

## ***News from***

# ***Congressman Eliot Engel***

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### **ENGEL CHAIRS HEARING ON NEXT STEPS FOR HONDURAS**

***Chairman of Western Hemisphere Subcommittee Calls for Efforts in Four Key Areas***

Washington, D.C. – Congressman Eliot Engel, Chairman of the House Foreign Affairs Subcommittee on the Western Hemisphere, is holding a hearing today entitled “Next Steps for Honduras.”

At today’s hearing, Rep. Engel praises the Obama Administration’s approach to the crisis in Honduras, arguing that “the United States stuck to core, democratic principles, while at the same time looking forward to a post-Micheletti Honduras.”

Rep. Engel adds that “While working closely with Honduran President Pepe Lobo is crucial, the inter-American community also must ensure that steps are taken to implement key pieces of the Tegucigalpa/San Jose accord.”

At the hearing, Chairman Engel calls on the Honduran government and the inter-American community to take the following four steps in the coming months:

- (1) Establish a robust Truth Commission
- (2) Closely monitor the country’s worrisome human rights situation, including abuses against the country’s Lesbian, Gay, Bisexual and Transgender (LGBT) community, and recent killings of members of the press.
- (3) Readmit Honduras to the Organization of American States (OAS) before the June General Assembly meeting in Lima, Peru
- (4) Swiftly resolve legitimate property claims by American investors

Witnesses at today’s hearing include Craig Kelly (Principal Deputy Assistant Secretary of State for Western Hemisphere Affairs), Cris Arcos (former U.S. Ambassador to Honduras), Vicki Gass (Senior Associate for Rights and Development at the Washington Office on Latin America), and Kevin Casas-Zamora (Senior Fellow at the Brookings Institution and former Second Vice President of Costa Rica).

Following the session, testimony can be read and the proceedings can be viewed at

<http://foreignaffairs.house.gov/subcommittees.asp?committee=8&sec=hearings>

The following is Chairman Engel’s opening statement at today’s hearing:

“Last year, hemispheric affairs were dominated by the political crisis in Honduras. With today’s hearing, I encourage my colleagues and our witnesses to be forward looking in our discussion of Honduras. While I am certainly not asking anyone to forget the events that took place last year, this hearing is not intended to be a review of 2009. Suffice it to say that I believe that President Obama and Secretary Clinton’s management of U.S. policy toward Honduras last year was excellent. The United States stuck to core, democratic principles, while at the same time looking forward to a post-Micheletti Honduras.

“As we look ahead and focus on next steps for Honduras. I am pleased to see efforts by the Obama administration and several countries in the Americas to reach out to Honduran President Pepe Lobo. Working closely with President Lobo is crucial. At the same time, the inter-American community must ensure that steps are taken to implement key pieces of the Tegucigalpa/San Jose accord.

“I would like to briefly mention efforts that I believe should be taken both by the Honduran government and the inter-American community in the coming months:

“**First and foremost**, a robust Truth Commission must be established to investigate events from last year. I was pleased by the selection of my friend, former Guatemalan Vice President Eduardo Stein, to head the Truth Commission. The Commission’s work must be done transparently and it must ensure complete accountability.

“**Second**, we must continue to closely monitor the increasingly worrisome human rights situation in Honduras. Recent murders of Hondurans who were active in their resistance to the coup or related to activists must not go unnoticed. I am particularly troubled by the murders of three Honduran journalists this month. This past Sunday, Nahún Palacios – a journalist who covered demonstrations organized by the resistance of the coup and expressed his rejection of the removal of President Zelaya – was gunned down. Those responsible for these heinous crimes must be held accountable.

“Last year was especially brutal for Honduras’s lesbian, gay, bisexual and transgender (LGBT) community. Attacks on the LGBT community escalated substantially starting in June with 19 known murders of prominent members of the LGBT community. In addition, non-lethal attacks and other violent acts against LGBT individuals were reported on an alarming scale, and additional murders have gone unreported. The human rights defenders who have documented these abuses have been threatened and the atmosphere of intimidation for members of the LGBT community remains high. Yesterday, I sent a letter with Foreign Affairs Committee Ranking Member Ileana Ros-Lehtinen to U.S. Ambassador to Honduras Hugo Llorens urging him to work with President Lobo to curb violence against the country’s LGBT community. Ambassador Llorens responded to our letter this morning stating his commitment to raise these issues with the Lobo administration. I am inserting a copy of this letter and Ambassador Llorens’s response into the hearing record.

“**Third**, I hope that we will act swiftly to readmit Honduras to the Organization of American States (OAS). And, I certainly believe this must be done prior to the OAS General Assembly that will take place in Lima, Peru in June.

“**Fourth**, I have become increasingly concerned about the rule of law and the protection of the property rights of U.S. investors in Honduras. Several cases have been brought to my attention which paint a picture of an investment climate where assets of investors are not protected. In several cases, companies have been expropriated or driven out of business and U.S. owners never compensated. I present three examples. First, I cite the case of the CEMAR cement company. In this instance, the Honduran military and Honduran cement manufacturers allegedly conspired to drive an American cement company out of business. The U.S. investor, Oscar Cerna, has ever since sought redress of this very legitimate claim. Second, I have learned about the case of Andreas Kafati, an American businessman whose partial ownership of a coffee business was taken through alleged manipulation of shares and the workings of a now-convicted Honduran judge. Finally, there is the case of Cortez Byrd, an American citizen who won a \$188 million judgment in a U.S. federal court against a company 98% owned by the government of Honduras. Honduras has not yet paid the legal judgment.

“If I were an American citizen or company looking at these and other cases, I would think twice before investing in Honduras. Honduras is a poor country which needs international investment if it is going to grow its economy and create jobs, but unless the assets of U.S. and other international investors will be protected, scarce capital will be placed elsewhere. It is my hope that the new government of Honduras will take a fresh look at these and other cases and act without delay to make the investors whole while seeking to improve the investment climate for the future.

“Finally, these cases leave me with two open questions. First, while the State Department asserts that it assists American business, investors are reporting to me that advocacy by our embassy has been less than vigorous – and that’s putting it generously. Second, resuming our foreign assistance to Honduras is important, but at the same time, the Honduran government needs to respond to these serious cases of American citizens who are still seeking redress for their legitimate claims. I would like Ambassador Kelly to address these points today.

“I hope today’s hearing will help us to create a framework to move forward our relationship with Honduras in the coming year.”