

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

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**Why does the government of the Republic of Cuba, through its Embassy in Washington DC and Ministry of Foreign Affairs (MINREX) in Havana, continue to focus upon seeking changes to laws rather than changes to regulations?**

**Who benefits from advocacy towards a goal that was last achieved more than 6,300 days ago- eighteen (18) years?**

**It's The Regulations, Stupid.**

**Being Practical Versus Being Aspirational.**

**Perhaps, It's The Free Visits To Cuba?**

The last regulatory changes were issued in 2017, having followed multiple changes in 2015, 2016 and January 2017; and changes since 1994.

Some of the regulatory changes have been beneficial to the United States business community and some of the regulatory changes have been detrimental to the United States business community. But, changes there have been.

In 2017, the defensive advocacy (lobbying) efforts by United States airlines, cruise lines, hotel management companies, and travel service providers among others to Members of Congress and to representatives within the Trump Administration were **not** focused upon *legislation*, the efforts were focused upon *regulations*. Those advocacy (lobbying) efforts were successful because they were targeted and reasonable.

After failing for eighteen (18) years, wouldn't a shift in focus be rational? Perhaps, the survival of individuals, and relationships, and opportunities for Potemkin-like self-congratulation, are the primary fuel for a jalousy of an advocacy strategy.

That the government of the Republic of Cuba continues to be duped by self-serving interests of Members of Congress, advocates, consultants and lobbyists whose efforts have resulted in far more maintenance of the status-quo than creating not only an increased quantity of commercial opportunities for United States companies, but an increase in the depth of commercial opportunities- moving past optics to full-throttled and not transitory engagement.

Since 2014, these individuals have sought to pivot from embracing multi-year (remember "*under the radar*") fierce legislative strategy failures to promote that through their efforts in 2017 regulatory changes deemed detrimental to the interests of the United States business community were made less so. Seeking to profit from what their self-promoted prominence was built upon- having the Obama Administration engage with the Republic of Cuba. The Obama Administration did not do all that it could have done; and these individuals who claimed to have the inside track to the decision-making process are demonstrably responsible for the result. It's appalling.

Why focus upon "*moving the ball*" when the focus can be upon celebrating in the end zone? How many yards have been gained in eighteen years? Regulatory touchdowns were first scored in 1994 and have continued sometimes more-than-annually for the last twenty-five (25) years.... Regardless of which political party occupied The White House. A lopsided score thus far by any reasonable, sane, measure.

If a strategy has not been successful for eighteen (18) years, why continue to pursue it when there are alternatives? Oh, but each year is promoted as "*the*" year of legislative change; there is "*momentum*."

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If the Republic of Cuba has importance to Members of Congress and, thus to their respective state/district constituencies, why not direct funds from their official accounts and/or committee and/or sub-committee accounts to make payments for expenses relating to visiting the Republic of Cuba? If not, what is the message? That the Republic of Cuba is of importance provided someone else is willing to pay for the journey. Even the fully-disclosed use of campaign funds would be an improvement.

For many years, most Members of Congress who visit the Republic of Cuba have relied on non-for-profit organizations to make payments on their behalf; and often the sources of these payments are not disclosed. Not helpful.

Focusing upon the authorization of the 50% of Direct Correspondent Banking (DCB) that the Obama Administration failed to authorize would be practical rather than aspirational; and have a far more likely opportunity for implementation. It's an easy fix, benefits United States exporters, increases financial transaction transparency, and ends banks in third countries earning fees from the efforts of United States farmers. ***Four check-offs for the Trump Administration.*** And that's just one regulation.

The government of the Republic of Cuba continues to convey to Members of Congress that there will be no "*normalization*" of the bilateral commercial, economic and political relationship until there are changes to United States statutes (*Cuban Democracy Act of 1992, Libertad Act of 1996, Trade Sanctions Reform and Export Enhancement Act of 2000*) and numerous regulations. That's not an illogical position to hold.

In the mid 2000's, the government of the Republic of Cuba began to seek "*Advocacy Agreements*" from visiting Members of Congress and, specifically, from Governors, and from representatives of United States companies: If the visitor would sign an agreement, and make it public, that they would advocate for changes to United States laws and regulations, the government of the Republic of Cuba would agree to make a purchase of food products and/or agricultural commodities from the respective state- and announce it during the visit or soon after completion of the visit.

This misguided strategy was short-lived as the government of the Republic of Cuba was simultaneously advocating for a removal of politics from the commercial process. Rather quickly, there was resentment by Members of Congress, Governors, and representatives of the United States business community.

The government of the Republic of Cuba continues to pressure representatives of United States companies to pressure Members of Congress to support changes to statutes and in an inconsistent and terribly limited fashion, to a far lesser extent, regulations. The pressure point focus should be reversed.

*There is one inescapable conclusion: The goal of the government of the Republic of Cuba is to advocate for activity rather than advocate for results.*

What makes sense? Directing resources towards a legislative process where the last success was eighteen (18) years ago or direct resources towards a regulatory process that has, and can, provided results within months?

If the decision is to focus upon what has not worked, what is a conclusion? That the goal is not about change.