

For Six Month Period Ending Feb 28 2006
(Insert date)

I - REGISTRANT

1. (a) Name of Registrant
Ainsley Gill & Associates, LLC

(b) Registration No.
5600

(c) Business Address(es) of Registrant
1627 K Street, N.W. Suite 901
Washington, DC 20006

2. Has there been a change in the information previously furnished in connection with the following:

- (a) If an individual: *N/A*
- | | | |
|-----------------------|------------------------------|-----------------------------|
| (1) Residence address | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (2) Citizenship | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (3) Occupation | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
- (b) If an organization:
- | | | |
|--------------------------|------------------------------|--|
| (1) Name | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| (2) Ownership or control | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| (3) Branch offices | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
- (c) Explain fully all changes, if any, indicated in items (a) and (b) above.

COMMUNICATIONS UNIT
2006 MAR 21 PM 12:50

IF THE REGISTRANT IS AN INDIVIDUAL, OMIT RESPONSE TO ITEMS 3, 4 AND 5(a).

3. If you have previously filed Exhibit C¹, state whether any changes therein have occurred during this 6 month reporting period.
Yes No

If yes, have you filed an amendment to the Exhibit C? Yes No

If no, please attach the required amendment.

¹ The Exhibit C, for which no printed form is provided, consists of a true copy of the charter, articles of incorporation, association, and by laws of a registrant that is an organization. (A waiver of the requirement to file an Exhibit C may be obtained for good cause upon written application to the Assistant Attorney General, Criminal Division, U.S. Department of Justice, Washington, DC 20530.)

4. (a) Have any persons ceased acting as partners, officers, directors or similar officials of the registrant during this 6 month reporting period? Yes No

If yes, furnish the following information:

Name Position Date connection ended

(b) Have any persons become partners, officers, directors or similar officials during this 6 month reporting period? Yes No

If yes, furnish the following information:

Name Residence address Citizenship Position Date assumed

5. (a) Has any person named in item 4(b) rendered services directly in furtherance of the interests of any foreign principal? N/A
Yes No

If yes, identify each such person and describe his service.

(b) Have any employees or individuals, who have filed a short form registration statement, terminated their employment or connection with the registrant during this 6 month reporting period? N/A
Yes No

If yes, furnish the following information:

Name Position or connection Date terminated

(c) During this 6 month reporting period, has the registrant hired as employees or in any other capacity, any persons who rendered or will render services to the registrant directly in furtherance of the interests of any foreign principal(s) in other than a clerical or secretarial, or in a related or similar capacity? N/A
Yes No

If yes, furnish the following information:

Name Residence address Citizenship Position Date assumed

6. Have short form registration statements been filed by all of the persons named in Items 5(a) and 5(c) of the supplemental statement? N/A
Yes No

If no, list names of persons who have not filed the required statement.

II - FOREIGN PRINCIPAL

7. Has your connection with any foreign principal ended during this 6 month reporting period?

Yes No

If yes, furnish the following information:

Name of foreign principal

Date of termination

8. Have you acquired any new foreign principal² during this 6 month reporting period?

Yes No

If yes, furnish the following information:

Name and address of foreign principal

Date acquired

9. In addition to those named in Items 7 and 8, if any, list foreign principals² whom you continued to represent during the 6 month reporting period.

The Government of the Republic of Trinidad and Tobago

10. EXHIBITS A AND B

(a) Have you filed for each of the newly acquired foreign principals in Item 8 the following:

N/A

Exhibit A³ Yes No
Exhibit B⁴ Yes No

If no, please attach the required exhibit.

(b) Have there been any changes in the Exhibits A and B previously filed for any foreign principal whom you represented during the 6 month period? Yes No

If yes, have you filed an amendment to these exhibits? Yes No

If no, please attach the required amendment.

² The term "foreign principal" includes, in addition to those defined in Section 1(b) of the Act, an individual organization any of whose activities are directly or indirectly supervised, directed, controlled, financed, or subsidized in whole or in major part by a foreign government, foreign political party, foreign organization or foreign individual. (See Rule 100(a) (9).) A registrant who represents more than one foreign principal is required to list in the statements he files under the Act only those principals for whom he is not entitled to claim exemption under Section 3 of the Act. (See Rule 208.)

³ The Exhibit A, which is filed on Form CRM-157 (Formerly OBD-67), sets forth the information required to be disclosed concerning each foreign principal.

⁴ The Exhibit B, which is filed on Form CRM-155 (Formerly OBD-65), sets forth the information concerning the agreement or understanding between the registrant and the foreign principal.

III - ACTIVITIES

11. During this 6 month reporting period, have you engaged in any activities for or rendered any services to any foreign principal named in Items 7, 8, and 9 of this statement? Yes No

If yes, identify each such foreign principal and describe in full detail your activities and services:

- Lobbying services in Washington DC on behalf of the Government of the Republic of Trinidad and Tobago

12. During this 6 month reporting period, have you on behalf of any foreign principal engaged in political activity⁵ as defined below? Yes No

If yes, identify each such foreign principal and describe in full detail all such political activity, indicating, among other things, the relations, interests and policies sought to be influenced and the means employed to achieve this purpose. If the registrant arranged, sponsored or delivered speeches, lectures or radio and TV broadcasts, give details as to dates and places of delivery, names of speakers and subject matter.

See attachment B

13. In addition to the above described activities, if any, have you engaged in activity on your own behalf which benefits any or all of your foreign principals? Yes No

If yes, describe fully.

⁵ The term "political activities" means any activity that the person engaging in believes will, or that the person intends to, in any way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulating, adopting or changing the domestic or foreign policies of the United States or with reference to the political or public interests, policies, or relations of a government of a foreign country or a foreign political party.

IV - FINANCIAL INFORMATION

14. (a) RECEIPTS-MONIES

During this 6 month reporting period, have you received from any foreign principal named in Items 7, 8, and 9 of this statement, or from any other source, for or in the interests of any such foreign principal, any contributions, income or money either as compensation or otherwise? Yes No

If no, explain why.

If yes, set forth below in the required detail and separately for each foreign principal an account of such monies⁶

Date	From whom	Purpose	Amount
9/19/2005	The Government of Trinidad and Tobago	Retainer	300.000.00
9/19/2005	The Government of Trinidad and Tobago	Expenses	23.020.66
11/16/2005	The Government of Trinidad and Tobago	Expenses	74.304.24
12/15/06	The Government of Trinidad and Tobago	Retainer	300.000.00
			697,324.90
			<u>Total</u>

(b) RECEIPTS - FUND RAISING CAMPAIGN

During this 6 month reporting period, have you received, as part of a fund raising campaign⁷, any money on behalf of any foreign principal named in items 7, 8, and 9 of this statement? Yes No

If yes, have you filed an Exhibit D⁸ to your registration? Yes No

If yes, indicate the date the Exhibit D was filed. Date _____

(c) RECEIPTS - THINGS OF VALUE

During this 6 month reporting period, have you received any thing of value⁹ other than money from any foreign principal named in Items 7, 8, and 9 of this statement, or from any other source, for or in the interests of any such foreign principal? Yes No

If yes, furnish the following information:

Name of foreign principal	Date received	Description of thing of value	Purpose
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^{6, 7} A registrant is required to file an Exhibit D if he collects or receives contributions, loans, money, or other things of value for a foreign principal, as part of a fund raising campaign. (See Rule 201(v).)

⁸ An Exhibit D, for which no printed form is provided, sets forth an account of money collected or received as a result of a fund raising campaign and transmitted for a foreign principal.

⁹ Things of value include but are not limited to gifts, interest free loans, expense free travel, favored stock purchases, exclusive rights, favored treatment over competitors, "kickbacks," and the like.

15. (a) **DISBURSEMENTS - MONIES**

During this 6 month reporting period, have you

(1) disbursed or expended monies in connection with activity on behalf of any foreign principal named in Items 7, 8, and 9 of this statement? Yes No

(2) transmitted monies to any such foreign principal? Yes No

If no, explain in full detail why there were no disbursements made on behalf of any foreign principal.

If yes, set forth below in the required detail and separately for each foreign principal an account of such monies, including monies transmitted, if any, to each foreign principal.

Date	To whom	Purpose	Amount
Trinidad and Tobago			
9/19/2005	Ruder Finn Inc	PR Services	24,074.20
9/20/2005	Alternative Marketing Access, Inc	Consulting Services	20,000.00
9/20/2005	All Medial Projects Ltd	Consulting Services	14,546.00
9/20/2005	Patton Boggs	Lobbying Services	135,000.00
10/11/2005	Edelman	PR Services	10,000.00
12/16/2005	Patton Boggs	Lobbying Services	135,000.00
12/19/2005	Alternative Marketing Access, Inc	Consulting Services	61,653.36
9/1/05-2/28/06	Employees	Salaries and Wages	29,243.20
9/1/05-2/28/06	Office Supplies/ Parking etc.	Administrative	4,174.96
9/1/05-2/28/06	Travel/Lodging/Meals	Meetings with client (NO GOVERNMENT OR MEDIA REPRESENTATIVE EXPENSES INCURRED)	70,633.21
9/1/05-2/28/06	Entertainment	Business development and relationship building with client (NO GOVERNMENT OR MEDIA REPRESENTATIVE EXPENSES INCURRED)	3,114.16

544,439.09

Total

(b) DISBURSEMENTS - THINGS OF VALUE

During this 6 month reporting period, have you disposed of anything of value¹⁰ other than money in furtherance of or in connection with activities on behalf of any foreign principal named in Items 7, 8, and 9 of this statement?

Yes No

If yes, furnish the following information:

Date disposed	Name of person to whom given	On behalf of what foreign principal	Description of thing of value	Purpose
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(c) DISBURSEMENTS - POLITICAL CONTRIBUTIONS

During this 6 month reporting period, have you from your own funds and on your own behalf either directly or through any other person, made any contributions of money or other things of value¹¹ in connection with an election to any political office, or in connection with any primary election, convention, or caucus held to select candidates for political office?

Yes No

If yes, furnish the following information:

Date	Amount or thing of value	Name of political organization	Name of candidate
9/20/2005	1,000.00	Maine Victory 2000	John Baldacci
1/25/2006	500.00	Friends of Michael Steele	Michael Steele

^{10, 11} Things of value include but are not limited to gifts, interest free loans, expense free travel, favored stock purchases, exclusive rights, favored treatment over competitors, "kickbacks" and the like.

V - INFORMATIONAL MATERIALS

16. During this 6 month reporting period, did you prepare, disseminate or cause to be disseminated any informational materials ^{12?}
Yes No

IF YES, RESPOND TO THE REMAINING ITEMS IN SECTION V.

17. Identify each such foreign principal.

The Government of Trinidad and Tobago

18. During this 6 month reporting period, has any foreign principal established a budget or allocated a specified sum of money to finance your activities in preparing or disseminating informational materials? Yes No

If yes, identify each such foreign principal, specify amount, and indicate for what period of time.

19. During this 6 month reporting period, did your activities in preparing, disseminating or causing the dissemination of informational materials include the use of any of the following:

- Radio or TV broadcasts
- Magazine or newspaper articles
- Motion picture films
- Letters or telegrams
- Advertising campaigns
- Press releases
- Pamphlets or other publications
- Lectures or speeches
- Internet
- Other (specify) Information Material

20. During this 6 month reporting period, did you disseminate or cause to be disseminated informational materials among any of the following groups:

- Public Officials
- Newspapers
- Libraries
- Legislators
- Editors
- Educational institutions
- Government agencies
- Civic groups or associations
- Nationality groups
- Other (specify) _____

21. What language was used in the informational materials:

- English
- Other (specify) _____

22. Did you file with the Registration Unit, U.S. Department of Justice a copy of each item of such informational materials disseminated or caused to be disseminated during this 6 month reporting period? Yes No

23. Did you label each item of such informational materials with the statement required by Section 4(b) of the Act? Yes No

¹² The term informational materials includes any oral, visual, graphic, written, or pictorial information or matter of any kind, including that published by means of advertising, books, periodicals, newspapers, lectures, broadcasts, motion pictures, or any means or instrumentality of interstate or foreign commerce or otherwise. Informational materials disseminated by an agent of a foreign principal as part of an activity in itself exempt from registration, or an activity which by itself would not require registration, need not be filed pursuant to Section 4(b) of the Act.

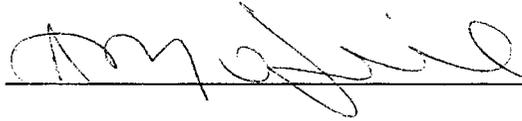
VI – EXECUTION

In accordance with 28 U.S.C. §1746, the undersigned swear(s) or affirm(s) under penalty of perjury that he/she has (they have) read the information set forth in this registration statement and the attached exhibits and that he/she is (they are) familiar with the contents thereof and that such contents are in their entirety true and accurate to the best of his/her (their) knowledge and belief, except that the undersigned make(s) no representation as to the truth or accuracy of the information contained in the attached Short Form Registration Statement(s), if any, insofar as such information is not within his/her (their) personal knowledge.

(Date of signature)

(Type or print name under each signature¹³)

March 30, 2006



Ansley Gill

¹³ This statement shall be signed by the individual agent, if the registrant is an individual or by a majority of those partners, officers, directors or persons performing similar functions, if the registrant is an organization, except that the organization can, by power of attorney, authorize one or more individuals to execute this statement on its behalf.



U.S. Department of Justice

Criminal Division

Washington, DC 20530

THIS FORM IS TO BE AN OFFICIAL ATTACHMENT TO YOUR CURRENT SUPPLEMENTAL STATEMENT -
PLEASE EXECUTE IN TRIPLICATE

SHORT-FORM REGISTRATION INFORMATION SHEET

SECTION A

The Department records list active short-form registration statements for the following persons of your organization filed on the date indicated by each name. If a person is not still functioning in the same capacity directly on behalf of the foreign principal, please show the date of termination.

Short Form List for Registrant: Ainsley Gill & Associates, LLC

Last Name	First Name and Other Names	Registration Date	Termination Date	Role
Gill	Ainsley	02/13/2004		

still functioning in the same capacity.

[Handwritten signature]
3/31/06



U.S. Department of Justice

Criminal Division

Washington, DC 20530

SECTION B

In addition to those persons listed in Section A, list below all current employees rendering services directly on behalf of the foreign principals(s) who have not filed short-form registration statements. (Do not list clerks, secretaries, typists or employees in a similar or related capacity). If there is some question as to whether an employee has an obligation to file a short-form, please address a letter to the Registration Unit describing the activities and connection with the foreign principal.

Name	Function	Date Hired
Ainsley Gill	Head Lobbyist	Feb 2004

Signature: [Handwritten Signature] Date: 3/3/06

Title: Mgr Partner

Attachment A
Item 11

Ainsley Gill & Associates, LLC
1627 K Street, N.W. Suite 901
Washington, DC 20006

Registration No. 5600

Supplemental Statement for six month period ending 2/28/2006

Trinidad and Tobago:

- Lobbying services in Washington DC on behalf of the Government of the Republic of Trinidad and Tobago;
- Attended fund raiser for Governor of Maine, John Baldacci on September 9, 2005
- Attended fund raiser for Lt. Governor Michael Steele on January 1, 2006
- Attended Bearstone financial conference in Miami on January 8 thru January 11, 2006
- Attended reception for Everett Eisenstat, Asst. US Trade Representative on January 17, 2006

Ainsley Gill & Associates, LLC
1627 K Street, N.W. Suite 901
Washington, DC 20006

Registration No. 5600

Supplemental Statement for six month period ending 2/28/2006

- Engaged the public relations firm of Edelman for a period of one month (September 2005) to promote and enhance public perception re Trinidad and Tobago energy industry.
- Arranged meeting for Trinidad and Tobago Energy Minister Eric Williams to meet with Congressman Charles Rangel at 2354 Rayburn House office Building on September 8 2005.
- Arranged meeting for Trinidad and Tobago Energy Minister Eric Williams to meet with Ms. Karen Harbert Assistant Secretary, U.S. Department of Energy, Office of Policy and International Affairs on September 8 2005.
- Arranged meeting for Trinidad and Tobago Energy Minister Eric Williams to meet with Ambassador Chapparo, Deputy Assistant Secretary for Western Hemisphere, State Department on September 8 2005.
- Arranged meeting for Trinidad and Tobago Energy Minister Eric with Congressman Donald Payne – Co Chair of Congressional Caribbean Caucus on September 8 2005.
- Arranged meeting for Trinidad and Tobago Energy Minister Eric William with Ambassador Tom Shannon, Deputy Secretary Western Hemisphere on September 8 2005.
- Arranged for an interview with Trinidad and Tobago Energy Minister Eric Williams thru PR firm Edelman with Chris Baltimore of Reuters News Service on September 9 2005.
- Arranged for an interview with Trinidad and Tobago Energy Minister Eric Williams thru PR firm Edelman with Matthew S. Carr of Natural Gas Week on September 9 2005.
- Arranged for and interview with Trinidad and Tobago Energy Minister Eric Williams thru PR firm Edelman with Chris Holly of Energy Daily on September 9 2005.

- Meeting for Trinidad and Tobago Energy Minister to meet with Mr. Chase Hutto, Dir. Of Int'l Energy, NSC on September 9 2005.
- Met with Mr. Patrick Duddy, Deputy Assistant Secretary for Western Hemisphere Affairs and Mr. Brian Nichols Director Office of Caribbean Affairs to discuss bilateral relations between the US and Trinidad and Tobago on September 21, 2005.
- Met with Mr. Kelvin Kolevar, Director of the Office of Energy Assurance, DOE to discuss bilateral energy relations between Trinidad and Tobago and the US on September 23 2005.
- Met with Ms. Aimee Strudwick, Chief of Staff to Deputy Secretary David Sampson, Department of Commerce to discuss bilateral trade issues between Trinidad and Tobago and the US on September 23 2005.
- Met with Mr. Walter Bastian, Deputy Assistant Secretary for Western Hemisphere, Dept. of Commerce to discuss bilateral trade issues between Trinidad and Tobago and the US on September 23 2005.
- Met with Mr. Ken Mehlman, Chairman, Republican National Committee to discuss Trinidad and Tobago on September 23 2005.
- Met with Mr. John Simon, Special Assistant to the President and Senior Director of Development, NSC to discuss Trinidad and Tobago on September 27 2005.
- Met with Mr. Russell Smith, USTR to discuss trade issues on behalf of Trinidad and Tobago on October 6 2005.
- Met with US Ambassador Roy Austin in Trinidad and Tobago to discuss Trinidad and Tobago interests in the US on October 12 2005.
- Met with Ambassador Roy Austin to discuss Trinidad and Tobago US interest on 11/14/2005.
- Met Ms. Jamila Thompson, Legislative Assistant to Congresswoman Barbara Lee on January 24 2006 to discuss Trinidad and Tobago.
- Met with Ambassador Austin on January 27 2006 to discuss US/TT interest.
- January 30 2006 – Extended an invitation to Secretary Bodman on behalf of Atlantic Liquefied Natural Gas (ALNG) to attend the inauguration of Train 4 in Trinidad and Tobago (the largest train in the world).
- Met with Ambassador Austin on January 31 2006 to discuss US/TT interest.

- Met with US DOE office of International Policy representatives Mr. Sam Browne, Mr. Gary Ward, Ms. Sarah, and Mr. Manolis R. Priniotakis on February 17 2006 to discuss a possible CARICOM Energy Ministers meeting to be held in Trinidad and Tobago.
- February 24 2006 - Communication via email as a follow up to meetings, request support from Assistant Secretary Harbert for meeting with Trinidad and Tobago officials.
-

Trinidad & Tobago: Leading U.S. Strategic Partner in the Caribbean Benefits of a Presidential Meeting with Prime Minister Patrick Manning

A Presidential meeting with Prime Minister Patrick Manning of Trinidad & Tobago ("TT"), who is presently the Chairman of the fifteen-nation Caribbean Community (CARICOM), would provide President Bush the opportunity to advance U.S. interests in the Caribbean at a crucial time in relations between the United States and the Caribbean and Latin America:

- Haiti's Interim Prime Minister Gerard LaTortue spent several days in late January 2006 in TT for groundbreaking meetings with Prime Minister Manning, who is spearheading an initiative for CARICOM to play a central role in ensuring stability and democratic governance for fellow CARICOM member Haiti following the February 7, 2006 elections.
- Venezuelan President Hugo Chavez continues to seek to use his country's oil wealth and developing political influence and military strength to create an anti-United States bloc of countries in the region, including through an oil loan initiative called Petro Caribe that threatens to make Caribbean countries wholly dependent on Venezuelan oil.
- Newly-elected Bolivian President Evo Morales, who campaigned on the promise to be the United States' "nightmare," plans to nationalize Bolivia's natural gas reserves (second only to Venezuela in South America) and end the United States' programs of coca eradication, and former Peruvian military officer Ollanta Humala is also presently riding support from anti-eradication coca farmers to a competitive position in the polls for this year's Presidential election in Peru.

The United States should establish a dialogue with leading regional allies to ensure that its relations with the region remain productive and avoid the antagonism that Chavez and other regional leaders apparently seek. TT, whose coast is only 14 miles away from that of Venezuela, can and should be the key U.S. ally in securing productive Caribbean relations regarding energy, trade and security. TT is the only producer of petroleum in CARICOM, and its dynamic economy and excellent seaports and airports make it CARICOM's commercial engine and transportation hub. TT's positions on matters of energy, trade and security thus carry significant weight in CARICOM's politics:

- **Regional Security and Diplomacy.** TT has been a leader in promoting security and stability in the region, including its present efforts to bring a region-wide CARICOM-led solution to the violence and political problems of Haiti. TT would like to play a partnership role with the United States on this and other initiatives in the region, including those regarding relations with Cuba and Venezuela. TT has also played a leading role in the implementation of the U.S. "Third Border Initiative," which aims to bolster transparency in governance and efforts to fight Caribbean drug/arms trafficking, migrant smuggling and money laundering.
- **Energy.** TT is the leading exporter of liquefied natural gas (LNG) to the United States, providing almost 70 percent of U.S. LNG imports. Along with Barbados, TT broke ranks with the rest of CARICOM on Venezuela's Petro Caribe initiative, which could make CARICOM countries dependent on Venezuela's oil, and continues its bold opposition to the initiative in CARICOM deliberations. As an influential member of the Gas Exporting

Countries Forum, whose next Ministerial Meeting will be held this year in Venezuela, TT can play a stabilizing role in the politics surrounding natural gas supplies, particularly in Bolivia and Venezuela.

- **Trade.** As a leading economy in CARICOM, TT is among the top Caribbean trade partners of the United States and is the commercial center and transportation/shipping hub of the Caribbean. TT has long been a leader in free-trade initiatives in the region, including strong support for the Free Trade Area of the Americas.
- **International Security and the War on Terror.** Since the commencement of hostilities in Iraq in March 2003, TT has sought to turn CARICOM's initial disagreement with the war into pragmatic support for post-war democratization and reconstruction. Additionally, although TT was a leading proponent of the International Criminal Court (ICC), it is willing to discuss the implications for both TT and the United States of signing a non-surrender agreement under Article 98 of the Rome Treaty establishing the ICC.

For the next six months, Prime Minister Manning will serve as the Chairman of CARICOM, and he plans to focus his Chairmanship on furthering his bold vision for Caribbean integration, which coheres with U.S. interests in the region as well. The two most prominent items on his agenda for the CARICOM Heads of Government meeting in Port of Spain on February 9-10 were developing a pro-active CARICOM role in ensuring stability and democracy for fellow CARICOM member Haiti, and leading CARICOM towards an energy future that is not solely dependent on petroleum supplies from Venezuela.

TT does not wish to be politically aligned with Venezuela or other anti-American political influences to the exclusion of good relations with the United States; to the contrary, it seeks to lead the nations of the Caribbean towards a mutually beneficial relationship with the United States. A Presidential meeting with Prime Minister Manning would provide President Bush the opportunity to encourage such positive regional leadership at this important moment in relations between the United States and the Caribbean and Latin America

Trinidad & Tobago: Leading U.S. Strategic Partner in the Caribbean Region

Benefits of a Presidential Meeting with Prime Minister Patrick Manning

A Presidential meeting with Prime Minister Patrick Manning of Trinidad & Tobago ("TT") would provide President Bush the opportunity to advance U.S. interests in the Caribbean at a crucial time in relations between the United States and the Caribbean and Latin America:

- Haiti's Interim Prime Minister Gerard La'Tortue visited TT in late January 2006 for groundbreaking meetings with Prime Minister Manning, who is spearheading an initiative for the fifteen-nation Caribbean Community (CARICOM) to play a central role in ensuring stability and democratic governance for fellow CARICOM member Haiti following the February 7, 2006 elections.
- Venezuelan President Hugo Chavez continues to seek to use his country's oil wealth and developing political influence and military strength to create an anti-United States bloc of countries in the region.
- Newly-elected Bolivian President Evo Morales, who campaigned on the promise to be the United States' "nightmare," plans to nationalize Bolivia's natural gas reserves (second only to Venezuela in South America) and end the United States' programs of coca eradication.
- Former Peruvian military officer Ollanta Humala is presently riding support from anti-eradication coca farmers and other anti-American elements to a competitive position in the polls for this year's Presidential election in Peru.

As detailed below, these developments have profound implications for U.S. initiatives regarding energy resources, international trade, regional security and drug/arms trafficking, and the Global War on Terror. In this context, it is important that the United States establish a dialogue with leading regional allies to ensure that its relations with the region remain productive and avoid the antagonism that Chavez and others apparently seek. TT is uniquely positioned to be just such an ally, particularly in the coming months, as Secretary of State Condoleezza Rice initiates her long-term plans for the U.S. relationship with the Caribbean region.

For the next six months, Prime Minister Manning will serve as the Chairman of CARICOM, and he plans to focus his Chairmanship on furthering his bold vision for Caribbean integration, which coheres with U.S. interests in the region as well. The two most prominent items on his agenda for the CARICOM Heads of Government meeting in Port of Spain on February 9-10 were developing a pro-active CARICOM role in ensuring stability and democracy for fellow CARICOM member Haiti, and leading CARICOM towards an energy future that is not solely dependent on petroleum supplies from Venezuela.

Friendly and productive relations with our Caribbean neighbors are critical to U.S. national interests regarding energy, trade, and security. TT, whose coast is only 14 miles away from that of Venezuela, can and should be the key U.S. ally in securing these productive relations. TT is the only producer of petroleum in CARICOM, and its dynamic economy and excellent seaports and airports make TT CARICOM's commercial engine and transportation hub.¹ TT's positions on matters of energy, trade and security thus carry significant weight in CARICOM's international politics. Most importantly, TT does not wish to be politically aligned with Venezuela or other anti-American political influences to the exclusion of good relations with the United States; to the contrary, it seeks to lead the nations of the Caribbean towards a mutually beneficial relationship with the United States.

TT's strategic importance to U.S. interests in the Caribbean is manifest:

- **Regional Security and Diplomacy.** TT has been a leader in promoting security and stability in the region, including its present efforts to bring the a region-wide CARICOM-led solution to the violence and political problems of Haiti. TT would like to play a partnership role with the United States on this matter and other future initiatives in the region, including those regarding relations with Cuba and Venezuela. TT has also played a leading role in the implementation of the U.S. "Third Border Initiative," which aims to bolster transparency in governance and efforts to fight Caribbean drug trafficking, migrant smuggling and money laundering.
- **Energy.** TT is the leading exporter of liquefied natural gas (LNG) to the United States, and along with Barbados, it recently broke ranks with the rest of CARICOM on Venezuela's Petro Caribe initiative, which could make CARICOM countries dependent on Venezuela's oil. As an influential member of the Gas Exporting Countries Forum, whose next Ministerial Meeting will be held this year in Venezuela, TT can play a stabilizing role in the politics surrounding natural gas supplies, particularly in Bolivia and Venezuela.
- **Trade.** As a leading economy in CARICOM, TT is among the top Caribbean trade partners of the United States. Additionally, it is a beneficiary of the U.S. Caribbean Basin Initiative and a strong proponent of the Free Trade Area of the Americas.
- **International Security and the War on Terror.** Since the commencement of hostilities in Iraq in March 2003, TT has sought to turn CARICOM's initial disagreement with the war into pragmatic support for post-war democratization and reconstruction. Additionally, although TT was a leading proponent of the International Criminal Court (ICC), it is willing to discuss the implications for both TT and the United States of signing a non-surrender agreement under Article 98 of the Rome Treaty establishing the ICC.

TT's leading role in CARICOM and the Caribbean region in general on matters of energy, trade, and security place TT in a position of significant strategic importance to United States interests in the Caribbean and throughout Central and South America. At a time when Chavez and other Latin

¹ CARICOM's 15 members include the following: Antigua and Barbuda, The Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, St. Lucia, St. Kitts and Nevis, St. Vincent and the Grenadines, Suriname and TT & Tobago.

American leaders appear intent on turning the countries of this region away from their traditional support for the United States, TT's active support for productive U.S.-Caribbean relations will be critical to U.S. national interests.

Fortunately, there is an opportunity for the United States to foster a strategic partnership with CARICOM, through TT, that could defuse the antagonistic relations that Chavez and other anti-American leaders seek. Moreover, unique avenues for constructive, and even interpersonal, dialogue between TT and the United States toward this end are available: as the former chairman and chief executive of the Cabot Corporation, a company that imported natural gas into the United States from TT, U.S. Energy Secretary Samuel Bodman was intimately familiar with TT's LNG sector long before he ascended to Cabinet rank; of equal importance, the two-term U.S. Ambassador to TT, Roy Austin (who incidentally is originally from St. Vincent and the Grenadines), has had a trusted relationship with President Bush since their undergraduate days at Yale.

A Presidential meeting with Prime Minister Patrick Manning would galvanize and strengthen TT's U.S.-friendly leadership in CARICOM and in the Caribbean region in general. This meeting would enhance the positive Caribbean relations that the United States seeks and secure vital U.S. national interests in the region.

(1) Regional Security and Diplomacy

Prime Minister Manning seeks to make TT a diplomatic partner to the United States as a leader of CARICOM in region-wide approaches to pressing issues such as democratic development and stability in Haiti, and also with regard to U.S. relations with Cuba, Venezuela, and Bolivia. To that end, with new elections scheduled for next month in Haiti, Manning invited Haiti's Interim Prime Minister Gerard LaTortue to Port of Spain in late January 2006 to discuss a CARICOM role in Haiti's February 7 elections. These meetings with LaTortue were seen as a breakthrough in relations between CARICOM and Haiti, which have been strained since the ousting of former President Jean-Bertrand Aristide in early 2004. Manning's invitation to LaTortue led to the first official communication between Haiti and CARICOM since LaTortue's interim government assumed power in Haiti almost two years ago. At the CARICOM Heads of Government meeting in Port of Spain on February 9-10, Manning led his fellow regional leaders toward a productive and cooperative relationship with Haiti, a fellow CARICOM member.

Additionally, Manning has offered in the past to assist the United States in negotiations with Bolivia during its leadership crisis last year, and he would be willing to use TT's Gas Exporting Countries Forum relationship with Bolivia to do the same in the future. TT would also like to use its political independence with regard to Venezuela and Cuba – see its stance on Petro Caribe and its refusal of “free” provision of Cuban medical services, respectively – to assist the United States in its sometimes difficult relationships with those countries.

The nations of the Caribbean are often characterized as the United States' “third border,” and with this in mind, President Bush announced the “Caribbean Third Border Initiative” in April 2001 to enhance the diplomatic, economic, health, education, and law enforcement cooperation between the United States and the nations of the Caribbean. In addition to providing increased funding for HIV/AIDS prevention and disaster preparedness and mitigation, the initiative provides additional funding for critical areas of law enforcement cooperation such as anti-money laundering and

professional development of police and prosecutors. Prime Minister Manning has commended the United States for its efforts to fight HIV/AIDS in the region, and stated last year in Miami that TT is a “stable and reliable ally of the United States in the maintenance of security in the region.”

The United States suspects Venezuela of providing safe haven to Colombian guerrillas, and Venezuela has recently explicitly refused to cooperate with U.S. anti-drug trafficking efforts. As noted above, the new leader of Bolivia ran for office on platform of opposition to U.S.-efforts to eradicate coca production, and the leading candidate in Peru’s presidential election is presently doing the same. In contrast, TT has played a leading role in bolstering transparency in governance and efforts to fight Caribbean drug trafficking, migrant smuggling and money laundering. TT recently purchased four armed helicopters for surveillance and interdiction of the illegal drug and arms trade that plagues the region, and last year it installed a high-resolution “360 degree” radar system that offers comprehensive surveillance coverage of all of TT’s coastlines. TT is presently in discussions with Grenada, St. Lucia, and St. Vincent and the Grenadines to extend the radar’s coverage to those islands and their shipping lanes as well.

Due to its central position in the Caribbean economic, diplomatic, and security sectors, TT is crucial to the success of securing the “third border” of the United States. This is particularly true in light of TT’s position as the leading supplier of LNG to the United States, all through Caribbean shipping lines, and the energy infrastructure security needs that are inherent in such trade. Prime Minister Manning has taken a leadership role in Caribbean efforts to fight drug trafficking and related organized crime, and he welcomes Secretary Rice’s recent and developing emphasis on regional solutions to these problems. A Presidential meeting with Prime Minister Manning would bolster all of these efforts toward regional security and productive relations among the countries of Latin America and the Caribbean.

(2) Energy Resources and Politics

TT is the leading exporter of liquefied natural gas (LNG) to the United States, providing approximately 65 percent of U.S. LNG imports. Atlantic LNG Company’s completion of “Train IV” (the fourth expansion) of its LNG plant in TT will soon complete the largest LNG production and distribution facility in the world. The Energy Policy Act of 2005, which gave the Federal Energy Regulatory Commission (FERC) exclusive approval authority for new LNG import terminals in the United States and provided for significant expansion of domestic natural gas delivery infrastructure, signaled the long-term significance to U.S. energy policy of politically stable and U.S.-friendly exporters of LNG. TT’s stable supply of LNG to the United States could prove to be even more important in the future, pending new Bolivian President Evo Morales’ plans to nationalize Bolivia’s natural gas industry.

However, TT’s strategic significance to the United States on matters of energy goes far beyond LNG and has implications that could potentially affect global oil politics in general, and U.S.-Venezuelan oil trade in particular. Of particular interest in this area is TT’s decision last summer to opt out of Venezuela’s “Petro Caribe” initiative, which provides oil to Caribbean nations at discount prices. The United States urged Caribbean nations not to join in this initiative, which is seen as part of Chavez’s efforts to isolate the United States among countries of the Americas, but TT and Barbados were the only CARICOM members to refuse entry into the program. As the Caribbean’s

only petroleum-producing country, and with all of its CARICOM neighbors except Barbados joining Petro Caribe, TT has taken a bold leadership role in arguing against the program.

Venezuela is the fourth-leading source of U.S. oil imports, and Chavez has recently threatened to shut off oil exports to the United States. The Petro Caribe initiative must therefore be seen in this context: last summer Chavez asserted that his wish to “share [Venezuela’s] huge oil and gas reserves with the peoples of the Caribbean, Central and South America” is a reaction to the United States’ alleged desire to secure energy resources “to fuel their irrational development model which at the same time brings underdevelopment and misery to the rest of the planet.” Petro Caribe, like Venezuela’s similar initiatives for the Mercosur countries² and the countries of the Andean region³ (Petrosur and Petro Andina, respectively), ostensibly aims to provide low-cost oil to the associated countries, but critics argue that the preferential deals’ goals are mostly political.

Few CARICOM states possess any oil refining infrastructure (and as mentioned above, only TT possesses appreciable oil *production* resources), and the Petro Caribe proposal would provide oil products to these countries from Venezuela at below-market costs by eliminating the “middleman” costs of refining. Additionally, the initiative provides for financing of oil purchases from Venezuela at a variable percentage of credit tied to the global price of oil. (That is, if the market price is \$30 per barrel, Venezuela will provide a 25 percent line of credit; if the price is \$50 per barrel, the credit percentage moves to 40 percent; and if the price reaches \$100 per barrel, the credit line will be 50 percent.) Additionally, Venezuela would establish a “development fund” from oil sales, with an initial annual contribution of \$50 million for social and economic programs in the participating states. Finally, Chavez also has offered to dismantle large, unused oil storage tanks in Venezuela for shipment to CARICOM countries whose U.S.-owned storage facilities might be unavailable for storage of oil obtained through the Petro Caribe initiative.

In contrast to Chavez’ claims of magnanimity, critics assert that this initiative is meant to secure political support for Venezuela, or even to “buy votes” for Venezuela in international organizations such as the Organization of American States. In any case, the potential for development of Caribbean dependence on Venezuelan oil at preferential terms, and the potential for disruption of U.S. oil imports from Venezuela, is self-evident. In the words of Guyana’s ambassador to Venezuela, “Undoubtedly, President Chavez is asserting a leadership role in the region through the Petro Caribe scheme.”

TT’s decision to opt out of this initiative is thus of great significance to U.S. energy interests in the Caribbean region. It is all the more striking because Prime Minister Manning of TT was himself tapped by CARICOM leaders to negotiate the agreement; these leaders had hoped that the lure of TT’s possibly becoming the location of the primary refining center for Petro Caribe oil from Venezuela would convince TT to participate. Despite pressure from CARICOM partners to join the agreement, however, Prime Minister Manning decided that TT would join Barbados in abstaining from the initiative.

² Brazil, Argentina, Paraguay, and Uruguay.

³ Colombia, Ecuador, Peru and Bolivia.

Even in the wake of the 13 other CARICOM countries' decisions to begin bilateral negotiations with Venezuela under Petro Caribe, TT's central CARICOM leadership role on matters of energy production remains. Dr. Raymond Wright, the director of the Petroleum Corporation of Jamaica, stated this week: "I can speak on behalf of the political directorate that we will not abandon TT. We will not turn our backs on the country which for so long has been our reliable supplier and has stood side by side with us." Prime Minister Manning has continued his bold regional leadership on this issue as his CARICOM members negotiate their terms of membership, arguing that the initiative would be disruptive to energy supplies by forcing private oil firms out of the market, thereby leaving the region dependent on a single state-run provider: Venezuela.

Manning's leadership is having an impact: CARICOM Secretary General Edwin Carrington has recently lamented that "there was no regional discussion among [CARICOM] as to how to respond to this initiative." He is pleased that with Manning taking the six-month CARICOM Chairmanship earlier this month, the CARICOM Heads of Government meeting on February 9-10 in TT will focus specifically on the "positives and negatives" of the initiative. Manning has been an outspoken advocate for leading CARICOM towards an energy future that is not solely dependent on petroleum supplies from Venezuela, and will continue his bold leadership role on this issue in the coming weeks and months.

A Presidential meeting with Prime Minister Manning would encourage pro-TT (and thus pro-United States) positions among CARICOM leaders on matters of energy. This meeting would present an opportunity for the United States to provide diplomatic support and encouragement to TT and other Caribbean nations that wish to foster productive energy relationships with the United States and avoid the antagonistic relations sought by Chavez and others.

(3) Trade

As the most dynamic and developed economy in CARICOM, TT is among the top Caribbean trade partners of the United States. TT has taken advantage of the benefits of the U.S. Caribbean Basin Initiative (CBI) to diversify its economy, and its development of its seaports and excellent international airport has positioned it to become the commercial and transportation hub of the Caribbean. Moreover, due largely to the leading candidacy of its capital city, Port of Spain, as a potential host city for the Secretariat of the Free Trade Area of the Americas (FTAA), it has been a strong proponent of the U.S.-led negotiations for free trade throughout the Americas. In contrast to Venezuela's efforts to turn countries in the region away from the United States, TT is forward-looking on matters of trade and investment with the United States.

With the momentum from last summer's Congressional approval of the Dominican Republic—Central American Free Trade Agreement, the time is ripe for the United States to cultivate allies for further liberalization in trade relations with other countries in the Caribbean and throughout the Americas. In August 2005, CARICOM called for a resumption of the stalled FTAA negotiations and advocated development of a "road map" toward successful completion of the FTAA. While negotiations for the FTAA have slowed, the Caribbean region is open to further trade liberalization; as the commercial center of the Caribbean region, TT is well-positioned to provide crucial leadership on these issues both within CARICOM and in larger settings such as the FTAA negotiations.

A Presidential meeting with Prime Minister Manning would re-start the free trade momentum in the region that was begun with the successful conclusion of DR-CAFTA and slowed somewhat at the Summit of the Americas in Mar del Plata, Argentina last November. This meeting would encourage TT and other CARICOM members to reject Chavez' anti-U.S. demagoguery and instead become strategic partners to the United States in its efforts to liberalize trade throughout the Americas.

(4) International Security and the War on Terror

Despite differences between CARICOM and the United States regarding the liberation of Iraq, TT has exhibited pragmatic leadership in CARICOM regarding the United States' post-war democratization and reconstruction efforts in Iraq. Additionally, although TT was a leading proponent of the International Criminal Court (ICC), whose jurisdiction over U.S. nationals is opposed by the United States, TT is willing to discuss the implications for both TT and the United States of signing a non-surrender agreement under Article 98 of the Rome Treaty establishing the ICC. A Presidential meeting with Prime Minister Manning would reward TT for its leadership on these matters, thereby signaling to other CARICOM members U.S. eagerness to find common ground on matters of international security.

(a) The Liberation of Iraq

While CARICOM members were initially opposed to the U.S.-led coalition's approach to liberating Iraq from the rule of Saddam Hussein, immediately following the commencement of hostilities in Iraq in March 2003, Prime Minister Manning's government began to take a pragmatic approach to the war that sought to avoid "post-mortems" or "placing blame." At a news conference on April 10, 2003, Foreign Minister Knowlson Gift stated that concerns over the war's origins "should not overshadow what needs to be done," and soon after, CARICOM itself followed TT's lead. In May 2003, CARICOM foreign ministers issued the following statement:

"CARICOM's position on the Iraq crisis... [was] at variance with that of members of the Coalition, which includes some of CARICOM's closest allies. The Ministers conclude that these differences of opinion should not lead to prolonged tension or damage to the excellent relations which the CARICOM democracies share with these major partners.

Ministers [are] of the firm view that the efforts of the international community should now be focused on the future. In this regard, they emphasized the urgency of implementing a comprehensive programme for the reconstruction of Iraq, giving priority to the humanitarian plight of the Iraqi people...

In this regard, Ministers [identify] as a priority the strengthening of ties with traditional friends and a reinvigorated dialogue based on shared values, friendship and openness with historic allies, particularly those in the hemisphere."

The stark difference between the positive, forward-looking approach of TT-led CARICOM and the demagoguery of Chavez' participation in the August 2005 "Against War and Imperialism" festival in Venezuela and the anti-American protests he led at the Summit of the Americas in November 2005 is clear. As the struggle to assist Iraq in establishing a secure democracy continues, a Presidential meeting with Prime Minister Manning will underscore the importance of pragmatic cooperation among traditional regional allies even in security initiatives outside their geographical region. While

the military and financial resources of TT and other CARICOM countries are of course limited, TT wishes to continue its CARICOM leadership role in fostering diplomatic and political support for the global effort to establish democracy in Iraq.

(b) Article 98 Agreements

TT is widely recognized as the Caribbean region's strongest proponent of the International Criminal Court (ICC). It was among the first three states worldwide to ratify the Rome Statute that established the ICC, and one of TT's most distinguished jurists, Judge Karl Hudson-Phillips, was among the 18 judges recently elected by the state parties to the ICC to fill the Court upon its establishment. This leadership role in the establishment of the ICC is a point of pride for TT, but it does not foreclose the possibility of finding common ground on the matter with the United States, which is opposed to ICC jurisdiction over U.S. citizens.

The United States is seeking to negotiate bilateral non-surrender (i.e., non-extradition) agreements under Article 98 of the Rome Statute with as many countries as possible. To date, the United States has negotiated 99 such agreements. Among CARICOM countries, only two – Antigua & Barbuda and Belize – have concluded Article 98 agreements with the United States, and TT is presently among the four CARICOM countries that are parties to the ICC but have not concluded Article 98 agreements with the United States. (The other three are Barbados, Dominica, and St. Vincent & the Grenadines.) Under the American Servicemembers Protection Act of 2002, TT and other parties to the ICC that have not concluded Article 98 agreements are subject to suspension of U.S. military assistance.

TT understands that concluding an Article 98 agreement with the United States could bring it substantial benefits, including resumption of military assistance and general improvement in trade and diplomatic relations. However, there are also certain disadvantages to TT inherent in entering into such an agreement, namely the possibility of being negatively regarded by its neighbors. This is a particularly delicate issue for TT due to its relationship with the ICC.

In this context, a Presidential meeting with Prime Minister Manning could go a long way toward convincing TT that an Article 98 agreement would solidify the relationship between TT and the United States. Due to the prominence of TT's role in establishing the ICC, such an agreement with TT would provide substantial support for the U.S. position that its necessary military operations in the Global War on Terror are not compatible with ICC jurisdiction over U.S. citizens, and could therefore possibly lead to the negotiation of Article 98 agreements with other CARICOM parties to the ICC.

This material is distributed by the team of Ainsley Gill & Associates, representing the Government of Trinidad & Tobago. Additional information is available at the Department of Justice, Washington, D.C.

THE CARIBBEAN IN 2020

A Vision for the Future of the Caribbean Community

In response to U.S. Secretary of State Condoleezza Rice's recent request for comments from Caribbean nations regarding their long-term development goals, this paper outlines a vision for the future of the Caribbean Community (CARICOM).

In short, it is CARICOM's goal for all of its 15 member nations to have made significant progress toward achieving developed nation status by 2020, and for CARICOM as a whole to play an influential and positive role in the economic, security, and energy affairs of the Western Hemisphere. CARICOM's population and economic potential place it among the leaders of the region:

- If CARICOM were a single country, its population of 14.5 million would make it the 9th most populous country in the Western Hemisphere, behind Chile at 16 million and larger than other major countries such as Cuba and the Dominican Republic.¹
- At US \$42 billion, CARICOM's combined GDP would presently constitute the 10th largest economy in the Americas, between Peru (US \$73 billion) and Ecuador (US \$32 billion).²

Since the early days of European exploration of the New World, the Caribbean region has played a central role in the commerce and security of the Western Hemisphere, and as the "third border" of the United States and neighbor to other powers such as Brazil and Venezuela, the region remains crucial to the economic and physical security of the Americas. CARICOM intends to continue its post-colonial development toward achieving a political and economic status sufficient to help lead the Americas toward a free, prosperous and secure Western Hemisphere.

This paper outlines CARICOM's vision for development – and also the United States' potential role in this vision – in the following six areas:

- 1) Economic development and international trade,
- 2) Energy resources,
- 3) Security and criminal justice
- 4) Public health (particularly HIV/AIDS),
- 5) Education, and
- 6) Democracy, transparent governance and civil society.

We welcome the cooperation of the United States in implementing the vision outlined below.

¹ Population figures according to the CIA WORLD FACTBOOK.

² GDP figures according to the International Monetary Fund.

(1) Economic development and international trade

Since the establishment of CARICOM in 1973, the organization's primary goal has been the development of the CARICOM Single Market and Economy (CSME), which will consolidate the diverse and significant labor and natural resources of CARICOM's member nations into one large market. The key elements of the CSME are free movement of goods, services, labor and capital within CARICOM and a common external tariff and international trade policy. Over the last decade, CARICOM member nations have taken steps to liberalize trade in goods, implement a common external tariff, and move towards a single market, including free trade in services and the free movement of capital and skilled labor. The coming years will bring further integration of our markets and economies toward the ultimate goal of the CSME.

Domestically, CARICOM intends to use the CSME to transform its service sector, establish an abundance of knowledge-based companies, and encourage entrepreneurship and small business development. The economies of scale that the CSME will provide will allow CARICOM to diversify its commercial sectors beyond the traditional commodity production and tourism to attract foreign direct investment and increase CARICOM's combined GDP.

In turn, this domestic economic development will allow CARICOM's businesses to compete in the global economy for production of value-added goods and services. International trade issues are of course central to this goal. To that end, CARICOM's Regional Negotiating Machinery (RNM, the CARICOM equivalent of the U.S. Trade Representative) will be aggressive in coming years to help complete the Doha Development Round of global trade talks as well as the Free Trade Area of the Americas. As these negotiations continue, CARICOM would like to explore the possibility of a Free Trade Agreement (FTA) with the United States that would complement the United States' recently completed FTA with the Dominican Republic and the nations of Central America. Trade in agricultural products such as sugar, rice and bananas, and also development of CARICOM's biotechnology sector, will be among the top priorities of the RNM in these negotiations.

Through its Caribbean Basin Initiative (CBI), the United States has long played an important role in the region's economic development and international trade, and CARICOM would like to expand this mutually beneficial relationship. As most goods from CARICOM countries presently receive duty-free entry into the United States, perhaps the most beneficial expansion of the CBI framework would be a revision of the existing rules of origin that would encourage the development of processing, conversion, and assembly capacity among CARICOM businesses. The present rules of origin for duty-free treatment under CBI require that at least 35 percent of the appraised value of the article imported into the United States consist of the value of materials produced in CBI beneficiary countries and/or the direct costs of processing operations performed in CBI beneficiary countries. The value of materials imported into a CBI beneficiary country from a non-beneficiary country may be included in calculating the 35 percent value-added requirement if the materials are first "substantially transformed" into new and different articles of commerce (i.e., a different product under the Harmonized Tariff Schedule) and are then used as constituent materials in the production of the article to be exported from a CBI beneficiary country into the United States. Revising these rules of origin – for instance, lowering the "appraised value" requirement from 35 percent to 25 percent – could lead to further diversification of CBI beneficiaries' economies by encouraging

development of capacity for importation and subsequent processing, conversion, assembly and/or “substantially transforming” various goods for duty-free export to the United States.

Finally, natural disaster prevention and mitigation are among the most important considerations regarding the stability of Caribbean economies. Many of the nations of CARICOM are particularly susceptible to floods, hurricanes, volcanic eruptions and earthquakes, and as the United States itself has seen with regard to recovery from Hurricanes Katrina and Rita, these natural disasters can have a devastating effect on economic development and growth. CARICOM has established the Caribbean Meteorological Organization and the Caribbean Disaster Emergency Response Agency to address these issues, and we would like for these institutions to work closely with their counterparts in other countries of the Caribbean and the Gulf of Mexico to develop a regional plan for disaster prevention, mitigation and risk management that would draw on the experience and resources of all the region’s countries, including the United States.

(2) Energy resources

Energy production and supply is an integral part of economic development, and this is particularly true for the nations of CARICOM for two reasons: First, only one of CARICOM’s countries, Trinidad & Tobago, has proven oil and gas reserves and refinery capacity, which presently leaves the other CARICOM countries susceptible to the negative effects of petroleum geopolitics. Second, those reserves and production/refinery capacity of Trinidad & Tobago are quite significant and carry the potential of providing an intra-CARICOM buffer to disruptions in global petroleum markets.

The nations of CARICOM presently find themselves geographically and politically in the middle of the increasingly acrimonious disputes between Venezuela and the United States – particularly in light of Venezuela’s “Petro Caribe” initiative, which proposes to provide much-needed oil to Caribbean nations at discount prices but also could possibly indebt these countries to Venezuela on the one hand, and anger their powerful neighbor to the north on the other. With this in mind, CARICOM would like to move substantially toward energy independence by the year 2020.

To do so, CARICOM will undertake a two-pronged strategy, and the United States has a significant role to play with regard to both prongs:

- 1) ***Development of oil and gas production and export capacity.*** CARICOM would like to increase its capacity to produce and refine Trinidad & Tobago’s oil and natural gas resources, both for domestic consumption (i.e., intra-CARICOM consumption) and for export to international markets. This will require foreign direct investment in oil/gas exploration and increased access to foreign markets, particularly for liquefied natural gas (LNG). Increased production of LNG terminals in the United States and tax incentives for U.S. investment in oil and natural gas exploration and refinery in Trinidad & Tobago would constitute effective and valuable incentives for further development of these capacities. (Additionally, this would constitute a substantial commitment to the stability of U.S. imports of petroleum and natural gas products, as U.S. ally Trinidad & Tobago already provides nearly 70 percent of U.S. imports of LNG.) Given sufficient development of this sector, CARICOM also envisions developing a “Caribbean pipeline” for delivery of petroleum products to other countries in the region. For instance, a pipeline from Trinidad & Tobago to its neighbor and

fellow CARICOM member Guyana would connect the petroleum resources of Trinidad & Tobago to the continent of South America.

- 2) ***Development of renewable energy resources.*** Thirteen CARICOM nations are presently cooperating in the Caribbean Renewable Energy Development Programme (CREBP), which aims to increase the use of renewable energy resources and reduce dependence on fossil fuels throughout the region. The nations of CARICOM obviously have an abundance of sun and wind that could be harvested to meet growing energy demands and fuel economic growth, and many have the potential for significant development of geothermal and biomass energy resources as well. CARICOM's efforts in these areas would benefit greatly from technology exchange with and investment from the United States.

(3) Security and criminal justice

As noted above, the Caribbean region is at the geographical, political and commercial mid-point between South America and the United States, a position that for centuries has presented both tremendous opportunities and also significant vulnerabilities. The Caribbean is often characterized as the United States' "third border" due to the narco-trafficking and immigration concerns that arise in Florida and the Gulf Coast. With this in mind, President Bush announced the "Caribbean Third Border Initiative" in April 2001 to enhance the diplomatic, economic, health, education, and law enforcement cooperation between the United States and the nations of the Caribbean. In addition to providing increased funding for HIV/AIDS prevention and disaster preparedness and mitigation, the initiative provides additional funding for critical areas of law enforcement cooperation such as anti-money laundering and professional development of police and prosecutors.

CARICOM would like to build on the United States' Third Border Initiative to develop a regional security and anti-crime regime that will serve all of the countries of the Caribbean and the Gulf of Mexico. To that end, the CARICOM Regional Task Force on Crime and Security has recommended the creation of two new CARICOM institutions: the Caribbean Drug Control and Crime Prevention Commission and a Regional Rapid Response Mechanism. We expect that these institutions will be robust and effective well before 2020, but due to the transnational nature of these threats, our vision for a safe and secure Caribbean region requires the close cooperation of CARICOM's neighbors, including most importantly the United States.

The U.S. has been providing C-26 aircraft based in Trinidad & Tobago to provide surveillance of narco-trafficker aircraft flying out of Venezuela and Colombia toward the eastern Caribbean. CARICOM is disappointed that those flights will now be discontinued. Only \$500,000 remains in the pipeline to continue this activity until December 31, 2005. The U.S. has two large (over the horizon) radar arrays, one in Colombia and one in Florida, which show all aircraft tracks in the region; the vast majority are to Central America and Mexico. CARICOM is concerned that if the C-26's stop flying out of Trinidad & Tobago, the narco-trafficking aircraft will move back into the Caribbean where there will be less surveillance.

Violent crime is a significant problem throughout CARICOM – for instance, Jamaica has the highest murder rate in Latin America – and trade in illegal drugs between the Andes region of South America and the United States via the Caribbean is among the primary causes of this criminal

activity. The money-laundering and trafficking in illegal arms that accompanies the international narcotics trade is a pressing security issue for all countries in the region, including the United States – especially in light of the increased threat of terrorism in recent years. CARICOM believes this regional threat deserves a coordinated and comprehensive regional response, and it is eager to work with the United States and other neighbors to develop and implement such a plan.

Finally, an additional and related issue for the nations of CARICOM vis-à-vis the United States is that of criminal deportees. CARICOM believes that advanced notice, communication and cooperation with regard to criminals deported from the United States to the nations of CARICOM is an essential part of any plan to reduce crime and promote security in the region.

(4) Public health

It is well-known that the primary public health challenge facing the Caribbean is the HIV/AIDS epidemic. It is estimated that HIV/AIDS is prevalent in 2.3 percent of persons aged 15 to 44 in the Caribbean, making our region the second-most affected region in the world behind Sub-Saharan Africa. HIV/AIDS is now the leading cause of death among people of this age group, and with approximately 1,000 newly infected persons per week in the Caribbean, this epidemic is imposing severe burdens not only on our health care systems but also on our economies. HIV/AIDS is not only a public health tragedy, but also a significant impediment to development. A recent study by the University of the West Indies estimated that the economic cost of the epidemic will equal approximately 6 percent of our region's GDP in 2005.

In 2001 CARICOM established the Pan-Caribbean Partnership Against HIV/AIDS (PANCAP). PANCAP aims to coordinate the regional response to the threat of HIV/AIDS and mobilize regional and international resources and expertise, thereby increasing country-level resources, both human and financial, to address the epidemic. PANCAP presently coordinates the work of CARICOM national governments, international aid agencies such as the Red Cross, UNICEF and UNAIDS, and NGOs such as the Caribbean Network of People Living with HIV/AIDS and the Caribbean Federation of Youth. PANCAP's membership has grown to over 70 members and has given the HIV/AIDS issue prominence in CARICOM's policy agenda and with regard to public awareness. Additionally, PANCAP has successfully mobilized resources to address the issue – HIV/AIDS funding in the region has tripled since 2000.

The political, economic and medical resources of the United States will be vital to the success of these efforts. President George W. Bush's Emergency Plan for AIDS Relief, a five-year \$15 billion effort, constitutes the largest international initiative ever made by one nation to combat a single disease, and in the coming years CARICOM expects to continue to work with its generous friends to aggressively fight this epidemic and ameliorate its devastating effects.

(5) Education

The nations of CARICOM have long suffered from the so-called "brain drain," in which our well-educated citizens – including people trained in essential professions such as medicine, engineering and teaching – emigrate to North America or the United Kingdom. It is crucial to CARICOM's economic, social and political development that these citizens determine that they can receive world-

class educations, and then develop world-class and rewarding careers, within their native CARICOM region. To that end, CARICOM has developed a Strategic Plan for Youth that encourages regional programs for the educational and social development of our children. Additionally, CARICOM has established the Caribbean Knowledge and Learning Network, which aims to bolster traditional education methods with new technologies such as video-teleconferencing and the internet.

CARICOM's plans for the development of human capital also include a formal relationship between CARICOM and the University of the West Indies (UWI) intended to focus the energies and know-how of each into providing regional leadership, both political and intellectual. UWI has taken a regional approach toward quality, affordability and accessibility of higher education in the Caribbean. Among the small countries of CARICOM, this regional approach is necessary to promote regional intellectual growth at lower individual and national costs. UWI has three campuses – Mona-Jamaica, St. Augustine-Trinidad and Cave Hill-Barbados – and has university centers in all non-campus CARICOM countries. UWI is heavily dependent upon government funding, and it is taking steps to diversify its income sources through summer school programs, business development offices on each campus, and a Development Endowment. Political and university leaders are promoting administrative and technological reforms necessary to allow UWI and other institutions of higher education such as the University of Guyana and the Caribbean Law Institute to compete with their international counterparts in the coming years. In addition to these older institutions, CARICOM has high expectations for the University of Trinidad & Tobago (established in 2004), which will focus on engineering and technology to meet the region's needs for leaders in science and industry.

The primary CARICOM institution for secondary education, the Caribbean Examinations Council (CXC), administers examinations and develops curricula for 48 secondary school subjects throughout the English-speaking nations of CARICOM. The CXC is an exemplary initiative of pan-Caribbean functional cooperation, and in the coming years it will be expanding its reach in vocational areas to develop specific skill sets (particularly in the services industries) that will benefit economic growth in the single market.

(6) Democracy, transparent governance and civil society

CARICOM aims to further the post-colonial democratic development of its member nations. In 2003, CARICOM member governments established a Prime Ministerial-level Expert Group on Governance to develop findings and suggestions regarding regional governance. The Group's Declaration on Regional Governance and Integrated Development (also known as the "Rose Hall Declaration") established the following principles and goals:

- CARICOM is a community of sovereign states that pursue collective action to complete the integration process. (For instance, with the development of the Caribbean Court of Justice.)
- CARICOM decisions are translated into Community law not through supra-national authority of CARICOM itself, but through implementing legislation in each of the individual CARICOM member nations. Therefore "CARICOM law" rests on national sovereignty exercised in concert with fellow CARICOM members.

- This “collective national sovereignty” should eventually be facilitated through a CARICOM Commission with executive responsibilities for core areas of regional integration, to include the single market and economy, external economic/trade negotiations, and transnational matters of regional governance. This Commission would fulfill this role through initiating proposals and encouraging the legislative implementation of Commission decisions.

Additionally, the Expert Group examined the functioning of the Assembly of Caribbean Community Parliamentarians, which was established in 1994 to foster greater public involvement in CARICOM affairs. The Assembly, which is comprised of up to four representatives elected by each CARICOM member nation’s parliament, was conceived as a consultative forum for the discussion of policies and proposals, as opposed to a legislative or decision-making body. The Expert Group has recommended that the Assembly’s consultative role should be strengthened by allowing it to provide official comment and direction on the recommendations emanating from the above-mentioned Commission. In the coming years, CARICOM leaders will be considering further development of the legal standing of the Assembly, which could and should be central to the democratic integration of the Community.

CARICOM institutions that provide a framework for the development of an integrated and transparent economy include the CARICOM Regional Organization for Standards and Quality, which promotes the production of goods and services through regional standardization and verification of quality controls; and the CARICOM Competition Commission, which will facilitate the implementation of a standard competition policy among CARICOM’s member nations.

Finally, in the interest of developing CARICOM’s institutions of civil society, CARICOM’s member governments have agreed to create formal structures for consultation with the private sector and non-profit communities to inform CARICOM deliberations on matters of business, labor and the single market and economy.

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As noted in the introduction to this paper, CARICOM intends to play an influential and positive role in the economic, security, and energy affairs of the Western Hemisphere in the coming years. The member nations of CARICOM have set an ambitious agenda of economic, political and social development, and we expect that the Caribbean in 2020 will be a valuable partner to all nations in the Americas that wish to promote peace and prosperity in the region. We welcome the close cooperation of the United States in implementing the vision outlined above.

This material is distributed by the team of Ainsley Gill & Associates, representing the Government of Trinidad & Tobago. Additional information is available at the Department of Justice, Washington, D.C.

United States—CARICOM Cooperation in Post-Election Haiti

As Chairman of the 15-nation Caribbean Community (CARICOM), Prime Minister Patrick Manning of Trinidad & Tobago is spearheading CARICOM's effort to develop a regional approach to promote the political and economic development of estranged CARICOM member Haiti following that country's elections of February 7, 2006. Prime Minister Manning has personally discussed these efforts with Secretary of State Condoleezza Rice, and a further meeting between Prime Minister Manning and Secretary Rice would be beneficial in coordinating a joint U.S.-CARICOM approach to the challenges Haiti faces as it transitions to a new government following the elections.

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Immediately prior to the Haitian elections, Prime Minister Manning invited Haiti's Interim Prime Minister Gerard LaTortue to Port of Spain to discuss CARICOM's role in the elections – including the election monitoring activities of CARICOM's Elections Observation Mission – as well as a potential role for CARICOM in assisting Haiti's transition to a new government following the election. Manning's invitation led to the first official communication between Haiti and CARICOM since LaTortue's interim government assumed power in Haiti almost two years ago. LaTortue spent three days in Port of Spain for meetings that constituted a major breakthrough in relations between CARICOM and Haiti, which have been strained since CARICOM suspended Haiti's membership following the ouster of former President Jean-Bertrand Aristide.

At the CARICOM Heads of Government meeting in Port of Spain on February 9-10, 2006, Manning continued to lead his fellow regional leaders toward a productive and cooperative relationship with Haiti, indicating that CARICOM would soon welcome Haiti back into its ranks.

Prime Minister Manning has personally briefed Secretary Rice on these developments. A further meeting focusing specifically on U.S.-CARICOM cooperation in Haiti's post-election development would allow Prime Minister Manning, in his capacity as Chairman of CARICOM, to discuss with Secretary Rice the opportunities and challenges facing Haiti in the context of re-integration with CARICOM. This discussion would cover the institutional mechanics of CARICOM's partnership with the United States and the practical effects of Haiti's reinstatement into CARICOM. In particular, the discussion would address how these institutional and political developments would affect the following areas of mutual interest to the United States and the CARICOM nations:

- ***Arms/drug trafficking and organized crime.*** The power of gangs and the prominence of violent crime in Haiti is endemic, and the imposition of the rule of law and the maintenance of peaceful society throughout Haiti will be among the crucial challenges of the new government of President René Preval. This is especially true as the multinational United Nations peacekeeping force eventually relinquishes security operations to other police authorities. CARICOM nations are familiar with the disruptive forces of gangs and arms/drug traffickers, and they are acutely aware that it is not in their interest to allow Haiti to become a failed state that is a haven for violent organized crime.

Addressing these issues will be a central element not only of Haiti's reintegration into CARICOM itself, but also in CARICOM's broader long-term efforts to develop a regional approach to issues of pan-Caribbean crime and security. In the near-term, this could include deployment of a CARICOM police force to provide additional security in Haiti. These

initiatives are closely related to similar initiatives of the United States (for example, the “Third Border Initiative”), and thus both CARICOM and the United States would benefit from coordination.

- **Investment, trade and economic development.** Haiti’s development will largely be dependent on its economic integration into regional and international markets, and CARICOM will be playing an important role in this area. Under Prime Minister Manning’s Chairmanship, CARICOM will be taking important steps toward the long-planned CARICOM Single Market and Economy (CSME), which will build on CARICOM’s present customs union to eventually provide free movement of goods, services and labor throughout CARICOM. Most prominently, on February 1, 2006, six of the 13 CSME countries – Barbados, Belize, Guyana, Jamaica, Suriname, and Trinidad & Tobago – signed their “declarations of entry” into the Single Market. These influential CARICOM members expect that other members, eventually including Haiti, will follow their lead.

Incidentally, as CARICOM Chairman, Prime Minister Manning presently controls a US \$50 million discretionary account (funded by Trinidad & Tobago), called the Trinidad & Tobago Petroleum Stabilisation Fund, that is reserved for poverty alleviation projects within CARICOM. CARICOM-funded initiatives (e.g., technical assistance to prepare Haiti for entry into the CSME) would be most effective if coordinated with similar initiatives undertaken by the United States. For instance, U.S. Trade Representative Robert Portman was a perennial co-sponsor of the proposed Haiti Economic Recovery Opportunity (HERO) Act while he was in Congress, and perhaps with the formation of the Preval government in Haiti, there may be new movement on that legislation in Congress. Portman recently restated his support for this or similar legislation, testifying to the House Ways and Means Committee in mid-February that Haiti needs “some type of trade preferences program” along the lines of the HERO Act. Again, both CARICOM and the United States would benefit from coordination on these matters.

- **Former President Aristide’s possible return.** The uncertain political dynamics that would surround the return of President Aristide could unleash many additional and unpredictable challenges for Haiti following the February elections. In the event of Aristide’s return to Haiti, it would be beneficial to both the region and to Haiti itself for CARICOM and the United States to present a unified position on the issue – preferably one that addresses how various circumstances surrounding Aristide’s return would affect Haiti’s official relations with the United States and its membership status in CARICOM.

Thoughtful and proactive coordination between the United States and CARICOM on a regional approach to assisting the new government of Haiti in meeting its post-election challenges would be beneficial to all parties concerned. This coordination should begin with a meeting between Secretary Rice and Prime Minister Manning, present Chairman of CARICOM.

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Ainsley Gill & Associates team representing the Government of Trinidad & Tobago, prepared this material in consultation with the Office of the Chairman of CARICOM. Additional information is available at the Dept. of Justice, Washington, D.C.