

# **U.S.-Cuba Trade and Economic Council, Inc.**

## **New York, New York**

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### **What has the government of Cuba agreed to or done since December 2014:**

- Re-establish diplomatic relations
- Re-open its embassy in Washington, DC
- Authorize the re-opening of the United States Embassy in Havana
- Accepted removal from the List of State Sponsors of Terrorism ("Sanctions List")
- Agreed to host an official (state) visit by President Barack Obama
- Hosted visits by four (4) members of the Obama Administration Cabinet: The Honorable John Kerry, United States Secretary of State; The Honorable Penny Pritzker, United States Secretary of Commerce; The Honorable Thomas Vilsack, United States Secretary of Agriculture; The Honorable Anthony Foxx, United States Department of Transportation
- Hosted a visit by The Honorable R. Gil Kerlikowske, Commissioner, U.S. Customs and Border Protection
- Hosted a visit by The Honorable Thomas Wheeler, Chairman of the Federal Communications Commission
- More than sixty (70) representatives of the government of Cuba have visited the United States
- More than seventy (130) representatives of the United States government have visited Cuba
- Hosted more than 120 senior-level representatives of United States companies visited Cuba (other estimates are more than 300)
- Continue to decrease food product/agricultural commodity purchases authorized by the Trade Sanctions Reform and Export Enhancement Act (TSREEA) of 2000; down 41% in 2015 compared to 2014
- Increase healthcare product purchases authorized by the Cuban Democracy Act (CDA) of 1992. Healthcare product exports (cash-only with verification requirements) permitted by the CDA increased 457% in 2015 compared with 2014
- Authorize a direct correspondent banking agreement by Banco Internacional de Comercio S.A. (BICSA) with Florida-based Stonegate Bank
- Authorize Stonegate Bank to issue a Debit MasterCard for use in Cuba (10,800 current locations); with expansion in 2016 for use at ATM locations in Cuba
- Authorize Cuba government-operated Banco Popular de Ahorro to establish lines of credit up to US\$400.00 for licensed independent businesses; but continue to prohibit the entities to import products directly, requiring purchases through government-operated companies
- Creating a uniform commercial code and mortgage regulations
- Authorize roaming agreements between Cuba government-operated ETECSA and New York-based Verizon Wireless (indirect) & Kansas-based Sprint (direct)
- Increase Wi-Fi areas (parks and urban) for wireless Internet access
- Authorize Alabama-based Cleber LLC to have a tractor warehouse/assembly facility to be located in Mariel Special Development Zone. OFAC has authorized. Investment required for the first year is US\$1.4 million (which has been obtained according to the company); total investment US\$5 million
- Resumption of direct long-distance telephone service through an agreement between ETECSA and New Jersey-based IDT Corporation
- Not disrupt the in-country and out-of-country operations of California-based Airbnb
- Negotiate the re-establishment of regularly-scheduled commercial airline service (Civil Aviation Agreement- CAA); Arrangement (US) & Memorandum of Understanding (Cuba) signed in December 2015; Arrangement signed February 2016
- Agree to a (limited) resumption of United States Postal Service operations

- Permit a substantial revenue increase from United States visitors (charter flights, pleasure craft, general aviation aircraft, and third-country transit). In 2015, United States visitors to Cuba (authorized, unauthorized, non-family), who have the highest net profit margin per person of any visitor to the country, increased 76.6% to 161,000 (according to government of Cuba).
- The Ministry of Science, Technology, and Environment (CITMA) of the Republic of Cuba signed a Memorandum of Understanding (MOU) with the National Oceanic and Atmospheric Administration (NOAA) and the National Park Service (NPS). *“The MOU aims to facilitate joint efforts concerning science, stewardship, and management related to Marine Protected Areas (MPAs). The MOU also includes a sister MPA program to foster conservation and understanding of natural marine resources in both countries, sharing technical and scientific data, and promoting education and outreach initiatives.”*
- Signed a joint statement with the United States Department of State on environmental cooperation including coastal and marine protection, the protection of biodiversity including endangered and threatened species, climate change, disaster risk reduction, and marine pollution.
- Agreed to discussions regarding bilateral claims

**What has the government of Cuba not (or perhaps not yet) agreed to or done since December 2014:**

- Authorize ferry services
- Authorize United States companies to export products directly to the 200+ categories of licensed independent businesses
- Authorize credit cards (although this has compliance issues for United States financial institutions; New York-based MasterCard has removed its “*block*” on credit cards issued by United States financial institutions using its brand). There are approximately 10,800 points of sale in Cuba
- Authorize United States companies (non-manufacturing/assembly) to have an operational presence (including hiring Cuban nationals, obtaining office space, establish bank accounts)
- Authorize United States companies to engage in loan/lease programs to licensed independent businesses
- Confirm itineraries for all commercial vessels operating people-to-people programs
- Purchase communications/telecommunications equipment or permit the provision of internet services (California-based Google & Facebook), although there are security, pricing and sourcing reasons not to purchase the equipment or permit the provision of such services
- Respond in a timely manner to inquiries from United States companies
- Compensate certified claimants

**What has the government of the United States agreed to or done since December 2014:**

- Re-establish diplomatic relations
- Re-open its embassy in Havana
- Authorize the re-opening of the Cuban Embassy in Washington
- Removed Cuba from the List of State Sponsors of Terrorism (“Sanctions List”)
- Agreed to a visit to Cuba by President Barack Obama
- Dispatched four (4) members of the Cabinet to Cuba: The Honorable John Kerry, United States Secretary of State; The Honorable Penny Pritzker, United States Secretary of Commerce; The Honorable Thomas Vilsack, United States Secretary of Agriculture; The Honorable Anthony Foxx, United States Department of Transportation
- Dispatched The Honorable R. Gil Kerlikowske, Commissioner, U.S. Customs and Border Protection to Cuba
- Dispatched The Honorable Thomas Wheeler, Chairman of the Federal Communications Commission to Cuba
- Permitted more than seventy (70) representatives of the United States government to visit Cuba
- Permitted more than sixty (60) representatives of the government of Cuba to visit the United States
- Remove or lessen most licensing requirements for authorized travel to Cuba
- Negotiate a Civil Aviation Agreement (CAA)-equivalent (“Arrangement”) and remove most impediments relating to commercial flight operations
- Agree to a (limited) resumption of United States Postal Service operations

- Remove some restrictions upon U.S. financial institutions
- Re-authorize direct correspondent banking agreements
- Re-authorize credit card and debit card usage
- Expanded the list of products that may be exported to Cuba and authorize payment terms for product exports to Cuba not subject to prohibitions by the CDA and TSREEA
- Removed limits on remittances to Cuba
- Authorized individuals and businesses to have bank accounts in Cuba
- Authorized the export to Cuba of 100% U.S.-origin products from third countries
- Authorized companies to establish offices in Cuba
- Changed the definition of the “cash in advance” provision of TSREEA from “cash before shipment” to cash before transfer of title and control”
- Authorize microfinancing projects
- Authorized financing (bank and third-party) and payment terms for selected authorized exports
- Expand the list of eligible products authorized for importation to the United States
- Removed Cuba from the Exclusion List maintained by the International Bureau of the Federal Communications Commission
- Discuss the issue of claims
- In selected instances, use an expansive, rather than constrictive interpretation of the Trade Sanctions Reform and Export Enhancement Act (TSREEA) of 2000, title IX, Public Law 106-387 [22 U.S.C. 7207(a)(1)] (TSRA)

**What has the government of the United States not (or perhaps not yet) agreed to or done since December 2014:**

- Removed restrictions upon Cuba for the use of United States Dollars in international transactions