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FEATURED Q&A

What Did Obama & Peña Nieto Achieve in Their Meeting?

Q U.S. President Barack Obama met last week at the White House with his Mexican counterpart, Enrique Peña Nieto, to discuss an agenda focused on economic, security and social issues. What were the most important developments to come out of the meeting between the two presidents? What are the biggest challenges that lie ahead for U.S.-Mexico relations in areas such as trade, immigration and human rights?

A Eliot L. Engel, ranking member of the U.S. House Committee on Foreign Affairs: "U.S.-Mexico relations are so strong today that they don't make much of a splash. This is a good thing. For years, our relationship with Mexico was characterized by mistrust. The U.S.-Mexico relationship under Presidents Obama and Peña Nieto has been dominated by economic cooperation, particularly the U.S.-Mexico High-Level Economic Dialogue. With our economies tied together more closely than ever before, this dialogue is essential. The two next steps on the U.S.-Mexico bilateral agenda must be comprehensive immigration reform and a renewed effort to improve security in Mexico. President Obama's executive action on immigration was a key step in taking immigrants out of the shadow and keeping families together, but now Congress must pass a comprehensive immigration reform bill. Both of our countries must redouble our efforts to improve security in Mexico. In the United States, this means stopping the illegal flow of firearms into Mexico and reducing the enormous U.S. demand for illicit drugs. It also means enforcing our anti-money-laundering laws and cracking down on U.S. banks that turn a blind eye to money laundering. The tragic disappearance of 43 university students in Iguala in September showed that much remains to be done to reduce violence in Mexico, particularly at the state and local levels. Congress and the Obama administration must support

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Deadline Passes in Haiti Without Deal to End Stalemate

The mandate of Haiti's Parliament expired Monday with no deal to schedule long-delayed elections. The missed deadline could lead to Parliament being dissolved and President Michel Martelly ruling by decree. See story on page 2.

File Photo: Haitian Government.

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NEWS BRIEFS

Relatives of Missing Students Try to Enter Mexican Army Base

Relatives and supporters of 43 Mexican students who went missing in September in the town of Iguala on Monday tried to gain access to an army base there, demanding to be let in to search for the students, BBC News reported. The protestors accuse the security forces of involvement in the students' disappearance. Local police forces have admitted they turned the students over to a local drug gang, but they have not been seen since, and families are still searching.

Gol, Copa Announce Flight-Sharing Agreement

Brazil's **Gol** and Panama's **Copa** on Monday announced a deal to share routes and frequent flier programs, EFE reported. "This alliance will include cooperation on all Copa flights in the Americas through its hub in Panama City, to and from Brazil, and the connection in Brazil to the 54 Brazilian destinations operated by Gol," the airlines said in a statement. The agreement is subject to regulatory approval in Brazil, said Gol.

Souza Joins JP Morgan's Research Team in Brazil

Cristiano Souza, previously an economist at **Banco Santander Brasil**, will join **JP Morgan Chase & Co.**'s emerging-markets research team in Brazil and report to Cassiana Fernandez, who was named chief economist for Brazil in September, Bloomberg News reported today citing an internal memo. Souza will be based in São Paulo and has worked covering Brazil at banks for 13 years. Fabio Akira, the former chief economist for Brazil, was named to head public-sector coverage in September.

Political News

Haitian Lawmakers Fail to Pass Emergency Electoral Law

Haiti's Parliament on Monday failed to approve any emergency legislation for new elections, which could lead Parliament to be dissolved and to President Michel Martelly ruling by decree, BBC News reported. Monday marked the deadline for such action and the expiration of Parliament's mandate. On Sunday, Martelly said that he had reached an agreement with opposition lawmakers in order to hold the long-delayed elections. However, the key Fanmi Lavalas party, which has been behind many anti-government protests, was not part of the deal, BBC News reported. Martelly's backers have said the opposition is to blame for its failure to approve an electoral law, while the president's opponents have accused him of stoking the standoff in order to rule by decree, Agence France-Presse reported. The country's prime minister, Laurent Lamothe, resigned on Dec. 14 amid anti-government protests. Martelly named former radio journalist Evans Paul his new prime minister on Dec. 26, but Paul has not been able to take office as a result of the stalemate. The political crisis played out Monday as the impoverished country marked the five-year anniversary of its catastrophic 2010 earthquake. Death toll estimates from the 7.0 magnitude quake range from 100,000 to more than 300,000. Tens of thousands of Haitians made homeless by the earthquake still remain living in shanty towns. Martelly led the country's official tributes and urged unity in order to prepare for future challenges. He laid flowers at the Place St. Christophe in Port-au-Prince. "Five years later, are we ready to face other catastrophes that could strike Haiti?" Martelly asked, AFP reported.

Martelly said Sunday that he had reached a deal, but the key Fanmi Lavalas party was not part of the agreement.

Cuba Completes Release of 53 Political Prisoners: U.S.

U.S. officials said Monday that the government of Cuban President Raúl Castro has completed the freeing of 53 political prisoners whose release was part of last month's historic deal to re-establish diplomatic relations with the United States, BBC News reported. "We welcome this very positive development and are pleased that the Cuban government followed through on this commitment," said Marie Harf, a deputy spokeswoman at the State Department. The State Department added, however, that the United States would continue pressing for Cuba to respect human rights and that it would press for the release of other political prisoners who remain jailed in Cuba. "This list [of 53] is not to be seen as the end of our discussion on human rights with the government of Cuba," said State Department spokeswoman Jen Psaki. Dissident groups in Cuba disputed the U.S. announcement. The leader of the Ladies in White group, which protests regularly in Havana, said 12 of the 53 prisoners remain in jail. "We really don't know who these 53 freed people are," Berta Soler told Agence France-Presse. Another rights group, the Cuban Commission for Human Rights, said it did not know of any prisoner releases that had happened since last Thursday.

Castro

File Photo: Cuban Government.

Economic News

Venezuela Restricting Shoppers' Visits to State Grocery Stores

The government of Venezuelan President Nicolás Maduro on Monday began restricting consumers to two shopping

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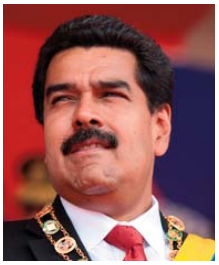
days per week at government-owned grocery stores in an effort to reduce the long lines at the supermarkets, Bloomberg News reported. Last week, thousands of people lined up at stores in attempts to purchase basic staples that have been in short supply due to the scarcity of foreign currency in the Andean country. The situation led the country's interior minister, Carmen Meléndez, to deploy security forces to maintain order. The new directive from Maduro's government restricts consumers' shopping days based on the last digits on their national identity cards. "The smuggling and long lines are over," Alejandro Milano, a coordinator of Venezuela's Food Mission, told Bloomberg News as he oversaw security at the government-operated **Bicentenario** store in Caracas. "This is a much fairer system." The country's food security regulator, Carlos Osorio, said 4,000 people received basic foods including rice, milk and pasta at a state-run market over the weekend in the capital. "If there were no food in Venezuela, there would not be these lines we see here," he said in an appearance on state television. "We wouldn't have so many people gathered at these installations. It's the best demonstration we can have." Shoppers at the state-run supermarkets bristled at the new restrictions. "An ID card to buy food?" José Gómez, a 32-year-old electrician, told Bloomberg News. "I guess I'll have to go hungry until Friday." Consumers continued to queue in long lines at privately run grocery stores, where access was not restricted. Maduro has blamed Venezuela's shortages and other economic problems, which include the world's highest rate of inflation, on his political opponents, whom he says are waging an economic war in an attempt to topple the government. Maduro's opponents, however, say mismanagement by Maduro and his predecessor, the late Hugo Chávez, are to blame.



Maduro

File Photo: Venezuelan Government.

Featured Q&A

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President Peña Nieto in professionalizing state and local police forces, improving the country's justice system and rooting out corruption at every level once and for all."

Arturo Sarukhan, board member of the Inter-American Dialogue and former Mexican ambassador to the United States: "Time and again, President Obama has demonstrated his commitment to—and direct engagement with—the bilateral agenda with Mexico. As president-elect, the only foreign leader he met with, 10 days before being sworn into office, was President Calderón. In 2010, Mexico was granted the first state visit of his administration, and now, the first meeting in 2015 at the White House with a head of state in the aftermath of two major policy decisions by the administration—executive action to provide relief to close to 5 million undocumented migrants and normalization of diplomatic ties with Cuba—was with President Peña Nieto. This is no fluke. Despite the ongoing global geostrategic challenges for U.S. foreign policy, the depth and breadth of the Mexico-U.S. bilateral agenda is unrivaled. I have always underscored that there are no two countries more important to each other's future prosperity, well-being and security than Mexico and the United States, and that we must continue to transform our ties from a 'homeowners association' (Condoleezza Rice dixit) to a truly strategic relationship, in the hemisphere and globally. Moving forward, the meeting between both presidents seems to have attained one key deliverable: identifying concrete next steps in the relationship. These could involve ensuring that the Mexican and U.S. agendas are synergistic and as closely aligned as possible in the TPP negotiations; starting to deliver on the promise of enhanced educational exchanges that will help us win hearts and minds on both sides of our border; tackling the tyranny of small differences in regulations—and woefully outdated border infrastructure—that erode our competitive edge and prevent greater gains from trade; or capitalizing successful intelligence-sharing practices and protocols to confront transnational criminal organizations and enhancing human security and effective rule of law; as well as supporting eligible Mexican migrants seeking U.S. immigration relief and working together to constructively engage Cuba. An ambitious course of action has been set in motion for 2015. Both governments will now need to produce the goods."

Juan Carlos Hartasánchez, director for Latin America and Mexico at the Albright Stonebridge Group: "While there were no surprises during President Peña Nieto's first official visit to Washington, the fact of the meeting was significant. As neighbors and two of the most influential countries in the hemisphere, contact at all levels—including the highest—is crucial. As expected, President Obama addressed the tragic disappearance of the 43 students of Ayotzinapa, committed to continue supporting Mexico in its fight against violence and drug cartels and reaffirmed his commitment to working on comprehensive immigration reform. President Peña Nieto pledged to control migration flows and to collaborate with U.S. authorities on information exchange and logistics support to preserve public security. The most notable development was commitments made by both parties in the U.S.-Mexico High-Level Economic Dialogue (HLED). The HLED defined six goals to advance economic integration: energy cooperation, border modernization, workforce development, regulatory cooperation, regional and global leadership, and stakeholder engagement. There are many obstacles that need to be overcome to reach these goals. For example, laws in the United States that prevent oil exports need to be modified. It was promising to hear Commerce Secretary

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Featured Q&A

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Pritzker's recent statements that the United States is holding discussions with Mexican officials on the possibility of exporting light crude, but other regulatory and infrastructure hurdles still need to be overcome. These challenges, however, are only the tip of the iceberg. Violence and organized crime can seriously dent the efforts to integrate these economies. Solving these challenges will require tremendous commitment, work and investment, but success will bring jobs and prosperity to families on both sides of the border."

A James R. Jones, member of the *Advisor* board and chairman of Manatt Jones Global Strategies: "The recent bilateral between the governments of Presidents Obama and Peña Nieto was impressive in many ways. First, virtually the entire cabinet in economic policy and national security from both governments participated. Second, specific actions with timely, specific follow-ups were decided. Perhaps just as impressive was the easy relationship between the two presidents and their cabinet officials that was evident. It demonstrated a genuine partnership, which our governments have been trying to achieve for the 20 years since the passage of NAFTA. The discussions of the HLED reflected the concerns and recommendations of the private sector, including the ideas generated last month by the U.S.-Mexico CEO Dialogue. For example, considerable attention was given to developing our energy resources, both fossil and renewable, with the ultimate goal of making North America an integrated and efficient energy market. Initially, I expect to see action toward integrating and interconnecting electricity power in both countries. Initial attention must be given to harmonizing regulations and in some cases even legislative authority. While much progress has been made in the past year to improve the efficiency of our common border, much more needs to be done. This seems to be an area of general agreement, and greater border modernization should result this year. Discussions to appoint a high-level coordinator or czar in both governments to make sure that agreed-upon actions are carried out will help ensure that such bilateral meetings actually deliver on decisions and are not just nice words to be forgotten. There seemed to be agreement that before the end of this month, high-level coordinators should be appointed and specific action items should be pursued. The private sector's job now is to be the watchdog to encourage and prod both governments to deliver on their promises. I think this will happen."

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