

Press Releases: Background Briefing: Senior State Department Officials on the OAS Meeting on Venezuela

Special Briefing
Senior State Department Officials
Via Teleconference
May 30, 2017

MODERATOR: Thanks very much, and thanks to everyone who has joined us this afternoon for our background call on Venezuela. I'll first introduce our speakers and then restate the ground rules, and then turn it over to them and ultimately to your questions.

Today we are joined by [Senior State Department Official One] and we'll refer to him on background attribution as Senior State Department Official Number One. We're also joined today by [Senior State Department Official Two] and we'll refer to him as Senior State Department Official Number Two. As a reminder, again, that's the attribution: Senior State Department Officials One and Two. And we're going to embargo this call just until the conclusion of the call.

And with that, I'll turn it over to our first senior State Department official.

SENIOR STATE DEPARTMENT OFFICIAL ONE: Thank you. Good afternoon, and thank you all for joining the call. If I can, today I'd like to just provide some brief context regarding United States policy towards Venezuela ahead of the foreign ministers special meeting being held tomorrow at the Organization of American States.

Because of the regime's poor choices and poor management, Venezuela now faces an interlocking series of crises – political, economic, humanitarian, and social. It is in this context that we embrace multilateral efforts to seek sustainable, peaceful solutions in Venezuela.

Working with the Organization of American States and with the democratic governments throughout the Americas, we are supporting a unified regional approach to help Venezuela find a peaceful, democratic, and comprehensive solution to its current problems.

This is slow work. It's methodical work. It's multilateral work. And it is a process. Tomorrow's meeting is the first, though, in a long process, because

it's the first meeting in memory in which the foreign ministers of the Western Hemisphere are all getting together for precisely one and only one purpose, which is to discuss the situation in Venezuela today. And it's also not likely to be the last such meeting.

What it is we seek at this point is to establish a mandate for new diplomatic engagement in support of good-faith negotiations amongst all Venezuelans. To this end, we have discussed the creation of a contact group of select countries to accompany a new negotiation or mediation process moving forward.

But let me also note that in the context with the OAS, it's also important that what happens in diplomatic salons and halls also is recognized for its import not just in the halls of diplomacy but for its impact in the streets and in the news and in the homes of everyday Venezuelans.

What is happening there in Venezuela today, the people need to recognize – and in fact, I think it's quite clear now that they do – the common Venezuelan citizen recognizes that they are not alone, that the hemisphere is in solidarity with them, that the hemisphere is supportive of their just calls for democracy, and for their common understanding that what is happening in their country today is not – is neither democratic nor acceptable, and that the United – sorry, that the United States, as a member of the OAS, but the OAS as a group, as the community of democratic nations, stands with them in their time of need.

We therefore believe it's important that the OAS member-states support diplomatic engagement for two key reasons.

First, as I suggested, as a principle, OAS member-states need to act collectively to ensure that the nations of our hemisphere support democracy, human rights, and the rule of law. These are principles reflected not only in the OAS Founding Charter and in the 2001 Inter-American Democratic Charter, to which all member-states have agreed, including Venezuela.

But also, second, speaking on a practical level, these interlocking crises that Venezuela is now facing that I mentioned earlier, they will only be resolved through good-faith negotiations amongst all Venezuelans. Again, this is a problem amongst Venezuelans with the United States and with the OAS in support and solidarity for a pacific solution.

As with previous efforts at negotiations last fall, the main responsibility for showing good faith in any negotiations now is on President Maduro and the Government of Venezuela. We seek the full diplomatic strength of our hemisphere to help make such negotiations possible at this time.

We continue to call upon the Government of Venezuela to fulfill the commitments it made last fall to hold prompt elections, to respect the constitution and the national assembly, to provide for the immediate and unconditional release of all political prisoners, and to tend to the humanitarian needs of the 31 million Venezuelan people. We also continue to call on all sides to abstain from violence.

As President Trump has said, quote, "A stable and peaceful Venezuela is in the best interest of the entire hemisphere, and America stands with all the people in our great hemisphere yearning to be free."

And with that, I will turn the floor over to my colleague now, so he can make a few comments about the dynamics of the OAS, and thereafter perhaps we could take your questions. Thank you.

SENIOR STATE DEPARTMENT OFFICIAL TWO: Okay, thanks, [Senior State Department Official One]. [Senior State Department Official Two.] I just wanted to add that tomorrow's meeting of the region's foreign ministers provides us with an important new opportunity to highlight the increasing level of concern about the unfolding situation in Venezuela that nearly all countries in the region feel, and on the need for good-faith negotiations to deal with developments there, as [Senior State Department Official One] mentioned.

We have a unique opportunity at this meeting to signal our collective concern about the crisis in Venezuela and discuss a mediation effort to avoid further violence and re-establish the rule of law. As the premier multilateral political institution in the region, the OAS is the right forum to address this matter, consistent with the commitments under the OAS Charter and the Inter-American Democratic Charter that [Senior State Department Official One] referred to.

OAS member-states have been working over the last several months to explore potential options for international mediation efforts and to establish a contact group to facilitate mediation in Venezuela, and a majority of countries in the region now appear to support the need for such an effort.

We hope tomorrow's meeting will allow for broader discussions on how best to move this diplomatic initiative forward, and we also will be looking to the upcoming OAS general assembly in mid-June, in Mexico, to provide another high-profile opportunity to report on progress and further advance our efforts.

So that's all I have for now.

MODERATOR: Okay, we'll be happy to take your questions now.

OPERATOR: Thank you. As a reminder, if you do have a question, press * then 1 on your phone keypad; and if you are using a speaker phone, please pick up the handset before pressing the numbers. Also, it has been requested that you limit yourself to one question and one follow-up question; and for any additional questions, you will need to queue up again and we'll take questions as time permits.

Our first question is from the line of Luis Alonso with Associated Press. Your line is open.

QUESTION: Yes. Hi, good afternoon. Thank you for doing this. You hear me well?

SENIOR STATE DEPARTMENT OFFICIAL ONE: Sure can.

QUESTION: Okay, great. Thank you. I would like to ask – well, I think it's a basic question. In the scenario that the OAS adopts a declaration tomorrow, what impact could such a declaration have if we consider that Venezuela has so far refused any OAS mediation and, as a matter of fact, already started a process to leave the organization last month?

And so a second part of the question: I understand that only 22 member-states have confirmed attendance to the meeting tomorrow. Does that level of attendance undermine in any way the decision that may – the possible decision tomorrow of a declaration? Thank you.

SENIOR STATE DEPARTMENT OFFICIAL TWO: Thanks for the question. I think that many of us in the OAS environment believe that the OAS's discussion of Venezuela up until now and going forward through the ministerial creates – has an important impact on the context in which the Venezuelan Government and the opposition are operating.

Certainly, as [Senior State Department Official One] mentioned, for those fighting in defense of democratic institutions in Venezuela, having the OAS speak to what the international obligations the Venezuelan Government has is very important, and doing that at the ministerial level tomorrow is really the exciting new development.

And so we're hoping that the ministers will be able to further address some of the steps the Venezuelans have been taking – the Venezuelan Government – and try and validate the concerns that many people have expressed.

As to the participation level, I think many countries are still accrediting representatives, so I think it's too early to worry about the number you mentioned. And we're anticipating quite robust participation. We've already got many or most of the leading foreign ministers in the region coming.

So, [Senior State Department Official One], I don't know if –

SENIOR STATE DEPARTMENT OFFICIAL ONE: I think that pretty much covered it. We'll just have to wait to see on the accreditation issue.

And just one thing to add in terms of Venezuela's announced – announcement as having initiated the two-year process to leave the OAS. In the meantime, they are still, of course, full members of the OAS; but more importantly in the current context, whether it's a contact group or anything else, it's up to the Government of Venezuela, number one, to take responsibility for a solution but also to decide whether to accept the offer of assistance provided by the OAS. It's for them to decide what they will do, but it's also for the OAS membership to decide how to engage and to offer assistance. But ultimately, it's up to the Government of Venezuela to decide whether to accept assistance or not.

QUESTION: Thank you.

MODERATOR: Next question, please.

OPERATOR: Thank you. Yes, thank you. And our next question from the line of

Gustau Alegret with NTN24. Your line is open.

QUESTION: Thank you for doing this. What have been the objectives of your diplomatic work with U.S. allies in the region, as you mentioned recently? Could you mention at least the – one or two results of this diplomatic work? Because the Venezuelan opposition, but not only them, have been very critic with the position of some of the countries, especially ministers of foreign relations and presidents, and the lack of energy. So could you mention the result of this diplomatic work that you mentioned at the beginning of this conference call? Thank you.

SENIOR STATE DEPARTMENT OFFICIAL TWO: Thanks for the question. I think that we have seen a growing level of support over the last several months for increased OAS engagement on Venezuela. It isn't easy, because the Venezuelan Government has never supported such engagement up until now, and so has resisted it, encouraged other countries to resist it as well. And they've been a very influential country in the region in recent years, so it's not easy to go against their wishes. But I think we've seen an increasing number of countries that have been so concerned about events on the ground in Venezuela, including that humanitarian situation, and the spillover effects in neighboring countries, that they've been willing to take a firmer position. And that's why, in fact, we were able to convene the ministers meeting that will happen tomorrow.

So I think that as [Senior State Department Official One] mentioned earlier, it can seem slow – like slow, frustrating work sometimes, but we believe that the OAS role on Venezuela is an important one, and we're happy to see that other countries increasingly agree.

MODERATOR: Next question, please.

OPERATOR: Thank you. We'll go next to Tracy Wilkinson with *LA Times*. Your line is open.

QUESTION: Hi, thank you. A couple of very basic questions – one relates to Luis's question about attendance. If I remember correctly, isn't it a lot of – or several of the Caribbean nations who have resisted this? I remember at one point I think it was Senator Rubio issued a fairly stark threat to them that they better get on board. My question is: What have you all been doing to try to get them on board? And then the second question: In the future diplomatic engagement that you talked about – I think you said a four-nation contact group would be the mechanism – what U.S. role do you envision in that? For example, would the U.S. be one of those nations? Thank you.

SENIOR STATE DEPARTMENT OFFICIAL TWO: So on diplomatic efforts, as I just mentioned, the situation itself in Venezuela and its deterioration has been I think the greatest – has had the greatest impact on the positions of countries in the OAS. There's more and more concern about what we're seeing, and so more and more countries have gotten over their reluctance to question or go against the wishes of the Venezuelan Government, because it's really hard to stand by and do nothing in the face of the kinds of institutional steps we've seen in Venezuela, and the increasing humanitarian suffering.

We, of course, also have extensive relationships in the Caribbean, and we talk all the time, and have tried to highlight for some of our colleagues the difficulties that we're seeing. They're seeing it for themselves, of course, also though. And in terms of the contact group, I think that at this point countries are still discussing what that might look like, who should be in it, what – how should it pursue solutions. But really, the new development is that I think a majority of countries now believe that international support for a good-faith mediation effort is important and worth supporting in the OAS context.

OPERATOR: Thank you. We'll go to Nick Wadhams with Bloomberg. Your line is open.

QUESTION: Hi, thanks very much. I just had a somewhat specific question regarding reports that Goldman Sachs has eventually confirmed that they bought bonds issued by Venezuela's state oil company. And this came in for pretty severe criticism from the opposition. This was \$865 million in bonds. Do you have a comment on that specific case, or do you feel that that is helpful, and more broadly can you speak to the issue of concerns that the U.S. may have, and certainly concerns that the opposition has about Wall Street banks basically throwing a financial lifeline to the Government of Venezuela? Thank you.

SENIOR STATE DEPARTMENT OFFICIAL ONE: Thanks. Yeah, we're aware of the reports that Goldman Sachs Group recently purchased a significant amount of bonds issued by PDVSA, the Venezuelan state oil company. For details, though, on the actual purchase or the specifics of the agreement or what it might or might not mean, I'll just have to refer you to Goldman Sachs at this point.

But because of the sort of strategic economic decisions made by the government itself, as I mentioned earlier, they have a whole series of interlocking crises right now, and the situation economically is worsening precisely because of these sorts of continuing bad choices being made by the government. They may get them through the day, but the longer-term consequences of that seem to be quite damaging for the institutions as well as for the society. So I'll just leave it back at this point and refer you to Goldman. I know the opposition, the MUD, the – Mesa Unidad de Dialogo^[1], the opposition groups have also come out I gather with their own statement about this which you can take a look at as well.

QUESTION: Thank you.

OPERATOR: Thank you. And our next question from the line of Jay Solomon with *The Wall Street Journal*. Please, go ahead.

QUESTION: Thanks for doing this. I have another question about PDVSA. Russia's largest oil company, Rosneft, last week said that basically they accumulated a huge stake in Rosneft and also by de facto Citgo. Is that a concern now of the U.S. Government that Russia could basically have some sort of control over U.S. energy assets? Thank you.

SENIOR STATE DEPARTMENT OFFICIAL ONE: Yeah. I'd seen some of the same reports

that, quite frankly, were a bit quizzical to me because they seem to assert a few things that did not jibe with our understanding of it. But for specifics on this, I'm going to have to refer you to the Department of Treasury in any event as lead on this. They could definitely take your question, though.

OPERATOR: Thank you. And we have a question from Conor Finnegan with ABC News. Please, go ahead.

QUESTION: Thanks very much. I have just two quick questions. To follow up on Nick's question, I know that you say you want to defer to Goldman on the actual payments, but can you speak more broadly to how any sort of U.S. financial institutions' role or engagement with Venezuela complicates the negotiations, especially with the OAS? And then secondly, I know there are four demands that the U.S. is making, but is there any sort of future government within Venezuela that could include President Maduro, or has the U.S. come to the conclusion that he has sort of lost legitimacy? Thanks.

SENIOR STATE DEPARTMENT OFFICIAL ONE: Sorry, I'm going to ask you to repeat the first question again. I was focused on the second for a second there.

QUESTION: Yep, no problem. Just to speak more broadly about what kind of impact relations between U.S. institutions, financial institutions, and the Government of Venezuela has on our diplomatic push to bring Venezuela to the negotiating table.

SENIOR STATE DEPARTMENT OFFICIAL ONE: Yeah, thank you. You had mentioned what you sort of called four U.S. demands. Actually, they are the commitments that the Government of Venezuela first of all made in the Vatican-backed process last fall, number one. Number two, they're the core demands not of the United States but of the Venezuelan people today in the streets. And third, they're also common understanding, organizing principles, if you will, for all the countries that are going to be assembling at the OAS. You asked about the OAS role in this this week. So that's where the OAS is coming in, is taking that as its four organizing principles, if you will, pursuit of those four core priorities.

As far as what this means more largely for such financial agreements might mean, I refer you to the statements by the national assembly of Venezuela that have thrown down a red flag, if you will, cautioning all financial institutions, Venezuelan and foreign alike, as to the potential illegitimacy of any such agreements that are being reached without the legally required, constitutionally required approval by the national assembly of Venezuela depending on the particulars of the international agreement. But in particular, assuming additional foreign debt, that requires the national assembly's approval. So it's – clearly there is concern, I would think, in the minds of anyone who is looking to engage in such purchases of debt today. That's highly problematic.

And the second question you had was on the legitimacy of the current –

QUESTION: Yeah.

SENIOR STATE DEPARTMENT OFFICIAL ONE: – government. How is legitimacy defined in a democracy? Through elections. That’s one of the core four principles people have been asking for, what the opposition’s been calling for. They have announced a potential date for gubernatorial elections this December, but it would only be after a new constituent assembly that might or might not totally overthrow the entire constitution in an anti-democratic fashion, number one; and number two, might not ever get to those now a year old, overdue regional elections to say nothing of the municipal election that are also due this year, to say nothing of what people are asking for today, which is for national presidential elections to restore legitimacy to whomever might rule Venezuela moving forward.

At the end of the day, this is a – this process – it’s all about consensus. It’s about finding a way forward for Venezuelans to depolarize their situation, and the best way to do that is through elections. So I’m going to leave it there.

MODERATOR: Okay, thanks very much, everyone. With that, we will conclude today’s call. As a reminder, the attribution for our two speakers will be Senior State Department Officials One and Two, and with that, we will conclude our embargo. Thank you very much.

[1]Mesa de la Unidad Democratica

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