prosperity in Mexico, Central America, and other parts of the region, through security cooperation and other forms of foreign assistance, will produce greater and longer-lasting dividends in rooting out lawlessness.

We must pursue our many national and economic security objectives in ways that support and reinforce our soft power and economic stability, not undermine them. Our foreign assistance, security cooperation, and diversified economic engagement have historically distinguished us from China. They are indications of our long-term and sincere commitment to hemispheric stability. If we hope to make the case that we are a more reliable, trustworthy, and steadfast partner than other extra-hemispheric actors, then we must demonstrate that to the region.

Equally, failing to invest meaningfully in our relationships with Latin America will exacerbate the challenges we face, including China's rise, democratic erosion, irregular migration, and organized crime. We must pursue long-term solutions, and we need partnerships to achieve real progress. Absent these, China is ready and waiting to seize upon perceived U.S. departure from the region, by maintaining and furthering its economic interests, certainly, but also through massive diplomatic out-

reach, technical and security cooperation agreements, and efforts to shape regional policymaking—all of which are part of the Belt and Road Initiative. China’s promises, however hollow, to address Latin America economic, security, and other needs, must be met with constructive U.S. proposals.

2. EXPLORE NEW, INNOVATIVE SOLUTIONS TO ADVANCE U.S. AND BROADER HEMISPHERIC INTERESTS

China’s engagement with Latin America is not static. It is ever-evolving, consistent with China’s own interests and opportunities in the region. As a result, the United States must be creative and nimble in its efforts to compete with China in the region, anticipating China’s next steps in Latin America, and crowding in resources where possible.

Most recently, China has aggressively entered the venture capital ecosystem in Latin America, focused on technology startups, including fintech and AI-enabled companies. It is an open secret among Latin American fund managers that China has been scouring funds’ data rooms for tech startups, particularly in Mexico. And, now we are seeing wholly owned Chinese general partners entering the region. Meanwhile, fund managers and entrepreneurs in the region are wary of taking Chinese capital, but they are struggling to find alternatives. If this sounds familiar, it’s because we have seen this same Chinese playbook in strategic infrastructure, critical minerals, and ICT (5G).

The good news is that there is considerable opportunity for the United States to be a significant player across many different sectors in Latin America, while also furthering regional integration, and challenging China’s inherently neocolonial model of engagement with the hemisphere.

In addition to U.S. development assistance and technical cooperation, which help to create the conditions for investment in the region, the U.S. Government has the capabilities to leverage trusted and knowledgeable institutional partners like the Inter-American Development Bank and CAF-Development Bank of Latin America to provide solutions to this challenge with a relatively small investment. Using a collaborative capital model, the U.S. Development Finance Corporation can create a pathway through which to deploy and crowd-in institutional capital, including that of IDB, and especially IDB Invest. When competing with China in the region, partnership with the Inter-American Development Bank is among our most powerful and cost-effective options. There, the United States pays a fraction of total cost, while leveraging the IDB’s excellent reputation and know-how in the region. Additionally, the vast majority of the IDB’s scaled projects are squarely in the interests of the United States.

Through a DFC-led collaborative capital model, the U.S. can create vehicles targeting sectors of strategic and national security interest to the United States and partners, such as transport infrastructure, venture capital, and critical minerals. The DFC’s recent \$25 million deal with Techmet in Brazil, to develop a Brazilian nickel and cobalt project that aims to supply the electric car industry, is a critical example of the work that can be done through this mechanism. Scaling this and other efforts—including by crowding in additional regional financial institutions, such as the CAF—would be transformative for the United States and the region. Passage of the Americas Act, which has bipartisan support, would importantly complement these efforts and bolster regional integration by facilitating regional trade, encouraging reshoring of key industries to the United States, and generating related supply chains across the Americas.

3. ACCURATELY DIAGNOSE CHINA’S PROSPECTS IN LATIN AMERICA

The United States should aim to diagnose China-Latin America developments correctly, accounting for China’s many economic and political advances, but also its missteps and deficiencies. Despite China’s substantial and growing relations with the region, this is a moment when many in our hemisphere are seriously contemplating the relative benefits and drawbacks of expanded relations with China.

China’s massive industrial policy is altering the global economic landscape in profound ways, provoking isolationist policymaking in the developed and developing worlds alike. Latin America is not immune from these effects. Latin American nations are increasingly overwhelmed with artificially low-cost Chinese goods, including in sectors and industries where they may hope to maintain some degree of industrial capacity.

After three decades of enhanced engagement by Chinese companies, banks, and other actors, the region is also assessing the effects of Chinese activity across economic sectors. While most countries are still interested in expanding their exports to China and attracting new investment, especially in growth-promoting sectors,

concerns about project quality and debt levels are evident in parts of the region. In other cases, Latin American nations are grappling with projects gone wrong and general overdependence on China's economy, which limits their decisionmaking prospects.

Beyond all of this is a reckoning in the region with China's own economic limitations and what it can realistically bring to bear at this juncture in support of the region's development. Chinese economic activity, technical cooperation, and donations still feature prominently in Latin America and the Caribbean, but countries such as Honduras—which sacrificed its ties with Taiwan in 2023 in pursuit of new, China-backed infrastructure investment—may very well be left waiting. Moving ahead, Latin American nations will need to consider whether their expectations for engagement from China are consistent with their own national planning objectives, and also in line with China's current economic realities and priorities.

China is clearly committed to continued engagement with the region, but if we look beyond the headlines, this would seem a moment of great opportunity for the United States to compete more effectively with China in Latin America, bringing vast U.S. public and private sector resources to bear in innovative ways. We must be bold in recalibrating our approach and show up for our partners in the region. Doing so will be critical to our country's continued international leadership and our ability to compete with China and other increasingly influential extra-regional actors.

I firmly believe that we will look back on this moment as a definitive one in our hemispheric relations—and a possible inflection point in China's global affairs. This is not the time to sacrifice our hard-won gains and partnerships. It is a moment to think critically and carefully about what constitutes power, what we stand for, and how we can creatively and constructively achieve that.

Senator RISCH. Well, thank you.

We are going to do a round of 5 minute questions and then have a second round if there is interest in doing that.

And so I want to start with a basic question for both of you, and that is that I think most Americans would be shocked to hear that now, on this map, China has replaced the United States as being the trade partner that is first.

And it is surprising, it is shocking in a lot of respects, and admittedly—the Chinese is a communist government, and they obviously—the government actually owns, controls and deploys the capital.

In a capitalist system like ours it is the private sector that does that. Well, the private sector only goes and invests and puts their money where there is going to be a profit.

Communist countries do not have that same restriction. They go and spend money, and we see it over and over again with the Chinese, they will underbid our people.

They will pay money under the table. They will do all kinds of things to replace the United States as a purveyor of goods or services, or whatever it is.

And that is what is causing this is is they have the ability to do this, whereas a capitalist system does not. And so that is a real challenge for us, because we do not do it. We will never do it.

It is just not in our DNA to do that, and we have become the most successful country in the history of the world by doing the things we do in a free market and a capitalist way.

So, how do you—how do you overcome that in a situation like this? Because, look, these countries are going to go—when it is particularly a country that is destitute or close to it, if there is money on the table, they are going to take it.

They do not care whether the Devil himself puts it there or the Chinese Communist Party. They are going to take it and do the kinds of things they need to do to get their hands on it.

So, Doctor, why do we not start with you and give us your thoughts on that line of thinking?

Dr. LEDFORD. Thank you, Senator.

It is a great question and one that policymakers have been grappling with for decades or at least the last decade.

I think there are ways that we can leverage our institutions for public-private partnerships, whether it is the DFC or new programs and some ideas that have been generated in Congress about creating a development fund that leverages private equity to invest in critical infrastructure in Latin America and provide terms and remove barriers to do so.

In regards to the DFC, Congress should not have to sign off on every loan that is over \$10 million. We should remove those barriers. There have to be national security waivers for every country but four.

Let us remove those barriers, and let us catalyze our powerful capital inside the United States with the backing of the government to invest in these industries.

We just have to provide the alternative, and without providing it and without leveraging our strengths in the United States, the Chinese Communist Party will just continue to fill the void.

Thank you.

Senator RISCH. Ms. Myers.

Ms. MYERS. Thank you.

It is a—this is sort of the critical question, right, for us in terms of our ability to compete with China effectively across sectors in the Latin American region.

The first point I would make is that we are at something of a shifting moment in the China-Latin America dynamic in which Latin America is looking at China a bit differently, right, more seriously, thinking, contemplating much more seriously both the benefits and especially the drawbacks of engagement with China.

Many decades now have experienced dealing with China, of projects gone wrong, of complicated debt obligations, have changed somewhat the tenor of the relationship over time.

In addition to this, you know, there are now concerns about what China can even bring to bear as it struggles with its own economic development. A lot of what the region is expecting will not come to pass even though China continues to engage in serious and important ways across the region.

So, for me, this really is a period of strategic opportunity for the U.S. to engage more extensively through messaging, through collaboration with our partners, right, but also to begin to engage through creative mechanisms in various forms.

A lot of the work that is already being done to even the playing field, right, to work on institutional capacity, to work on the possibility of bringing in investment review mechanisms, right, in countries, and there is some receptivity to that is really quite critical.

State Department, Commerce, many others are working very hard to make this happen, and I hope they will continue to be able to do so.

In other cases, I agree—you know, I agree entirely that we need to pursue some new creative mechanisms, and you know, collaborative capital models of the sort that were described—you know,

crowding in venture capital, crowding in institutional capital, is a terrific mechanism through which to do this.

This can be DFC led, incorporating a national security lens, but crowding in institutions such as—and resources from institutions such as the Inter-American Development Bank which are critical partners for the United States and which pursue programming that is overwhelmingly in the interest of the United States.

So, both our current trajectory, understanding, right, where things stand in the China-Latin America dynamic and moving forward with creative solutions would seem to me a good strategy.

Senator RISCH. Well, I appreciate both your thoughts on that. I think everybody on this committee meets regularly with heads of state and on down from other countries.

And the thing that always strikes me is we are the partner of choice. They want to do business with America. Having said that, like I said, if the Chinese come along with free money or what have you, and we have all seen what has happened in the ports where they build a port, loan them the money, and it turns out to be a predatory loan, and Chinese wind up with a port.

These stories have gone around the world, and people understand that. They like dealing with us because of the fact that we have a rule of law, and that is the biggest strength that we have is the rule of law.

It also is a weakness because we have laws that prohibit paying money from under the table. In certain Third World countries that is the only way you get a contract is by paying the government official who is making the decision under the table.

And it is—again, Americans really do not have a real idea of how ubiquitous this is around the world, and that includes Latin America as well as other continents. So, this is something that hopefully we continue to gain on, and I think we are making gain on it.

It is what I call reputational business, and they want to do business with us because we have the reputation. But we will have to see as time goes on whether that carries the day or not.

Senator Shaheen.

Senator SHAHEEN. Well, thank you.

And just to follow up on that a little bit, 2 years ago I joined Senator Cornyn at a congressional delegation to Latin America.

We visited four countries—Panama, Colombia, Argentina, and Brazil—and I think Senator Cornyn, it is fair to say that everywhere we went what we heard from officials is they would like to have a trade agreement with the United States.

And it seems to me that that is a tool that we have ignored as we have looked at those opportunities for investment in Latin America.

And so could both of you speak to the importance of trade agreements and what we should be thinking about, and why that would be helpful for us to look at those as opportunities for American investment in Latin America?

And I will ask you to start, Ms. Myers.

Ms. MYERS. Certainly. Thank you, Senator.

Yes. I mean, as we know and as was mentioned in the opening remarks, China's trade engagement with Latin America is expansive, especially in South America.

It is the top trade partner for most of the countries in the region at this juncture, and those very trade dynamics contribute extensively to its influence in the region.

When you are exporting almost all of your goods, right, or major commodities to China you think twice before rocking the boat or challenging China on wide ranging policy issues.

And so, you know, with that in mind it is critical both from an economic perspective, certainly, but also in terms of our interests in pursuing certain policy agendas and areas of political cooperation that the U.S. also engage in trade, grow trade where possible.

We have been in something of a stasis on this for a number of years now, and there are efforts underway to try to think creatively about how these partnerships can be expanded including through the Americas Act, for example, and through other mechanisms that fall, you know, somewhat short of a free trade agreement.

But without this, without these trade dynamics even, you know, expanded investment is not going to fundamentally alter the power dynamics at play in the region when China is indeed the top, you know, trade partner for so many countries in the region, and that dependency dynamic is there and has profound effects on decision-making.

So, I think absolutely this is a priority to whatever extent possible. It is one that needs to be advanced.

Senator SHAHEEN. Thank you.

Dr. Ledford, do you agree with that?

Dr. LEDFORD. Yes. We should pursue free trade agreements. In fact, I think we could secure one with Argentina right now. They are certainly seeking one.

We should also revisit the agreements we currently have. DR-CAFTA—Nicaragua should not be in DR-CAFTA and I know the Administration—

Senator SHAHEEN. Amen.

Dr. LEDFORD [continuing]. Is looking seriously at removing Nicaragua from DR-CAFTA. I know the other member countries are also seriously considering backing that.

So, that is something that everyone should pay attention to and certainly encourage the Administration to pursue, if possible.

Long term, secure binding agreements is a step forward. We are not going to change the balance in the trade dynamics in Latin America vis-à-vis China in the near term, but if we do not do anything we will just continue to lose economic ground in our own hemisphere.

Thank you.

Senator SHAHEEN. Well, and staying with you, Dr. Ledford, you noted in your essay last year “Americas First: Reorienting U.S. Foreign Policy” that Russia sought to exert anti-American influence throughout Latin America and the Caribbean, and they have done that through a range of things. Launching propaganda about Russia’s war in Ukraine has been one of those.

So, how do we—are you continuing to be concerned about Russia’s malign influence in the hemisphere, and what steps can we take to counter that influence?

And as we are thinking about the war in Ukraine is there anything that we think is relevant to what is happening now in terms

of peace negotiations that those Latin American countries can be helpful with?

Dr. LEDFORD. Yes, I am very concerned about Russian malign influence in the Western Hemisphere. I think, first and foremost, we can continue to isolate the countries that are most closely associated with Russia, Venezuela, for example, and Cuba.

As far as the effect from the Ukraine war, I am not prepared to comment on that. I do not know enough about Latin American influence on that, although I will say that Russia uses economic coercion to further its aims.

It has pressured Latin American countries not to support Ukraine in its defense against Russian aggression, Ecuador being the most striking case in which Vladimir Putin refused to buy bananas because Ecuador was going to ship old weapons in exchange for new weapons with the United States.

So, it actually prevented the United States from combating gains that are destabilizing Ecuador.

Senator SHAHEEN. Thank you.

I just want to—I am over my time, but I just want to follow up really quickly because last week the United States sided with Russia in a resolution before the U.N. condemning Russia's invasion in Ukraine, and we sided with countries like North Korea and Nicaragua, some of those countries that are our adversaries with respect to most issues that we are working on.

What kind of message does that send to the other countries in Latin America?

Dr. LEDFORD. Well, I am not in the Administration. I am not privy to the conversations that went on behind the decision to do that. I would recommend, in general, that the United States not side with our adversaries in the Western Hemisphere.

But occasionally there are trade offs in the pursuit of larger goals, such as peace negotiations.

Senator SHAHEEN. Ms. Myers, did you have anything to add to that?

Ms. MYERS. In terms of the signal it sends to our partners in the region, I think it is deeply concerning. It has sowed tremendous confusion. Certainly, is a departure from U.S. foreign policy objectives and U.S. foreign policy messaging and interest.

Over many years and decades and in many cases, I think, undermines the extensive and effective work that we have been doing to challenge the influence, not just of China but of Russia, right, and many other actors in the region to date.

Will this be taken seriously? Looking ahead, will we find partnerships on these issues? Will we pursue partnerships on these issues? All of these are critical questions, and so I think it has sowed tremendous confusion and reduced somewhat trust in our foreign policy.

Senator SHAHEEN. Thank you.

Senator RISCH. Senator Cornyn.

Senator CORNYN. Thank you, Mr. Chairman.

If you do not mind, I would like to give you a homework assignment.

So, back in 1823 the Monroe Doctrine was announced, the official policy of the U.S. Government with regards to the Western Hemisphere and the activities of other countries in the region.

Obviously, that has evolved over many, many years. But I would like for you to tell us what do you think instead of the Monroe Doctrine what the Trump doctrine should be for the Western Hemisphere, and maybe with the students here maybe they can come up with some ideas as well. That would be, I think, a useful exercise.

So, Blackrock just purchased two ports in and around Panama from a Hong Kong company which obviously is a front for the Chinese government and their activities in the area.

I think you alluded to this a little bit, Dr. Ledford.

But how can we access the capital markets? How can Congress encourage U.S. capital markets, which are a tremendous source of strength for the country? We do not have a lot of money to spend because we are looking at \$36 trillion plus in debt.

But if we can access our capital markets to encourage purchasing of facilities in Central and South America by the United States or our friends, it seems to me that would be a good idea.

And maybe Senator McCormick, having come from maybe a little bit of that background, has some ideas as well. But if you could tell us what can we do to encourage more of that.

Dr. LEDFORD. Thank you, Senator. It is an excellent question.

I think Congress has developed some workable ideas. The conceptual framework behind the Americas Act, I think there is much Congress could do to incentivize a program through the Commerce Department to work on capital, catalyzing the private capital to purchase the facilities that we are discussing. and I certainly would encourage all of you to look at that.

Senator CORNYN. One of the things that on our trip that Senator Shaheen mentioned a couple years ago that we heard from Southern Command—General Laura Richardson at the time—was that the absence of U.S. Ambassadors in the region was a big problem because there was not somebody that leaders of these countries could talk to knowing that they were a representative of the United States President.

And how important—maybe I will start with you, Dr. Myers—how important is it for us to have representation there in these countries of the President of the United States in the form of a U.S. Ambassador?

Ms. MYERS. Thank you very much.

It is absolutely of paramount importance, both symbolically as we aim to demonstrate our commitment to engagement with these countries, with our partners in the region, but also operationally, as you have noted.

If there is nobody to talk to, if there is nobody to express concerns to, if there is nobody to negotiate with, then these countries are at a loss and our partnerships and our bilateral relations suffer.

So critically important to get people in place, and if we do not, then this provides an opportunity for others to step into the fold and to do so during those periods where, you know, truly our leadership is absent.

Senator CORNYN. Yes. It seems like if the Chinese and the Russians have high level representatives there in the region, and we do not, that sounds like a sort of a self-inflicted wound.

I still remember when General Kelly was head of Southern Command years ago, talked about the counter drug issue. And of course, a lot of the drugs do not just start in Mexico. They end up there and then are brought to the United States, and obviously, Columbia's role in the cocaine trade is well known.

But I still remember General Kelly when he was head of Southern Command, he said as a result of the lack of assets for the United States military and the counter drug mission that they only were able to interdict about 17 percent, I think, is the number that sticks in my mind, of the drugs that make their way from South America through Central America through Mexico into the United States.

And of course, I think it is entirely appropriate that Senator Shaheen has these maps from the Armed Services Committee. Obviously, the American military has to cover a lot of territory.

But how important is it for the U.S. Government in the form of the U.S. military Southern Command to provide assets there to interdict the drugs that make their way from South America, Central America, and Mexico and into the United States?

Dr. LEDFORD. Thank you, Senator. That is an excellent point.

I think it is incredibly important and vital that the Defense Department work with our partner countries in Latin America to interdict drugs, and I encourage deployment of all available assets, sharing intelligence, giving capabilities.

Many of these efforts need to be host country led, and we have seen the most successful ones led by the countries themselves.

But the United States should be there to provide guidance and the capabilities and the intelligence to do so, and the assets, if necessary.

Senator RISCH. Thank you. And that is an appropriate point, particularly when it comes to drugs.

You know, there is so much money involved in the drug trade that the corruption is staggering in places where they are—where they do produce a lot of drugs and, yet, sometimes it is very difficult for the people who are trying to do the right thing to do the right thing because of that.

Senator KAINE, you know a little bit about Latin America. Would you care to share with us?

Senator KAINE. Thank you. Well, I am really happy to be here with the witnesses, and you know, just a thought about the Monroe Doctrine.

One of the things we need to be a little bit careful of is in Latin America, the Monroe Doctrine is viewed as—the U.S. was not really interested in Latin America. It was interested in Europe.

And it was a doctrine that “we are going to keep Europe out,” not “you are important.” It was “we are going to keep Europe out,” and sometimes I think that Latin American countries believe that U.S. pays attention when others are interested, like China or Russia, but we are not paying attention because we value the relationships.

And I think any new doctrine is one that certainly, we ought to be worrying about this, but we also need to be communicating the message that we value the relationship, and that should be first. And we do need more attention.

I am worried about the USAID cuts. I am worried about—Secretary Hegseth gave a directive to departments in the Pentagon to develop a cut plan, and then he exempted certain parts of the Pentagon from the cut plan but not SOUTHCOM. SOUTHCOM always complains about not having enough resources.

We will see what the cut plan actually is. But if SOUTHCOM's resources are degraded further, that is a problem.

And then the other thing I am concerned about is the Administration has announced, not with respect to the Americas but more generally, a desire to shrink the number of consular offices around the world.

So, if there begins to be less of a presence in Latin America or elsewhere that could have a challenge. So, I hope we can work on those.

Let me tell you from really loving this area and having lived there, three challenges that I see, and I may ask you to pick any of them and address them, and give us some advice.

Number one, in the Americas I think China sometimes gets more credit than they really deserve for this reason. China will come with a pretty big checkbook, and a Chinese company is viewed as part of the Chinese government. They got a big checkbook.

The U.S. Government comes with a small checkbook but then U.S. businesses are all over Latin America with a big checkbook. But the Government—the U.S. Government—does not get credit for the U.S. investment. That is kind of all—well, that is kind of happening, you know, because of free markets, et cetera.

So, when you hear Latin American leaders say, well, you know, China has got a lot on the table—what about you guys?

What do you have on the table? They are giving us credit for the U.S. Government check. They are not really considering the total investment.

So, I think one challenge we have is figuring out a way through financing tools and others to really help message that, hey, we are more present than China. If you consider whole of society and measure that against whole of Chinese society, we are more present.

We are not getting credit for the private sector investment. I am really thrilled about this Blackrock investment that Senator Corryn discussed.

Second—here is another problem in the Americas—we pay attention to the trouble spots and not the successes. And of course, we ought to pay attention the trouble spots—Nicaragua, Cuba, Venezuela.

But when you have got Uruguay doing some things well, Panama doing some things well—Paraguay, Costa Rica, Dominican Republic, Chile, Colombia, military to military very strong even though we have got some challenges on the civilian side.

We are more paying attention to the headaches, and we are not paying attention to the success stories, and some of the successful

nations are, like, hey, we would be we would be better off being your adversary. You would pay more attention to us.

Our humanitarian aid—once nations get to sort of a middle income place, the tools of USAID, even if we turn on the funds, they do not get them.

They can get a security deal but not development assistance. China is not stopping development assistance to nations when they get to be middle income. They are, like, we are glad to be there.

So, I think the way to—if we are worried about Latin American like democracy and success, the best thing is to help the successful nations even be more successful because then their next door neighbors will look at them and say, yes, we want to be more like that.

So, us lecturing them about how to be successful is not going to be near as successful as seeing a successful neighbor next door. We ought to figure out ways to take the nations that are doing things right and give them more resources and attention.

And then the third thing—and I blame myself for this, I am very guilty of this—talk about the Americas. We do not do enough in the Caribbean, and then we end up with all these Caribbean nations voting against us in the U.N. on all kinds of things.

Because when we think about the Americas, I know I am always thinking about Central America and South America, and I put that on myself.

We need to broaden the aperture a little bit to maybe invest more in the Caribbean, and they are very hungry for us to put more attention in.

So, address either of those. How can we get more credit for what we do society wide? How can we pay more attention to the successes than the headaches, and what should we be doing more in the Caribbean?

If you could each pick one of those and give a quick answer.

Dr. LEDFORD. I will begin. Excellent points. Maybe I can touch on all three.

I think what you are really hinting at is what has to be included in the strategy that will be due in June is a public diplomacy component to message the success cases while also combating democratic backsliding and so forth—to put the message across of the points that you have hit on.

And I very much agree about the Caribbean, and as I pointed out in my opening statement the crisis in Haiti is the looming crisis that is going to challenge the United States that we are not paying enough attention to in the Western Hemisphere.

If Haiti completely collapses as a country of 12 million to 13 million people where do you think they are headed? It creates a humanitarian catastrophe. The Dominican Republic next door, another nation of 12 million to 13 million people, will be on the verge of collapse.

And sticking with the Dominican Republic, great success case. We should strengthen our strategic partnership with the Dominican Republic across all sectors. They are hungry for it.

There has been a lot of progress made on that front with Secretary Rubio's recent trip. We can—in fact, they are asking us and inviting us to help them develop their critical minerals, rare earth

industry. This is a nation that is projected to have 5 percent GDP growth.

Senator Kaine. Might I have Ms. Myers just say something really quick, Mr. Chair?

Senator Risch. Sure.

Senator Kaine. Thank you.

Please, Ms. Myers.

Ms. MYERS. No, I would love to—first of all, I agree wholeheartedly on all of these points. They are absolutely fundamental, you know, and especially the conceptualization of the Monroe Doctrine and how that is problematic and how we have to ensure that our Latin America policy does not come across as a China policy or as a Russia policy or any other form of alignment with our adversaries.

On the issue of China getting more credit than it deserves this is a—I mean, to me, largely a messaging issue, right. China comes to the table with big numbers.

Many of those numbers are not met, right. It comes to the table with a lot of promises. A lot of those promises do not come to pass. I am thinking about the lithium sector right now where there have been promises to build factories to build lithium batteries all over Argentina and elsewhere.

None of that has happened. None of that—there is no intention for that to happen, right.

So, making that clear, demonstrating that those promises indeed are unlikely to come to pass, I think, is absolutely fundamental while also working on our own communication strategy.

We do so much in the region. We have historically. We do not toot our own horn enough, right, often. There are obviously, you know, ways to do this that are more—some are more effective than others. Depends on the context, depends on the country.

But we need to think very critically about the types of projects we are pursuing through development assistance, right, and how best to amplify the gains and communicate the value of those both here domestically to justify their continuation but also overseas.

Senator Kaine. Thank you.

I yield back, Mr. Chair.

Senator Risch. Thank you very much.

Senator Kaine. He always says, you have nothing to yield back, Kaine—you have gone way over your time. He said that to me yesterday.

Senator Risch. Thank you.

Senator McCormick.

Senator MCCORMICK. Thank you, Mr. Chairman and Ranking Member Shaheen, for calling this hearing and thank you to our distinguished guests.

Over the past 4 years communities in Pennsylvania, my home State, and across the country have first hand experienced the consequences of a vacuum, a lack of leadership in Latin America, and the traffic in fentanyl and other illicit drugs in particular and the flow of illegal immigrants from around the world across the southern border have affected the entire region.

The Mexican drug cartels and the other transnational criminal organizations rake in massive profits, as the Chairman has said, in a variety of ways.

To make matters worse, as has been discussed, the Chinese Communist Party has stepped into that vacuum left by uninterested leaders in Washington to expand its activity and influence in Latin America.

And for Beijing the calculation simple—gain access to resources and critical infrastructure to support the CCP's global ambitions while undermining the influence and economic priorities of the United States in its own backyard.

This cannot continue, and that is why I am so glad that Secretary Rubio and the Trump administration have focused on these challenges.

With that backdrop, Ms. Myers, I would like to start with you. Mexico is both the third largest recipient of Chinese investment in Latin America and the largest trading partner of the United States, and I am particularly concerned about the investment by China in strategic industries, important sectors in Mexico that could undermine our national security, and for that matter, their national security.

What is your assessment of how the new Mexican government is addressing these concerns? And in the United States we, of course, have CFIUS as the process. What are the Mexican officials—what is the Mexican government doing to address this?

Ms. MYERS. Thank you. That is a critical question.

My assessment is that, you know, for a number of years now there has been a concerted effort on the part of Chinese officials to engage far more extensively with Mexico to build ties, to strengthen partnerships, to upgrade the overall relationship, to be able to achieve various aims in strategic sectors.

This has worked to some degree, right. There has been movement. There have been new deals struck including in critical minerals, for example, and critical infrastructure, as you have mentioned, and we have seen as we have seen elsewhere in the region a real effort on localization, right.

China is not just engaging with presidents. It is not just engaging with heads of state. It is engaging at the state level, at the municipal level, with tiny towns in certain cases, if there are projects of strategic interest there.

And so so much is happening in Jalisco. It is happening in other, you know, Mexican states. And so, you know, the challenge is a bit bigger when you are dealing with different administrative levels and having to manage that and account for it.

What I do see now, though, is a real effort to respond to U.S. concerns about, you know, the extent of Chinese involvement, the extent of Chinese investment, using the USMCA as a back door, potentially, for—to, you know, ship goods to the United States that would otherwise be subject to tariffs, and we will see how far that goes.

But there does seem to me a willingness to at least sit down and have these discussions, and an openness to investment review mechanisms of some form, even if they do not look exactly like CFIUS.

Senator McCORMICK. Great. Thank you.

Dr. Ledford, I was very happy to see Secretary Rubio designate the cartels as terrorist organizations, and of course, as you know that unlocks a whole new set of authorities and possibilities for how the United States can engage on the security threat—national security threat.

Now what? How would you suggest—what is the framework for how the United States military, border patrol, national security infrastructure should engage with the Mexican government in pursuit of addressing the cartels, particularly given what the Chairman mentioned about the deep seated corruption that exists within Mexico and the cartels?

Dr. LEDFORD. Thank you for the question, Senator.

I think this is the million dollar question, how do we have a long term stable and prosperous Mexico that is free and secure. It is going to be on the Mexican authorities' side to decide how deep the engagement goes with the United States.

We have the tools and the resources and the volition. We need to renegotiate our security framework with Mexico, and I have been heartened by the recent moves by the president of Mexico to deploy more guards to the border, turn over cartel members.

But we need new legal authorities to deepen security cooperation on intelligence, on providing equipment. But it has to be Mexican led, and this has always been the issue, I think, less on our side and more on the Mexican government's side, and it is my understanding the Administration is engaged in these kind of conversations, and it is part of the tense negotiations that are bound up in tariffs and so forth.

But I am optimistic that we can develop a new framework. As far as the FTO designation goes, I think one positive aspect of that will be reducing the flow of illicit arms southbound, because now if someone sells arms to someone associated with an organization that is designated under the FTO they will be prosecuted for it under Federal guidelines.

Senator McCORMICK. That is a good point. Thank you.

Senator RISCH. Thank you very much.

Senator BOOKER.

Senator BOOKER. Thank you very much, Mr. Chairman, and to the Ranking Member for holding this important hearing.

I am really grateful for the two colleagues to be here but I want to—Dr. Ledford, I am really excited that you are here, not just because of your great haircut but also because you are from the Hoover Institution.

And I was a Stanford student—Stanford graduate student. Took classes over there. Larry Diamond was one of the more influential people in my early life, taking his classes. I think his last book—I wish it could make it—hand it out to everybody.

The title alone is pretty cutting—"Ill Winds" I think it was, countering Russia's rage, China's, I think, opportunism.

But then he talks a lot about American complacency and that this erosion of the global democracy is a failure in many ways for us to counter the Russian-Chinese influence and these charts, in so many ways, really speak to that.

And I just really worry. I have traveled around the world and have seen how when we step up—I was in east Africa and seeing how it was American State Department programs that really created a better environment for U.S. business investment, and I saw some extraordinary partnerships between American investors and east African leaders that transformed entire communities, literally millions of them, bringing stability, rising people out of poverty, whether it was the agricultural input, the marketing of those products, the bringing them overseas in trade relationships.

Without that, though, and very candidly people would tell me in that context, you create this environment for chaos, for terrorism, or for Chinese opportunism.

And so as we look at this hemisphere I am just wondering—I do not know your relationship with my professor who gave me an A—you could tell him I am still upset about that—in his extraordinary class.

But can you—do you agree with him that there is an urgent role for the use—as he would call it, the reduction of our using of soft power—not just military power but really the soft power necessary to counter China?

Dr. LEDFORD. Thank you, Senator. Glad to be here all the way from the farm. I will tell Larry you said hello.

Senator BOOKER. Please.

Dr. LEDFORD. Yes, I very much agree with Professor Diamond—the exercise of soft power—and that can be done through the State Department.

And it is to a point that others have raised and that I have raised myself about constant engagement, that we have to have both high level engagement and mid-level engagement, ambassadors on the ground, secretaries there, but the institutions that you have talked about to further that kind of engagement.

So, I am in agreement. I do not have much more to add on that.

Senator BOOKER. And let me double down there then.

So, I remember when Secretary Mattis sat before us and said, if you make cuts at the State Department buy me more bullets, and when I see us now cutting programs, some of which I have visited and other of my colleagues have visited, that provide some basic health care and stability, and then we decide to do the far more expensive intervention when it comes to suddenly mass migration coming out of these unstable countries.

If you were just an investor—forget advising Senators—but if you were, like, a business investor it seems much more wise to invest on a lot of the root causes of this global crisis of migration than to be responding to the cartels that opportunistically exploit people, the drugs that are related to that, and more.

Am I correct?

Dr. LEDFORD. Yes, Senator. We always have to pair any sort of security measures with long term development to address, as you say, the root cause strategy.

Of course, the success rate is on a long term horizon. We do not see those results as quick as we do as aggressive efforts on the law enforcement side. But we have to pair those together because you are not going to have security without development.

Senator BOOKER. I am so grateful you said that.

And the last thing I really want to address, and I was so grateful to my colleague for bringing up the importance of expanding the aperture to the Caribbean, and Haiti is one of these crises that is—and I know the sort of faith traditions of a lot of my colleagues here—the moral urgency alone.

But should we not be engaged in stability there, in trying to bring about some kind of restoration of governance or dealing with the humanitarian crisis?

The consequences for our country seem to be dire. To ignore it, to pull back from using U.S. soft power and the strength of our nation, it seems to come with consequences. Would you agree with that?

Dr. LEDFORD. Yes. Dire consequences. The United States has to take a leadership role to bring democracy and order to Haiti.

Senator BOOKER. I really appreciate it, and thank you very much. Please tell Professor Diamond he really shaped my view of the world, and I am privileged that I am in a position now that I could use the wisdom and all the good things he taught me when I was a student there.

Thank you.

Senator RISCH. Thank you, Senator.

Senator.

Senator VAN HOLLEN. Thank you, Mr. Chairman. Thank you both.

And I want to follow up a little bit on Senator Booker's question regarding soft power but also direct assistance in the form of foreign assistance.

As Senator Shaheen mentioned at the outset of this hearing, we did get a step forward in terms of a court order. The Supreme Court 5 to 4 ordered that AID and others pay funds already due and owing under contracts, which seems pretty straightforward. The U.S. Government should make good on its obligations that have already been incurred.

But the outstanding question, of course, remains the freeze on other foreign assistance, whether it is AID funds or other forms of foreign assistance, military security assistance.

So, Ms. Myers, would you agree that by stopping this assistance we not only do not provide important help to our friends in Latin America but we open the door even wider to China and other adversaries?

Ms. MYERS. I could not agree more. Certainly, I mean, not only is this detrimental to us as a—to our partnerships, to our relations with the region, to trust in the United States to fulfill its obligations and to support, you know, hemispheric affairs, which it is so—for so many years committed to do.

But we have, on the other hand, you know, a China that is coming to the region with a very comprehensive Belt and Road strategy underway which has continued for upwards of a decade now and which contains at this point, and I would say over the past 3 or 4 years, an expansion of activity in the people to people space, in diplomatic activity, in technical cooperation, military assistance, in all of these areas that we have been really dominant in for so many years.

So, taking a step back now is essentially akin to shooting ourselves in the foot.

Senator VAN HOLLEN. I agree.

And Dr. Ledford, I have been listening in terms of the points you have been making. I agree entirely. We need a comprehensive strategy here.

We need an economic strategy engaging with the private sector. We sort of need to approach this from all angles to both, you know, make sure that our interests are served, that our values are advanced, and that we do our best to keep our adversaries from further advancing in the region.

And so as part of that would you agree that the foreign assistance that we have provided has been a useful tool among many in terms of advancing our interests?

Dr. LEDFORD. Thank you, Senator.

Yes, I agree that foreign assistance aligned with the aims—the political aims and the values of our country is an effective tool amongst other tools in bringing a comprehensive framework to bear on hemispheric security and prosperity.

Senator VAN HOLLEN. I appreciate that, and of course, it is one tool, but I believe it is a very important tool, and it is especially dangerous when we are seen to be retreating or forfeiting one of our many tools.

I was here at the beginning when Senator Shaheen pointed out these maps, and I apologize if this has been covered, but in which countries in Latin America do you believe that China has gained the most leverage and the most influence through its efforts?

And if I can just start with you, Ms. Myers.

Ms. MYERS. You know, if I were asked that 5 years ago I would have a different answer than today. But at this juncture, China has considerable leverage across the entirety of the region in some form or another.

There are some countries, and I would say particularly South American countries, where China has, you know, expansive trade relations that underpin the dynamic and which ensure some degree of dependence, and therefore more overall influence.

Also, those countries that are smaller and have received infusions of capital from China that are—make essentially an outsized contribution to the overall economic development tend to also align more closely with China on wide ranging issues.

Senator VAN HOLLEN. Thank you.

Dr. Ledford.

Dr. LEDFORD. I concur with my brilliant co-panelist, but I just want to highlight the gains made in Peru.

It is not just the mega port which will fundamentally change trade routes between China and Latin America, but they—China—own the electrical grids, business, potential corruption.

So, we want to look at in terms of Chinese influence, particular choke points in Latin America. But, again, it is across the entire region.

Senator VAN HOLLEN. Thank you.

Thank you, Mr. Chair.

Senator RISCH. Thank you.

Senator Scott.

Senator SCOTT OF FLORIDA. Thank you, Chairman.

Thanks for being here.

How much do you think we have spent in foreign aid in Central and South America in the last 10 years? What is your—do you guys have any idea?

Dr. LEDFORD. In totality? I will just take a stab in the dark. Maybe \$20 billion. I think \$2.2 billion was authorized for fiscal year 2025.

Senator SCOTT OF FLORIDA. Is that—do you think that is what the number is?

Ms. MYERS. I do not have the numbers, Senator. Apologies.

Senator SCOTT OF FLORIDA. OK. So, what if you—so let us say it is \$20 billion. So, if I went to the taxpayers back in my State and said, this is what you got for \$20 billion what would you say we got? What would a Florida taxpayer say we got out of that \$20 billion expenditures?

Senator RISCH. You might have—

Dr. LEDFORD. If I had to guess I would say that they would probably say not enough.

Senator SCOTT OF FLORIDA. Like, what would be something concrete that we could say that so—that we got out of the—you know, if I went back to talk to taxpayers, and they would say, so with that \$20 billion this is what we got?

Dr. LEDFORD. We fund law enforcement measures in Mexico. Now, given they are not as productive as we would like them to be.

We have given millions recently to support the multilateral security support mission in Haiti to prevent the collapse of the country. So, in terms of the security measures, we do support anti-narcotic efforts.

Senator SCOTT OF FLORIDA. What would you say that—if I have to go back to a taxpayer and tell him I got a return somehow what would you say I got?

Ms. MYERS. I mean, obviously, some of these taxpayers may be looking for, you know, immediate solutions to the problems that they are witnessing and encountering.

The challenge is that a lot of this is medium to long term in nature, right? It is an effort to work overtime with our partners to address issues that are enormously complex and require multifaceted solutions. That is hard to explain to a taxpayer.

But I mean, truly the across the board it is health, it is education, it is addressing the root causes of migration to over time reduce overall flows of irregular migration to the United States. It is addressing insecurity. It is building ties. It is building trust. It is building—

Senator SCOTT OF FLORIDA. Let us go through that for a second. So, if I went back to Florida and say, I just spent \$20 billion of your money, and we prevented drugs from coming in, they would say, wait a minute.

Seventy thousand people died of fentanyl last year. They would say, you have not been very successful. They would say, we are worried about crime in our country, and you are worried about—you are paying for police in another country when we do not have enough police on the streets in our country.

In, I think, 2023 something like one out of every 43 Americans were subject to a violent crime. They would say, you know, we have got—you know, you spent money, you said, on health care, and they say, we have people in our country that do not have enough health.

I mean, or food, all these things. I mean, I have been up here 6 years. This is the busiest time since I have been up here. Everybody in my office is asking for money, and I just—and here is my pitch to them.

I say, I just went through a campaign. There is not one person—almost on every issue that people are talking about they are worried about cutting spending—that one Floridian brought up that we got to make sure we do that. There is not one, and then my problem is I cannot go back to Florida and say, boy, I am excited about how much money we have spent on foreign aid because I got—something could happen.

Let us see, the Castro regime still controls Cuba. Venezuela just stole another election. Ortega is getting stronger in Nicaragua. Petro is a terrorist. Name it. Lula is trying to destroy Brazil. I do not know—did we help Milei get elected? I do not think so.

We got to—so I look at it and say, what did we—so short term, long term, 20 years, I cannot see what we did in Latin America that we spent—if we spent \$20 billion that we got a return.

And that is what I have to do. I have to go home and say, here is your—here is how your tax dollars are going to get spent. I mean, what would you be thinking how—if you think that way, like, citizens that does not—that thinks their taxes are too high what do you say to them?

Ms. MYERS. Again, I think—I mean, this is not a—there is not a country that does not struggle with this to some degree.

I mean, these debates are ongoing everywhere including in China, right, where they say what is this Belt and Road Initiative about—stop spending our money on it, and do something at home, right? These are the—this is the problem that many, many countries are experiencing.

Nevertheless, most have conceded that foreign aid achieves wide ranging objectives—you know, strategic, security related, you know, health and safety related. I mean, really, you name it.

And in terms of building our partnerships with the region, if we believe that there is strength in numbers, right, these are—a lot of this is intangible. A lot of this is, again, you know, medium to long term, and so it is very difficult to explain to an electorate.

But I think we need to determine whether we believe that this is the right course of action ourselves, right, and then make the effort to come up with narratives that do demonstrate the value over time of these commitments.

And I am sure—I am not particularly equipped to offer concrete, you know, evidence at this particular moment, but I am sure that the many institutions that do these things have, you know, countless examples of the ways in which they have impacted the region positively and U.S. citizens positively, directly as a result. I wish I had something more concrete to offer in the way of messaging.

Senator RISCH. I hate to cut off this debate because this is a really, really important debate.

Unfortunately, we are in the process of voting. They are going to call all of us down there in a minute, and Senator Curtis, I want to give you a shot at this, please.

Senator CURTIS. Thank you. I will be careful with my time.

I would like to note—thank you for doing this hearing—I would like to note that it is my honor to replace Secretary Rubio as the Western Hemisphere Subcommittee chair and really look forward to delving in on some of these issues and working with the Secretary on these.

I would like to know, in your view, the primary strategic goals of both Russia and China in the Western Hemisphere—how those goals differ between the two, and how can the United States better position ourselves to counterbalance those goals.

Go ahead.

Ms. MYERS. I am happy to begin.

It is my view that China's goals in the region are largely the same as they were. Around the 1990s during this moment of the going out strategy, right, which wherein China was seeking resources, it was seeking markets for its products, and it was seeking to internationalize its companies to make them more competitive, right.

We are seeing the same dynamic at play now. Resources are absolutely fundamental. Markets are more important than ever as China looks to export its excess capacity, especially in high tech goods, which is fundamental to its economic growth.

It is an existential challenge for China at the moment, and we continue to see efforts to try to ensure that Chinese companies are not only competitive but dominant across certain strategic sectors including in the high tech space. This is something that China is looking to pursue in Latin America and has pursued for many, many years.

In addition to this, of course, are other interests that facilitate these objectives. Reducing U.S. influence, U.S. ability to engage, creates an environment in which China is able to pursue its objectives more extensively, more easily.

And so wide ranging communications, you know, campaigns, people to people contacts, other forms of engagement have sought to do that and have done so very effectively in certain instances.

So, China—I mean, I still see China's engagement as largely economic in nature, but obviously with a political component to it and a strategic component to it in that all of these things are dramatically interrelated.

For Russia, my sense—and I do not follow Russia as carefully as China—is that, you know, this is much more directed at undermining U.S. influence, U.S. interests at all junctures, right, with or without an economic interest, you know, accompanying that.

And we see that across the board in terms of the ways that Russia pursues certain deals, the types of agreements that it is striking, the folks that it engages with in the Latin American context.

China engages with everyone, as we mentioned earlier. Russia really is very targeted in its engagements in an effort to undermine U.S. interests across the board.

Senator CURTIS. Thank you.

Doctor, if you can give me the short version. This way I can try to squeeze another question in. Thank you.

Dr. LEDFORD. I would just like to add Iran.

Senator CURTIS. Thank you. Yes.

Dr. LEDFORD. I think we have not focused enough on the Aya-tollah. Iran has deepened its engagement to undermine the U.S. specifically, and also its proxy Hezbollah which operates in the tri-border region to the tune of about \$300 million to \$400 million a year to fund its terrorist activities in the Middle East. So, it is very much about undermining the U.S. in its own hemisphere.

Senator CURTIS. Thank you both.

Let me shift to a similar topic. Several Latin American and Caribbean nations have recently shifted considering their diplomatic recognition from Taiwan to the People's Republic of China.

Can you both just briefly touch on how the U.S. can reward those who are more aligned with our position? What opportunities, diplomatic or otherwise, do we have to strengthen our friend Taiwan?

Doctor, why do you not start?

Dr. LEDFORD. Yes. I think we should reward our allies in the region that continue to recognize Taiwan with closer engagement and the benefits that come with being a close strategic partner with the United States and to continue to encourage their engagement with Taiwan and dissuade them from giving in to PRC influence to derecognize Taiwan.

Ms. MYERS. And if I could add to that.

In addition to continuing to work with them in substantive ways, offering assistance in the areas that they are prioritizing from a developmental perspective, it will be critical also for us to communicate sort of the lack of progress that some of those countries that have made this recent decision to cut ties with Taiwan have had with China, right?

There is not a lot happening or at least, certainly, what is happening is not what was anticipated. And so, you know, that is a critical message for us to convey as well. It is not necessarily that you are going to get everything you want from China once you play this critical economic and diplomatic card.

Senator CURTIS. Thank you. I am out of time, and I will not push this. I have a lot of questions and hopefully we can have a continued dialogue. Thank you very much. I yield my time.

Senator RISCH. Thank you. The record is going to stay open until close of business tomorrow so if you want to submit some questions for the record, I am sure our witnesses will respond.

Senator CURTIS. We certainly will. Thank you, Mr. Chairman.

Senator RISCH. A sincere thank you to our witnesses on behalf of both Senator Shaheen and I. This has been a very enlightening discussion. I think a lot more talk about problems than solutions but possible solutions.

This is an area that USG has got to spend more time on. We just really do. If you not there you cannot play in the game, and so we are—Senator Shaheen and I are committed to getting ambassadors there where we do not have ambassadors. That is critical.

We had a good hearing yesterday with three of the people that are going to the State Department. All three of them were committed to the proposition that we talked about today, and that is

how important economic engagement is to your relationship with a country, and they are all committed to see that USG is there at the table, if necessary, with U.S. companies to try to make things happen down there.

So, a sincere thank you to both of you for attending today and providing us with the benefit of your testimony.

For the information of members, the record will remain open until the close of business tomorrow.

We would ask the witnesses to respond to those questions as rapidly as possible, and again, with thanks to the committee, this committee is now adjourned.

[Whereupon, at 11:24 a.m., the hearing was adjourned.]

Additional Material Submitted for the Record

RESPONSES OF DR. JOSEPH LEDFORD TO QUESTIONS
SUBMITTED BY SENATOR JOHN CORNYN

Question. What steps can Congress and the administration take to develop CFIUS-like mechanisms with our partners to curb PRC investment in our hemisphere?

Answer. In the Western Hemisphere, the United States must export to regional partners the protocols, principles, and best practices of the Committee on Foreign Investment in the United States (CFIUS) to restrain and eventually restrict investments from the People's Republic of China (PRC) in sectors with national security ramifications—agriculture, energy, infrastructure, and technology.

With the passage of the Foreign Investment Risk Review Modernization Act of 2018, it has been the “Sense of Congress” that presidents should engage with American allies and partners to create CFIUS-like processes to review foreign investments that threaten national security. Now, Congress must pass legislation to expand and formalize a broader scope of collaboration for CFIUS. It must extend beyond information sharing and into capacity building for regional partners due to the scale and intent of Chinese investment in the Western Hemisphere.

In expanding the role and authorities of CFIUS by amending legislation, Congress could establish and fund a hemispheric cooperation council (or another appropriate title), whereby CFIUS provides the technical knowhow and resources to equip hemispheric partners with a CFIUS-type body. Each CFIUS-like mechanism should be suited for the partner nation's institutions and laws, but it must function in accordance with American standards.

Under such hemispheric cooperation, CFIUS could advise, train, and offer tools for partner countries to establish their respective inter-agency bodies. CFIUS could dispatch American experts from the Department of Treasury or other relevant agencies to assist partner countries with screening investments, especially if Chinese investments will have an impact on the US supply chain or strategic chokepoints. Congress could require an annual classified briefing on CFIUS hemispheric joint investment review efforts to assess the progress and identify any potential implementation challenges.

To incentivize regional partners to participate, Congress could allocate a sufficient budget for the hemispheric cooperation council, including funds to offset the costs for establishing new screening committees in partner countries. Congress could also offer economic incentives for regional collaborators, including but not limited to tariff reductions, aid packages and/or preferential treatment for American investment through public-private partnerships.

In lieu of new CFIUS legislation, however, President Donald Trump could pursue bilateral agreements with hemispheric partners to review foreign investments in the Americas. Using CFIUS as a model, the United States and regional partners could negotiate agreements to engage in joint screening of PRC investments in critical sectors, either leveraging existing frameworks or creating new ones. Mexico should take precedence for the first in a series of investment security agreements, given its outsized economic and security importance to the United States.

The United States and Mexico have flexibility for pursuing a partnership on investment reviews. A joint investment screening process with Mexico could be embed-

ded within the USMCA framework. The Essential Security exception under Article 32.2 of the USMCA would permit the United States and Mexico to undertake a joint investment security initiative with a CFIUS-like mechanism.

Beyond the USMCA, President Trump and President Claudia Sheinbaum could establish protocols for jointly reviewing Chinese investments in critical sectors as a component of a new security cooperation framework. In fact, any new security framework replacing the Bicentennial Framework must include an explicit economic pillar to address the hemispheric security risks posed by PRC investments.

Question. Do you think the Trump administration should negotiate a new security cooperation framework with Mexico, and what should be included in such framework?

Answer. Yes, the Trump administration must seek a reenvisioned binational security cooperation framework with Mexico to replace the Bicentennial Framework for Security, Public Health and Safe Communities negotiated by the Biden administration.

In doing so, the United States and Mexico should not only integrate the effective elements of prior security cooperation frameworks but also adapt the purpose to confront 21st-century threats to North America. A new US-Mexico security cooperation framework should combine the Mérida Initiative's emphasis on intelligence, training, and equipment support with the Bicentennial Framework's focus on curbing arms and human trafficking, drug use, and economic insecurity, while expanding its aim to counter both transnational criminal organizations and the PRC.

Aimed at revitalizing the US-Mexico security relationship, this framework should contain realistic benchmarks, like monthly arrests of high-profile targets and drug seizures, alongside annual reductions in murders and overdoses, to achieve measurable near and long-term results.

The United States and Mexico should not delay negotiations. Presidents Trump and Sheinbaum should promptly convene high-level meetings to fashion this security cooperation framework. It should rest on five mutually reinforcing pillars that blend past goals with the present challenges of strategic competition:

- Eliminating Cartels
- Enhancing Border Security
- Strengthening Institutions
- Building Communities
- Fortifying North America

Derived from the effective elements of the Mérida Initiative and Bicentennial Framework, the first four pillars would pursue familiar objectives. These encompass dismantling cartels, securing ports of entry, eradicating corruption and bolstering the rule of law, and increasing economic opportunities.

The fifth pillar on strategic competition, however, merits further explanation.

Because of mutual national security interests, the United States and Mexico must collaborate to counter China's malign influence in the Western Hemisphere, especially to disrupt and destroy the cartels. China's crucial role in the fentanyl crisis as well as Chinese investments in Mexico present paramount threats to North America.

Under the fifth pillar of the US-Mexico security cooperation framework, then, joint efforts could be undertaken to prevent fentanyl precursors from entering Mexico and crack down on cartel money laundering facilitated by Chinese brokers. Moreover, the United States and Mexico could coordinate economic retaliation against China for its continued involvement in the drug trade, including synchronized tariffs on Chinese imports. To complement the anti-narcotic component with economic pressure, the framework could establish a CFIUS-like entity to screen Chinese investments in critical sectors (see response to question 1).

Shared interests, priorities, and threats underscore the need for a reenvisioned US-Mexico security cooperation framework. To be sure, the ambitious framework outlined here will require from both countries expanded legal authorities, unprecedented law enforcement cooperation, greater financial contributions—and, above all, renewed binational trust.

Question. What can the U.S. do to induce the Sheinbaum government to improve its ability to counter transnational criminal organizations, specifically to prevent the flow of fentanyl?

Answer. Outside of negotiating a new US-Mexico security cooperation framework, the United States can use old-fashioned diplomacy and conditional material support to encourage a more robust anti-narcotics campaign from the Sheinbaum government.

At the outset of his administration, President Trump tackled the fentanyl crisis using tariffs as a diplomatic tool, proposing tariffs on Mexican imports to spur a greater effort from the Sheinbaum government. In response, President Sheinbaum sent thousands of national guardsmen to the border, requested additional US drone flights to acquire intelligence on cartels, and extradited high-profile criminals. During their multiple exchanges on trade, migration, and drugs, Presidents Trump and Sheinbaum have formed a working relationship based on shared interests that has impressed observers. It should not, however, come as a surprise, as Sheinbaum governs pragmatically and sees the benefits to her domestic agenda from stronger collaboration with the United States. Degrading the cartels is a surefire way to boost the prospects of Sheinbaum's economic program, Plan México.

The Trump administration can grow this nascent partnership through sustained high-level engagement, befitting of a close ally, to strengthen Mexico's anti-narcotics efforts. Indeed, close US-Mexico relations can be the foundation for this administration's "Americas First" approach to foreign policy. To support this aim, the Senate must expedite Ronald D. Johnson's confirmation as US Ambassador to Mexico while the administration must continue sending delegations to Mexico. Building on Secretary Kristi Noem's recent meeting with President Sheinbaum in Mexico City, Deputy Secretary of State Christopher Landau, a former US Ambassador to Mexico, and Secretary of State Marco Rubio should travel to Mexico City to reinforce the US-Mexico partnership. Ultimately, President Trump should make a state visit to Mexico. If only Richard Nixon could go to China, only Trump can go to Mexico. The president should seize the opportunity to invigorate US-Mexico relations for the 21st century.

In conjunction with diplomacy, the Trump administration must dedicate sufficient financial resources to assist the Sheinbaum government. Nothing signals cooperation and commitment quite like more money, training, and equipment, provided Mexico demonstrates results. The United States could increase the budget of the State Department's Bureau of International Narcotics and Law Enforcement Affairs to provide a substantially larger amount of aid to Mexico. In return, the Trump administration could condition this assistance on the Sheinbaum government increasing the security portion of Mexico's budget to properly fund its new National Security Strategy. Furthermore, the United States could require Mexico to conduct more aggressive anti-corruption operations, supply more reliable data on interdictions, and commit to greater military and law enforcement collaboration.

Since the United States and Mexico have shared security concerns, and Sheinbaum's domestic programs depend on a reduction in crime, the challenges to Mexican anti-narcotics efforts are not insurmountable. With deft diplomacy and conditional aid, the United States can persuade Mexico to intensify its anti-narcotics operations to advance its own national interest. The United States, for its part, must devote appropriate attention and considerable resources to show commitment and facilitate cooperation. In turn, Mexico must provide a reciprocal investment.

Question. How do you perceive the challenges presented by illicit gold mining in Latin America?

Answer. In the Western Hemisphere, illicit gold mining, like drug trafficking, presents a series of interconnected and widespread challenges with criminal, environmental, political, and social dimensions. In remote areas, the shadowy enterprise is pursued through illegal small, medium, and large-scale operations. It provides a major source of funding for transnational criminal organizations, terrorist groups, and the authoritarian regimes in Nicaragua and Venezuela.

In the last decade, due in part to the global demand for gold, illicit gold mining has become increasingly profitable, encouraging malign actors to further engage in the damaging activity. It affects many countries in the region, occurring in Bolivia, Brazil, Colombia, Ecuador, Guyana, Mexico, Nicaragua, Panama, Peru, Suriname, and Venezuela. In the cases of Colombian and Peruvian illicit gold mining, for instance, it generates higher profits than cocaine production.

In addition to propping up dictatorships and financing criminal outfits, illicit gold mining destroys the environment and encourages human rights violations. Used by miners to extract gold, mercury contaminates the air, land, and water of mining regions, poisoning workers and locals alike, even those far afield. Illegal gold mining operations also cause deforestation, particularly in the Amazon rainforest, and drive the widespread displacement of populations located in mining areas, of which the greatest impact has been on indigenous communities.

Furthermore, labor exploitation and human trafficking accompany illegal mining operations. Either through deception, recruitment or coercion, criminal organizations make workers, including children, labor long hours in hazardous conditions.

These same groups engage in sex trafficking, luring—and forcing—women and young girls into prostitution at the mining sites.

As a result of the diverse, transnational nature of the threat posed by illicit gold mining, the United States faces several barriers to ending the practice.

Easy profits fuel the underground industry. At an average of \$3000 per ounce, the value of gold offers a lucrative incentive for its unlawful extraction. Poverty, alongside a longstanding dependence on artisanal and small-scale mining, continues to push individuals into seeking out mining work, though many are forced into it.

The gold business is conducive to illicit practices. A commodity with a nearly impossible to trace origin, the global gold supply chain, which includes refineries in China, India, Italy, Switzerland, United Arab Emirates, and the United States, permits easy laundering through intermediaries that sell the illicit gold to legitimate, commercial suppliers.

A diminished state capacity proves incapable of dealing with the problem. Weak governance in remote regions, as well as corrupt officials, facilitate the illegal gold trade.

Despite the complex and intractable problems created by illicit gold mining, they are solvable if the United States acts swiftly. Three actions would have an immediate effect.

Congress must pass the United States Legal Gold and Mining Partnership Act (S. 799) introduced by Senator John Cornyn and co-sponsored by Senator Tim Kaine. This would create a statutory requirement for a “Legal Gold and Mining Partnership Strategy,” which would provide the United States with a holistic, long-term set of policies for working with regional partners to curb the mining of illicit gold, disrupt the financial networks enabling the enterprise, and prevent the regimes in Venezuela and Nicaragua from profiting off it. To this end, the United States must cease all gold imports from Nicaragua, and the Trump administration must impose tougher sanctions on the Nicaraguan gold sector under Executive Order 14088. Last, the United States should build on the Memoranda of Understanding with Colombia and Peru by pursuing additional MOUs with countries contending with an increase in illicit gold mining, such as Brazil, Ecuador, Guyana, and Panama.

This would only be the beginning. Since illicit gold mining presents a range of challenges akin to drug trafficking, the United States must be likewise aggressive and forward-thinking in developing the policies to combat it. So, too, must American policymakers be aware that the scourge of illicit gold mining will not be resolved overnight.

Question. How can we better elucidate the harms of overreliance on the PRC in the minerals sector to our neighbors in the Western Hemisphere, and encourage derisking and collaboration with the United States in the critical minerals sector?

Answer. Containing the world’s largest copper and lithium deposits, as well as vast reserves of silver, tin, zinc, nickel, bauxite, graphite, gold, and rare earth elements, Latin America has enormous potential for economic growth by contributing to the global energy and technology sectors. To facilitate such growth while reducing the region’s reliance on China, the United States must develop an effective public diplomacy campaign in conjunction with a novel policy agenda for developing, expanding, and securing the critical minerals sector throughout the Americas.

In short, America must provide the Americas with a viable strategic alternative from China, which requires not only a message and attention, but also the capital and commitment.

Launching an “all that glitters is not gold” public diplomacy campaign would prove useful in highlighting how China’s predatory involvement in Latin America’s critical mineral sector will not result, over the long term, in desirable economic benefits, especially given China’s hostile behavior and willingness to use economic coercion. Through media, events, and diplomatic engagements, this campaign should drive the message that the investments and profits from China today undermine Latin America’s economy and sovereignty tomorrow.

Due to recent legislation, a statutory requirement exists for a public diplomacy initiative in the Western Hemisphere, which offers a framework for the Trump administration. The Western Hemisphere Partnership Act (P.L. 118–159), enacted in December 2024 via the National Defense Authorization Act for Fiscal Year 2025, mandates a comprehensive 5-year strategy that contains a public diplomacy component. In crafting this strategy, the Trump administration should include a multi-year plan for encouraging America’s neighbors to engage in hemispheric partnerships to further the region’s critical mineral industry without a reliance on Chinese investment and purchasing. The Senate Foreign Relations Committee and House Foreign Affairs Committee can monitor how well the United States conveys this message during the mandated yearly briefings on the strategy’s implementation.

Yet the United States must do more than inform regional partners that China offers nothing but coercion and dependency. America must offer concrete opportunities for prosperity and independence.

With varying degrees of risk and sizable reserves, Argentina, Brazil, Chile, Colombia, Dominican Republic, Ecuador, Guatemala, Mexico, Panama, and Peru possess critical mineral industries worthy of American investment. The United States must commit to initiatives that channel private capital into these nations' critical mineral sectors to spur development and secure the regional supply chain.

Such programs can incentivize American investment in exploration, refineries, and infrastructure. The United States is now pursuing an economic program in the Americas that would catalyze it. Under *América Crece 2.0*, the Trump administration seeks to facilitate investments in energy and infrastructure from US private capital. To support the administration's private-sector led approach to the Americas and bolster the Americas-centric critical mineral supply chain, Congress must consider legislation to create an Americas specific fund located in the Commerce Department to stimulate private equity investments in Latin American mining and processing. Through the reauthorization of the International Development Finance Corporation (DFC), Congress can also help promote investments in critical minerals by easing restrictions on DFC involvement in Latin America, which includes raising its cap and permitting investments in middle and high-income countries without a waiver.

In addition, Congress should consider drafting a tailored version of the Critical Minerals Security Act of 2025 for the Western Hemisphere. Like the global version, this Act could direct the Secretary of the Interior to submit a report on the vast critical mineral and rare earth element resources located in the Western Hemisphere, including which foreign entities control them, and how the United States can work with regional partners to strengthen the Western Hemisphere supply chain.

The Act could also require a strategy from the Secretary of the Interior for the United States to work with regional partners to develop clean mining, refining, separation, and processing technologies. This report and strategy would inform both the public diplomacy and capital campaigns designed to encourage Latin American countries to de-risk and collaborate with the United States in the critical minerals sector.

Diversifying America's critical mineral supply chain through regional partnerships will augment domestic production, leading to a self-reliant hemisphere that breaks China's dominance of the market. Slowly but surely, Latin America can end its critical mineral exports to China, and the United States can stop importing critical minerals from China.

RESPONSES OF MS. MARGARET MYERS TO QUESTIONS
SUBMITTED BY SENATOR JOHN CORNYN

Question. What steps can Congress and the administration take to develop CFIUS-like mechanisms with our partners to curb PRC investment in our hemisphere?

Answer. There is considerable resistance in the region to the implementation of CFIUS-like mechanisms. Many stakeholders fear economic retaliation from China. It will be important to continue discussions with the private sector, government agencies, and others about the value of investment review, especially at a moment when China is poised to affect even those industries in which Latin American nations have retained some degree of competitiveness, and noting that there are many models of investment review that countries can adopt in support of their economic and national security interests.

That said, we can easily reduce concerns about economic retaliation from China by providing viable alternatives to Chinese investment and finance. The United States will be far more convincing on investment-related and other policymaking if we can demonstrate the economic value of U.S. partnership, especially at a moment when some in the region are viewing their trade and other agreements with the United States as liabilities.

Question. Do you think the Trump administration should negotiate a new security cooperation framework with Mexico, and what should be included in such framework?

Answer. Cooperation is the very best way to address the wide-ranging security challenges that Mexico and the United States are facing at present. This is an optimal moment for the Trump administration to pursue a strategy of cooperation,

while also requesting that Mexico take certain steps to remedy a worsening situation, moving away from AMLO's historically reluctant approach to battling crime.

A new security cooperation framework would necessarily involve systemic mechanisms for intelligence sharing, surveillance, law enforcement cooperation, including on discrete operations, and the provision of resources and equipment to ensure effective control of organized crime.

Question. What can the U.S. do to induce the Sheinbaum government to improve its ability to counter transnational criminal organizations, specifically to prevent the flow of fentanyl?

Answer. As present, there is considerable U.S. interest in leveraging the trade and broader economic relationship to ensure Mexican compliance with U.S. demands. And Mexico may very well concede, noting its commitment to achieving certain mutual objectives. But Mexico's resources and ability to control the problem are limited. Strategic and tactical cooperation will be critical to ensuring real progress. A degree of trust in the bilateral relationship will also be important to achieving future gains. Here, the relationship would benefit from a sincere and concerted effort on both sides of the border to address the wide-ranging demand and supply side factors that are driving trade in drugs and other illicit activities.

Question. How do you perceive the challenges presented by illicit gold mining in Latin America?

Answer. Illicit gold mining in Latin America has been enormously impactful from an environmental, health, security-related, and economic perspective—and for a matter of many decades. Unfortunately, countries in the region appear increasingly ill-equipped to address the challenge, especially as illegal mining expands across parts of the region.

Question. How can we better elucidate the harms of overreliance on the PRC in the minerals sector to our neighbors in the Western Hemisphere, and encourage derisking and collaboration with the United States in the critical minerals sector?

Answer. We must invest. We must be present in these sectors by helping to derisk these investments for U.S. companies. As we have seen, absent viable alternatives, Latin American governments, regardless of their political leanings, will continue to pursue economic opportunity with China, whether in critical minerals or other frontier industries. Argentina is a perfect case in point, despite Argentine President Javier Milei's apparent affinity for the Trump administration. Absent investment in the lithium triangle or elsewhere, the United States might consider encouraging countries to take more ownership of their resources. Chile's efforts to do so have naturally limited Chinese engagement in that country's lithium industry.

