NWX-WOODROW WILSON CENTE Moderator: Drew Sample 4-06-15/9:00 am CT Confirmation # 3279499 Page 1

NWX-WOODROW WILSON CENTER

Moderator: Drew Sample April 06, 2015 9:00 am CT

Coordinator:

Welcome and thank you for standing by. Today's conference is being recorded. If you have any objections, you may disconnect at this time. All lines will be open for today's conference.

We do ask that you please utilize your mute button when not speaking, or use your star 6 to mute and un-mute your line. I would now like to turn the call over to your host, Mr. Drew Sample. You may begin, sir.

Drew Sample:

Thank you, and welcome, everyone, to this morning's Summit of the Americas briefing. President Obama will be traveling to a Summit of the Americas later this week, and we've gathered our experts here on Latin America, Canada, Brazil, and Mexico to answer your questions ahead of the briefing for quotation.

So with that, I think we'll go ahead and get started with introductions. We're just going to do a brief one-minute introduction from all of our experts here and then get straight into your questions. So Cindy, would you like to start with a statement?

Moderator: Drew Sample 4-06-15/9:00 am CT

Confirmation # 3279499

Page 2

Cynthia Arnson: Sure. Hi. This is Cindy Arnson, the Director of the Latin American Program. I mean, the real question is whether anything of substance will come out of the summit beyond what most people will focus on is what quality of interaction there is between President Obama and President Castro of Cuba in light of the process of normalization of relations.

> And similarly, there will be a lot of effort by the ALBA countries led by Maduro to condemn the imposition of sanctions. Maduro is going to probably make a spectacle by trying to present President Obama with petitions signed by supporters of the Venezuelan government rejecting U.S. intervention. And so there will be a lot of theatrics around that and a lot of sort of opposing visions of what U.S. policy in the hemisphere is.

> That said, it is a historic occasion. This is the first time since the summits began in 1994 that Cuba is being included. The fact that the OAS is the sort of, the main organizer of the summit is also significant in that long before the summit processes began, Cuba was expelled from the OAS in the early 1960s.

So there's no sense that Cuba is poised to formally reintegrate into the OAS, but it's nonetheless significant. And this was a demand of many countries in 2012. Many countries indicated that they would not return to a summit in the next three year period unless Cuba were included this time.

So, you know, it does mark a change in U.S. policy, but the Obama administration got the messaging and the communications all wrong, not in the fact that these sanctions were imposed, but the manner and the language in which they were imposed using this out-moded and, you know, outdated rhetoric of, you know, Venezuela constituted a national security threat.

Moderator: Drew Sample 4-06-15/9:00 am CT

Confirmation # 3279499 Page 3

So it really has succeeded in doing what for years it had tried to avoid, which

is making U.S. policy something that allows the government to mobilize its

supports. So I'll stop there. I think there are issues of substance that could be

discussed at the summit. But we'll get into that in the Q&A.

Eric Olson:

Hi. This is Eric Olson, Deputy Director of the Latin American Program here

at the Woodrow Wilson Center. And I follow security issues quite a bit,

follow Cuba policy, Central America, and Mexico on the security side.

So I would say in addition to what Cindy has already talked about related to

U.S./Cuba, U.S./Venezuela, which obviously will be front and center, there

are some sub-plots and some sub-narratives going on.

Clearly the Central American countries, especially the Northern Triangle

countries, are giving a full court press to the countries of the region to support

their efforts to one, attract more investment, and two, deal with their serious

security problems and underdevelopment, lack of development in the region.

The U.S. and President Obama has put forward a billion dollar plan. The

Central American Northern Tier countries have put forward their own plan.

And I think this is an opportunity for them to try to sell the region, the United

States, anyone who is willing to listen to them, on their plan for turning things

around in the Northern Triangle. The Northern Triangle of Central America

being the most violent, most homicidal region in the world the last two or

three years, really in need of a serious turnaround.

And I think the U.S. is also wary of what goes on there because of the

growing problem of unaccompanied minor migrants appearing at the U.S.

border. The numbers are down from the high of last summer, but there's some

Moderator: Drew Sample 4-06-15/9:00 am CT

4-06-15/9:00 am CT Confirmation # 3279499

Page 4

indications that migration is beginning to pick up again as the weather

improves and demand for labor in the U.S. increases.

So this is one of the probably issues that may not be on the front pages, but I

think is an important one in the region and will be, you know, ongoing

dialogue there. Let me turn it over then to Paulo Sotero, the Director of the

Brazil Institute. Paulo?

Paulo Sotero:

Good morning. Very good morning to you all. As far as Brazil's participation

in the summit, the important event will be a meeting that President Dilma and

President Obama will have on the side that mark a certain normalization of the

Brazil/U.S. relations after the (unintelligible) visit Dilma was supposed to pay

to the (unintelligible) in 2013.

The cancellation was caused by revelations of NSA spying on Brazil and

Dilma. This obviously left a lot of frustration. It has been resolved over the

past few months, thanks in large measure to the intervention of the

participation of vice president Biden.

Brazil is going through what many describe as the most serious economic

crisis in two decades. This will tend to tone down a little bit Brazil's voice in

(relation) to that. As you may know, President Dilma is not particularly into

diplomacy. She doesn't (unintelligible).

Nevertheless, Brazil brings (unintelligible). I think there will be from Brazil a

general expression of concern about the latest approach of the U.S. regarding

Venezuela for the reasons that Cindy very well laid out.

Moderator: Drew Sample 4-06-15/9:00 am CT

4-06-15/9:00 am CT Confirmation # 3279499

Page 5

This is obviously (unintelligible), because it's an area where a democratic like

Brazil could and should work, stabilize things in Venezuela. It's in its own

(interest) to do so.

(Unintelligible) praising President Obama on the (unintelligible) with Cuba

and having in mind also (unintelligible) the President of Brazil, diplomats, and

others. (Unintelligible) will very much have (unintelligible) in Brazil, despite

the unpopularity of President Dilma Rousseff.

Brazil is a country where you can protest freely, where the freedom of the

press that has been very critical of President Rousseff was just praised by

President Dilma Rousseff last week when the Worker's Party or a faction of

the Worker's Party of Brazil (unintelligible), trying to create some, they call,

social controls of media.

So you have the, you know, if you want to use that, the successes of Brazil in

terms of being a democracy, a deepening democracy with institutions like

Federal Prosecutor's Office capable of investigating wrongdoings in the

government, exposing them to society. This obviously is not what presidents

and diplomats like to talk about, but it will be there around both Brazil as a

democracy and I think (unintelligible).

And here there is also an expectation in Brazilian society, you know, a

growing pressure that Brazil highlights more and more its own (unintelligible)

in terms of democracy, in terms of a society that has been building democratic

institution, and highlights this in its diplomatic action all over the world, and

obviously is starting with the region. And so that is my initial comments.

Drew Sample:

Okay. Thanks, Paulo. Duncan, do you have a word about Mexico's

participation?

Moderator: Drew Sample 4-06-15/9:00 am CT

Confirmation # 3279499

Page 6

Duncan Wood:

Yes. Thanks, Drew. I think that there are, in addition to the Cuba question,

there are three issues that will define Mexico's participation in the summit.

The first one is the economic agenda, which is of course the issue that

President Peña Nieto was hoping would be his issue for this summit when

they first started planning the summit.

There are successful reform processes in Mexico. The fact that Mexico has

been able to pass the structural reforms that have been pending for so many

years, the paradigm shifting energy reform in particular.

And of course, that fits in with very much the economic agenda that's being

pushed by the private sector at this point in time. And a lot of the changes that

are being made in some of the other countries in the region - in particular the

Pacific Alliance countries.

But of course, that economic agenda from Mexico's point of view has rather

been surpassed by the questions over the rule of law and violence and public

insecurity in Mexico, in particular since the disappearance of the 43 students

in Ayotzinapa, Guerrero in September of last year. This has become the

defining issue of the administration.

And President Peña Nieto has received criticism from his fellow presidents

and heads of government throughout the region in recent months. And so he'll

be looking to try to both minimize the criticism that he receives, at the same

time while recognizing that he cannot ignore the issue of the rule of law.

And there may be a silver lining here in the sense that this is of course an

issue which goes far beyond Mexico, and is something that, you know, is of

enormous importance to pretty much every country in the region.

Moderator: Drew Sample 4-06-15/9:00 am CT

Confirmation # 3279499

Page 7

The third issue is one that does offer some good news of Mexico, which is on

climate change and Mexico's recent commitment to post-Kyoto talks and its

willingness to cut its carbon emissions by dramatic amounts, even faster than

they had previously committed to do so.

In particular, the agreement with the United States over climate change and

over emissions reductions is going to be something that Peña Nieto will want

to emphasize during his participation in the summit.

And a last word very, very quickly on Cuba. Cuba is of enormous importance

to Mexico. Historically, of course, Mexico has maintained a strong

relationship with the island throughout the post-revolutionary period. It has

been a rather schizophrenic relationship at times. It's gone from very, very

healthy and positive to rather more negative, as we saw in the early years of

the 2000s under Vicente Fox.

But Cuba is a very important island for Mexico, obviously for reasons of trade

and investment, and the opportunities that could open up there - and in

particular, thinking about the impact of a more open Cuba on Mexico's

tourism business.

Secondly, because of migration, Cubans who have fled the island and have

made their way to the United States through Mexican territory - that has been

a thorny issue in bilateral relations with Cuba for a number of years.

And lastly, just thinking about, you know, in the context of the energy reform,

the shared resource of the Gulf of Mexico. In recent years, we've talked a lot

about the agreement that was signed between Mexico and the United States

over transboundary hydrocarbon reserves.

Moderator: Drew Sample 4-06-15/9:00 am CT

4-06-15/9:00 am CT Confirmation # 3279499

Page 8

And, you know, if there is a significant normalization of relations between

Cuba and the United States, it becomes possible to talk about the resource of

the Gulf of Mexico being shared three ways, and the possibility of coming up

with some kind of agreement.

And the importance of this was made evident last week by the fire on a Pemex

platform in the south of the Gulf of Mexico, and the urgency for some kind of

international cooperation to - and agreement - to agree on how to deal with

emergency situations that occur there.

Drew Sample: Thank you, Duncan. And last but not least, Canada is a participant in the

summit of the Americas. So David Biette of our Canada Institute?

David Biette: Hi. I'm David Biette, Director of the Canada Institute. And as Drew said, yes,

Canada is in the Americas and is attending this summit. It's slowly been

increasing its engagement in the region.

Most recently, Canada was really the country that got the United States and

Cuba together for the developing agreements between those two countries.

Canada has dropped its quoted principle of opposition to Cuba participating in

the summit and is quietly going along with that. Still, Canada in the regions,

not that great. I mean, trade with the entire region is still only one month's

worth of Canada to U.S. trade.

But Canada is a big supporter to the OAS. This year is the 25th anniversary of

Canada being a member of the OAS. And Canada is hosting the Pan-

American games this summer and the Parapan games in Toronto, as well as

the Pan-American Economic Summit.

Moderator: Drew Sample 4-06-15/9:00 am CT Confirmation # 3279499

Page 9

So Canada is trying to show that it is part of the region, although I would say the Harper government is not looking at it in a big way. They've done a lot of small trade agreements over the years, but still nothing like huge membership. Over to you, Drew.

Drew Sample:

Thank you, David. All right. With that, we'll get to question. I will just remind all of our experts here to state their name before responding, just so everyone knows who is speaking and how to attribute. Scott Horsley, you were on the call early. Do you want to start us off with the first question?

Scott Horsley:

Yes. I wonder if you all can elaborate a little bit on what you said was the misstep of the administration, not so much in imposing the sanctions but the language or the manner in which the sanctions were rolled out.

Cynthia Arnson: Sure. I can jump in on that. I mean, you know, the sanctions imposed are really limited. They're targeting seven current or former Venezuelan military police intelligence and judicial officials. But the executive order that Obama signed to impose the sanctions invoked a "national emergency" and at the same time labeled Venezuela an extraordinary threat to the national security and foreign policy of the United States.

> Now that's language in U.S. law, and the executive authority that the President has to impose sanction requires that kind of determination, but someone should have noticed that the use of that kind of language would have a particular resonance in Caracas.

> And it in fact has done exactly what the U.S. government has tried to avoid for so many years, which is, you know, making the U.S. government the issue as opposed to the disastrous economic and political leadership of the regime.

Moderator: Drew Sample

4-06-15/9:00 am CT Confirmation # 3279499

Page 10

So, you know, the Democratic Unity Roundtable known by the acronym

MUD said itself, you know, Venezuela itself is not a national security threat to

anyone. But I think there was this frustration that the situation in Venezuela

was continuing to deteriorate.

Leopoldo López has been in jail now for over a year. And the government

went and arrested the elected mayor of Caracas, Antonio Ledezma, also a

leading opposition figure. And there was a sense that no one was doing

anything, you know, when (unintelligible) was sending delegations but

nothing was happening.

The OAS was not doing anything. In fact, the OAS met on Venezuela at the

request of the Venezuelan government to discuss, you know, the U.S.

sanctions. So this has all been - you know, the language is what I think is at

issue, not the fact that, you know, these particular individuals who were seen

as being responsible for the crackdown, you know, have suffered some

consequences.

That's not so much the issue. It's just this kind of cold war, national security

threat kind of language that, you know, has a very - what shall we say - has an

unfortunate history in Latin America.

Eric Olson:

This is Eric Olson. I would just add to that that as Cindy alluded to, not only

does this have a - has this played out, you know, in Venezuela and allowed

Maduro to have, you know, a political weapon against his opponents - it also

sort of forces the rest of the region that's trying to move beyond U.S.

interventionism, U.S. attempts to isolate Cuba.

It puts the rest of the region in the, you know, uncomfortable situation of

either having to defend what the U.S. is doing or siding with Venezuela. And

Moderator: Drew Sample 4-06-15/9:00 am CT

Confirmation # 3279499

Page 11

you'll notice that even though Venezuela attempted to get a pretty negative

condemnation of this at the OS, there was really actually debate behind closed

doors but no strong statement from the rest of the region.

The region doesn't like to be put in that kind of position. Clearly countries like

Mexico and some of the Central Americans pushed back against the

Venezuelan attempt, but it kind of throws a damper on the efforts to, you

know, put aside the tradition of U.S. interventionism and isolationism, and it

creates this new difficulty for the region to overcome. So that's why it was so

unfortunate both for internal factors but for the region wide.

Drew Sample:

Thanks. George, do you have a question for us?

George Condon:

Absolutely. This is George Condon, National Journal. Two on Cuba. One - do we anticipate any serious talks between President Castro and President Obama, or are we still at sort of an inching along, ceremonial stage like the

handshake at the Mandela funeral?

And secondly, I don't know if anybody can put it in any kind of historic context - other than that handshake at the Mandela funeral, how far back do

we have to go to find a meeting between a U.S. president and a Cuban

president? I mean, do we have to go back to Battista? And if I can add one

other quick thing - if anybody wants to say anything at all about the Jamaica

stop on the trip, that would be great.

Cynthia Arnson: Sure. Again, I'll jump in. I think there are lots of opportunities informally, you

know, at a summit or any conference, if you will, to have informal, one-on-

one conversations. You know, we've all experienced being at conferences

where the major accomplishments and the major work is done in the hallways

and not in the formal kind of sessions.

Moderator: Drew Sample 4-06-15/9:00 am CT

4-06-15/9:00 am CT Confirmation # 3279499

Page 12

And I think Roberta Jacobson has indicated that she thinks there will be those

kinds of opportunities for informal interactions. I don't have any information

about whether there is a formal bilateral appointment, you know, between

President Obama and President Castro.

I would be hard pressed to go back and think of any other opportunity.

Perhaps very, very early on before Fidel Castro had declared himself a

communist. I mean, there might have been something back in the, you know,

1959, 1960. But I think it's been a very, very long time that there's been any

kind of structured interaction.

And on the Jamaica question, I think that it's an effort to show that the - that

what happens in the Caribbean is also something that the U.S. government is

paying attention to, precisely because so many countries in the Caribbean -

some in Central America as well - are members of Petrocaribe, this

concessional oil arrangement sponsored by Venezuela.

And even though the price of oil has dropped, you know, tremendously, all of

the island countries are heavily, exclusively dependent on oil imports. And

Vice President Biden recently held a major conference on Caribbean energy

issues. There is a lot of look at alternative energy.

But it's a way of anticipating the falling apart of Petrocaribe and then helping,

you know, small island economies to compensate for that lack of assistance.

So I think it's very much in that context that the President is making this stop

in Jamaica.

Drew Sample: Josh Lederman, are you on the line? And that would be the end of the people

whose names I had on the call. Are there any other questions that are out

there?

(Miyo Surich): Yes. This is (Miyo Surich) from Deutschland, and I was wondering when

exactly President Obama is (unintelligible).

Drew Sample: I'm sorry. Can you repeat the question?

(Miyo Surich): Is there a schedule when exactly President Obama is going to meet Castro?

Cynthia Arnson: When exactly is he going to meet...

Drew Sample: When.

Cynthia Arnson: Yes. I don't know if there's any scheduled bilateral meeting. If you could put

yourself on mute, that would help because there's a lot of interference here.

There will be - there are private meetings of just the presidents. This is, I think

this is a regular occurrence at the summits. It certainly was an occurrence in

Cartagena, Colombia in 2012.

And I think those are the times when the two presidents will talk with one

another. But the real sort of guts of the work of normalization is going on

between the state department lead by Roberta Jacobson and her counterpart in

the Cuban foreign ministry.

So the normalization talks are really not in the control of the White House.

They're being undertaken by the state department. But there are certainly

important messages that can be delivered, you know, from president to

president.

Moderator: Drew Sample 4-06-15/9:00 am CT Confirmation # 3279499

Page 14

Paulo Sotero:

This is Paulo. I'd like to add something that we have not mentioned, which I think is very important in terms of the context of this meeting. It's the fact that, just like the United States President Obama announced last week, the agreement in principle, the United States and the other permanent members of the Security Council plus Germany reached with Iran on the nuclear agreement.

This obviously is tremendously welcome in the region. I think that President Obama will be highly praised at the summit for that. In addition to the decision of the (unintelligible) with Cuba and this development, I think less (unintelligible) opens more space for dialogue and actually makes the United States, you know, even more of a vital participant.

The United States, because of the Cuba issue, had sort of isolated itself from the region. So (unintelligible) with Cuba, Cuba brings the United States back. I think the larger context of the effort (just as) Iran also brings, reinforces, you know, a good atmosphere - it is in that context that is particularly unfortunate, that same dimension, this very counterproductive move on Venezuela at this time.

To give you an example, in Brazil, opposition forces are finally mobilizing internally in Brazil and join the efforts in defense of opposition leaders in Venezuela that are now in jail and all the persecution leaders of opposition leaders and the opposition in general by the Maduro government. So on the positive, I think that the Iran agreement will also play an important role in terms of the atmosphere of this meeting.

George Condon: If I could follow on that. This is George Condon. The Cartagena was pretty brutal for President Obama. I mean, he got beat up on Cuba, he got beat up on

Moderator: Drew Sample 4-06-15/9:00 am CT

Confirmation # 3279499

Page 15

other policies. So is he now well-received in the region because of Iran and

because of Cuba? I mean, we're going to see that difference?

Cynthia Arnson: Well, I think there's going to be sort of, you know, this competing, you know,

competing impulses, if you will. I mean, you're absolutely right that 2012 took

the Obama administration by surprise.

Not only did many countries announce that they would not go to another

summit unless Cuba were included - the U.S. government was also subjected

to a broadside against the way the so-called war on drugs had been fought.

And there was a call and actually concrete results now that the OAS has

spearheaded this alternative look at drug policy.

Not to mention, you know, this horrible spectacle of the secret service, you

know, romping around with Columbian prostitutes. I mean, it was just, it was

pretty much a generally substantially and in terms of image.

I think, you know, Obama could have gone to the summit, you know, almost

as a conquering hero for the normalization of relations which had been

embraced, you know, so positively throughout the hemisphere.

And again, I want to emphasize that it's not the fact that the sanctions were

imposed. It's the way and the language with which they were imposed that has

now made it very difficult for, you know, for governments to sort of side - it

was a real throwback. And it's kind of surprising.

I mean, the administration has said that people are blowing this out of

proportion and exaggerating but, you know, it caused Maduro's standings to

increase in the polls. I mean, there's polling data that shows that since, you

Moderator: Drew Sample 4-06-15/9:00 am CT

4-06-15/9:00 am C1 Confirmation # 3279499

Page 16

know, he has been able to whip up this sentiment, you know, against

imperialist aggression and whatever, his standing in Venezuela has increased.

I mean, it had every single repercussion that the Obama administration had

been very wise and, I think, cautious for a very long time. And I think, you

know, people felt frustrated by the deterioration of the human rights and

political right situation in Venezuela and felt that they had to act. But it was

the use of this language.

So it really - you know, even if Iran, as Paulo says, is going to give a boost to

the administration, the fact that these two things are juxtaposed is really

unfortunate. It could have been a much more positive moment for the U.S.

government.

Paulo Sotero:

Can I add one more aspect, trying to find another - actually, I think it's another

positive aspect here that will help Obama at the meeting. It's the fact that the

U.S. economy is growing again. Actually, the relative participation of the U.S.

economy, U.S. imports, into the trade with the region - and this is very true for

Brazil - is increasing again, while the Chinese participation is decreasing.

This may not be a trend. This may just be a moment. But I think in this

moment it will also help to provide, you know, a good environment for

Obama's reception in Panama. I think it will be probably the best reception of

an American president in those summits since - well, this is the seventh one.

Certainly in these last three or four.

Because the decision on Cuba despite all the, you know, bad vibes created by

this unnecessary and overblown statement on Venezuela is a very substantive

one. And it's a cycle of 50 years, that for 50 years obviously framed

perceptions of the United States in the region.

NWX-WOODROW WILSON CENTE Moderator: Drew Sample

4-06-15/9:00 am CT Confirmation # 3279499

Page 17

Drew Sample: Thank you, Paulo. Any other questions from the group?

James Reynolds: Yes. This is (unintelligible).

Drew Sample: I'm sorry?

Cynthia Arnson: Hello?

James Reynolds: Hi there. Can you guys here me?

Drew Sample: Yes. We can.

James Reynolds: Oh, hi there. Yes. I'm a journalist. My name is James Reynolds. Listen, thanks

so much for briefing. It's really helpful. I was (unintelligible) some of the

opening comments that Cynthia was making.

And I was wondering if we can, you know, talk a little bit about meetings between Obama and Castro. Cynthia was sort of minimizing it. She was saying that all the talks are happening, the normalization talks, are happening in a kind of separate venue.

So I wonder if you can just, you know, talk about what is the importance of, you know, what is this going to be? I mean, what are we looking out for here? You know, the warmth of the handshake? Whether or not it's a hug? Whether or not there are any sort of side meetings with them? Is there anything that's actually going to be different after this meeting, after this weekend, than where we are today?

Moderator: Drew Sample 4-06-15/9:00 am CT

Confirmation # 3279499

Page 18

Cynthia Arnson: Well, just to follow up. I mean, there are many issues on the agenda that are not going to get resolved between, you know, Obama and Castro at the meeting. I mean, questions about how many people can be at the U.S. Embassy, whether people are able to travel on the Cuban side, whether they will be able to have accounts in U.S. banks, and whether they'll get off the list of state sponsors of terrorism.

> I mean, those are very sort of big issues. Whether, you know, the U.S. government and semi-governmental organizations like the National Endowment for Democracy will be able to have programs that support the Cuban opposition.

I mean, my sense is that there may be - you know, and I would not even rule out some kind of surprise announcement either this week or as a result of the summit, that the U.S. government is taking Cuba off the list of state sponsors of terrorism.

I mean, I think that's been the assessment for a long time of the state department, that it doesn't belong there. And so to prepare, you know, a positive reception and some positive movement, something like that, something very bold, could be announced. That could easily happen.

But I always think it's important when leaders get together. There's a certain chemistry. There's a cordiality that I expect would, you know, characterize the meeting.

And also, an appreciation by Castro of the boldness of what Obama did in December by going beyond these kind of very incremental steps, you know, increasing travel and remittances and charter flights, that sort of thing, and just

Moderator: Drew Sample 4-06-15/9:00 am CT

4-06-15/9:00 am CT Confirmation # 3279499

Page 19

saying, look, we want to get the whole thing back on track. So that - I'm not

sure I can say anymore - but that's how I would put it.

Drew Sample: Thanks, Cindy. It sounded like somebody else had a question as well?

(Mercedes Kyego): Hello. Are you listening?

Drew Sample: Yes.

(Mercedes Kyego): Yes. I would like to follow up on the issue of Venezuela. It's clear that

most of the people in this conference call think that it was strategically a

wrong move. But it's my impression that that was actually just a formality to

overpass the Congress in the executive action that the president was able to

take.

So I wonder, since Congress is actually very receptive to take measures

against Venezuela, why do they think Obama will take the chance to alienate

the partners in Latin America when he could actually go to Congress and get

the sanctions he needed?

Drew Sample: I'm sorry, ma'am. Could you state your name and affiliation?

(Mercedes Kyego): Yes. I'm sorry. My name is (Mercedes Kyego) with the...

Drew Sample: Yes. Thank you, (Mercedes).

(Mercedes Kyego): You are welcome.

Moderator: Drew Sample 4-06-15/9:00 am CT Confirmation # 3279499

Page 20

Eric Olson:

Well, this is Eric Olson. I think the challenge for the administration was that Congress was pushing them to take a much more comprehensive approach on sanctions way beyond what the administration was willing to do.

And I think in some ways, what they ultimately did in terms of the specific sanctions was a bit of a compromise. In other words, instead of broad sanctions against Venezuela, they made them very specific and individual to people for whom there was information related to corruption and involvement in trafficking and so on.

And so for the administration to have gone to Congress and asked them to approve sanctions, I think the administration calculated that it would have been a much broader set of sanctions than they were willing to live with.

The miscalculation on the part of the Obama administration was that the "formality" of it, the language that was used, was deeply offensive to Venezuela, and it really was deeply offensive to a lot of people in the region who had worked for a long time to, you know, push back against this interventionism from the United States.

So that really was the miscalculation. Going to Congress would have resulted in a much broader set of sanctions than I think the administration was interested in.

(Mercedes Kyego): So you are telling me that there was a lack of sensitivity of what that language would mean for Latin America?

Eric Olson:

I think we're trying delicately to say that it was a diplomatic misstep on the part of the administration, that they miscalculated the reaction from the region and miscalculated the reaction from Venezuela. Yes. That's basically it. Is

Moderator: Drew Sample 4-06-15/9:00 am CT Confirmation # 3279499

Page 21

there something wrong with the specifics of the sanctions? You know, that

would be another debate. But the miscalculation was at that level.

(Mercedes Kyego):

Thank you.

Cynthia Arnson: They've actually underestimated - yes.

Paulo Sotero:

Yes. This is Paulo.

Cynthia Arnson: They've actually underestimated the impact of that language.

Paulo Sotero:

Yes. This is Paulo. Just to add something. You know, the language says that my friends here have helped me - is that Venezuela is a serious national threat to the United States. No, it's not. That is the reaction from part of their position in Venezuela, members of many countries.

Obviously Venezuela under the Maduro regime is sort of coming apart. It's a national security threat only to itself, maybe to its immediate neighbors. That is what countries in the region, I think, reacted to.

It was unnecessary. It could probably have been presented in some other - in a different way. But I think Eric described it very, very well, how it came about. And it was a compromise in the United States.

I think that at the summit it will probably be less salient, less important than it is today here as we speak, because many countries in the region are also highly, highly frustrated with the way government of Venezuela leadership has been conducting its business and it has been treating its own people, especially the opposition.

Moderator: Drew Sample 4-06-15/9:00 am CT

Confirmation # 3279499

Page 22

Cynthia Arnson: And the tragedy really is that, you know, the issue at the summit will be the U.S. sanctions rather than what Latin American governments as a whole can do to resolve this deep political and economic crisis.

> And, you know, it's very striking - I think Paulo mentioned it earlier - there are a string of former presidents lead by Felipe González of Spain who have now come out - supported by Fernando Carlos Enrique, former president of Brazil, former president of Uruguay, former president of Peru, former president of Chile - come out very strongly in defense of Leopoldo López and Antonio Ledezma.

But there is silence on the part of governments themselves. And, you know, that's really I think the tragedy of this, is that the attention is on the way the United States described Venezuela in imposing the sanctions rather than on this, you know, terrible, terrible deterioration within the country.

Scott Horsley:

Can I ask - this is Scott Horsley of NPR. Does anyone in Latin America actually believe that the administration regards Venezuela as a serious threat? Or are they just opportunistically capitalizing on this diplomatic misstep, as you all have called it?

Cynthia Arnson: I think, I think there's just dismay that, you know, people thought that the U.S. government and certainly the Obama administration had gotten beyond this. And, you know, it's just such a - it is such a terrible reminder of the way the United States used to act.

> I mean, you have to remember 1973 and the support of the coup in Chile, because Chile represented a national security threat, you know, in the eyes of the Nixon and then the Ford administration.

I mean, this kind of language reflected a mindset that had terrible

consequences in the region. And, you know, it serves as a reminder that as

much as people might have thought that U.S. policy had changed, very little

might have changed in terms of the way Latin America was viewed by the

United States.

And the truth is, the United States is a much less relevant actor in the

hemisphere than probably at any time in history. Even though the U.S.

economy is rebounding and the Chinese economy is retracting somewhat,

certainly the story of 2000 through 2015 is of Latin American countries vastly

diversifying their patterns of global, you know, insertion.

And in South America, the United States is not a terribly relevant actor. So

there was a sense that not only had the United States changed, but Latin

America had changed. And now it's almost like a slap in the face that this

language comes back at them at a time when everyone thought that everyone

had gotten beyond it.

Scott Horsley:

But, I mean, the United States has been pretty clear and it's been pretty blunt

in saying of the ten things that keep them awake at night, Venezuela is not on

the list. I mean, but does this language actually give the sense in Latin

America that the U.S. sees Venezuela as a threat?

Paulo Sotero:

Let me try to answer. This is Paulo. It is obviously - the reaction is caused, but

nobody is losing sleep, nobody like Obama, at the idea that Venezuela is a

threat to the national security of the United States.

So the question is, why say it? Why use this language at this moment when

the continent is coming together? This reminds people of old days in the

Moderator: Drew Sample 4-06-15/9:00 am CT

Confirmation # 3279499

Page 24

region, and it's completely unnecessary. It's more of an unfortunate event than

anything else.

I don't think that I believe personally we play less of a role in Panama,

because at the same reasons that Cindy pointed out, people are increasingly

frustrated with the way Venezuelan authorities are handling things there. It is

a source of potential instability in South America. This is not in the interests

of Colombia, of Brazil, of Peru, or any of the neighbors.

So that is - but you're right. Your question is right. People believe in Latin

America that, you know, there is - that Venezuela is a threat to the United

States - no. It's not. They do not. For that reason, the United States probably

could have saved itself some trouble by not using that language, because it's

not true.

(Mercedes Kyego):

But if you'll allow me to follow up on that, wasn't that language

technically necessary to issue executive orders?

Cynthia Arnson: Well, there is a law - not the Venezuela Act that was signed by the president

last December, that was passed by the Congress with the full support in both

the Senate and the House. There is general executive authority to impose

sanctions - sanctions against Iran, sanctions against a number of countries.

And the language of that law requires that there be a designation of a threat to

national security. And the administration tried to point that out, but it just lost

the way - it lost a sense of the way that language would resonate in the Latin

American context. And that's why it's unfortunate.

Yes, in order to (defer) the sanctions against the specific individuals - but

frankly, the administration had done that. It had not named the individuals last

Moderator: Drew Sample 4-06-15/9:00 am CT

Confirmation # 3279499

Page 25

summer. I think it was in July, you know, when the sanctions were announced

against particular people. But this time they wanted to, you know, to name the

individuals.

Drew Sample: Okay. Do we have any other lingering questions out there?

Tim Johnson: Yes. This is Tim Johnson from McClatchy Newspapers...

Drew Sample: Sure.

Tim Johnson: ...in Mexico.

Drew Sample: Yes.

Tim Johnson: My question is basically about what role Evo Morales and Cristina Kirchner

might have in the summit. Evo said last Friday that he wants to demand an

apology from Obama for this Venezuela action. Is it possible there's just going

to be some tremendous grandstanding during the summit that will involve

Morales and others?

Eric Olson: This is Eric Olson. I think there is that risk, Tim, unfortunately. There are 11

nations in the hemisphere, almost a third that are members of the Venezuelan-

led ALBA Bolivarian Alliance. They tend to operate, you know, pretty much

to their own drummer. And I think there's a possibility. They're not a majority,

but they can create headwinds for the United States.

And I think that's the unfortunateness of this Venezuelan statement, again, that

it creates tremendous headwinds. It gives an instrument, a tool, to the ALBA

coalition in Venezuela to kind of whip up anti-American sentiment when there

Moderator: Drew Sample 4-06-15/9:00 am CT

Confirmation # 3279499

Page 26

are obviously very, very important other issues to be addressed - the ones that

Paulo has outlined in Brazil and Mexico, et cetera.

Panama - I was over there about a little over a month ago - is worried that the

issue on the formal agenda of inequality and prosperity are really going to be

overshadowed by these other kind of secondary tangential issues to the region.

But it is a reality that the ALBA nations including Evo Morales and Nicaragua

and Ecuador could speak out and cause headwinds for the United States.

Cynthia Arnson: These governments really are, you know, never - are always looking for an opportunity to kick dust in the face of Uncle Sam. But I think it's also

important - and there obviously will be an effort to grandstand - but it's very

important to keep in perspective the moment today.

When Evo suffered some tremendous setbacks in the resent, you know,

gubernatorial and municipal elections in Bolivia, and Venezuela is a mess -

compare that to what happened in 2005 in Mar del Plata, where Hugo Chávez

basically went off and tried to - and almost successfully - organized a counter

summit with the full connivance of the Argentine government.

I mean, all of those governments now that are part of ALBA are facing their

own difficulties. And that doesn't mean that they're going to refrain from

trying to, you know, take these rhetorical hits.

But no one in the hemisphere sees ALBA as an alternative, whereas that was

not so much the case in 2005 when oil was \$100 a bale or more than that, and

Venezuela was lavishing oil subsidies and money around the hemisphere. I

mean, it's just a very, very different moment for those countries.

Moderator: Drew Sample 4-06-15/9:00 am CT Confirmation # 3279499

Page 27

Drew Sample:

Thank you. Any final questions? Okay. Well, thank you, everyone, for joining us this morning. This call has been recorded. The recording and a transcript will be delivered around to you in about 24 hours.

If you have any further questions, any follow ups, one-on-ones, broadcasts, interviews with any of our experts, please let me know at drew.sample@wilsoncenter.org. Thanks again, everyone, and we will talk to you soon.

END