US politics & policy

US retreats on Venezuela oil talks after Maduro meeting criticism

State department says 'no quid pro quo' behind release of US prisoners in Caracas

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Murals outside one of the buildings of the state-owned company Petróleos de Venezuela in Caracas on March 9 © Miguel Gutierrez/EPA-EFE/Shutterstock

Gideon Long in Bogotá and Michael Stott in London YESTERDAY

The Biden administration saw the Ukraine crisis as an opportunity to re-engage with Nicolás Maduro's authoritarian regime in Venezuela, hoping to secure alternative oil supplies and prise away a key Moscow ally.

But after news leaked of a secret mission to Caracas by three top White House officials, sparking a furious political backlash, the administration backtracked.

The White House <u>this month</u> sent three top officials to talk to Maduro, even though the US does not recognise him as president and has indicted him as a drug trafficker with a \$15mn price on his head. The US government acknowledged last week that one aim was "certainly" to discuss energy security following <u>Russia's invasion of Ukraine</u>.

The visit — the first by a White House official to Caracas since the 1990s — prompted a fierce backlash at home, not only from Republican hawks like Florida senator Marco Rubio but also Bob Menendez, the Democratic head of the Senate foreign relations committee.

Rubio <u>accused</u> President Joe Biden of trying to replace "the oil we buy from one murderous dictator [Russian leader Vladimir Putin] with oil from another murderous dictator [Maduro]."

Menendez <u>said</u> "the democratic aspirations of the Venezuelan people . . . are worth

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much more than a few thousand barrels of oil".

"Nicolás Maduro is a cancer to our hemisphere and we should not breathe new life into his reign of torture and murder," he added.

The official US explanation for the trip changed during the week and by Friday, state department spokesman Ned Price <u>said</u> the delegation had travelled to Caracas with "two priorities in mind". The first was the release of US prisoners and the second was "championing the democratic aspirations of the Venezuelan people". He made no mention of oil.

Price denied there was a "quid pro quo" for Maduro <u>releasing two US prisoners</u> shortly after the US delegation left Caracas. "For us, there can be no trade-off," he said.

On Sunday, Jake Sullivan, the US national security adviser, said any sanctions relief for Venezuela "has to be tied to concrete steps that Maduro and the people around him take".

The US decision to go to Venezuela initially looked like a startling policy volte-face. Washington broke ties with Maduro in 2019 after accusations he rigged an election, closed its embassy and sanctioned the Venezuelan oil industry in a bid to push him from power.

It also looked like a slap in the face for <u>Juan Guaidó</u>, the opposition leader who Washington has <u>recognised as the legitimate president</u> of Venezuela for the past three years. He was not involved in the talks.

It seemed the move might bolster Maduro by giving him additional leverage as a potential oil supplier to the US. He has survived US sanctions with support from Russia, which has provided arms, Iran, which has supplied refined fuel, and China, which has bought Venezuelan crude via intermediaries.

"The perception is that Maduro wins something with this visit from the US," said Luis Vicente León, a pollster and political analyst in Caracas. "It makes him appear validated, if only indirectly. The US came to *him*. They're not recognising his legitimacy but they are recognising his territorial control."



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The US does not recognise Nicolás Maduro as Venezuela's legitimate president and has indicted him as a drug trafficker © Carolina Cabral/Getty Images

Analysts say the Biden administration has been considering a change in its Venezuela strategy for some time, given the failure of the Trump-era "maximum pressure" policy to topple Maduro.

But the clamour for change was given extra impetus by the war in Ukraine. The US banned imports of Russian oil and gas this week and is now hunting for alternative sources of energy. Before 2019, the US was the biggest buyer of Venezuelan oil.

Chris Sabatini, senior fellow for Latin America at Chatham House, said Russia's invasion of Ukraine provided Biden with "geostrategic justification for a much-needed policy shift" in Venezuela.

José R Cárdenas, a former US government official and expert on Latin America, said the Biden team had "been looking for a pretext to go in a new direction on US-Venezuela relations and they found that pretext in Ukraine".

However, some analysts warned that if the US believed Venezuela could make up for the absence of Russian oil, it was mistaken. Venezuela has huge reserves but its oil infrastructure is dilapidated after years of neglect and it now accounts for less than 1 per cent of global oil supply.

"The assumption that [state oil company] PDVSA can simply turn on the taps is terribly flawed," said Ryan Berg, senior fellow at the Center for Strategic and International Studies.

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Despite US backtracking about what was discussed in Caracas, one source briefed on the talks said that a partial lifting of oil sanctions was indeed on the agenda.

"The concessions the Americans got . . . were to resume talks [between the Venezuelan government and opposition] in Mexico, modify Venezuela's language on Ukraine, release of two hostages and oil production to help cover Russian supply to the US," the source said.

One of Maduro's objectives was to win back control of Venezuelan assets abroad which have been seized by the US and other governments, the source added. They include US-based oil refiner Citgo and Venezuelan central bank gold stored in the Bank of England's vaults.

The talks appear to have strained relations between the Biden administration and Guaidó, even if the US still recognises him as Venezuela's legitimate leader.

"It's obvious that a visit like this . . . has a detrimental impact on Guaidó," León said.

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Cárdenas agreed: "They [the US] are not going to kick the opposition to the curb, but it goes without saying the trust will never be rebuilt with the organised opposition."

The Guaidó-led faction of the opposition does not want the Americans to ease sanctions on Maduro until it gets something in return, but has little leverage as it depends on Washington for financial support.

Meanwhile, the Maduro regime continues to engage with Russia as well as the US. On Thursday, Venezuelan vice-president Delcy Rodríguez met Sergei Lavrov in Turkey. She described the Russian foreign minister as "our good friend".

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