

**NOMINATIONS OF THE 112TH
CONGRESS—FIRST SESSION**

HEARINGS

BEFORE THE

**COMMITTEE ON FOREIGN RELATIONS
UNITED STATES SENATE**

ONE HUNDRED TWELFTH CONGRESS

FIRST SESSION

—————
MARCH 16 THROUGH DECEMBER 8, 2011
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Printed for the use of the Committee on Foreign Relations



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COMMITTEE ON FOREIGN RELATIONS
112TH CONGRESS—FIRST SESSION

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NOMINATIONS

WEDNESDAY, JULY 20, 2011

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

Hon. Earl Anthony Wayne, of Maryland, to be Ambassador to Mexico
Arnold Chacon, of Virginia, to be Ambassador to the Republic of Guatemala

The committee met, pursuant to notice, at 10:05 a.m., in room SD-419, Dirksen Senate Office Building, Hon. Robert Menendez, presiding.

Present: Senators Menendez, Udall, Lugar, and Rubio.

OPENING STATEMENT OF HON. ROBERT MENENDEZ, U.S. SENATOR FROM NEW JERSEY

Senator MENENDEZ. Good morning. This hearing will come to order.

Today the Senate Foreign Relations Committee considers two nominations, Ambassador Earl Anthony Wayne to be the Ambassador to Mexico and Mr. Arnold Chacon to be Ambassador to Guatemala.

First, let me welcome the nominees and their families and friends. I will have some brief introductory remarks, and then I will turn to Senator Lugar. I believe Senator Rubio is on his way. And then we will turn to our nominees.

Let me congratulate you on your nominations. If you are confirmed, you will serve as the President's representative and be called upon to implement the policies of the United States Government, and protect and advance the interests of the American people.

The countries you are being called to represent are countries that share a strong historical relationship with us and with one another. Both countries face challenges in the areas of governance, citizen security, human rights, and impunity issues, civilian/military relations, and judicial and security sector reform.

Organized crime, including trafficking of drugs, weapons and people, threatens the stability of both nations, and has resulted in a serious threat to the security of the citizenry. And in the case of Guatemala, the survival of its nascent democracy.

In Mexico, nearly 40,000 people have died as a result of drug-related violence in the last 4 years, and in Guatemala, 36 years of civil war and fragile democratic institutions have provided a haven for traffickers and gangs seeking new territory from which to expand their trade. However, I also recognize that this is a joint battle, a two-way street, in which the United States is part of sharing the responsibility to meet the challenge, and, therefore, also part of sharing the burden. We must reduce domestic demand, find the political will to curtail the flow of weapons and money going southward, and focus our political attention and resources on impeding this growing threat to regional stability.

I was encouraged by Secretary Clinton's attendance at a Central American Security Conference in Guatemala last month. I am also encouraged by the Justice Department's decisions last week to enhance reporting requirements for gun dealers in four southwest border states; California, Arizona, New Mexico, and Texas, that make sales of two or more semiautomatic rifles in a 5-day period of guns greater than .22 calibers, with the ability to accept a detachable magazine. Those are all steps in the right direction.

However, this is a relationship that is far more than about narcotics trafficking. Our economic relationship with the region and Mexico particularly is very important. The United States-Mexico goods trade totaled \$393 billion in 2010, with United States exports exceeding \$160 billion a year.

Mexico is a major export market for United States machinery, cars, mineral fuel, oil, plastics, grains, meat, and soybeans. We are fortunate to enjoy a strong political and economic relationship with Mexico from which we derive mutual benefits. It is a relationship that goes back to the very essence of the founding of our country. And the number of United States citizens of Mexican descent is one of the largest of any given country in the world. Therefore, we have a very deep and important relationship. To me, as the chair of the Western Hemisphere Subcommittee, this is one of the most important relationships we have.

Our Ambassador to Mexico is the custodian of this important multifaceted relationship, and it is a position which demands knowledge of the region, the ability to simultaneously manage multiple portfolios, and a respect for the independent political and cultural traditions of our nations.

The challenges each of you face vis-a-vis your host governments will be unique. Rest assured that we are vested in your success. If confirmed, you will both play a vital role in the work that will build upon our common successes and combat some of the most pressing challenges. We look forward to your testimony.

With that, let me turn to Senator Lugar, the distinguished ranking member of the full committee, for his comments.

Senator LUGAR. Thank you very much, Mr. Chairman. I would like to defer to Chairman Rubio in the event he has any comments before my opening.

**OPENING STATEMENT OF HON. RICHARD LUGAR,
U.S. SENATOR FROM INDIANA**

Senator LUGAR. I join the chairman in welcoming our distinguished nominees this morning. I appreciate this opportunity to ex-

amine not only their credentials, but also current United States policy toward Mexico and Guatemala.

Over many decades, we have taken for granted the benefits of peaceful relationships with bordering countries.

Our neighbors have been among our most important trading partners, with Canada currently ranking first in overall trade with the United States, and Mexico ranking third.

Historically, few great powers have enjoyed the type of sustained regional stability that we have experienced. But in recent years, that regional stability has been shaken as Mexico has struggled with criminal violence, debilitating corruption, and drug financed cartels.

In January, the Mexican Government pegged the number of people killed during its 4-year military-led crackdown on organized crime at more than 34,000. Those murdered, included government officials, police officials, military personnel, and others who were deemed a threat to the cartel's business interests or leaders. Mexico's insecurity and cartel violence, spilling into Central American countries, was exacerbating security challenges.

Concern is particularly acute in Guatemala, and it appears that the burgeoning presence of Mexican drug traffickers is adding another layer of violence to a country already burdened by crime and corruption. Senior Guatemalan officials have warned that the Guatemalan security forces need a major overhaul to keep the Mexican drug gangs in check.

Guatemala is seen as an ideal transit point for the cocaine traveling from Colombia through Mexico to the United States. Guatemala has a large unguarded border with Mexico.

It has ports on the Pacific Ocean and the Gulf of Mexico. It has hundreds of grass airstrips near large plantations that are suitable for light aircraft, and the security forces are under resourced relative to the drug gangs.

Events in Mexico and Guatemala have clear security implications for the United States, Americans traveling in the region and the United States/Mexican border. But this instability has also commercial consequences. Hopes for much stronger trade relationships that can help the United States and the entire Western Hemisphere compete with China, Japan, and the EU are suffering as a result.

And given U.S. interest in the stability and prosperity of our southern neighbors, the United States has been working with these countries to confront lawlessness. The Merida Initiative, a multiyear Federal partnership, provides equipment and training and support of law enforcement efforts to curb the flow of illegal narcotics to the United States, Mexico, and Central America. It is the framework for this relationship.

Though much remains to be done, the Merida Initiative has opened a new era of United States/Mexican law enforcement cooperation. It is far more extensive than previously attempted.

The stakes are high for both countries. Sustained lawlessness in large areas of Mexico complicate the United States efforts to combat drug smuggling and illegal immigration, and to generate increasing drug-related violence on our side of the border. For Mex-

ico, degrading the capacity and influence of the cartels in Mexico is a near existential national security objective.

Today I look forward to the nominees' perspectives on the Merida Initiative and on efforts by Mexico and Guatemala to fight corruption within their own ranks. How can we enhance our cooperation with these governments in ways that benefit the United States security? These are basic questions for our session today, and I thank the chair for recognizing me.

Senator MENENDEZ. Thank you, Senator Lugar.
Senator Rubio.

**STATEMENT OF HON. MARCO RUBIO,
U.S. SENATOR FROM FLORIDA**

Senator RUBIO. Thank you, Mr. Chairman, and the ranking member. And I'll be brief because I think everything that I wanted to say has been covered by your statements, which I think both have touched upon all the key issues.

The only things I would add are, first, that it is important to remind ourselves of the importance of our relationship with Mexico. There are a lot of important things happening all over the world, but there are few, if any, relationships around the world more important than the one we have with our neighbors in Mexico.

Prosperity and security in Mexico is a positive for the United States and vice versa. And this relationship that we have is critical on a number of fronts.

On the economic front, it is about having a trading partner with an expanding economy, both, as a manufacturer for things that we use for our companies, but also as a consumer hopefully as our economy begins to grow.

On the security side, I think just to state the obvious that the issues that are going on in Mexico are inextricably linked with issues that are happening across the border here in the United States. And so, the relationship between Mexico and the United States is a critically important one, perhaps as important as virtually any other relationship we have anywhere else in the world. And I hope we will continue to give it the importance that it deserves in this committee. I know certainly the subcommittee has.

Guatemala is important as well. First of all, the promise in Guatemala now for over two and half decades, moved away from autocratic rule and toward an electoral democratic process. And that is a net positive that we should continue to encourage.

The democratic institutions in Guatemala have survived for two and a half decades, but they are still fragile and will require us to continue to invest in them and be a partner with them in that regard. This is particularly important in light of the challenges that Guatemala faces, as does all of Central America. As we have increased the pressure on drug trafficking in the Caribbean, more and more of the trafficking has moved toward the Central American corridor, and we see the results of that all throughout Central America. It is critically important the United States continue to have a strong partnership.

I personally am deeply engaged in the future of both of these countries because we have close family friends, relatives, and plenty of constituents in the State of Florida that have deep personal,

family, and business links to both of these countries. And so, the assignment that both of you are going to have are critically important. As I said to you when we met, I intend to be in touch with you both personally on a number of issues, hopefully mostly good news, and every now and then some challenges.

So, thank you for your service to our country and your willingness to serve in these very important posts. And we look forward to working with you in the years to come, and are interested in your testimony here today.

Thank you, Mr. Chairman.

Senator MENENDEZ. Thank you, Senator Rubio.

Before we hear your testimony, let me briefly introduce each of our nominees.

Ambassador Earl Anthony Wayne, nominee as the Ambassador to Mexico, is a career ambassador. Since 2009 he has served as the Deputy Ambassador to Afghanistan and coordinating director for Development and Economic Affairs.

In 2006 through 2009, he served as U.S. Ambassador to Argentina.

Ambassador Wayne has also served in the Department of State's Economic and Business Affairs Bureau and the Bureau of European Affairs, as well as the National Security Council.

He holds degrees from Harvard University, a more distinguished university, Princeton in New Jersey, from Stanford University, and the University of California at Berkeley. Ambassador, we look forward to hearing from you today.

Arnold A. Chacon is the nominee to be the Ambassador to Guatemala. He is a career member of the Senior Foreign Service and currently serving as the Deputy Chief of Mission at the Embassy in Madrid where I recently had the opportunity to meet and work with him in my role as the chairman of the U.S.-Spain Business Council. And you did an excellent job. We appreciate your engagement with us.

Mr. Chacon has a long history with the Bureau of the Western Hemisphere Affairs, having held, amongst others, the positions of Director of Andean Affairs, Deputy Director of Central American Affairs, Deputy Chief of Mission in Ecuador, political counselor in Peru, political officer in Chile, and staff assistant to the Chief of Mission in Mexico.

Mr. Chacon received a B.A. in international affairs from the University of Colorado at Boulder.

So, let me welcome both of you. If you have family or friends you want to introduce, please do so to the committee. We understand they're an important part of your commitment to public service.

And with that, I'll start with Ambassador Wayne. We ask you to summarize your testimony to about 5 minutes or so. We will include your full testimony in the record.

**STATEMENT OF HON. EARL ANTHONY WAYNE, OF MARYLAND,
TO BE AMBASSADOR TO MEXICO**

Ambassador WAYNE. Thank you very much, Mr. Chairman, Senator Lugar, Ranking Member Rubio. Thank you for your statements with which I found probably total agreement, I would say, in all your points. And we welcome your interests.

Senator MENENDEZ. That is a good start in your confirmation. [Laughter.]

Ambassador WAYNE. Very much welcome your interest in Mexico and Guatemala and the region.

It is an honor to be here before you as President Obama's nominee to serve as United States Ambassador to Mexico. I am grateful to both the President and to Secretary Clinton for their trust and confidence.

I am very humbled to be sitting here and thinking about helping to guide bilateral relations with Mexico as Ambassador. The United States relationship with Mexico is unique, and its enormous and depth and in its direct impact on American security and prosperity, as each of you said.

Our complex bilateral relations affect many Americans throughout the country in their daily lives. Our two economies and societies are indispensably interconnected, giving us a shared responsibility for challenges both nations face.

More than \$1 billion in trade crosses the United States-Mexico border each day, and almost 1 million people cross that border legally each day.

If confirmed, I will need the advice and the wisdom and the partnership of many, including the United States Congress, to help me carry out my responsibilities and to manage creatively our vital relationship with Mexico.

I believe my 36 years in America's diplomatic service provide experiences that will help me perform this mission well. Let me give a couple of examples.

My 6 years as Assistant Secretary of State for Economic and Business Affairs gave me the opportunity to deal with the full range of U.S. economic interests issues and agencies. My work underscored the special role which Mexico plays as our partner, and I worked closely with the United States agencies which are essential to managing relations with Mexico.

My many years working with the European Union and its members were a practical lesson in building and deepening cooperation with a major U.S. partner on many difficult and complex issues. I learned the benefits of investing and building the mechanisms and the structures of cooperation. They helped us tackle difficult bilateral issues, and they provided the basis to take on cooperatively the broader challenges in the world.

Helping to oversee United States-Canada relations let me experience directly our relations with our close neighbors, touch American lives, and how problem-solving requires that we consult closely and coordinate closely with many actors on both sides of the border.

Serving as Ambassador to Argentina provided excellent experience in using our public diplomacy tools to address misperceptions about the United States. And I also learned firsthand how supporting and expanding people-to-people relationships and exchanges, whether they involve education, or music, or business, or even the fight against trafficking in persons, really helped improve perceptions of the United States.

In both Argentina and Afghanistan, I worked closely with United States law enforcement agencies and host government officials in

fighting drug trafficking, and in supporting host government efforts to strengthen rule of law institutions.

In my 2 years in Afghanistan, helping to oversee our massive assistance programs, underscored the key role which effective inter-agency teams and close engagement with host government teams play in providing assistance to a partner nation. Building frank and trusting dialogue was essential both within the U.S. teams and with our partners.

In addition, my experience managing a huge Embassy in Kabul and the hundreds of civilians that we have in the provinces seasoned my ability to guide a large and complex set of operations, such as we have in Mexico.

At present, issues related to security, crime, and law enforcement dominate the headlines about Mexico, but the interests we share and the common challenges we face with Mexico are much broader. If confirmed, I pledge to work closely with you, Mr. Chairman, and your colleagues in Congress to further strengthen this multifaceted relationship.

Central to U.S. efforts over the last 3 years, as several of you noted, has been the Merida Initiative. Although our cooperation under Merida began by addressing the need to combat and weaken transnational criminal organizations, it has expanded to include longer term objectives to strengthen justice sector institutions, to reinvigorate border management, and to reinforce Mexico's efforts to create strong, resilient communities in areas impacted by the heightened violence. The strong support of Congress for the Merida Initiative has been and remains essential.

As of late June, the U.S. Merida team has delivered a cumulative total of \$465 million in equipment, technical assistance, and training since the Initiative began in 2008.

The United States plans to achieve a cumulative total of almost \$900 million delivered by the end of this year.

One of my principle objectives if confirmed will be to work with Mexican and United States colleagues to assure that we successfully accelerate Merida implementation, and that we are achieving our Merida objectives.

While United States assistance is vital, the Government of Mexico and the Mexican people bear most of the burden financially, politically, and in terms of human lives in this fight against transnational organized crime. Of the estimated 40,000 or so deaths attributed to narco-violence since December 2006, nearly 2,000 were members of the Mexican Security Services. And the 2011 Mexican budget allocates over \$10 billion for security.

United States Government personnel in Mexico have been victims of criminal violence also, and the safety of our personnel serving in Mexico must be a top priority.

Over the last two decades, the economic relationship between the United States and Mexico has been transformed. Our economic ties are now among the deepest in the world. Trade, for example, has quadrupled to reach nearly \$400 billion in 2010, making Mexico our second-largest export market and our third-largest trading partner.

The U.S. Chamber of Commerce estimates that trade with Mexico supports more than 6 million United States jobs, and for 26

States, Mexico is the largest or second-largest export destination. In fact, we do not merely trade with Mexico and Canada; we make things together. This kind of mutual integration helps the United States be more competitive in the world. If confirmed, I will work to support the mutual benefit and strength of our economic ties.

But it is the ties between our people that help make the relations with Mexico so unique. One in ten Americans are estimated to be of Mexican descent, while more than 1 million Americans call Mexico home. Tourism brings 10 million more to Mexico each year, and there are countless people-to-people exchanges and links between our two societies. If confirmed, I will work to support the many benefits that come from these people-to-people ties and exchanges.

The future security and well-being of the United States is rooted in a vibrant partnership with a stable, prosperous, and competitive Mexico, that shares the values of democracy, rule of law, and open markets at home and abroad. Such a partnership requires a whole of government approach by both partners and a spirit of good faith and trust between us. If confirmed, I will do my very best to help this partnership prosper and achieve the mutual benefits possible for the peoples of the United States and Mexico.

Thank you very much.

[The prepared statement of Ambassador Wayne follows:]

PREPARED STATEMENT OF AMBASSADOR EARL ANTHONY WAYNE

Mr. Chairman, Ranking Member Rubio, and members of the committee, it is an honor to be here today before you as President Obama's nominee to serve as the next United States Ambassador to Mexico. I am grateful to both the President and Secretary Clinton for their trust and confidence.

I am humbled by the thought of helping to guide our bilateral relationship with Mexico as Ambassador. The United States relationship with Mexico is unique in its enormous breadth and depth and in its immediate, direct impact on American security and prosperity. This complex, multifaceted bilateral relationship affects Americans in their day-to-day lives and involves virtually every department of the Federal Government and a host of State and local authorities whose interests are closely linked to what happens in Mexico. Our two economies and societies are indispensably interconnected, giving us a shared responsibility for the challenges both nations face. More than a billion dollars of trade crosses the United States-Mexico border each day, providing jobs and resources to people across both countries, and almost one million people cross the border legally each day in the course of their daily routines.

If confirmed, I will need the wisdom, advice and partnership of many, including the U.S. Congress, to help me carry out my responsibilities and to manage creatively our vital relationship with Mexico. I believe my 36 years in America's diplomatic service offer experience and tools which will help me perform this mission well. Let me share a few examples.

- Serving 6 years as Assistant Secretary of State for Economic and Business Affairs has provided me intensive experience dealing with the full range of U.S. economic interests and issues, including many involving Mexico and Latin America. Those years underscored for me that very special role which Mexico plays as our economic partner bilaterally and in our ability to compete globally. I also learned well the importance of a "whole of government" approach to managing international policy and the vital role played by the private sector and civil society in achieving America's economic well-being.
- My many years working on U.S. relations with Europe, and especially the European Union, taught me the importance of patiently building and strengthening international partnerships despite the time and investment needed to establish trust and prove the value of cooperation. In the case of the EU, our cooperation covers a tremendously wide range of issues, including some which are very technical but have enormous impact. My work with Europe also made clear that our partnerships are vital not only for bilateral issues but also for the work we can undertake together on broader international challenges.

- Helping to oversee United States-Canada relations taught me how relationships with our close neighbors touch American's lives and demand very close consultations with a wide range of U.S. institutions (Federal, State and local) to find solutions.
- My years as Ambassador to Argentina taught me the importance of addressing how others view the United States, for good or otherwise. Our public diplomacy and efforts to strengthen people-to-people relationships via education, the media, culture, tourism, and partnerships among civil society organizations can make a big difference for good in relations between nations.
- My service in Argentina and Afghanistan also helped me to live the importance of building strong cooperation against crime and drug trafficking and the dedication needed to bolster rule of law institutions.
- And my 2 years in Afghanistan underscored the key role which effective inter-agency teams and regular, close engagement with host government teams play if we are to successfully provide effective assistance to meet urgent needs of our partner nation. Frank and open dialogue in designing and implementing programs, in monitoring and evaluating the results, and in solving problems is essential.

If confirmed, I hope my experience will help guide our multidimensional relationship with Mexico. At the present, issues related to security, crime and law enforcement tend to dominate the headlines, but I want to emphasize that the interests we share and the common challenges we face are much broader and our interaction with Mexico must reflect this. I would hope to try to make this point often with my words and actions, if confirmed.

Our bilateral ties have never been stronger, despite the challenges of relations as complex as we have with Mexico. If confirmed, I pledge to work closely with you, Mr. Chairman, and your colleagues in Congress to maintain and deepen these ties. In particular, with your continued support, we have the opportunity to strengthen the institutions and mechanisms to manage creatively the full range of issues the United States and Mexico share as we move forward.

MERIDA AND THE SECURITY DIMENSION

Central to our efforts over the last 3 years has been the Merida Initiative. Although our cooperation under the Merida Initiative began by addressing the immediate need to combat and weaken Transnational Criminal Organizations (TCOs), we have expanded these efforts to include longer term Rule of Law institutional objectives (augmenting the capacities of civilian law enforcement and security entities, strengthening judicial and other state institutions to resist corruption and improve the administration of justice); reinvigorating border management; and reinforcing Mexico's efforts to create strong, resilient communities in areas impacted by narco-violence.

This overall strategy remains sound. The strong support of the Congress for the Merida Initiative has been, and remains, essential to its success. As of late June, the Merida Initiative team has delivered a cumulative total of \$465 million in equipment, technical assistance, and training since the Merida Initiative began in December 2008. One of my principal objectives, if confirmed, will be to work with my Mexican and United States colleagues to accelerate the implementation of the activities and to assure that we are achieving our Merida objectives.

The Merida Initiative has sparked remarkable progress in our law enforcement cooperation. The Cabinet-level Merida High Level Consultative Group, which last met on April 29, under the chairmanship of Secretary Clinton, brings the leaders of the Departments of Defense, Homeland Security and Justice, among others, together with their Mexican counterparts to review progress and guide the work agenda of our enhanced engagement. In Mexico City, U.S. and Mexican colleagues work together daily to develop, design, carry out and evaluate our cooperative activities.

While U.S. assistance is a vital contribution, the Government of Mexico and the Mexican people bear most of the burden—financially, politically, and in terms of human lives—of this fight against Transnational Organized Crime. Of over 40,000 deaths attributed to narco-violence since December 2006, nearly 2,000 were members of the Mexican security services. The Mexican budget for 2011 allocates over \$10 billion to security spending. In addition to the costs that Mexico has borne, U.S. Government personnel in Mexico have also been victimized by the violence perpetrated by the cartels and criminal gangs. The safety of all U.S. Government officials serving at our mission in Mexico must be a top priority. The U.S. Government employs a range of equipment and techniques to keep them safe, and maintains an ongoing dialogue with the Mexican Government regarding the safety of our personnel and their families as they serve our Nation in Mexico. If confirmed, I am

committed to continuing and intensifying this engagement, and our support for the Mexican Government's struggle against these criminal gangs.

Building Resilient Communities

Building strong and resilient communities in areas most affected by narco-violence is a key part of the joint Merida strategy. Under the Todos Somos Juarez ("We are all Juarez") program, the Mexican Government has engaged local community groups on priorities to keep kids out of crime, create new role models, and lure others from a world of violence. New initiatives under Merida will support the Government of Mexico in Juarez and give greater emphasis to work with state and local governments who have jurisdiction over the majority of the crimes committed in Mexico. This is a huge task but an imperative one, and, if confirmed, I will give these efforts every attention.

As the President and Secretary Clinton and others have said, we recognize that the problem of illicit drugs and trafficking is a shared one and that we in the United States bear shared responsibility for the problem as well as the solution. If confirmed, I will work to strengthen our efforts to impede illegal weapons trafficking and increase efforts to control money laundering and bulk cash transfer of illicit drug money to Mexico.

As I stressed in my opening, our bilateral agenda with Mexico is too expansive and too important to allow the relationship to be defined exclusively by a single component part. We cannot ignore the important economic partnership we have with Mexico.

THE ECONOMIC DIMENSION—FACILITATING TRADE AND ENHANCING COMPETITIVENESS

In the last 20 years, the economic relationship between the United States and Mexico has been transformed, in magnitude and quality. The resulting economic ties between our two countries are now among the deepest in the world.

There are many different signs of this transformation. Trade, for example, has more than quadrupled in the last 20 years to reach nearly \$400 billion in 2010, making Mexico our second-largest export market and third-largest trading partner. The U.S. Chamber of Commerce estimates that trade with Mexico supports more than 6 million U.S. jobs. Those workers know that Mexico is one of our best customers—it is a middle-income country with a growing middle class that wants to buy a lot of the same products that Americans do. That gives our companies a natural advantage in serving the Mexican market, as their success in sending exports there makes clear.

Mexico is a neighboring country but the benefit of its market extends far beyond the border. For 26 U.S. States, in fact, Mexico is the largest or second-largest export destination. Apple growers in Washington, cattle ranchers in Colorado, and electronics manufacturers in California all benefit from the demand of Mexican consumers, among dozens and dozens of other American industries. But the data shows even the smallest American businesses—the small and medium-sized enterprises—are most likely to trade with the markets that are the closest to home: Mexico and Canada. All around the country, in businesses big and small, Mexico is an important customer for American products.

In today's globalized economy, business activities are linked across countries like never before. Mexico is no exception. Much of our bilateral trade takes place within the same industry or even within the same firm, as a result of cross-border investments that have facilitated multinational production systems and supply chains. In fact, we don't merely trade with Mexico and Canada. It's much more than that: we make things together. Indeed, each country has invested heavily in each other with about \$8 billion of Mexican investment in the United States and \$95 billion of U.S. investment in Mexico. This kind of mutual integration helps make the United States more competitive in the world, and it puts American workers at the center of the regional economy. That is a new and different dynamic than was at work 20 years ago, and it is a positive one that positions us to compete more effectively against commercial rivals from around the world.

Our economic partnership with Mexico is vital to our own prosperity. If I am confirmed, nurturing this component of our bilateral relationship will be a central element of my job in Mexico City.

Building a 21st Century Border

Our security agenda and our economic agenda with Mexico meet at our common border, one of the busiest borders in the world. Nearly 1 million legitimate travelers and more than a billion dollars' worth of goods legally cross each day. The U.S.-Mexico Bilateral Executive Steering Committee (ESC) was established to formulate and implement joint concrete steps designed to enhance our economic competitive-

ness and ensure that the border can meet the increasing demands put upon it and enhance the use of its untapped economic potential. Improvements in border-crossing infrastructure and operations are necessary to facilitate legitimate trade and travel, keeping our trade flows secure, reducing congestion, and lowering business costs.

Facilitating Secure and Efficient Transportation Linkages

Managing the flow of legitimate travelers and goods across the border also depends on getting them to the border or port of entry efficiently. The ESC is working with stakeholders on both sides of the border to see that regional infrastructure plans are coordinated and consistent, so trade and travel can smoothly flow to and through the border areas of both countries. A new pilot project designed to improve the efficiency of cross-border long-haul trucking, which will lower the cost of commercial traffic even as it ensures that U.S. safety standards are met—will benefit American consumers, workers, and exporters.

Removing Unnecessary Regulatory Differences

Cumbersome and unnecessary regulatory differences raise costs for consumers and businesses and make it more complicated to protect the environment, health and safety of our citizens. The U.S.-Mexico High Level Regulatory Cooperation Council is examining ways to increase regulatory transparency, strengthen the analytic basis of regulations, and help make regulations more compatible.

Ensuring Access to Clean and Reliable Energy

Mexico is our second-largest oil supplier, and expanded cooperation, including on clean and renewable energy, can be crucial to the energy security that makes our economy go. Mexico has significant wind, solar, and geothermal energy production potential and has set a specific greenhouse gas reduction target of 50 percent from 2002 levels by 2050. Under the Bilateral Framework on Clean Energy and Climate Change, there are initiatives to limit greenhouse gas emissions, promote the development and use of clean energy technologies, and improve energy efficiency and reliability. Mexico and the United States also share stewardship of the Gulf of Mexico and are committed to developing its offshore energy resources safely, responsibly, and equitably.

PEOPLE-TO-PEOPLE TIES

One in ten Americans is estimated to be of Mexican descent, while more than a million Americans call Mexico home, and tourism brings more than 10 million more to Mexico for short stays. Indeed, the U.S. consular operation in Mexico is the largest in the world in terms of workload and staff. More broadly, Mexicans and Americans have access to each other's TV programs and movies, we watch and cheer each other's athletes, we enjoy each other's music and cuisine, and we send our children to each other's schools for exchanges and study. These people-to-people ties deserve to be cherished and strengthened by cooperation between our governments. The strength of these human ties can help us overcome problems that arise. If confirmed, I will work to these ends.

CONCLUSION

The future security and well being of the United States is rooted in a vibrant partnership with a stable, prosperous, and competitive Mexico that shares the values of democracy, rule of law, and open markets at home and abroad. Such a partnership requires a "whole of government" approach by both partners and a spirit of good faith and trust between us. We have made great strides toward building that kind of partnership in recent years. Despite the evident challenges, the U.S.-Mexico partnership is replete with promise. If confirmed I will do my very best to help this partnership prosper in order to achieve the mutual benefits possible for the peoples of the United States and of Mexico.

Senator MENENDEZ. Thank you.
Mr. Chacon.

**STATEMENT OF ARNOLD CHACON, OF VIRGINIA, TO BE
AMBASSADOR TO THE REPUBLIC OF GUATEMALA**

Mr. CHACON. Thank you, Mr. Chairman, Senator Lugar, and Senator Rubio. Thank you for granting me the opportunity to appear before you today as President Obama's nominee to serve as

United States Ambassador to Guatemala. I am grateful to President Obama and to Secretary Clinton for the trust and the confidence they have shown in sending my nomination to you for advice and consent.

With your permission, I would like briefly to introduce my family who is here. They have provided much love and support throughout my career, and I am deeply grateful. My wife, Alida Chacon, is also a member of the U.S. Foreign Service. Two of my three children are here, Sarah and Jonathan. My eldest is unable to be here. She is studying law at Stanford in California. I also have my cousin, Berta Romere Fonte; her husband, Michael; and their son, Gabriel, with me today. And finally, my dear friend and mentor, Ambassador Vincenzo Arcos, is here joining us today, as well as our dear friend, Ms. Eli Ledahowsky.

Mr. Chairman, as a career member of the Foreign Service, I have had the privilege to serve my country at home and abroad, including five tours in Latin America. Most recently, as you noted, I served as the Deputy Chief of Mission in Madrid. And should you choose to confirm me, I will draw upon these experiences in an effort to advance United States goals in Guatemala.

Guatemala faces a number of grave challenges, including trafficking in drugs, weapons and people, high rates of violence, impunity and corruption, limited access to education, and employment for the nation's burgeoning youth population, and chronic malnutrition—child malnutrition.

As Secretary Clinton said during her June 22 conference of support for the Central American security strategy in Guatemala City, "No single country can overcome such daunting challenges on its own." If confirmed, I commit to promoting respect for human rights and economic and social inclusion for all members of society through full partnership with the governmental and people of Guatemala, which seek to define and implement long-term solutions that address the underlying causes of insecurity.

Strengthening security requires a whole of society effort, and civil society must be a full partner in this endeavor. The Central American Regional Security Initiative, or CARSI, will be an important tool allowing us to focus assistance where it is needed most.

Guatemala's Presidential, legislative, and local elections will take place this September. The United States is supporting an Organization of American States electoral observation mission, and we hope for free, fair, and nonviolent elections. If confirmed, I welcome the opportunity to consult with members of this committee and your colleagues in Congress to shape appropriate U.S. policies leading up to and following the elections.

Guatemala has made important strides toward reconciling with its past. This year in a precedent-setting step forward, President Colon's Declassification Commission facilitated the public release of nearly 12,000 documents dating back to the internal armed conflict. I look forward, if confirmed, to working with the Guatemalan Government, civil society, and the private sector, to foster further transparency and dialogue.

I am keenly aware of the critical role Guatemala's dynamic private sector must play in shaping Guatemala's future. If confirmed, I will encourage the private sector to support efforts to create de-

cent jobs for working people. I will reiterate to both the government and the private sector the need for Guatemala to uphold its commitments under the Dominican Republic, Central America, and U.S. Free Trade Agreement, including the imperative of effective enforcement of labor laws.

Most importantly, Mr. Chairman, I will work to ensure the protection of American citizens in Guatemala. And this begins with the safety of our Embassy staff and their families.

Mr. Chairman, members of this committee, if confirmed and entrusted with this office, I look forward to working with you and your colleagues in Congress to address the opportunities and challenges that await the next United States Ambassador to Guatemala.

I thank you again for granting me the privilege of appearing before you today, and I would be pleased to answer any questions you and your colleagues may have.

[The prepared statement of Mr. Chacon follows:]

PREPARED STATEMENT OF ARNOLD CHACON

Mr. Chairman and members of the committee, thank you for granting me the opportunity to appear before you today as President Obama's nominee to serve as the United States Ambassador to Guatemala. I am grateful to President Obama and Secretary Clinton for the trust and confidence they have shown in sending my nomination to you for advice and consent. If confirmed, I look forward to working closely with you and your colleagues to advance the interests of the United States.

With the chairman's permission, I would like to take a moment to introduce my family and to thank them for their love and support. With me today are my wife, Alida, also a member of the U.S. Foreign Service, as well as two of my three children, Sarah and Jonathan. My brother, Michael Chacon of Denver, CO, is also here. Unfortunately, my eldest daughter, Helen, a student at Stanford Law School, could not be with us today.

As a career member of the Foreign Service, I have had the privilege to serve my country at home at the Department of State and abroad, including five tours in Latin America in Honduras, Chile, Mexico, Peru, and Ecuador. Most recently, I served as the Deputy Chief of Mission in Madrid. Should you choose to confirm me, I will draw upon these experiences in an effort to advance U.S. goals in Guatemala. And if confirmed, I look forward to consulting with this committee in this effort.

Guatemala today faces a number of grave challenges, including trafficking in drugs, weapons, and people; high rates of violence; impunity and corruption; limited access to education and employment for the nation's burgeoning youth population; and chronic child malnutrition. As Secretary Clinton said during the June 22 Conference of Support for the Central American Security Strategy in Guatemala City, no single country can overcome such daunting challenges on its own. If confirmed, I commit to promoting respect for human rights and economic and social inclusion for all members of society. Through full partnership with the government and people of Guatemala, we seek to define and implement long-term solutions that address the underlying causes of insecurity. If confirmed, I will work with Guatemalan leaders, including the President and his or her ministers, the Attorney General and the Police Reform Commissioner, as well as members of civil society and the international community, including the International Commission Against Impunity in Guatemala, to support efforts to reform rule of law and justice sector institutions.

Strengthening security requires a whole-of-society effort, and civil society must be a full partner in this endeavor. The Central America Regional Security Initiative, or CARSI, will be an important tool, allowing us to focus assistance where it is needed most. CARSI will continue to build the capacity of civilian law enforcement personnel and institutions, assist the government in maintaining an effective state presence throughout the country, strengthen the capacity of investigators, prosecutors, and judges to prosecute cases to conviction, and work to mitigate the root causes of crime and insecurity that lead to youth membership in gangs.

Guatemala's Presidential, legislative, and local elections will take place this September. The United States is supporting an Organization of the American States electoral observation mission, and we hope for free, fair, and nonviolent elections. If confirmed, I welcome the opportunity to consult with members of this committee

and your colleagues in the Congress to shape appropriate U.S. policies leading up to and following the elections.

Guatemala has made important strides toward reconciling with its past. In a major step forward this year, President Colom's declassification commission facilitated the public release of nearly 12,000 documents dating back to the internal armed conflict. This was a precedent-setting, long-awaited step, and reflects a commitment to transparency. I look forward, if confirmed, to working with the Guatemalan Government, civil society, and the private sector to foster further transparency and dialogue.

The United States is Guatemala's top trading partner and largest foreign investor with two-way trade of \$7.7 billion and U.S. investment of over \$960 million, particularly in the manufacturing, wholesale trade, finance, and insurance industries. If confirmed, I will focus on our valuable trade and investment relationship and seek to increase business opportunities for U.S. companies in the Guatemalan market. One way I will specifically work to strengthen economic ties with Guatemala, if confirmed, will be to advocate for transparency and the rule of law in business transactions as Guatemala improves its business environment and strengthens its economy. If confirmed, I also intend to engage with Guatemala's dynamic private sector, as I am keenly aware of the critical role they must play in shaping Guatemala's future. I will seek opportunities for enhanced trade leading to job creation in both the United States and Guatemala, and encourage the private sector to support efforts to create decent jobs for working people. At the same time, if confirmed, I will reiterate to both the government and the private sector the need for Guatemala to uphold its commitments under the Dominican Republic-Central America-United States Free Trade Agreement, including the imperative of effective enforcement of labor laws.

Most importantly, if confirmed, I will work to ensure the protection of American citizens in Guatemala. This begins with the safety of our Embassy staff and their families.

Mr. Chairman and members of the committee, if confirmed and entrusted with this office, I look forward to working with you and your colleagues in Congress to address the opportunities and challenges that await the next U.S. Ambassador to Guatemala.

I thank you again for granting me the privilege of appearing before you today. I would be pleased to answer any questions you and your colleagues may have.

Senator MENENDEZ. Thank you very much.

We will start off with rounds of 7 minutes, and then see where we go from there.

Ambassador WAYNE, you were the Deputy Ambassador and coordinating director for Development and Economic Affairs in Afghanistan. As such, did you have oversight of USAID's programs in Afghanistan?

Ambassador WAYNE. Yes, sir, I did.

Senator MENENDEZ. OK.

Ambassador WAYNE. It was a new position created to look over all of our assistance programs, USAID, also the law enforcement agencies. Anyway, we were helping to build capacity for the Afghan Government.

Senator MENENDEZ. Did you do any audits? Were there any audits conducted while you were there?

Ambassador WAYNE. There were a whole range of inspections done when I was there, both internal inspections by the AID. There were some—there was GAO work done. We had, as you know, a special inspector general for Afghanistan reconstruction. So, there were multiple inspections that have been done.

Senator MENENDEZ. I ask that question because obviously we have a very significant presence in Mexico with the Merida Initiative and other engagements. In Afghanistan, my understanding is that we have powerplants we have built to the tune of \$250 million which cannot be operated because the Karzai government cannot

afford diesel fuel to operate them. Hence, we build a plant, we spend a quarter of a billion dollars, and they are not operational.

Ambassador WAYNE. Well, there is a powerplant near Kabul, and there was a critical inspection report done that was critical making those points that this plant was built to run on diesel fuel, and the plant is perfectly operational, and does operate. But the point was made that the diesel fuel is very expensive, and that now there is energy coming down from Uzbekistan, electricity, that is the primary source of energy for Kabul.

The plant was constructed—begun a number of years ago, including before I got there. But the notion, as I understand it, at the time that they began constructing the plant was that it was not clear that there was going to be electricity coming from Uzbekistan, and that it was only over a several year period while this plant was being built that the electric connection was made and the agreements were reached with Uzbekistan.

And the arrival of electricity in Kabul has made a tremendous difference. So, in part, yes, the plant was constructed as what has turned out to be a secondary—

Senator MENENDEZ. It is my understanding we are doing the same thing in Kandahar. My point here is not to go through an Iraq thing, I will do that a different time and in a different location. But if we are going to spend \$250 million on a plant that at the end of the day, for whatever reason, is operational, but not being operated, I question the long-term thinking of our investment decisions in terms of assistance.

So, I turn now to Mexico and look at the Merida Initiative. And I say to myself, we are doing something that I have supported, that is incredibly important. And I believe it speaks to shared responsibility with the Mexican people and the Mexican Government. But are we making the right investments in Merida to achieve our mutual goals, to help the Mexican Government both fight the narcotics traffickers and, at the same time, build the institutions that are necessary for long-term justice and transparency in Mexico?

Ambassador WAYNE. Well, you pose exactly the right questions, Senator. And those were the same questions that we were posing, say, in Afghanistan also as we looked at our programs.

I think in my initial review of what we are doing in Merida, it does seem that we are moving in the right direction to provide that kind of outcome. There has been a mix, I think as you know, of equipment delivered, but also training and technical assistance, which is training by the specialized people working together. And that really has touched a large number of Mexican officials. For example, there have been about 13,000 federal police prosecutors, correction staff, that have received rule of law and capacity building training over the past 3 years, and another 23,000 have received training on the transformation that is going on between the inquisitorial justice system to an oral accusation based system in order to reform the whole set of rule of law institutions in that country. These are efforts to actually teach the practitioners how to learn from best practices around the world. And, of course, we are doing this in full support and with the full cooperation of the Government of Mexico to pursue their objectives.

Equipment has been delivered—11 helicopters, new computer systems, and immigration related systems to allow for better biometric tracking and other tracking of immigrants coming in and out of the country. But all of this, as far as I have been able to tell so far in preparing for this, is directed at achieving the objectives that you supported in funding this.

One of the things that I want to be sure about if I am confirmed is that we are really moving toward, in a measurable way, achieving these objectives. We owe it to ourselves and to you and to the American people to have credible proof that there is progress being made. There has been some success. As you know very well, the Government of Mexico has taken out of operation 29 or so of the leaders of the cartels during this period. I think at least some of that is due to the good information-sharing mechanisms and structures that have been built up. But there is a lot more to do.

Senator MENENDEZ. Well, I certainly applaud President Calderón. I mean, I believe he is the first Mexican President that has really taken on the drug traffickers; and as he has taken them on, increased violence has ensued. I worry, however, when I listen to some of the voices here in the United States and in the Congress that want us to fight the drug traffickers but constantly speak about the violence. Unfortunately, you cannot fight the drug traffickers and not have violence ensue as a result of it.

And so, they use that as an aspersion about what is happening in Mexico, when in fact, had the Mexican President not taken on the cartels in a very frontal and decisive way, then there would not have been the ensuing violence. So, it is a complex concern that people in the United States portray in a certain way, but at the end of the day, is the very essence of what we want to see in one dimension.

I have many other questions about economics and whatnot, but my time has expired, and I will turn to Senator Lugar.

Senator LUGAR. Thank you, Mr. Chairman.

Mr. Chacon—

Senator MENENDEZ. Senator Lugar, if I may, just one moment.

Senator LUGAR. Yes.

Senator MENENDEZ. I want to welcome Ambassador Arcos back to the committee. He has been here many times in the past. From when I first came to Congress, he has been an insightful voice on much of what we do in the Western Hemisphere and beyond. And it is great to see him looking so well. There is life after the State Department I see. [Laughter.]

I am sorry. Senator Lugar.

Senator LUGAR. Thank you very much.

Mr. Chacon, I want to inquire about the hundreds of American families who are attempting to adopt children in Guatemala, and those adoptions have been in limbo now for the better part of 4 years with endless delays. And this has caused, it seems to me, suffering by children who would have had many years of emotional, intellectual development here with those dedicated families.

I commend my colleague, Senator Mary Landrieu, who recently visited Guatemala with a delegation in hopes of prodding the government to resolve these issues.

I want to know, first of all, are you aware of the dilemma, and do you pledge to try to work tirelessly to resolve these situations so that this will benefit Guatemalan children as well as our relationship with Guatemala?

Mr. CHACON. Thank you, Senator Lugar. Yes, I am well aware of this problem that is a heart wrenching issue, to be sure. It involves hundreds of America families, prospective adoptive parents. I understand at this point there is some 350 to 400 pending cases. To be sure, this is down from the thousands that there were originally. If confirmed, you can count on me committing my support to American families during this trying time. I will urge the Government of Guatemala to put in place a Hague compliant process, and to address these issues as soon as possible.

Senator LUGAR. I appreciate very much that testimony, and I am certain that will be reassuring to the many families who have spent countless thousands of dollars, as well as their own personal efforts to help resolves these cases.

Let me ask likewise with regard to Guatemala, that there currently is a ban on United States international military education and training funds in Guatemala. Would you discuss the reasons for that and how this might be resolved so that Guatemala has better ability to work with the United States in terms of border security and the drug trafficking, which we have commented on in our opening statements?

Mr. CHACON. You are correct, Senator, in that there is a ban against providing assistance to Guatemalan army, IMET and FMF assistance per congressional mandate.

We provide lots of assistance to the Guatemalan army corps of engineers, to the Guatemalan navy, and the Guatemalan air force. We also provide peacekeeping training assistance as well. All of our training is vetted in accordance with Leahy amendment provisions, and we are very scrupulous on that front.

The challenge in Guatemala, of course, is standing up a civilian law enforcement capacity. They should have the primary role, and our programs are directed in that effort.

We do provide the military with assistance from our International Narcotics Control and Law Enforcement Fund and from counternarcotics assistance from the Department of Defense because they play an important secondary role in supporting the civilian law enforcement effort in Guatemala.

The situation hopefully is evolving. It takes a whole of society effort to deal with this problem of narco-trafficking and crime. And if confirmed, I will pay close attention to what is needed, evaluate our programs for their efficacy, and look to see how we might be able to expand our assistance in this regard.

Senator LUGAR. Well, what do you think will be needed for the lifting of this specific ban on U.S. military education and training at this point?

Mr. CHACON. As you know, I am just reading into Guatemala. I have a lot to learn yet. I hope to consult with my country team on the ground if confirmed to find out where we can best place our assistance. And, as I said, we are open to looking at every avenue of assistance that Guatemala needs, because this is certainly a dire situation that they are facing.

Senator LUGAR. Ambassador Wayne, let me ask, it has been a long-time discussion with Mexico about its oil industry. And sometimes in our hearings, as oil has been mentioned, it raises enormous emotions. I can remember going to conferences in Mexico in which people equated oil almost the same as our blood, the equivalent, and, therefore, touching any part of this was really out of the question.

On the other hand, the oil industry has been in decline now for some time. This has meant loss of income for Mexico and loss of energy security really for the Western Hemisphere because of the Mexican-United States relationship. This should be very important for us.

Do you see any possibilities in this circumstance of the relationship evolving in a different way in which the nationalistic monopoly might really lead to some degree of foreign investment, some refurbishing of the vitality of the oil industry of Mexico?

Ambassador WAYNE. Well, Senator, you correctly described the sensitivity of the energy issues in Mexico. And clearly any evolution in their policies will have to come out of a domestic consensus in Mexico.

What I can say is that we have been having a regular dialogue on these important energy issues. Mexico is our second supplier for oil. We have been exploring also alternative energy sources and how we can support that, including such things as wind energy in Baja, CA, and how that can be helpful, both for Mexico and potentially for the United States.

We have been looking intensely at a number of the technical issues on the electricity grid that crosses the border and to make sure there is more efficiency and more consistency in that. And we have talked about delineating our maritime border, which is also very important in the gulf for these questions.

But I think that, to come back to your main question, there will have to be an evolution in thinking in Mexico. And, of course, it is a very important topic. And I know they are coming into an electoral year. My guess is that the election of the new President will be the primary thing being debated in this upcoming year. But, of course, we are ready to work constructively with our partners on this very important topic.

Senator LUGAR. Thank you very much, sir.

Thank you, Mr. Chairman.

Senator MENENDEZ. Senator Udall.

Senator UDALL. Thank you, Chairman Menendez.

We just recently—and I am directing my question here to Mr. Wayne. Mr. Wayne, we just had a recent meeting of the Mexico-U.S. Interparliamentary Group. Senator Menendez was there, and I think spoke to some of the issues. We had participation by, I think, 8 to 10 Mexican parliamentarians, and then pretty good participation on our side. And it was really obvious that there are a lot of challenges that we have with Mexico.

And one of them has to do with the North American Development Bank, which I think you are probably familiar with, that grew out of NAFTA. And we discussed that at this meeting. And according to multiple economic studies, including studies by the

World Bank, ecological services also provide economic benefits to the people.

And with regard to reforms of the North American Development Bank, I believe there is still work that needs to be done to improve basic services, such as clean water and clean air in the region. And I think that was really the thrust of this bank being put into place.

Do you believe there is a way to continue this mission while also opening the North American Development Bank to reforms, which can improve economic development, such as allowing the NAB Bank to be used as a funding source to help renewable energy companies get off the ground? And would the administration support such negotiations in the future?

Ambassador WAYNE. Senator, first, welcome.

Senator UDALL. Thank you.

Ambassador WAYNE. It is a pleasure to have you here. And, second, I am very happy that there is a lively interparliamentary exchange going on with Mexico. In my experience, where we have a good exchange between Parliaments and Congresses, we really have a good relationship. So, thank you for doing that. Thank you, Senator Menendez, also for participating in that exchange.

On the NAB Bank itself, I am going to have to say I will need to go back and study that a bit. When I last left NAB Bank activities, the NAB Bank was struggling to get going on its basic mission. I now understand that they have been quite successful in launching and supporting projects related to the environment in many areas within its domain of responsibility.

I would be very happy to take back and work with my colleagues and talk with them about possibilities for that future mandate, in addition to consolidating and continuing the very important role that it has right now.

And I know it is making—I am really happy that it is making a difference on both sides of the border. That was its intention when it was established, and it took a few years to get going. But I am happy that it is now fully active and engaged.

Senator UDALL. Great. Well, that is good to hear. Changing direction and focusing a little bit on what I believe Senator Menendez focused earlier on the Merida Initiative, do you think we should be worried as a country with Mexico headed into this 2012 Presidential election about possible changes or change in position by their government on the Merida Initiative? We heard from the parliamentarians, and they seem to be very strong on the fact that they thought whoever was elected based on positions already taken, that there would be solid support.

But I am wondering what your thoughts are on this, and do you see changes in the making? Are you going to be going to Mexico with the idea of influencing the process so that we have—obviously not getting involved in the Presidential election, but doing what you can to make sure that we have solid support there from any administration?

Ambassador WAYNE. Well, certainly if confirmed, Senator, I will look forward to meeting with the range of political leaders and actors in Mexico and discussing as the primary point that will come up, of course, our ongoing cooperation, and the importance of that

cooperation, the good that has been done in that, and the challenges ahead.

I have heard the same thing in my initial consultations that you heard from your Mexican congressional colleagues, that there is a strong consensus that this effort needs to continue. There has been criticism, as I understand, of course, of the level of violence, but I have not heard of any alternative strategies that have been put forward.

I think that if confirmed, I will very much try to do is to maintain and strengthen the consensus for our cooperation in this battle against transnational criminal organizations. And I think there, of course, since Mexico is really on the front line here in this shared effort, that is a very strong interest across the political spectrum in continuing this effort.

Senator UDALL. Thank you. And just a quick question here to Mr. Chacon.

As you are aware, the Guatemalan people have a chronic malnutrition problem with their children, and it is persistent, and it has a strong ethnic and geographic dimensions. The relative level is 69 percent in indigenous populations and 35 percent nonindigenous.

How will proposed cuts to USAID impact the efforts to combat hunger and poverty in Guatemala?

Mr. CHACON. Thank you, Senator. You are so right about the shocking statistics about chronic child malnutrition in our hemisphere, worse than even in the African Continent. This is an area that our USAID mission targets very, very carefully and seriously. We have some \$97 million devoted to assistance to such programs so that we can attack the underlying problems that really account for many of Guatemala's issues.

Three Presidential initiatives. One is Feed the Future, a very important and effective and well-funded program. Obviously we would love to have more resources, but the resources that we have, I think we are able to make an important impact. We do have an international global health initiative as well that affects and serves this population. But if confirmed, I will ensure that our taxpayer dollars are spent very effectively in this most important area.

Senator UDALL. Thank you. And sorry for running over a bit. Appreciate your courtesies.

Thank you, Mr. Chairman.

Senator MENENDEZ. Senator Rubio.

Senator RUBIO. Thank you. And, again, thank you both for your willingness to do this.

Let me touch upon something I talked about with both of you when we met individually, and that was trafficking in persons, which I think is a global problem. It is not an issue just in Mexico, Guatemala, or the Western Hemisphere. It is a global problem.

What I am concerned about, and I know you have shared that as well, is that this demand for trafficking in persons is combined with the dysfunctional immigration policy that we have in this country, and the presence of transnational criminal organization in the region that facilitate this. I hope this will be a priority for both of you.

First, is that something you think could be a cornerstone of our involvement and our engagement with these governments? And, second, any ideas you may have now or in the future—I know you mentioned in your opening statements about people-to-people contacts and the implications that has had on human smuggling. But any thoughts you could share with us about what we can do on this end of the equation to make that a priority issue.

Ambassador WAYNE. Senator, thank you very much. I fully agree with the priority that you have suggested on trafficking in persons. When I was Ambassador to Argentina, this was one of my highest priorities, and I was very, very pleased that working with Argentine officials and civil society, we did make some significant progress in that country in taking on this problem.

It is a very, very serious problem for Mexico, for its Central American neighbors. The Government of Mexico recognizes that trafficking is a serious problem. It has taken steps to stop traffickers, to prosecute them, to assist victims. But there is more clearly that needs to be done.

Right now, the capacity needs to be bolstered in Mexico. There is very good will, and there are very good individuals. Secretary Clinton recently recognized a prosecutor from Mexico for her efforts to get the first convictions in trafficking cases.

What I can say is that we need to continue to be good partners. Sometimes that is providing technical assistance, training, sometimes equipment, and encouragement. But the real efforts, of course, has to be on the part of the Mexican officials to strengthen their practices to get all of their law enforcement people, really to give this the priority that it deserves. And it is going to be an ongoing effort, and if confirmed, it will be a priority for me.

Mr. CHACON. Senator, I would echo Ambassador Wayne comments about this being a high, high priority for me if confirmed. Guatemala has come a ways in improving their record. They were on a Tier Two Watch List, and they are now at a Tier Two. And that is because the government financed shelter for adults and primarily women that they constructed in the last year that has gone a long way to addressing this problem.

Too often when we look at security initiatives, I think we overlook the gender perspective. And I am grateful to our Congress that has encouraged legislative reforms in Guatemala to bring Guatemala into line with international standards regarding discrimination, violence against women.

Guatemala is under funding the units necessary for investigating these horrible crimes, and in particular child sex tourism is something they need to pay more close attention to.

Again, if confirmed, this is an area that my team and I will be actively engaged in.

Senator RUBIO. Interrelated to that is the issue that, or course, I think domestically often dominates the conversation with regards to Mexico, but I think all of Central America, and that is these issues regarding migration. Obviously the border issue is an important one, but what we have in the region more than just a border is a corridor, a migration corridor, that extends throughout Central America.

I want to put aside the legal aspects of it for a moment, and these are all very important. Border security is important. Adherence to the law is important. The economic impacts of immigration, positive and negative, are important.

I want to focus for a second on the human aspect of it and the humanitarian aspect of it, because the things that are happening in that corridor, along that desert on both sides of that border from a human perspective, are atrocious. You have individuals that are dying in the desert, people that are being preyed upon by gangs and others in the region.

I recently read a couple of reports that cite something that just chills up my spine where right before making the journey, some women stop and get access to birth control medication because they expect to be raped in that transition point. Whether it ends up happening or not, that is the expectation. This is a humanitarian issue of extraordinary proportions, and I think it will be a major issue we will both confront.

An honest assessment of it is that both sides of the border have contributed to this problem. I wanted to see any insight you have right now on what are the drivers behind this, because for someone to submit themselves to this sort of horrifying process, the drivers behind it have to be significant.

And I understand what the domestic drivers are here on this end of it, and we have to focus on those in an honest way. I am interested in any perspective you have now, or maybe you can share in the future once you are in your posts, because this has to be confronted. The humanitarian aspect of this has to be confronted holistically. And I was hoping you could share any thoughts you have on that because I do think that will be an important point moving forward.

Ambassador WAYNE. Senator, obviously you are correct, the humanitarian costs and suffering that go on both from Mexican immigrants and from Central American immigrants trying to pass through Mexico and come into the United States deserve our full attention.

The drivers of these movements I want to get in place in Mexico, if you confirm me, first before giving you a full view. But clearly there is economic opportunity. There is not seeing the prospect for your future in your home area that really does drive people to try and make this long, and as you say, they often know it is going to be a perilous journey.

I have read several studies in preparing for this hearing that have noted how the flows from Mexico have actually dropped off over the past several years. And they have cited three or four different reasons for that: one, the economic downturn in the United States; two, the steps that we have taken to reinforce a presence at the border; three, the challenges of the dangers along the way; and then, four, some of the alternative opportunities that are available in Mexico for education and for jobs.

And I think this needs to remain a priority area of attention for us, and I will be very happy after I have been on the ground for a while, if you all give me the nod, to share some more thoughts with you about that.

Mr. CHACON. Senator, you raise a very, very important issue. I think some of the drivers, certainly with respect to Guatemala, is the fact that it has one of the most unequal income distributions in the world, I think number 12. Fifty-one percent of the country lives in poverty, and 74 percent of that number involve the indigenous.

This is why we are seeking to have an integrated strategic approach, regional approach to this problem. As you know, Secretary Clinton was recently in Guatemala for an important security conference. But in addition to the seven Central American Presidents, you had the President of Mexico and the President of Colombia there. I think that was an important signal that there is a shared responsibility, and that the countries need to work together to promote the respect for human lives and the rule of law. And if confirmed, I will ensure that our programs are targeted for those that are the most affected by the poverty in Guatemala.

Senator MENENDEZ. Thank you. Let me return to you, Ambassador.

First of all, is it your view that the border between the United States and Mexico is a shared responsibility?

Ambassador WAYNE. Yes, sir. There is a northward and southward flow.

Senator MENENDEZ. And in that respect, to what extent has the controversy surrounding ATF's Fast and Furious operation created challenges in our bilateral efforts, particularly to combat firearms trafficking?

Ambassador WAYNE. Well, I have been, of course up until now, an observer, as you are, or even less than you are because you are an elected Member of the Senate. But clearly there has been a critical reaction in Mexico to the reports about this operation. And clearly there is a controversy in the United States upon the reports of this operation. But all I know about it, very honestly, is what I have read in the press.

Senator MENENDEZ. If you are confirmed by the Senate, would you tell this committee that you will take control at your Embassy of ensuring that you are informed of any operations that take place by ATF or any other entity as it relates to such operations like Fast and Furious?

Ambassador WAYNE. Yes, sir. I am a strong believer in Chief of Mission authority. I am a strong believer that there needs to be transparency on any operations by U.S. Government agencies with the ambassador within the country of responsibility. And not only because of the ambassador's responsibility, but for the effectiveness of these operations. There needs to be transparency. There needs to be an understanding of what is planned and a discussion of the possible pros and cons of any said operation before it is undertaken.

Senator MENENDEZ. Turning to a different page—this is part of your expertise—how do we strengthen what are already very strong economic ties with Mexico? Mexico's growth rate is something we would like to see actually take place here. How do we strengthen those ties and enhance upon, at the same that we have all of these border issues, including cross border commercial traffic?

Ambassador WAYNE. Well, one of the priorities under the Merida Initiative is creating a 21st century border. And as part of that initiative, we have set up several mechanisms actually to start looking at the border from the point of view of increasing efficiency in addition to increasing security. And looking at the plans for improving infrastructure, looking at ways in which you might not have 2-hour delays by having different procedures that can allow certain kind of goods that might be precleared, passed through in a faster way.

That work is going on right now precisely with one of the goals being increasing the efficiency, the competitiveness, of that border for both partners.

Of course, in addition, the dialogue that we have Mexican officials and between private sectors with the American and Mexican investors on both sides of the border, to get their perception as to what things could help our competitiveness.

There is a regulatory dialogue, for example, that is now going on to look at regulations on both sides that may be impeding travel, and is there a way to make those regulations more harmonious so that businesses on both sides can function more efficiently? And I think it is these kind of dialogues to identify the specific steps that we can take that can help increase efficiencies.

And once you have these dialogues going on, also you start picking up what are the key issues that need to be addressed, even if they cannot be fixed in the next 6 months? What do you need to have as your agenda over the several years ahead? And I look forward to participating and encouraging that kind of dialogue also.

Senator MENENDEZ. And one final question before I turn to Mr. Chacon. I do not want you to feel as if no attention it's being paid to you.

Let me ask you, even as we applaud the Mexican Government's efforts to take on the narcotics cartels, the reality is, there is always potential for abuses of human rights. In that respect, the Mexican military, the federal police have become primary recipients of U.S. security assistance. And yet, there is an alarming, growing volume of human rights complaints, of abuses, that include arbitrary detention, torture, and unlawful killings allegedly committed by members of the Mexican military.

Will you as the Ambassador pay significant attention to these issues working with Mexican authorities?

Ambassador WAYNE. Yes, sir, I will, definitely. Human rights has to be a high priority. I believe it is a high priority for many in Mexico also. And I know that we do have a vibrant and regular dialogue with Mexican officials when these allegations come forward. And I certainly will have that as a priority if I am confirmed. Thank you.

Senator RUBIO. Mr. Chacon, I have been very interested in the reality that as we support Merida we sort of like squeeze the balloon at one end, and then it pops out at the end. That means Central America and, of course, Guatemala at the forefront of that.

I am worried that, notwithstanding CARSI, that capacity to be able to deal with the challenge by Central American governments certainly, and Guatemala as a prime example of it, is challenged. How do we help the Guatemalans build up its capacity to confront

the threat that is already within its midst, and do it in a way that makes a significant difference?

If you were there, what would you view as priorities and recommendations to the committee to be able to effectuate this in a more powerful way?

Mr. CHACON. Thank you, Senator. I think fundamentally the challenges to create safe streets so that Guatemalans can live in their neighborhoods, their children can go to school, they can take public transportation without, you know, facing, you know, these horrible criminal acts against them. And to do that, we need to continue to work on many different fronts.

As you know, the effect of the balloon requires an integrated regional strategy. We cannot just look at Guatemala in a vacuum. We are paying particular attention to the northern triangle countries of Honduras, El Salvador, and Guatemala because the threat is transnational in nature. They are very similar and have similar challenges.

That means getting at the networks and the nodes of the criminals and the contraband that have effected these countries. It means supporting government accountability. There are a couple of successful projects in Guatemala of community policing where you have the input of community, and it's working well in a couple of the areas where it has been tried. Again, it is a matter of giving the Guatemalan people confidence.

To be sure, Guatemala needs to reestablish a state presence in areas that are vulnerable, and that can be both in Guatemala City neighborhoods, urban neighborhoods, as well as in remote areas. But they need to do a better job of projecting and improving their security so that in fact they can provide the social services to these areas that need them so much.

And finally, again, they need to coordinate and cooperate with their neighbors. And this is a shared responsibility. They need to devote more resources themselves because we are a partner in this effort, and without their political will, we cannot accomplish what we need to.

Senator MENENDEZ. Well, I appreciate those answers, particularly the statements about having and working with the Guatemalans to have their access toward all of their whole country. I note unfortunately in the northern Peten region of Guatemala, 27 laborers on May 14 were slaughtered and decapitated by members of the international criminal band known as Las Zetas. And this is an example unfortunately of the challenge that exists.

So, if confirmed, I would really appreciate your input as to what are the capacity issues and our ability to strengthen capacity. I am totally for working in the regional context in Central America, but working regionally without capacity individually is a problem. And so, I look forward to hearing your insights when you are on the ground as it relates to that.

Mr. CHACON. Thank you, Senator.

Senator MENENDEZ. Let me ask you two other questions, and then I will stop. Human rights has been an issue here. Outgoing Ambassador McFarland has been vocal in his support for human rights and for victims of human rights violations, even accompanying victims to their trials. And his active engagement has been

very highly acclaimed and valued by Guatemalan civil society organizations. Would you continue to make that a priority of your ambassadorship should you be confirmed?

Mr. CHACON. Absolutely, Senator. That is what distinguishes us from the world, the fact that we promote sincerely respect for human rights and rule of the law. And that will be my highest priority to continue in that tradition.

Senator MENENDEZ. Finally, we have presidential elections coming up, and to me as one observer, both of them raise some concern about Guatemala's democracy moving forward. Otto Perez Molina was a general during the counterinsurgency campaign in the 1980s, and he was director of military intelligence in the 1990s. Human rights groups have raised questions about his ties to death squads and his pledge to combat crime with a *mano dura* (an iron fist). At the same time, he is also known for efforts to advocate for legal and security reform and for his role as a military negotiator for the peace accords. So, I look at an individual with two different trajectories, and I wonder which one is going to appear should he be elected president.

On the other hand, Sandra Torres, who is in a—I do not know whether she will be a candidate or not based upon the supreme court's decisions. But what does the message of the election of either candidate send about the country's commitment to democracy, security, and human rights?

Mr. CHACON. Senator, since Guatemala's return to democracy in 1985, they have had some six elections that were characterized as free and fair. In a country with a troubled past, I think that is a significant accomplishment. I think it speaks to their commitment to democracy. It is imperfect.

We urge the candidates to run responsible campaigns, to abstain from inflammatory rhetoric that could incite violence, and to abide by all of the applicable rules of the electoral process. Underpinning our support for democracy, there again, is making very clear, reiterating time and again the importance of respect for human rights in whatever that they do.

Senator MENENDEZ. Yes, Senator Lugar.

Senator LUGAR. Ambassador Wayne, finally, the long-standing trucking dispute between the United States and Mexico has been resolved. If you can, describe what problems remain there with the resolution. Has the truck situation flowed freely, or are there obstructions that you will need to work on?

Ambassador WAYNE. Well, Senator, you are correct that this has been a longstanding and difficult issue. And I was very happy to see on July 6th the signing of an agreement to move toward resolving these differences.

As you know, Mexico had put a number of retaliatory tariffs in place, in fact, more than 2 billion dollars' worth of tariffs. And as part of the agreement, they will remove those tariffs on U.S. goods, including, I believe, probably some agricultural goods from your State. So, we are very happy with that. They will be cut in half immediately, and they will disappear within a few months.

The new program is still a limited program, and it has specific conditions on it. And this was designed, I am told, after consultations with Members of Congress, with safety advocates, with indus-

try representatives, and others who raised a wide range of concerns.

So, for example, the trucks will be required to comply with all Federal motor vehicle safety standards, and they must have electronic monitoring systems to track compliance.

The Department of Transportation will review the complete driving record of each driver and require drug testing with samples to be analyzed by the Department of Health and Human Services at certified laboratories in the United States.

The Department will also require drivers to undergo an assessment of their ability to understand the English language and read our traffic signs. And the agreement assures that U.S. carriers can have reciprocal rights in the United States.

I think the need right now is to just start implementing the agreement to see that it works well in practice, and helps address the concerns that have been expressed in the United States from some sectors. But it is, I think, an important step forward, and it should be, I hope, if all goes well, a boost to our bilateral economic relationship.

Senator LUGAR. I appreciate your explaining that in detail as a part of our hearing record because it is very important that we work closely, and that will be your responsibility if confirmed to make certain that all of these details and requirements are met, likewise, that that tariffs are reduced. And so that much we have hoped for in terms of our trade with Mexico will not be obstructed.

Ambassador WAYNE. Exactly.

Senator LUGAR. But I join you in relief that some progress has been made and that an agreement is important.

Without getting into difficulties here, and this may be an issue essentially for you to discuss. But what can be done really to bridge differences that were caused by the expulsion of Ambassador Pascual from Mexico? What lingering issues lie from that situation?

Ambassador WAYNE. Well, I think what is essential is that we do have a relationship where we can be frank and that we have confidence in each other. And what I can report, it is my understanding that a kind of cooperation on a range of issues has continued during this period of time, and has continued with good results, as is evidenced by the trucking agreement.

It will certainly be my intention, if confirmed, to work to build that kind of a relation of confidence with President Calderon and his administration, with other political actors in the country, with civil society, and to reach out in as many ways as possible to have a good dialogue with key members of Mexico's society, and to use that to strengthen the relationship that we have between us.

Very fortunately, the relationship is so big and so strong and so important that it does continue. But as you well know, even in these big strong relationships, it needs good tending along the way by many different people. And I look forward, with your approval, to being one of those good tenders.

Senator LUGAR. Finally, in addition to an election that will be held in the United States for the Presidency in 2012, there will be an election held in Mexico in 2012.

Ambassador WAYNE. Right.

Senator LUGAR. And at least initially, in some of the campaign oratory, if one can project that far along, there have been at least some fears in the United States that the contenders would take the Merida Initiative less seriously or somehow move away from the intensity of leadership in this area that President Calderon has exemplified. Is this the case, or do you have any feel for electoral politics and the trend of affairs, because clearly if there was some downplaying of this cooperation with regard to gang warfare and so forth, that would be very, very sad for both of our countries.

Ambassador WAYNE. Senator, I agree with you. As you know much better than I, once you get into an election, you are not sure where the issues will take you and where the candidates will place themselves.

In my understanding so far, certainly there has—

Senator MENENDEZ. That is a very diplomatic way of saying that. [Laughter.]

Ambassador WAYNE. That is 36 years of training in there, sir. [Laughter.]

Ambassador WAYNE. My understanding so far, there has, of course, been criticism as well as support for the current efforts. But I have not, in my queries to date, have not seen anybody who has put forward an alternative plan to the good cooperation that is going on and the basic strategy that is going on. There will no doubt be some candidates that will be critical.

I think the job of all of us, partially me as Ambassador and all of us who care about the relationship and have dialogued with Mexican officials and members of that society, in the months ahead will be to stress the importance of this cooperation. And then try to determine where the basis of consensus is across the spectrum for this important cooperation.

Senator LUGAR. Well, your efforts in this respect will be tremendously important.

I just wanted to conclude by saying that I appreciate the service that both of you have given to our country, and likewise to the relationships between the United States and the nations in which you have served. And I look forward to supporting both of you very strongly as diplomats of stature and people who I believe will have the confidence of the American people, and should likewise have the confidence of Mexicans and Guatemalans.

Thank you for your appearance today.

Ambassador WAYNE. Thank you very much.

Senator MENENDEZ. Thank you, Senator Lugar. Let me just finish off on a point Senator Lugar made.

Of course we recognize the sovereign right of Mexico's people to decide their country's course and future. I would say, however, that regardless who controls a majority in Mexico after the next elections, Mexico's sovereignty is challenged not from the outside, but from within. And it would be an enormous setback to see an effort that would allow the cartels to act with impunity inside of Mexico, and of great concern to many of us in the United States Congress. But I trust that at the end of the day, the great leaders in Mexico will understand that their country's future will either be determined by its people or determined by the drug lords. And I think it will choose their people instead.

I appreciate both of your testimonies.

The record will remain open for another 48 hours for any member who wishes to ask questions in writing. If you do receive a question, I would urge you to answer it expeditiously so the committee can move forward in the process of your confirmation hearing.

And seeing no other members, this hearing is adjourned.
[Whereupon, at 11:30 a.m., the hearing was adjourned.]

ADDITIONAL QUESTIONS AND ANSWERS SUBMITTED FOR THE RECORD

RESPONSES OF AMBASSADOR EARL ANTHONY WAYNE TO QUESTIONS SUBMITTED BY
SENATOR RICHARD LUGAR

Question. Please explain how, if confirmed, you intend to monitor the use of Merida Initiative resources to ensure that programs funded under the initiative are not used for military activities, which may be viewed as inconsistent with the promotion of human rights in Mexico.

Answer. The Merida Initiative supports Mexico and the Mexican Government's commitment to improving respect for human rights. The United States and Mexico regularly discuss human rights concerns at all levels of government.

In addition to the human rights components that are integrated into Merida Initiative training, other U.S. agencies also support programs to promote human rights. For example, the United States conducts human rights training and education for police, prosecutors, and other officials to promote implementation of international human rights standards. This program includes participation in a master's program in human rights for 300 police officials, with the curriculum structured for law enforcement. Additionally, security assistance has been used to train mid- and senior-level Mexican military leaders on human rights while operating against a nontraditional foe.

The U.S. Government is committed to continuing to work with Mexico to make sure that efforts to improve respect for human rights in the military and police are institutionalized. For example, the U.S.-Mexico Bilateral Human Rights Dialogue meets periodically to discuss the promotion of human rights in Mexico's security forces. In this dialogue, the United States provides expertise and shares lessons learned on issues such as military justice reform, codes of conduct and rules of engagement, and transparency and public information-sharing techniques. For the United States, the U.S. Chief of Mission and Under Secretary for North America chair meetings, with the participation of senior DOD civilian and uniformed officials.

As required by U.S. law, the Department of State vets security force personnel receiving U.S. assistance or training to ensure there is no credible allegation of human rights violations committed by those individuals. The U.S. Government will continue to do so.

The Office of Defense Cooperation at the U.S. Embassy in Mexico City is responsible for monitoring the equipment provided to the Mexican military as part of its normal interaction with their counterparts.

Additionally, if it were alleged that programs funded under the Merida Initiative were used for military activities, which may be inconsistent with the promotion of human rights in Mexico, U.S. authorities would follow up immediately to ensure proper use of U.S.-supported programs.

If confirmed, I would remain committed to the promotion of human rights through our Merida Initiative programs to both the military and civilian sectors of the Mexican Government.

Question. Please explain your views regarding accusations that the Calderon administration has not been as tough on the Sinaloa Cartel as with other cartels.

Answer. President Calderon has publicly stated that the Mexican Government will aggressively pursue and bring to justice all transnational criminal organizations operating within Mexican borders.

Under President Calderon's leadership, 29 drug cartel bosses and numerous lower level criminals have been removed, including Sinaloa cartel leaders Ignacio Coronel Villareal, in July 2010, Hector Eduardo Guajardo Hernandez, "El Guicho," in May 2011, and Martin Beltran Coronel, "The Eagle," in May 2011. The Mexican Government continues to investigate and combat transnational criminal organizations.

We admire the work and determination of President Calderon and are doing what we can to support the brave efforts of his government and the Mexican people to combat all transnational criminal organizations operating in Mexico.

The United States and Mexico have intensified law enforcement cooperation and we remain committed to supporting the Mexican Government's efforts to disrupt and dismantle criminal organizations in Mexico.

This unprecedented level of cooperation between our two governments has made an important contribution to Mexico's ability to apprehend leaders of transnational criminal organizations and to counter the transnational criminal threat to Mexico and the United States. It is a fundamental part of the U.S. commitment to meet its co-responsibility for the threats of transnational crime.

This intense level of cooperation is in the interests of both the United States and Mexico, and we intend to sustain it.

Question. Please explain your views regarding allegations that Mexico's Secretary of Public Security Genaro Garcia Luna is linked to organized crime.

Answer. The Department of State takes all allegations of links to organized crime seriously. If confirmed, I will also take such allegations very seriously and the U.S. Embassy team will follow up appropriately.

President Calderon is leading Mexico's courageous efforts to combat transnational criminal organizations and their brutal violence. He has mobilized his entire government on this effort and has demonstrated a strong commitment to anticorruption and professionalization initiatives.

The United States and Mexico have expanded our bilateral cooperation to combat organized crime significantly. A central player in President Calderon's efforts is the Public Security Secretariat (SSP) headed by Secretary Garcia Luna. Secretary Garcia Luna is a career law enforcement officer, under whose leadership, the SSP has become a more effective and professional civilian law enforcement institution. Co-operating with the U.S. Government through the Merida Initiative, Garcia Luna has welcomed U.S. training for a new generation of college-educated federal police investigators at the SSP academy in San Luis Potosi. The United States has worked with Garcia Luna's team to provide advanced IT systems support to Plataforma Mexico, the SSP's national crime database. We have transferred helicopters and other non-lethal materiel that SSP has used to prosecute its frontal assault against the Transnational Criminal Organizations (TCOs). In August 2010, Garcia Luna purged one-tenth of all federal police officers (3,200 out of 34,500) for failing lie-detector, toxicology, and other exams.

Mexico is overhauling many parts of its law enforcement and judicial systems to fight corruption, improve transparency, ensure respect for human rights and the rule of law, and increase civilian involvement.

Internal controls across the Government of Mexico's federal agencies are being implemented to help minimize corruption and improve government effectiveness. These long-term reforms will strengthen a culture of lawfulness able to thwart corruption and improve governance.

Question. Mexico decreased the value of its retaliatory tariffs by half on July 8, after the United States and Mexico signed an MOU to implement the new cross-border trucking pilot program. Mexico has promised to lift the remaining 50 percent of the tariffs when the pilot program actually begins (i.e., when the first Mexican trucking company gets provisional authority to operate under the pilot program). Administration officials have said this would not happen before the "first weeks of August 2011" but there are still a lot of procedural steps that have to complete before then. Is the administration still on track to meet that goal of mid-August, or is there a new estimate of when the pilot program would become operational (and the tariffs completely suspended)?

Answer. Shortly after the signing of the MOU on July 6, the U.S. Federal Motor Carrier Safety Administration (FMCSA) received and is now evaluating several applications from Mexican long-haul carriers to participate in the new cross-border trucking pilot program. There are several administrative actions that must take place before FMCSA can grant authority to a Mexican carrier. These include: the Department of Transportation's Inspector General concluding a review of FMCSA's preparations for the pilot program; FMCSA issuing a Report to Congress outlining steps it is taking to address any issues identified in the Inspector General's report; FMCSA conducting an extensive preauthority safety audit (PASA) to verify an applicant's suitability for expanded operations on U.S. roads; and FMCSA providing public notice of the results of the audit. We are told by FMCSA that these actions are expected to take approximately 60 days.

According to the terms of the MOU signed with Mexico, the remaining 50 percent of the retaliatory tariffs against U.S. products will be removed once FMCSA approves the first Mexican company for participation in the program. Decisions on the first group of applicants are expected by early September. If one of the applicants passes the preauthority safety audit and is approved for participation in the program, the tariffs would be suspended at that time, even if actual trucking operations do not begin immediately.

RESPONSES OF ARNOLD CHACON TO QUESTIONS SUBMITTED BY
SENATOR RICHARD LUGAR

Question. For the past 4 years, the U.S. Embassy in Guatemala has been involved in assisting families who were in the process of adopting Guatemalan children when the Government of Guatemala changed its international adoption law. While a large number of these "transition families" have successfully completed their adoptions, there are approximately 400 U.S. citizens whose adoptions have not yet been completed. These families have undergone considerable burden and expense in trying to complete these adoptions and even worse, the children they had hoped to adopt have spent an additional 4 years in an orphanage. Can you explain how you might lead the U.S. Embassy in resolving these cases?

Answer. If confirmed, I commit to leading the Embassy's efforts to urge Guatemalan authorities to resolve pending cases. I would do so by supporting and encouraging the Guatemalan Government's continued but expeditious investigation of pending adoption cases and by calling for specific measures toward case resolution. I would urge Guatemalan authorities to separate ongoing investigations into criminal rings from individual adoption cases wherever possible and focus Guatemalan resources on concluding the cases. Resolving these pending cases will be one of my top priorities, if confirmed.

Question. During her most recent visit to the United States, the head of the Guatemalan central authority, the CNA, shared that she would like to explore implementing a pilot program that would allow international adoption to resume in Guatemala, but only for those children who are unable to find a home in Guatemala. She shared that there are approximately 300 cases of older, special needs children and children who are members of larger sibling groups which international adoption could find homes for. Can you explain what the U.S. position would be on the development of such a program?

Answer. In November 2009, the CNA announced a limited 2-year pilot program that would have resumed intercountry adoption of a small number of identified older children, groups of siblings, and children with special needs, under a new Hague-compliant process. The United States submitted a letter of interest in the program in December 2009. However, the United States withdrew our letter of interest on October 5, 2010, due to continuing concerns about fraud and corruption in the Guatemalan adoption process, a lack of information regarding controls and safeguards in place for the pilot program, and the lack of a Hague-compliant system. Since then, the CNA has demonstrated no progress toward implementing a pilot program with a Hague-compliant process. The Department of State would welcome movement toward the development of a transparent Hague Adoption Convention compliant pilot program, and stands ready to work with the CNA toward that goal, in the best interest of the children.

While the Department of State would welcome implementation of a Hague-complaint pilot program in the future, the remaining pending transition cases are our top priority. We continue to call for the prompt resolution of the remaining pending cases. We support the Guatemalan Government's continued and thorough investigation of pending adoption cases, and we have urged Guatemalan authorities to focus resources on concluding them, and to separate the criminal investigations of adoption fraud from the evaluation of the children's eligibility for adoption whenever possible.

Question. According to news reports, the United States and Guatemala are negotiating a "labor action plan" to address U.S. claims that Guatemala has failed to adequately enforce its labor laws, which Guatemala is required to do under CAFTA. Why is the United States pursuing this action plan instead of seeking binding arbitration under CAFTA?

Answer. As you know, the United States Government requested consultations with the Government of Guatemala in July 2010 regarding its apparent failure to effectively enforce its labor laws as required by the CAFTA-DR. Throughout con-

sultations, the United States has urged Guatemala to take significant and concrete actions to address what the United States considered to be systemic weaknesses in its enforcement of labor laws. While Guatemala has taken some positive steps over the past several months, its actions and proposals have been insufficient to resolve our concerns.

In May 2011, the United States took the next step in the dispute settlement process by invoking a meeting of the Free Trade Commission under Chapter 20 of the CAFTA-DR.

The Free Trade Commission meeting was held on June 7, and discussions continue with the Government of Guatemala about the significant and serious steps Guatemala needs to take to improve its labor law enforcement. If the Government of Guatemala fails to take these steps and our concerns are not resolved, the United States may pursue the matter further under the CAFTA-DR by requesting the establishment of a dispute settlement panel to consider the matter. If confirmed, it will be a priority of mine to continue to work with the government to ensure that workers' rights are fully respected.

RESPONSE OF AMBASSADOR EARL ANTHONY WAYNE TO QUESTION SUBMITTED BY
SENATOR ROBERT P. CASEY, JR.

Question. Many supporters of NAFTA argued that its passage 16 years ago would improve the conditions for Mexican workers. The International Labor Organization and other labor groups continue to criticize conditions in Mexico, especially the repression of the National Union of Mineworkers. As Ambassador, what will you do to promote fundamental labor rights in Mexico?

Answer. Strengthening respect for worker rights around the world is critical to achieving the U.S. foreign policy goals of promoting democracy, human rights, free trade, and international development. In Mexico, the U.S. Government employs a number of tools to realize progress on worker rights and employment policy. Through consistent labor-related diplomacy, including by Embassy Mexico City's Labor Officer, the United States advocates for worker rights directly with the Mexican Government. The administration engages with governmental and nongovernmental actors to monitor the protection of collective bargaining rights; use by employers of protection contracts negotiated between management and nonrepresentative unions; union organizing efforts; labor trafficking, especially of women, youths, and migrants; conditions for workers in Mexico's large informal sector; and other issues. U.S. Government-supported programming in Mexico includes a labor rights strengthening program undertaken by the AFL-CIO's Solidarity Center and an International Labor Organization initiative to improve efforts to combat child labor, especially in agriculture. The North American Agreement on Labor Cooperation (NAALC) provides a mechanism for the United States (and Canada) to work regularly with Mexico on labor matters of mutual interest. If confirmed, I would ensure that the Embassy gives priority to promoting fundamental labor rights in Mexico using all of these tools, mechanisms, and contacts.