

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HM 381 Venezuela

SPONSOR(S): Local, Federal & Veterans Affairs Subcommittee; Stark and others

TIED BILLS: **IDEN./SIM. BILLS:** SM 1382

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Local, Federal & Veterans Affairs Subcommittee	11 Y, 0 N, As CS	Renner	Miller
2) Government Accountability Committee	19 Y, 0 N	Renner	Williamson

SUMMARY ANALYSIS

After becoming president of Venezuela in 2013, Nicolás Maduro continues to suppress opposition protests and restricts freedom of speech and assembly. President Maduro imprisoned hundreds of political opponents. Many of those detained have been subject to torture and other human rights abuses.

Venezuela is also in the midst of a crippling economic crisis, resulting in food and medicine shortages, which has led to a humanitarian crisis. Despite the crisis, President Maduro has refused international aid. Consequently, the United States has criticized President Maduro and imposed numerous sanctions on Venezuela.

The memorial requests Congress to urge the regime of Nicolás Maduro to allow the delivery of humanitarian assistance, to continue to intensify financial sanctions against the regime of Nicolás Maduro and the Government of Venezuela, and to instruct appropriate Federal agencies to hold the regime of Nicolás Maduro and officials of the Government of Venezuela accountable for violations of law and abuses of internationally recognized human rights.

Legislative memorials are not subject to the Governor's veto power and are not presented to the Governor for review. Memorials have no force of law, as they are mechanisms for formally petitioning the federal government to act on a particular subject.

This memorial does not have a fiscal impact on the state or local governments.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

After President Hugo Chavez died in 2013, Venezuela held presidential elections and acting President Nicolás Maduro defeated Henrique Capriles by only 1.5 percent. Despite the thin margin of victory and rise of opposition, Maduro consolidated his authority, resulting in security forces and allied civilian groups violently suppressing protests and restricting freedom of speech and assembly. Consequently, many Venezuelan protestors died or were injured in the following years due to clashes with pro-government forces. Additionally, political opponents and opposition figures were imprisoned.¹

In 2016, opposition efforts tried to recall President Maduro in a national referendum. However, the government delayed the process and Venezuela's National Electoral Council indefinitely suspended the recall effort after five state-level courts issued rulings alleging fraud in a signature collection drive that garnered millions of signatures.²

President Maduro's government has continued to harass and detain opponents. In addition, President Maduro has surrounded himself with hardline political allies, including appointing a vice president who was sanctioned by the United States as a drug kingpin in 2017. Among many of the powers under the vice president's vast authority is control over an "anti-coup" command.³

Economic Crisis

Venezuela's economy relies significantly on the extraction and export of oil and other petroleum products, which accounts for more than 90 percent of the country's exports. Under President Chavez, the government used the oil reserves to spend money on domestic social programs instead of building up fiscal reserves. The decline in oil prices over the years and the lack of reserves has led to an economic crisis for Venezuela. This has resulted in a shortage of consumer goods, including food, and has led to hyperinflation of Venezuela's currency. President Maduro continues to refuse any international assistance, including from the Vatican.⁴

Humanitarian Crisis

As of May 2017, the Venezuela human rights group *Foro Penal Venezolano* listed more than 140 political prisoners in Venezuela. The group reported more than 6,800 political arrests made from 2014 to 2016.⁵ According to the United States Department of State, many of those detained have been subject to torture and other human rights abuses.⁶

Additionally, due to the lack of basic consumer goods, riots, protests and looting have broken out across the country resulting in many deaths. Venezuela's hospitals also have been affected by shortages of medicine and basic supplies. Many hospitals "face critical shortages of antibiotics,

¹ Congressional Research Service Report, *Venezuela: Background and U.S. Policy*, May 10, 2017, pg. 5, available at https://www.everycrsreport.com/files/20170510_R44841_fa3ec514ed07bb711220465fb833d0432061f98a.pdf (last accessed 1/21/2018).

² *Id.*

³ *Id.* at pg. 6.

⁴ *Id.* at pg. 10.

⁵ *Id.* at pg. 6.

⁶ U.S. Department of State, Bureau of Democracy, Human Rights and Labor, *Country Reports on Human Rights Practices for 2016-2017*, available at <https://www.state.gov/j/drl/rls/hrrpt/humanrightsreport/index.htm?year=2016&dclid=#wrapper> (last accessed 1/21/2018).

intravenous solutions, and even food, and 50 percent of operating rooms in public hospitals are not in use.”⁷

Federal Venezuela Sanctions

In recent years, the federal government has imposed various sanctions on the government of Venezuela. In July 2014, President Obama imposed visa restrictions on some Venezuelan officials responsible for human rights violations. Also in 2014, Congress enacted the Venezuela Defense of Human Rights and Civil Society Act of 2014.⁸ Among other matters, the law required the President to impose sanctions against those whom the President determined were responsible for significant acts of violence or serious human rights abuses associated with the 2014 protests.⁹

President Trump has favored multilateral approaches to resolving the crisis. Both the President and the State Department have called for the release of opposition leader Leopoldo Lopez and the rest of Venezuela’s political prisoners.¹⁰ On August 24, 2017, President Trump signed Executive Order 13808 to restrict the Venezuelan government’s access to the United States financial system by prohibiting United States persons and entities from engaging in transactions involving the following:

- New debt with a maturity of greater than 90 days of Petroleos de Venezuela, S.A. (PdVSA), Venezuela’s state-owned oil company;
- New debt with a maturity of greater than 30 days, or new equity, of the government of Venezuela, other than debt of PdVSA;
- Bonds issued by the government of Venezuela prior to August 25, 2017;
- Dividend payments or other distributions of profits to the government of Venezuela from any entity owned or controlled, directly or indirectly, by the government of Venezuela; and
- The purchase, directly or indirectly, of securities from the government of Venezuela, other than security qualifying as new debt with a maturity of less than or equal to 90 days (for PdVSA) or 30 days (for the government of Venezuela).¹¹

The executive order defined the term “government of Venezuela” to mean the government of Venezuela, any political subdivision, agency, or instrumentality thereof, including the Central Bank of Venezuela and PdVSA, and any person or entity owned or controlled by, or acting for or on behalf of, the government of Venezuela.¹²

Effect of the Memorial

The memorial requests Congress to urge the regime of Nicolás Maduro to allow the delivery of humanitarian assistance, to continue to intensify financial sanctions against the regime of Nicolás Maduro and the Government of Venezuela, and to instruct appropriate federal agencies to hold the regime of Nicolás Maduro and officials of the Government of Venezuela accountable for violations of law and abuses of internationally recognized human rights.

Copies of the memorial will be sent to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, and to each member of the Florida delegation to the United States Congress.

⁷ *Supra* note 1 at pg. 12.

⁸ Venezuela Defense of Human Rights and Civil Society Act of 2014, Pub. L. No. 113-278, S. 2142, 113th Cong. (Dec. 18, 2014). Available at <https://www.congress.gov/bill/113th-congress/senate-bill/2142> (last accessed 1/21/2018).

⁹ *Supra* note 1 at pg. 18.

¹⁰ *Id.* at pg. 17.

¹¹ Exec. Order No. 13808, 3 C.F.R. 41155 (2017).

¹² *Id.* at 41156.

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B. SECTION DIRECTORY:

Not applicable.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

The memorial neither authorizes nor requires administrative rulemaking by executive branch agencies.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

On January 24, 2018, the Local, Federal & Veterans Affairs Subcommittee adopted one amendment and reported the bill favorably as a committee substitute. The amendment revised language to emphasize the undemocratic nature of the regime in Venezuela.

This analysis is drafted to the committee substitute as approved by the Local, Federal & Veterans Affairs Subcommittee.