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FEATURED Q&A

How Successful Was Tillerson's Latin America Tour?



U.S. Secretary of State Rex Tillerson this month visited five countries in Latin America and the Caribbean, including Peru, where he met with President Pedro Pablo Kuczynski. // Photo: Peruvian Government.

Q U.S. Secretary of State Rex Tillerson concluded his five-country trip through Latin America and the Caribbean on Feb. 7, during which time he sought to shore up support for further U.S. sanctions against Venezuela's oil sector and President Nicolás Maduro's government, as well as to strengthen ties with allies in the region. Did the United States get what it wanted out of Tillerson's trip? How strongly have the countries of the region embraced the latest U.S. push for stronger sanctions on Venezuela? A year now into the Trump administration, are U.S. relations with Latin America improving generally?

A Cynthia Arnon, director of the Latin American Program at the Woodrow Wilson International Center for Scholars:
"Secretary of State Rex Tillerson was walking into a potential minefield as he headed to five Latin American and Caribbean countries, given the souring of U.S.-Latin American relations in President Donald Trump's first year. The foreign policy discourse has been dominated by the president himself, with the border wall, immigration, violent gangs and protectionism the frequent subjects of Trump's tweets and public rallies. These issues have inflamed regional public opinion against the United States. In Tillerson's opening address at the University of Texas at Austin, he struck many notes reminiscent of the Obama administration. In contrast to the broadsides against NAFTA, he underscored the \$14 billion U.S. trade surplus with the region. He openly admitted the United States' role 'as the major market for illicit drug consumption,' calling for

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TODAY'S NEWS

POLITICAL

At Least Four Killed in Bombing at Bolivia Carnival Celebration

A car bomb exploded during celebrations in the city of Oruro, just days after a separate blast killed eight people two blocks away.

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BUSINESS

Pipeline Rupture Halts Operations at Peru LNG Plant

Operations at Peru's only liquefied natural gas plant were halted after the rupture, which happened when heavy rains caused a landslide. No natural gas shipments have left Peru for more than a week.

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POLITICAL

Brazil to Boost Military Presence Near Border With Venezuela

Brazil plans to double the number of troops in Roraima State, which has received an influx of Venezuelans fleeing their country's economic crisis, said Brazilian Defense Minister Raul Jungmann.

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Jungmann // File Photo: Brazilian Defense Ministry.

POLITICAL NEWS

Brazil to Boost Army Presence Near Venezuela Border

Brazil's government plans to declare an emergency in Roraima, which would allocate funding and troops to the northern border state in order to help control a flood of Venezuelan refugees in the area, Brazilian Defense Minister Raul Jungmann said Wednesday, Reuters reported. In recent months, thousands of Venezuelans, fleeing their country's economic crises, have crossed into Roraima in recent months. Approximately 40,000 Venezuelans now inhabit the state capital, Boa Vista, representing about 10 percent of the city's population, according to the local government. The arrivals are reportedly straining local services. Brazil will double the number of troops in the state and also establish a field hospital and screening center for Venezuelan arrivals, said Jungmann. Venezuelan refugees have also overwhelmed border areas in Colombia, where President Juan Manuel Santos on Wednesday said his country needs international aid to help address the influx, according to Colombia Reports. Santos said his government needs about \$30 million to construct an assistance center in Cucuta for migrants to stay temporarily. "I

appreciate the offers of financial and other aid from the international community. We are fully prepared to receive them. We need them, because unfortunately this problem gets worse day by day," Santos told a meeting of foreign ambassadors. Some 200,000 Venezuelans entered Colombia illegally last year, and more than 550,000 are believed to be currently living in Colombia. Venezuelans have been fleeing amid increased insecurity as well as hyperinflation, and shortages of food, medicine and other basic goods in their home country.

At Least Four Killed in Bombing at Bolivia Carnival Celebration

Carnival celebrations in Oruro, Bolivia saw further casualties late Tuesday after a car bomb caused an explosion that killed at least four people and wounded 10 others in the middle of celebrations, the Associated Press reported. The bomb was made of dynamite, ammonium nitrate and fuel oil. The explosion happened after another explosion during Carnival celebrations on Saturday night just two blocks away from the location of Tuesday's blast. The explosion on Saturday killed eight people and injured 40, and authorities had blamed the incident on a leak from a food vendor's gas canister, but now say they are re-evaluating the cause of the

NEWS BRIEFS

Trump, Peña Nieto to Meet 'in Coming Weeks'

U.S. President Donald Trump and his Mexican counterpart, Enrique Peña Nieto, are to meet "in coming weeks" to discuss bilateral relations, the Financial Times reported, citing Mexico's foreign ministry. U.S. and Mexican officials agreed on the encounter during a day of meetings between Mexico's foreign minister and U.S. officials at the White House.

Miami Judge Grants Bail to Martinelli, But Puts Decision on Hold

Former Panamanian President Ricardo Martinelli was granted \$1 million bail on Wednesday by a Miami federal judge, who then immediately put a hold on her decision while prosecutors appeal, the Associated Press reported. Prosecutors say Martinelli is a flight risk, and should therefore not be released from custody. Martinelli has been jailed since his arrest last June. He served as Panama's president from 2009 to 2014, and has been accused of embezzlement and illegally monitoring phone calls and other forms of communication through a surveillance system.

Operations at Peru LNG Plant Suspended After Pipeline Rupture

Operations at Peru's only liquefied natural gas plant were suspended due to a lack of supply caused by a pipeline rupture on Feb. 3, leading to a sharp decrease in exports, a person who works at the consortium that operates the plant said Wednesday, Reuters reported. The pipeline burst due to a landslide caused by heavy rains in the Cusco region, pipeline operator Transportadora de Gas de Peru said Feb. 3. No natural gas shipments have left Peru since Feb. 5. Usually, the LNG consortium exports five or six shipments of 150,000 cubic meters each per month.

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'shared approaches' to addressing transnational crime. Before indicating concern over the spike in coca cultivation in Colombia, he spoke of the strong U.S. partnership with Colombia and support for the peace process. He praised the Lima Group and the Organization of American States for their leadership in opposing Venezuela's 'slide into dictatorship.' Unfortunately, Tillerson's off-script remarks shaped perceptions and dominated much of the press coverage. In responding to a question about the Monroe Doctrine, he affirmed its continued relevance to U.S.-Latin American relations. Similarly,

his references to China as a new 'imperial' power seeking only its own benefit smacked of ignorance of the United States' own history of regional intervention, or the ways that most Latin American governments see China has an enormous opportunity for trade, finance and investment. Overall, the trip helped inject nuance and complexity into U.S. bilateral relationships with governments who seek positive relationships with Washington. Whether that effort can survive President Trump, and Tillerson's own role in defunding diplomacy and foreign assistance, is an entirely open question."

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explosion in the wake of Tuesday's attack. "The proximity of one to the other raises doubts," Defense Minister Javier Zavaleta said. Officials said Wednesday that three people had been detained for questioning following the second explosion. An ally of President Evo Morales publicly implied that government opposition forces were behind the attack, while members of the opposition urged Bolivians to not blame anyone for the violence without evidence. In related news, Carnival celebrations in Rio de Janeiro saw an uptick in violence during the period from Feb. 9 through Tuesday, the AP reported. TV Globo on Wednesday showed videos of gunfire between rival drug gangs, teens punching tourists in areas that are usually considered safe and a policeman escaping as several people attacked him in front of his home.

ECONOMIC NEWS

U.S. Has Doubled Overseas Solar Investments Under Trump

The U.S. government doubled its investment in overseas solar power projects under President Donald Trump during his first year in office as compared to the year before, under an investment policy inherited from the Obama administration, according to government documents, Reuters reported Wednesday. The Overseas Private Investment Corporation, the U.S. government's self-funded international finance institution, loaned more than \$630 million to foreign energy projects last year, 90 percent of which were solar, wind or other clean energy ventures. OPIC lending for solar projects alone doubled to \$250 million last year, with projects in Honduras and El Salvador, among other countries. The growing support for foreign renewable energy projects comes amid federal investigations into past U.S. solar loans to foreign governments, as well as the Trump administration's outward stance on downplaying the threat of climate

THE DIALOGUE CONTINUES

Will NAFTA Negotiators Reach Consensus This Year?

Q **Negotiators from Canada, the United States and Mexico met in Montreal at the end of January to continue negotiations to revamp the North American Free Trade Agreement, or NAFTA. Though negotiators seemed cautiously optimistic about the progress made during the sixth round of talks, industry executives and others close to the negotiations said the three countries were unlikely to meet the March 31 deadline for a new agreement, and that talks could even extend until next year. And during the talks, negotiators from Mexico and Canada rejected a U.S. proposal to restructure a corporate arbitration system that is a key component of NAFTA. How are negotiations going? Will the three countries be able to resolve larger sticking points like the arbitration system? What will it take for all three sides to successfully reach a deal before Mexico's presidential election in July?**

A **I. M. "Mac" Destler, Saul I. Stern professor at the School of Public Policy at the University of Maryland:** "Through 2017, U.S. NAFTA supporters have been holding their breath, waiting to see which course the Trump administration will ultimately take. Will it follow the president's trade rhetoric about the 'damage' done by an agreement through which the United States was running large trade deficits, demand that these imbalances be eliminated, and when that proved unattainable, ultimately withdraw? Or will it pursue a more constructive path, seeking genuine reforms that would mirror,

change and boosting fossil-fuel sectors. The institution played a critical role in developing solar projects in Chile by providing funding that allowed U.S. solar companies SunEdison, SunPower and First Solar to develop a series of projects in northern Chile in 2013 and 2014, but

ironically, some of the provisions of Obama's Trans-Pacific Partnership (TPP), which Trump happily repudiated in his first days in office? After several fractious rounds of negotiations, periodically punctuated with presidential threats to withdraw, it has become possible to hope for an outcome closer to the constructive option. A major reason is the revealed support which the prospect of NAFTA's abrogation has brought to the surface. One of the less-recognized forces in trade politics is that policy players (private interests in particular) are more likely to mobilize when an existing benefit is threatened than they are when they are for a potential future gain. In the 1990s, when Congress (and, briefly, President Clinton) threatened to curb China's access to the U.S. market in the service of human rights, American producers and investors with growing stakes in China generated effective resistance. Now, in response to the perceived threat from Trump, an impressive range of agricultural and industrial and financial interests, joined by Republican trade leaders in Congress, have lobbied administration negotiators, highlighting their dependence on NAFTA and the losses they would sustain, were it to disappear. The battle is not over. But the outcome could prove better than seemed likely a year ago."

EDITOR'S NOTE: The comment above is a continuation of the Q&A published in Tuesday's issue of the Advisor.

since that time, the projects have come under investigation by OPIC's internal watchdog for loans made to three solar plants and a hydro plant in Chile, PV Magazine reported. All three of the solar projects have had to restructure their debts.

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A **Fernando Cepeda Ulloa, professor of political science at Universidad de los Andes in Bogotá and former Colombian interior minister:** “Some have considered Tillerson’s demeanor during his tour of Latin America to be considered amiable and constructive, not confrontational. But anyone who says that missed his resurrection of the Monroe Doctrine. Likewise, they must not have heard him promote a possible military coup in Venezuela. In Colombia, we shouldn’t expect the same attitude that other Latin American countries can adopt follow-

“ **Tillerson recognizes the importance of shared responsibility..”**

– **Fernando Cepeda Ulloa**

ing the visit. Colombia’s border is more than 1,200 miles long and very porous, which is leading to a lot of problems for the country. The closeness between the Colombian ELN rebel group and the Venezuelan government, as well as the worrisome rumors that their relationship has brought about, have led to a low level of confidence, amid the suspension of negotiations between the ELN and the Colombian government, and significant terrorist attacks by the rebel group have resumed. It goes without saying that the Venezuelan government’s distrust in Colombia has been magnified daily and that the aggressive rhetoric coming from the governments is chipping away at a relationship in which the countries do not even have ambassadors in each other’s countries. It is vital that the situation is fully understood. And the efforts by the Colombian governments for decades to control the scourge of rebel groups in the country should not be underestimated or forgotten, though as Tillerson says now, the situation appears to have gotten out of control. Tillerson recognizes the importance of shared responsibility, and it’s advisable

that the responsibility be shared collectively. A regional agreement with the United States, Mexico, Central America, the Caribbean, Colombia and Peru would be indispensable. Venezuela is a key piece, but I don’t see how it could enter into such an agreement with the rest.”

A **Jacqueline Mazza, professor in the Latin American Studies department at the Johns Hopkins University’s School of Advanced International Studies:** “Rex Tillerson’s recent trip to Latin America had all the pageantry and scope of a trip that could have begun to restore U.S. leadership and credibility in Latin America and the Caribbean. It was a six-country swing to the United States’ still strongest allies. But Tillerson seems to have forgotten to bring knowledge of the region and the United States’ role with him. Nor did he think to bring any initiatives that would have demonstrated new leadership on the growing crisis in Venezuela, which could, without restoration of Venezuela’s economy, led to a migration crisis in Latin America and the United States. On democracy, Rex Tillerson left his sense of irony at home, whether it was over the Trump administration’s lost credibility after U.S. silence over November’s undemocratic elections in Honduras, its calls for a military coup in Venezuela (a military with no democratic credentials), or President Trump’s own anti-democratic tirades against a free press. Where was the obvious irony in Tillerson advocating for free trade when the United States has pulled out of the TPP and can’t settle on a credible negotiation position on NAFTA? Tillerson’s message of ‘maybe asking the president’ to up oil sanctions against Venezuela was missing both irony and basic knowledge, as even the proposal will be well-used by Nicolás Maduro to keep alive his domestic support through anti-Americanism and help him seek even more Chinese and Russian support. It was an opportunity squandered for a region gracious enough to still smile through the ironies.”

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