

# ADVANCING AMERICAN INTERESTS IN THE WESTERN HEMISPHERE

Hearing Before the  
United States Senate Foreign Relations Committee

Prepared Testimony by  
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Chairman Risch, Ranking Member Shaheen, and distinguished members of the Committee, thank you for the invitation to appear before you and testify on these critical issues.<sup>1</sup>

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

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

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

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

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

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

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

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

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

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

On Capitol Hill, and within this Committee especially, the Western Hemisphere summons the fierce spirit of bipartisanship. Congress has been proactive in reengaging America's neighbors. Recently, for example, the Western Hemisphere Partnership Act (P.L. 118-159) became law through the National Defense Authorization Act for Fiscal Year 2025.<sup>8</sup> It required two years of tough legislative wrangling. Now, the United States has the statutory requirements for a clear-eyed, measurable long-term strategy for promoting security, democracy, trade, investment, and development in the Western Hemisphere. This much-needed strategy will be delivered by June 2025.

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

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

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

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

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

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

## Strategic Competition in the Western Hemisphere

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

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

China targets new and old infrastructure, seeking to both build it and embedded itself in it—telecommunications, electricity, and ports alike.<sup>13</sup> The most striking recent examples have been in Peru and Panama, where American concerns with China dominating “old infrastructure” have overtaken the dilemma of Huawei’s market share in LAC. In November 2024, Peru opened a brand-

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

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

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

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

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

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

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

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

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

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

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

Worse still, the CCP has established a military and intelligence footprint in LAC. China prioritizes security and defense measures in the region.<sup>18</sup> From Cuba, China performs electronic surveillance operations out of four newly renovated spy stations, capturing signals intelligence on the U.S. military, space and commercial industries, and citizens.<sup>19</sup> Beyond intelligence, China created the China-Latin America High-Level Defense Forum, and Chinese military officials have been busy making several hundred visits to LAC over the last twenty years. The People's Liberation Army operates military training programs and conducts military exercises with LAC countries. China also provides law enforcement training exchanges and dispatches its police forces and private security companies into the region. The CCP sends a steady supply of weaponry and equipment to LAC, as well. Authoritarian regimes are the most frequent customers. So, too, does China export surveillance technology to these regimes in Venezuela and Cuba, further entrenching their dictatorial control.<sup>20</sup>

## Transnational Criminal Organizations

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

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<sup>18</sup> See the CCP's 2016 Defense Strategy paper,

[http://english.www.gov.cn/archive/white\\_paper/2016/11/24/content\\_281475499069158.htm](http://english.www.gov.cn/archive/white_paper/2016/11/24/content_281475499069158.htm).

<sup>19</sup> Matthew P. Funairole, Aidan Powers-Riggs, Brian Hart, Henry Ziemer, Joseph S. Bermudez Jr., Ryan C. Berg, and Christopher Hernandez-Roy, "Secret Signals: Decoding China's Intelligence Activities in Cuba," Center for Strategic and International Studies, July 1, 2024, <https://features.csis.org/hiddenreach/china-cuba-spy-sigint/>; Warren P. Strobel, "Satellite Images Show Expansion of Suspected Chinese Spy Bases in Cuba," *Wall Street Journal*, <https://www.wsj.com/politics/national-security/china-cuba-suspected-spy-bases-da1d6ec9>.

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

<sup>21</sup> See page 36 in the transnational criminal organization section of the 2024 Annual Threat Assessment of the U.S. Intelligence Community in Annual Threat Assessment of the U.S. Intelligence Community, Office of the Director of National Intelligence, February 5, 2024, <https://www.dni.gov/files/ODNI/documents/assessments/ATA-2024-Unclassified-Report.pdf>; See also the National Intelligence Council's Transnational Organized Crime Foldout, [https://www.dni.gov/files/documents/NIC\\_toc\\_foldout.pdf](https://www.dni.gov/files/documents/NIC_toc_foldout.pdf); See also, United Nations Office on Drugs and Crime, Homicide and Organized Crime in Latin America and the Caribbean, UNODC Global Study on Homicide 2023, [https://www.unodc.org/documents/data-and-analysis/gsh/2023/GSH\\_2023\\_LAC\\_web.pdf](https://www.unodc.org/documents/data-and-analysis/gsh/2023/GSH_2023_LAC_web.pdf); For overdose statistics, see "Drug Overdose Death Rates," National Institute on Drug Abuse, <https://nida.nih.gov/research-topics/trends-statistics/overdose-death-rates>; On the cartels contributing to migration crisis, see Daina Beth Solomon and Laura Gottesdiener, "Insight: Rise in Mexican cartel violence drives record migration to the US," *Reuters*, December 15, 2023, <https://www.reuters.com/world/americas/rise-mexican-cartel-violence-drives-record-migration-us-2023-12-15/>; On

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

China plays a critical role in facilitating this fentanyl trade out of Mexico. The United States considers China to be a major illicit drug producing country for its actions.<sup>23</sup> “The fentanyl crisis starts in China,” DEA Acting Chief of Operations Jarod Forget has stated, “and it ends in China.” The process begins with Chinese companies supplying the precursor chemicals and pill press equipment to produce fentanyl. The House Select Committee on the CCP found that the CCP subsidizes and owns partial stakes in the companies providing these materials to cartels. Despite mild cooperation with the United States through a counternarcotics working group, the CCP has not seriously cracked down on their sales. Furthermore, once cartels have distributed the fentanyl in America, Chinese Money Laundering Organizations (CMLO) offer the financial services to launder the profits. Using the Chinese underground banking system, cartels deliver dollars to CMLO assets in the United States in an elaborate laundering scheme that circumvents Chinese capital controls and U.S. law enforcement. In short, CMLOs use WeChat to sell dollars to Chinese customers in exchange for yuan, which they transfer into pesos for the cartels in Mexico. It reaps multibillions for the cartels.<sup>24</sup>

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Mexican drug cartels, see also U.S. Library of Congress, Congressional Research Service, *Mexico: Organized Crime and Drug Trafficking Organizations*, by June S. Beittel R41576 (2022), <https://crsreports.congress.gov/product/pdf/R/R41576/47>.

<sup>22</sup> Drug Enforcement Administration, 2024 National Drug Threat Assessment, May 2024,

[https://www.dea.gov/sites/default/files/2024-05/NDTA\\_2024.pdf](https://www.dea.gov/sites/default/files/2024-05/NDTA_2024.pdf); Zedryk Raziell and Patricia San Juan Flores,

“Sinaloa, inundada de fentanilo: México golpea a Los Chapitos en el bastión de la droga que parte a Estados Unidos,” *El País*, February 22, 2024, <https://elpais.com/mexico/2025-02-23/sinaloa-inundada-de-fentanilo-mexico-golpea-a-los-chapitos-en-el-bastion-de-la-droga-que-parte-a-estados-unidos.html>.

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

<sup>24</sup> U.S. Library of Congress, Congressional Research Service, *China Primer: Illicit Fentanyl and China’s Role*, by Ricardo Barrios, Susan V. Lawrence, and Liana W. Rosen, IF10890 (2024),

<https://crsreports.congress.gov/product/pdf/IF/IF10890>; U.S. Congress, The Select Committee on the Strategic Competition between the United States and the Chinese Communist Party, *The CCP’s Role in the Fentanyl Crisis*, 118th Cong., 2d sess., 2024, H. Rep, [https://selectcommitteeontheccp.house.gov/sites/evo-subsites/selectcommitteeontheccp.house.gov/files/evo-media-](https://selectcommitteeontheccp.house.gov/sites/evo-subsites/selectcommitteeontheccp.house.gov/files/evo-media-document/The%20CCP%27s%20Role%20in%20the%20Fentanyl%20Crisis%204.16.24%20%281%29.pdf)

[document/The%20CCP%27s%20Role%20in%20the%20Fentanyl%20Crisis%204.16.24%20%281%29.pdf](https://selectcommitteeontheccp.house.gov/sites/evo-subsites/selectcommitteeontheccp.house.gov/files/evo-media-document/The%20CCP%27s%20Role%20in%20the%20Fentanyl%20Crisis%204.16.24%20%281%29.pdf); Patricia

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Department of the Treasury, July 1, 2024, <https://home.treasury.gov/news/press-releases/jy2439>; See pages 19-20 and 29-30 in Department of Treasury, *2024 National Money Laundering Risk Assessment*, February 2024,

<https://home.treasury.gov/system/files/136/2024-National-Money-Laundering-Risk-Assessment.pdf>; U.S. Immigration and Customs Enforcement, Cornerstone Report Issue #45, “Chinese Money Laundering,” October 5, 2023,

[https://content.govdelivery.com/bulletins/gd/USDHSICE-3714ed3?wgt\\_ref=USDHSICE\\_WIDGET\\_217](https://content.govdelivery.com/bulletins/gd/USDHSICE-3714ed3?wgt_ref=USDHSICE_WIDGET_217); On how Chinese crime syndicates launder money for drug cartels, see Lisa Cavazuti, “Marijuana and Mexican Cartels: Inside the Stunning Rise of Chinese Money Launderers,” *NBC News*, August 3, 2024,

<https://www.nbcnews.com/investigations/marijuana-mexican-cartels-stunning-rise-chinese-money-launderers-rca158030>; See also, Joe Miller and James Kynge, “The New Money Laundering Network Fueling the Fentanyl Crisis,”

*Financial Times*, June 26, 2024, <https://www.ft.com/content/acaf6a57-4c3b-4f1c-89c4-c70d683a6619>; For U.S. estimate on Chinese money laundering totals, see pages 72-74 in U.S. Department of State Bureau of International Narcotics and

## U.S. Policies for Promoting Security and Prosperity

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

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

Crucially, as the law mandates, the United States will soon possess not only “a 5-year strategy to promote security and the rule of law in the Western Hemisphere,” but also clear guidelines for encouraging investment, trade, and development in LAC. This comprehensive strategy, which features a public diplomacy component, will address the most pressing issues facing US-LAC relations, including TCOs, cybersecurity, stable governance, development, and migration. Importantly, too, it will contain a detailed assessment of the ways and means for attaining concrete ends, in addition to the benchmarks by which the House Foreign Affairs Committee and the Senate Foreign Relations Committee can judge the results during yearly briefings. None other than a co-sponsor of the legislation, Secretary Rubio, is tasked with creating it in consultation with the relevant agency heads. Given the stakes of strategic competition in the Western Hemisphere, and the threats America faces from TCOs, the U.S. government must get this strategy right to execute on a long-term vision for hemispheric security.<sup>26</sup>

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

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Law Enforcement Affairs, *International Narcotics Control Strategy Report*, Volume II: Money Laundering (March 2022), <https://www.state.gov/wp-content/uploads/2022/03/22-00768-INCSR-2022-Vol-2.pdf>.

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

<sup>26</sup> For the final version of the Western Hemisphere Partnership Act, see FY25 NDAA, <https://www.govinfo.gov/content/pkg/BILLS-118hr5009enr/pdf/BILLS-118hr5009enr.pdf>.

<sup>27</sup> Marco Rubio, “An Americas First Foreign Policy,” *Wall Street Journal*, January 30, 2025, [https://www.wsj.com/opinion/an-americas-first-foreign-policy-secretary-of-state-rubio-writes-western-hemisphere-too-long-neglected-a81707b0?mod=opinion\\_lead\\_pos7](https://www.wsj.com/opinion/an-americas-first-foreign-policy-secretary-of-state-rubio-writes-western-hemisphere-too-long-neglected-a81707b0?mod=opinion_lead_pos7).

Justice and enhanced intelligence operations against TCOs by the Central Intelligence Agency, which include drone flights over Mexico, and U.S. Northern Command.<sup>28</sup>

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

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

As for regional engagement, and rolling back Chinese malign influence, the Trump administration has both sought to reestablish the Panama Canal's sovereignty and build stronger regional partnerships. During Secretary Rubio's historic first trip abroad, he visited Panama, El Salvador, Guatemala, Costa Rica, and the Dominican Republic. There, Secretary Rubio first brought some

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

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

<sup>30</sup> Gavin Bade and Lingling Wei, "Trump Plans Another 10% Tariff on Products from China," *Wall Street Journal*, February 27, 2025, <https://www.wsj.com/politics/policy/trump-plans-another-10-tariff-on-products-from-china-f7c0d4d9>.



resolution to the Canal issue in consultation with President José Raúl Mulino, who subsequently acted to withdraw Panama from the Belt and Road Initiative. The Panama Canal Authority then signed a Cyber Cooperation Arrangement with U.S. Southern Command, and Panama's Attorney General Luis Carlos Gómez declared the port lease with CK Hutchison unconstitutional in a move to terminate it. Elsewhere on the trip, Secretary Rubio advanced agreements on transnational crime, development, and migration, including a nuclear energy partnership, cybersecurity agreements, and anti-narcotics initiatives. Such productive visits, which demonstrates the importance of America's neighbors, should continue in the Americas, as both symbolic gestures and cooperative agreements that advance American interests.<sup>31</sup>

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

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

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

<sup>32</sup> Press Release, Marco Rubio, "Restoring a Tough U.S.-Cuba Policy," U.S. Department of State, January 31, 2025, <https://www.state.gov/restoring-a-tough-u-s-cuba-policy/>; Antonio Maria Delgado, "US warns Maduro of 'consequences' following incursion of Venezuelan warship into Guyana," *Miami Herald*, March 1, 2025, <https://www.miamiherald.com/news/nation-world/world/americas/venezuela/article301242254.html>; Ben Lefebvre, "Trump Pulls Chevron License to Export Venezuela Oil, Reversing Biden Deal," *Politico*, February 26, 2026, <https://www.politico.com/news/2025/02/26/trump-reverses-biden-era-concessions-allowing-venezuela-oil-exports-00206273>.

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

## General Recommendations for Advancing American Interests in the Western Hemisphere

- The United States must continue to prioritize combating malign influence in the Western Hemisphere. America must develop a 21<sup>st</sup>-century framework for hemispheric defense and development. American strategy must align resources, policies, and actions to achieve both short-term and long-term objectives in the Western Hemisphere.
- To execute on such a framework, the United States must craft a realistic and attainable 5-year strategy as mandated by the Western Hemisphere Partnership Act. Due by June 21, 2025, this strategy will guide U.S. policy in the Western Hemisphere, with Congress and the State Department working in concert. It must include the ways and means for America to secure binding and sustainable long-term economic cooperation in the Western Hemisphere to further regional integration in conjunction with revitalized security measures that address the acute challenges from China and TCOs.
- The United States must compel China to end its involvement in the production and selling of Fentanyl. In the context of a strategic competition, the United States is engaged in a proxy war with China over the drug cartels. The United States cannot dismantle and eliminate the cartels without disrupting China's financial and material contributions to the fentanyl trade.
- The United States must seek a workable security framework with Mexico to bring about stability and prosperity. It must have attainable benchmarks and metrics to measure success in both the near and long-term horizon, with a complete buy-in from Mexico.
- The fentanyl crisis presents a supply and demand problem, and it requires a supply and demand solution. Aggressive efforts to degrade and dismantle drugs cartels must be matched with compassion for Americans who suffer from the disease of addiction. The U.S. government must increase the federal funding available for substance abuse prevention and treatment programs.
- The collapse of Haiti poses a severe threat to the United States. The U.S. government must not only increase its financial and material support for restoring order in Haiti but also exercise leadership on the issue to coordinate a larger coalition of regional partners to bring adequate force to bear on the gangs destabilizing the country. In doing so, U.S. policy must have metrics by which legislators, policymakers, and citizens can judge the progress made toward a stable Haiti.
- The United States and Panama must jointly maintain the sovereignty of the Panama Canal.
- The United States must continue to isolate and pressure the adversarial regimes in Cuba, Nicaragua, and Venezuela.
- The United States must deter war between Venezuela and Guayana. To prevent a conflict, the U.S. government should consider a Defense Cooperation Agreement with Guayana.
- The United States must consistently and actively engage its neighbors to ensure long-term prosperity and stability. This requires prioritizing the cultivation and maintenance of relationships in the Western Hemisphere. The president must nominate high-quality, seasoned diplomats to serve in the Western Hemisphere, and Congress must expediate their confirmations.
- Congress should reauthorize the Development Finance Corporation and enact changes to make the institution better suited to advance American national security interests in the Western Hemisphere.
- Congress must continue working on Western Hemisphere related issues in a robust bipartisan manner. It sends a strong signal to America's enemies.