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The following are excerpts from an “*on background*” interview by the Economic Eye On Cuba® with two senior-level officials in the Trump Administration.

Question: The [Nicolas] Maduro Administration remains in control of Venezuela; the [Miguel] Diaz-Canel Administration remains in control of [Republic of] Cuba. Do you believe there has become an optical challenge for the Trump Administration- promising too much too quickly?

Senior Official One: I wish that everyone would take seriously our statements about Cuba and Venezuela. I think that there is a belief, or maybe a hope, that President Trump is bluffing and we don't have a strategy. We're not and we do. There is an overall strategy, but good strategies change with the realities of the landscape; we'd be pretty stupid to maintain a plan when the situation on the ground changes. President Trump is adapting to the conditions- but, and let me stress, that does not mean he is deviating from the goal- a better Cuba and a better Venezuela. This is our backyard- we take that seriously.

Senior Official Two: Some people here in Washington believed that the ‘stars aligned’ during the [George W.] Bush Administration- we had, I mean they had [The Honorable] Otto Reich [recess appointment- Assistant Secretary of State for Western Hemisphere Affairs 2002-2003 and United States Ambassador to Venezuela 1986-1989] among others. But, what was expected never really materialized. I remember the nearly 1,000 businessmen attending that food show [U.S. Food & Agribusiness Exhibition in 2002] in Havana. They never were proactive.

For President Trump, the stars have aligned, and Venezuela is the tool that we believe can provide change within two countries which have a long and complicated history with the United States. We have the team in place that every president should want- committed to the goal and capable of implementing a strategy rather than just talking about implementing a strategy. First, using sanctions to remove an illegitimate leader who has made a mess of his country. Anyone defending what Maduro has done to his citizens has to have their head examined. Second, while we do not expect immediate political change in Cuba because of our direct sanctions on Venezuela and direct and indirect sanctions upon Cuba, we believe that at least one result will be changes to the Cuban economy because of what the [Juan] Guaido Administration is doing regarding oil exports to Cuba- and we are helping Interim President Guaido achieve his goal of no longer subsidizing the Cuban regime. Cuba will have to adjust to losing 30% or more of its heavily-subsidized oil imports, and that means permitting more of a market-based economy. They won't like it, but their ability to derail it is pretty fast moving beyond their control.

Question: The Obama Administration was viewed as having weaponized the OFAC [Office of Foreign Assets Control of the United States Department of the Treasury], has the Trump Administration “*nuclearized*” the OFAC and what about the impact upon third countries, particularly smaller countries, and how OFAC sanctions impact the ability of the Trump Administration to corral assistance, including from the EU [Brussels, Belgium-based European Union], Canada, Japan, China and Russia?

Senior Official One: I'm not certain I would agree with the characterization that we have “*nuclearized*” the OFAC. The OFAC is a tool in the arsenal of the United States. Can sanctions

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be coercive? Yes, they can be. The Trump Administration is using the OFAC in several ways, but two are primary. First, if a country wants to engage with the United States- their companies, their banks, etc., then we expect certain behaviors- such as supporting human rights and democracy and good governance and good behavior. So, the OFAC plays a huge role in our relationship with Syria, Iran, North Korea, Russia, China, Cuba and Venezuela. Second, some governments just don't get it- killing your citizens, permitting your citizens to suffer, raping- stealing from the treasury, remaining in office for decades absent free and fair elections- all of those are wrong. The United States, and this president, is doing what we believe is right.

Senior Official Two: I will echo those statements and add this regarding the impact upon our allies. We want their help and we need their help. The United States does not want to be alone- and we aren't alone in Venezuela or Syria or North Korea or Iran or Russia or China. Cuba is another matter. The EU, Canada and Japan can and should be more helpful regarding Cuba- and we believe they will be. As for smaller countries, we are working with them so they can not only mitigate any impact, but thrive once Mr. Maduro has departed Venezuela. Secretary [of State Mike] Pompeo has been pretty clear about our support for countries in this hemisphere.

Question: With respect to the implementation of Title III [authorizing lawsuits] of the [Cuban Liberty and Democratic Solidarity Act (Libertad Act) of 1996] Libertad Act, thus far, at least publicly, members of the EU and other countries have not been supportive of decisions by the Trump Administration taken in 2018 and thus far in 2019. What makes you believe they will be helpful?

Senior Official Two: I can't, won't get into details as to our private conversations, but countries whose companies are active in Cuba understand they will gain far more from a Cuba that makes political changes and changes to its economy than they do from what Cuba looks like today. I'm guessing that you are indirectly asking about the claims?

Question: Yes, specifically the 5,913 certified claimants. To date, statements by the Trump Administration and briefings focus more about political change to Cuba than about settling the US\$1.9 billion [US\$1,902,202,284.95] in certified claims against Cuba. The Libertad Act, specifically Title III and Title IV [visa prohibitions on executives and their families], have a focus upon certified claims, yet the Trump Administration is not focusing upon the certified claimants- no meetings, etc.

Senior Official One: I want to push back against that characterization. President Trump has not forgotten about the claimants- and I reference both certified and not certified. The tools of the Libertad Act are numerous, and the State Department has updated the Cuba Restricted List twice, each time expanding the number of entities that are affiliated with the Cuban military. Our goal is to discourage transactions with these entities- do any U.S. companies really want to engage with a Cuba dominated by the military rather than civilians? What would U.S. companies say if [Bethesda, Maryland-based] Marriott [International] and [Fort Worth, Texas-based] American Airlines were owned by the Pentagon and flight attendants wore military uniforms and all revenues went to the Department of Defense and the Joint Chiefs of Staff controlled [Bentonville, Arkansas-based] Wal-Mart? That's not a good model for us and not for Cuba and not for any country.

Question: But what about a bilateral negotiation to settle the certified claims? If the certified claims are settled, then would not be more likely for the United States to have the support of the EU, Canada, Japan, and others for further changes in Cuba?

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Senior Official Two: I disagree with your premise that resolving the certified claims is most important; I would argue that democracy and human rights are more important. This does not mean that we are not focused on the claims; we are. The Obama Administration wasn't. If the Cubans want to send a certified check for US\$1.9 billion, we will deposit it and then distribute it.

Question: Then why not agree to a negotiation? The expropriation of the Texaco [White Plains, New York-based Texaco, Inc., now a subsidiary of San Ramon, California-based Chevron Corporation with a certified claim valued at US\$56,196,422.73] refinery in 1960 was pretty much the foundation for where the relationship is today. Why not focus on the foundation? Why not meet with the largest certified claimants? Why not permit the certified claimants to have officially-approved negotiations? The Obama Administration failed to use its time to do so; now the Trump Administration can make a deal; the President is focused upon deals- this would be settling a nearing sixty-year-old problem. That has to be enticing?

Senior Official One: We are not there yet. And, while the seizure of the refinery was wrong, was illegal, the three regimes [General Fidel Castro, General Raul Castro, Mr. Miguel Diaz-Canel] since have done other things that are far worse. But, I agree that the Obama Administration failed to use its time to extract concessions from Cuba or to condition the presence of U.S. companies upon changes to how Cuba pays workers and what U.S. companies could do in Cuba. That was a missed opportunity. As for the idea of certified claimants, as a group, seeking to negotiate a settlement for the monies owed to them- if the Cuban government agreed to it, we would consider it. If our international partners want to help, terrific. We are always open to help with solving problems. The Cubans have an embassy in Washington; we have an embassy in Havana. Each has plenty of space for negotiations. They have our telephone number and email.

Senior Official Two: It's been suggested- and written that the Trump Administration is not seeking a resolution to the many issues keeping the United States from having a normal relationship with Cuba; that the goal is to perpetuate issues for political purposes. That's not accurate. There are so many more important issues in the world facing the United States- so, the more problems that can be resolved, the better for this country and for the world. This president likes moving issues from the in-box to the out-box to the resolved-box.

Question: What is the position of the Trump Administration towards the certified claims settlement proposal [link] created in December of 2018?

Senior Official One: It was creative, but there are some problems with its approach. First, the normal process is for the negotiation to be government-to-government. The proposal adds a private sector dynamic- Mr. [Kenneth] Feinberg, if I remember correctly, as basically a special negotiator. Second, we've thus far seen no evidence that the Cuban government wants to negotiate.

Question: Has the Trump Administration connected, directly or indirectly, with the Diaz-Canel Administration for the purpose of opening a channel for negotiating a settlement for the certified claims?

Senior Official One: Neither of us can comment upon any direct or indirect communications relating to the claims. Good effort though.

Question: Can you appreciate that from the perspective of the United States business community, it seems that every issue but the certified claims is a priority for the Trump Administration? Which runs counter to the deal-making image of the President.

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Senior Official Two: I don't know if we are going to have an answer for you that you seem to want- certainly, prior to the issues now facing the citizens of Venezuela, there may have been a moment for a dialogue, or more accurately, a negotiation process to take root. And, remember that we have the unresolved issue of the attacks upon our diplomats- and diplomats from other countries. That is a consequential impediment to any negotiation process.

Question: But, isn't there an ability to de-link issues; I think "*siloing*" is the term, so that everything doesn't stop?

Senior Official One: We are prepared to, use your term, "*silo*." The Cubans are not too interested at the moment. They need to want to resolve issues. What we mostly hear is how they are victims- they want US\$900 billion from the United States. That's crazy talk.

Question: Can you understand if the Cuban government was reticent now to initiate negotiations regarding the certified claims given the vitriol from the Trump Administration? Could the Trump Administration not seek to engage in a victory-lap until the negotiations were complete and a settlement was announced? Doesn't there need to be a bit of political space- a quiet period so that the Cuban government feels that the negotiations are about a settlement rather than a public relations moment for the Trump Administration?

Senior Official Two: Remember- the United States did not take nearly 6,000 pieces of property and assets from Cuba; companies and individuals in the United States are the victims. All administrations operate on multiple tracks- some you see, some you don't. What they did was wrong; if they want to make it right, we are prepared to listen.

Question: If the Diaz-Canel Administration back-channeled or front-channeled an openness to have a face-to-face, bilateral negotiation to settle the 5,913 certified claims, and only the 5,913 certified claims, would the Trump Administration be prepared to have senior-level representatives sit across the table and negotiate?

Senior Official Two: There is quite a bit to that question. That would be quite a diplomatic bomb throwing. As we said earlier, I'm not certain we are there yet- meaning, well, that would be a shocker. Frankly, there might be considerable pressure from our friends in other countries to engage- which we might. However, there is tremendous distance between an overture and a negotiation. Having said that, if there was a sincere outreach, we would respond.

Question: So, a negotiation is not off-the-table? Is not a non-starter? The Trump Administration would negotiate agree to a negotiation even if the government of Cuba said that it is limited to the 5,913 certified claimants?

Senior Official One: I am starting to see that we are moving from an oval to a circle with your questions. Let's end here: If there is a succinct outreach from the Cubans, whether directly or indirectly, President Trump will respond. Again, our goal is to resolve issues, not perpetuate them.

Question: There is a rumor that the Trump Administration has asked Panama and other countries to de-flag vessels used to transport oil from/to Cuba and Venezuela.

Senior Official One: No comment.

Senior Official Two: No comment.