

# The Miami Herald

Miami, Florida

13 December 2012

## Cuban foreign minister promoted to top leadership body

In a group dominated by men in their 60s and 70s, Bruno Rodriguez, at 54, is among the young leaders.



**Bruno Rodriguez Parilla**  
DON EMMERT / AFP/Getty Images

By Juan O. Tamayo

Cuba Foreign Minister Bruno Rodriguez Parrilla, 54, has been elevated to the top echelon of the Communist Party as part of what ruler Raúl Castro described as an “urgent” effort to break the stiff resistance to the promotion of younger leaders.

“It is urgent for us to break the blockade in thinking that still exists when it comes time to select and prepare young leaders,” the 81-year-old Castro was quoted as telling a meeting Tuesday of the party’s Central Committee. “Time is running short.”

Castro did not identify who’s behind the “blockade,” but there have been several unconfirmed reports of officials of Communist Party of Cuba (PCC) throwing quiet but sharp elbows to position themselves or their friends for top party and government posts in coming years.

“We have brilliant youths who we must guide and transmit to them the knowledge that we have acquired in so many years of revolution,” official news reports quoted Castro as saying. “On the issue of (party) leaders, we have taken positive steps but the effort required is big.”

Castro, who is first secretary of the PCC, then announced that Rodriguez had been elevated to the Political Bureau, the party’s top standing body. Only four of its 16 members are under the age of 65 and the oldest is 84. Five hold the rank of general.

Castro has been insisting on the need to bring more youths, women and blacks into the party since a national congress of the PCC last spring, but there have been hints that some middle- and high-ranking party officials are not happy making way for newcomers.

“Some of these people say they sacrificed to rise within the party, paid their dues if you will, and now see these newcomers on the fast track,” said a European diplomat who asked to remain anonymous because he was not authorized to speak on Cuba issues.

Cuba analysts have long looked to the Politburo’s membership for the kinds of changes that could first point to possible successors to Castro, who has proposed a 10-year term limit for top government officials. That could force him to leave his office no later than in 2018.

But the elevation of Rodriguez to such a powerful position surprised many who considered him as no more than a disciplined revolutionary who moved up the chain because he was too cautious to risk making any mistakes.

“He’s not one you could have a conversation with and feel that he could provide any information or guidance that was outside the safety lanes,” said John Kavulich, who met Rodriguez several times when he was Cuba’s ambassador to the United Nations. “He was a typical bureaucrat, whether a Havana bureaucrat or a Washington bureaucrat.”

Rodriguez started in public life as national president of the Federation of High School Students, then served in the Federation of University Students while earning his law degree and teaching for a few years at the University of Havana.

He has been publisher of the Rebel Youth newspaper, official voice of the Union of Communist Youths (UJC) and one of the island’s three national newspapers, and headed Cuba’s medical mission to Pakistan following a devastating earthquake there in 2005.

Since 1981, he has been head of the UJC’s international relations department, deputy ambassador and ambassador to the U.N., and then deputy foreign minister — with almost each promotion following in the footsteps of Fernando Remíroz de Estenoz.

Remíroz de Estenoz, who also headed Cuba’s diplomatic mission in Washington from 1995 to 2001, was considered a potential future leader until 2009, when he was fired in a crackdown along with Vice President Carlos Lage and Foreign Minister Felipe Pérez Roque.

Former Cuban ruler Fidel Castro later indicated that Lage and Roque had become too power hungry, saying that “the honey of power . . . awoke in them ambitions that led them to an undignified role.”

# Daily Herald

Chicago, Illinois

11 November 2012

## Stagnant U.S. exports to Cuba belie fair's optimism

By Peter Orsi

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Many of America's best-known brands were on display at a Havana exposition center this past week as representatives hawked some of the few U.S. products that can legally be exported to Cuba, thanks to an exception to the U.S. embargo allowing cash-up-front sales of food, agricultural goods and medicine.

But cold numbers belie the enthusiasm on the convention center floor. Cuban purchases of U.S. goods have plunged as the island increasingly turns to countries like China, Brazil, Vietnam and Venezuela, which offer cheaper deals, long-term credits and less hassle over payment and shipping.

"The pattern that we see is it's just continuing to either be lower each year, or if it does increase, it's just not a lot at all," said John Kavulich, senior policy adviser to the New York-based U.S.-Cuba Trade and Economic Council. "No executives should be going to a travel agent and buying a ticket to go down to Havana thinking that there's going to be a change."

U.S. sales of food and agricultural commodities to the communist-run island began more than a decade ago with the Trade Sanctions Reform Act enacted in 2000 under President Clinton. Modest sales of \$138 million the following year rose steadily to a peak of \$710 million in 2008, according to statistics calculated by Kavulich's group.

The value of U.S. exports to Cuba has since plummeted to just over half that last year at \$358 million. It was \$250 million through the first six months of 2012, with no sign of improvement.

It's been a tenuous trade from the beginning, partly due to U.S. rules requiring cash payment before goods can even be shipped. Payments must be made through third-party banking systems that take a hefty cut of each transaction, besides the fees levied on multiple currency swaps. Shipping is complicated by U.S. embargo regulations. Moreover, the PR value of buying Made In America faded for Cuba as it became commonplace to see Coca-Cola in tourist hotels and Miller beer on store shelves.

So when a plunging global economy pulled Cuba down with it five years ago, Havana had every incentive to hunt for a better deal from friendly nations where government-run companies offer better terms and often won't complain publicly about rolling over late payments. Even private-sector companies in those countries may be more pliant, counting on guarantees by their governments.

"Cuba can still never beat the U.S. for many of the products — not all, but many," Kavulich said. "But when you add into the equation the lack of ability to directly have payment terms, the inability to use more efficient transportation systems between the two countries and the lack of political benefit, then the Cuban government will turn elsewhere."

As the fair opened this week, state-run food purchaser Alimport calculated it will spend \$105 million more than necessary on U.S. imports due to unfavorable credit terms, currency exchanges and logistical losses in shipping.

"Since vessels from other countries that dock in Cuban ports must wait six months to go to the United States, the shippers charge high freights," Alimport vice president Eidel M. Mussi Velazquez said.

The company projected \$440 million in U.S. purchases this year, well off the \$960 million reported in 2008. The Cuban statistics don't compare directly to the Trade Council's since they apparently factor in the extra expenditures, but they trace the same depressed pattern.

By comparison, according to Cuban figures for 2010, the most recent year available, commercial trade with Venezuela nearly doubled from the previous year to a little over \$6 billion. Chinese trade was still down from pre-crisis levels but trending upward to \$1.9 billion in 2010.

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Still, those doing business with Havana kept up a cheery tone at the fair, which included 500 exhibitors from overseas and ended Saturday.

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Richard N. Waltzer, president of Procurement Systems Inc., said a recent U.S. policy allowing Cuban-Americans to send more money to islanders has increased their ability to purchase the U.S. brand names his company distributes. PSI’s Cuba business has grown 30 percent a year for the last decade, and Waltzer was optimistic about Cuba’s expanding tourism industry and growing small private enterprise under President Raul Castro’s reforms.

“They’re modeling their new economic model after Vietnam and China, so in the future it’s opening up for capitalism,” he said. “And bringing in these great American brands, I believe, is going to take it to the next level.” Todd P. Haymore, secretary of agriculture and forestry for Virginia, which shipped \$65 million in agricultural goods to Cuba last year, said the island is a consistent top 15 market.

But businesspeople back home see bigger possibilities if embargo rules are simplified.

“They feel like you might lose out on a sale or capturing additional sales because of these additional fees, additional turns of currency. ... Every time you go from one country to the next there’s always a loss,” Haymore said. “Someone’s gaining a piece of that pie that’s not going into your back pocket.”

Those at the fair were also jockeying to be in position for an unknown future date when the U.S. sanctions might disappear altogether.

“Cuba is becoming a more and more important market for U.S. companies. ... Everybody wants to have some kind of presence,” said Hector Rainey, managing director of Intervision Foods of Atlanta. “If something changes all of a sudden, they have an angle here.”

# El Nuevo Herald

Miami, Florida

11 November 2012

## Cuba busca mejores socios comerciales que EEUU

Por PETER ORSI

**Kellogg's. Gatorade. Hormel. Hunt.**

Muchas de las marcas estadounidenses mejor conocidas estuvieron a la vista en el centro de exposiciones de La Habana la semana pasada mientras representantes promovían algunos de los pocos productos de Estados Unidos que pueden exportarse legalmente a Cuba gracias a una excepción al embargo, la cual permite la venta de alimentos, bienes agrícolas y medicamentos, pagando en efectivo y por adelantado.

Pero los números fríos contradicen el entusiasmo en la sala de las convenciones. Las compras cubanas de bienes estadounidenses han caído mientras la isla está viendo cada vez más hacia países como China, Brasil, Vietnam y

Venezuela, que ofrecen contratos más económicos, mayor plazo de crédito y menos molestias sobre el pago y el envío.

"El patrón que vemos es que sigue siendo o más bajo cada año o que si se incrementa, ya no es tanto", dijo John Kavulich, asesor político del Consejo de Comercio y Economía para Estados Unidos y Cuba, con sede en Nueva York. "Ningún ejecutivo debe ir con un agente de viajes y comprar un boleto hacia La Habana pensando en que va a haber un cambio".

La venta de alimentos y bienes agrícolas estadounidenses a la isla comunista comenzó hace más de una década con la reforma a la Ley de Sanciones Comerciales promulgada en 2000 por el gobierno del presidente Bill Clinton. Modestas ventas por 138 millones de dólares en el siguiente año siguieron a un pico constante de 710 millones en 2008, de acuerdo con estadísticas calculadas por el grupo Kavulich's.

Pero el valor de las exportaciones de Estados Unidos a Cuba había caído a poco más de la mitad el año pasado, 358 millones de dólares. Fueron 250 millones en los primeros seis meses de 2012 y no hay señales de mejoría. Ha habido un endeble comercio desde el principio debido en parte a las normas estadounidenses que piden el pago en efectivo antes de que los cargamentos sean enviados.

Los pagos deben realizarse a través de sistemas bancarios que toman una parte considerable de cada transacción, además de las cuotas al hacer varios cambios monetarios. Los envíos se complican por las regulaciones del embargo de Estados Unidos. Por otra parte, el valor de comprar algo "Hecho en Estados Unidos" ha caducado en Cuba porque se ha vuelto algo común ver Coca-Colas en hoteles turísticos y cerveza Miller en los anaqueles de las tiendas.

Por eso cuando la crisis económica mundial arrastró a Cuba hace cinco años, La Habana tuvo el incentivo para buscar mejores acuerdos con cada nación amiga donde empresas estatales ofrecen mejores términos y muchas veces no se quejan en público por el vencimiento de pagos atrasados. Incluso las empresas de sectores privados en esos países pueden ser más flexibles, al contar con las garantías de sus gobiernos.

"Cuba no puede vencer todavía a Estados Unidos en muchos de los productos, no todos, pero muchos", indicó Kavulich. "Pero cuando uno lo agrega a la ecuación, la ausencia de términos directos de pago, la incapacidad para utilizar sistemas de transporte más eficientes entre ambos países y la falta de beneficio político, entonces el gobierno cubano voltear a otra parte".

Esta semana, en la inauguración de la feria, la compradora estatal de alimentos Alimport calculó que gastará 105 millones de dólares más de lo necesario en importaciones estadounidenses debido a términos de crédito desfavorables, ajustes en el tipo de cambio y pérdidas en logística por los envíos navieros.

"Como los barcos de cualquier país que atraquen en puertos cubanos tienen que esperar seis meses para llegar a Estados Unidos, las navieras cobran altos fletes", dijo el vicepresidente de Alimport, Eidel M. Mussi Velázquez.

La empresa proyectó 440 millones de dólares en compras a Estados Unidos este año, menos que los 960 millones reportados en 2008. Las estadísticas cubanas no se comparan directamente con el Consejo de Comercio debido a que ellos al parecer toman en cuenta los gastos extra, aunque siguen el mismo patrón de disminución.

En comparación, según cifras cubanas de 2010, el año más reciente disponible, el intercambio comercial con Venezuela casi se duplicó comparado con el año previo a poco más de 6.000 millones de dólares. El comercio con China todavía está por debajo de los niveles previos a la crisis pero tiene una tendencia a la alza y en 2010 fue de 1.900 millones.

Aunque la compra de algunos productos estadounidenses se ha mantenido constante, como en el caso de las aves y la soya, otros se han estancado, incluyendo los alimentos de marca procesados y granos.

El sobrio "stand" comandado por Kevin McGilton, vicepresidente de ventas de la empresa Riceland, con sede en Arkansas, es un ejemplo.

Las exportaciones de arroz a Cuba totalizaron de 20.000 a 30.000 toneladas métricas un año antes de la crisis económica, pero fueron de cero el año pasado, dijo McGilton.

Arroceras del gobierno vietnamita, que durante mucho han superado a los proveedores estadounidenses, ofrecen arroz "quebrado" que no es tan bonito como el estadounidense, pero es más económico. El país también ha extendido los términos de los créditos de varios años.

Cuba "no tuvo el dinero para pagar en efectivo por adelantado, que es lo que tiene que hacer con las empresas estadounidenses", indica McGilton, quien agregó que los únicos avances promisorios que consiguió en la feria comercial de esta semana llegaron de otros países, como México.

Aun así, aquellos que hacen negocios con La Habana mantuvieron un tono animado en la feria, que incluyó 500 expositores del extranjero y concluyó el sábado.

En el pabellón donde estuvieron la delegaciones estadounidenses había bullicio por los trabajadores con camisetas iguales que entregaban a manos llenas Peanut Butter Cups, las golosinas de chocolate y mantequilla de cacahuete de la marca Reese's, a los asistentes a la convención, además de bolsas repletas de dulces Skittles.

Los cubanos tomaron turnos para sacarse fotos con una persona vestida como una barra de chocolate Hershey's gigante.

Los asistentes a la convención elogiaron a Alimport por su profesionalismo y destreza, y minimizaron la importancia de las restricciones al crédito.

Richard N. Waltzer, presidente de Procurement Systems Inc., dijo que una política estadounidense reciente que permite a los cubano-estadounidenses enviar más dinero a los isleños ha incrementado la posibilidad de comprar las marcas estadounidenses que su empresa distribuye.

El negocio de PSI en Cuba ha crecido 30% anual en la última década y Waltzer está optimista de la expansión del sector turístico cubano y de que crecerán las pequeñas empresas privadas con las reformas implementadas por el presidente Raúl Castro.

"Están dando forma a su nuevo modelo económico después de Vietnam y China, por eso en el futuro está abierto al capitalismo", indicó. "Y traer a estas grandes marcas estadounidenses, creo, es llevarlo al siguiente nivel".

Todd P. Haymore, secretario de agricultura y silvicultura en Virginia, estado que envió 65 millones de dólares en bienes agrícolas a Cuba el año pasado, dijo que la isla es una constante en el mercado de los primeros 15.

Pero en Estados Unidos, la gente de negocios ve mayores posibilidades si las normas del embargo se simplificaran.

"Ellos sienten que uno puede perder una o varias ventas debido a estas cuotas extra, cambios adicionales en el tipo de cambio... Cada vez que uno va de un país a otro siempre hay una pérdida", explica Haymore. "Alguien está ganando una pieza de ese pastel que no regresará a tu bolsillo".

Los que estuvieron en la feria también estaban compitiendo por conseguir el mejor lugar para una fecha en el futuro cuando las sanciones estadounidenses puedan desaparecer.

"Cuba se está volviendo un mercado más y más importante para las empresas estadounidenses... Todos quieren tener algún tipo de presencia", dijo Héctor Rainey, director administrativo de Intervision Foods en Atlanta. "Si algo cambia todo de pronto, tendrán un ángulo aquí".

# Associated Press

New York, New York

10 November 2012

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## **CBS News**

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## **Fox News**

### **New York, New York**

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From Associated Press: Havana, Cuba. Brands like Kellogg's, Gatorade, Hormel and Hunt are on display at a Havana exposition center as representatives hawk some of the few U.S. products that can legally be exported to Cuba.

But cold numbers belie the enthusiasm on the convention center floor. Cuban purchases of U.S. goods have plunged as the island turns to countries like China, Brazil, Vietnam and Venezuela, which offer cheaper deals, long-term credits and less hassle over payment and shipping.

Figures from a group led by U.S.-Cuba trade analyst John Kavulich show U.S. sales of food and agricultural commodities to Cuba rose from \$138 million in 2001 to a peak of \$710 million in 2008. That plummeted to almost half that last year at \$358 million.

## **Al Jazeera**

### **Doha, Qatar**

### **16 July 2012**

### **Features US aid ship in Cuba: Ending the embargo?**

**Fifty years after the US imposed a trade blockade, the first officially sanctioned aid ship from Miami arrives in Cuba.**

By Chris Arsenault



Cuba's economy has languished in recent years and the government is planning an austerity programme [Reuters]

Fifty years after President John F Kennedy initiated a trade embargo on Cuba, a US aid ship has landed on the island, further weakening the Cold War-era blockade.

The 300ft boat, *Ana Cecilia*, apparently the first officially sanctioned direct maritime shipment from Miami to Cuba, docked in Havana on Friday carrying food, medicine and personal hygiene products sent by Cuban-Americans to their families on the island.

The decision to allow the ship to sail would have been made between the US Treasury Department and the Commerce Department, who would have liaised with other branches of the US government, said John Kavulich from the US-Cuba Economic and Trade Council, meaning it could signal part of a broader political thaw in Washington.

"The simple answer as to why the blockade continues - inertia ... Any substantial change in the relationship between Cuba and the US brings uncertainty."  
- John Kavulich, US-Cuba Trade and Economic Council

"The simple answer as to why the blockade continues - inertia," Kavulich told Al Jazeera. "Any substantial change in the relationship between Cuba and the US brings uncertainty."

Analysts do not believe the shipment is the beginning of the end for the embargo, which is supposed to prohibit US companies from trading with Cuba, located just 90 miles (144km) off the coast of Florida.

Other ships, including aid vessels from US groups opposing the embargo, have been sent to Cuba before, but this is the first shipment to be sanctioned to travel via Miami's port.

### 'Significant gesture'

Professor Antoni Kapcia, Cuba specialist at the University of Nottingham, believes Friday's docking is a "significant gesture" from the US, but not a "fundamental change".

"It sends a strong message that if [US President Barack] Obama gets a second term in office, he means business on Cuba," Kapcia told Al Jazeera. "It is probably one of the largest changes [in the US approach], that have been mostly cosmetic until now."

Since the revolution of 1959, when Fidel Castro and his comrades turfed out Fulgencio Batista, a dictator with proven links to the US mafia, relations between the Caribbean island and its larger neighbour have been frosty at best.

Pioneered by US President Dwight Eisenhower, the total embargo was announced by Kennedy in February 1962. He cited the "subversive" nature of Cuba's 1959 revolution. The CIA, working with Cuban exiles, attempted to invade the island in 1963 in a botched mission known as the Bay of Pigs operation.

Cuba's revolution and the imposition of a Communist-inspired government led to the nationalisation of assets formally controlled by what supporters deemed "the capitalist elite". It also saw single party domination over the political system, heavy censorship of the news media, long jail sentences - or worse - for dissidents, along with the creation of internationally recognised public health and education systems.

Despite a trade blockade by the world's largest economy, former Cuban leader Fidel Castro outlasted nine US presidents. If the embargo couldn't fulfill its goal of unseating the bearded leader and his Communist Party, other measures should be considered, say critics within the US establishment.

"Fidel Castro managed to embody Cuban nationalism, as the David defying the American Goliath and its economic embargo."  
- *The Economist*, May 2012

"In general, the US business community has taken a global position that sanctions are usually not a beneficial tool in the political arsenal," lobbyist Kavulich said, adding that US firms have been selling food to the island since 2001, and healthcare products since 1992. "I think you have some executives who have an active position in believing that interaction, specifically trade, can bring political change to a country."

Some analysts believe the embargo has actually benefited the Communist government, allowing them to blame economic problems on outsiders. "Fidel Castro managed to embody Cuban nationalism, as the David defying the American Goliath and its economic embargo," noted *The Economist*, which opposes the current government, in May.

## Angry exiles

Today, Fidel's brother Raul calls the shots in Havana. While some on the island consider him a moderate reformer, opponents view him as a standard despot.

"Cuba is a state sponsor of terrorism," John Suarez, a Cuban-American activist and blogger, told Al Jazeera. "The aim [of the Communist government] is to stay in power by whatever means necessary. They have been doing this since 1959."

After the revolution, more than one million Cubans, or some ten per cent of the island's population fled, usually heading for the US, where they are often granted automatic citizenship, unlike migrants from other poor Caribbean countries including those with worse human rights records.

Many Cuban-Americans want to see the embargo continue, and some analysts believe the small, yet vocal population of Cuban exiles in Florida, a crucial electoral swing state, partially explains why the trade blockade outlasted the Cold War.

A significant portion of Cuban-Americans in Florida are "single issue voters" who will cast their ballots depending on who has the toughest anti-Castro stance, Kavulich said. "Florida as a state is still incredibly important to US presidential candidates. Given the expected closeness [in November's election], every vote matters."

## Popular support for communism?

"More Cubans than one might suppose want to keep the system, while changing aspects of it, particularly the economy... They recognise the state gives them a lot [in terms of social programmes] which they would lose if they went for a full transition to capitalism ... they don't want to throw the baby out with the bathwater."  
- Prof Antoni Kacpia, University of Nottingham

Unlike the population who fled the island, who often had links to the privileged classes, many Cubans who stayed support the government, Professor Kacpia said.

"More Cubans than one might suppose want to keep the system, while changing aspects of it, particularly the economy," he said. "They recognise the state gives them a lot [in terms of social programmes] which they would lose if they went for a full transition to capitalism ... they don't want to throw the baby out with the bathwater."

Prior to the collapse of the Soviet Union, Cuba's main patron, the Communist government had "eliminated" child malnutrition and adult illiteracy, according to *The Economist*. "Fidel poured resources into social programmes that reached from cradle to grave, providing free world-class health care and education, as well as free pensions and funerals ... life expectancy and many other social indicators rose above those of the United States," the magazine reported, noting that social programmes have deteriorated significantly since then.

To deal with deep-seated economic problems on the island, Raul Castro has promised something resembling a communist austerity plan. In August 2010, Castro stated that the state needed to shed one million workers from its payrolls, including half a million by mid-2011.

Today, about 200,000 of those workers have moved into private businesses, Kacpia said, which have become easier to start due to incremental changes introduced by Raul. The large scale lay-offs have not happened yet, due to opposition from the country's Communist Party-linked labour unions, the professor said.

## Black gold?

While the state sector sputters, foreign firms are - thus far unsuccessfully - searching for oil off Cuba's coast. The US Geological Survey estimates Cuba has five billion barrels buried under the sea, while the island's government pegs the figure at 20 billion. Malaysian, Spanish, Russian, Venezuelan and Chinese companies - among others - have expressed interest and some have begun drilling wells or doing seismic tests.

"A political nightmare for the US is Cuba being able to commercially develop oil and natural gas that would render US economic and political policy ineffective," said Kavulich from the trade association. "US energy companies are - in a very small, indirect manner - participating in some of the energy exploration efforts in Cuba, because many of the drilling rigs have US components."

The cost of oil exploration in Cuba is 18-22 per cent more expensive than it would otherwise be, due to the US embargo, one analyst told *Reuters*.

Cynics could link the softening of the embargo, as seemingly demonstrated by the recent aid delivery from Miami, to the search for oil in Cuban waters in the [Gulf of Mexico](#).

Suarez, the anti-Castro activist, doesn't think that is a good idea. "Those [possible] oil wells off Cuba will be deeper than the one that caused the BP disaster," he said, "Whether it's Russia or America, I don't think anyone has good capacity for drilling at that depth."

"If the argument is: 'We [America] need to normalise relations [with Cuba] so BP can go in,' that doesn't fill me with much confidence."

# Sun Sentinel

## Fort Lauderdale, Florida

### 11 July 2012

#### **Congress considers ban on U.S. military contracts for companies doing business in Cuba**

By [Doreen Hemlock](#), Sun Sentinel

South Florida companies active in Cuba are worried about a measure in Congress that would ban them from U.S. Defense Department contracts if they keep up business with the island.

Anti-communist hard-liner Rep. David Rivera, R-Miami, inserted that tiny provision into a massive defense spending bill that passed the House in May. The ban would apply to anyone doing business with countries that Washington deems state sponsors of terrorism, which includes Syria, Sudan and Iran.

A Senate version of the bill does not contain the provision, but Rivera said he's talking with several senators to convince them to add it as "a question of national security." It is unclear whether the measure could pass the Senate or survive a conference committee.

Businesses active in Cuba — foreign firms and U.S. companies licensed by U.S. Treasury to sell food and medicine or offer travel services — worry that if the measure becomes law, they'll be forced to choose among their customers at a time of slow growth in the global economy.

Because many big companies do more business with the U.S. military than they do to Cuba, the measure could effectively end their budding sales to the Caribbean's largest island nation — unless defense officials offer a waiver, according to lawyers and consultants specializing in Cuba business.

Those affected could include U.S. companies licensed to sell in Cuba such as food giants ADM, Cargill, Perdue and Tyson; U.S. shipper Crowley; plus foreign giants including Brazil's construction leader Odebrecht. Crowley operates shipping routes to Cuba from Port Everglades in Fort Lauderdale. Odebrecht is building the \$360 million Metrorail project to Miami airport.

Hard-liners in Florida recently pushed a similar law banning state and local contracts of \$1 million or more to companies dealing with Cuba. But that law recently was blocked by a federal judge, who said U.S. foreign policy was the domain of the federal government, not the realm of a state.

Rivera said his U.S. measure would largely affect foreign firms seeking U.S. military contracts such as Odebrecht, now building an \$800 million expansion of Cuba's Mariel port, and Spain's Repsol, which recently drilled for oil off Cuban shores.

Small U.S. businesses that sell food to Cuba or take Cuban-Americans to visit relatives on the island won't be hurt, if they don't seek Defense work, he said.

"The practical impact would be that we'd create more opportunities for American companies and American jobs, because companies like Odebrecht and Repsol could not do business with the Department of Defense," if they do business with state sponsors of terrorism, said Rivera.

Odebrecht, which challenged the Florida law, said it is monitoring the provision in Congress.

Lawyers and consultants raised concerns: Where would the Defense Department get the resources to check if proposed contractors did business with Cuba, Iran or others? Does the measure clash with federal law authorizing U.S. companies to sell food and medicine to Cuba for humanitarian reasons? If U.S. companies pull out of Cuba, would that cut food and medicine for the Cuban people?

"The implications could be serious: misallocation of resources and penalization of U.S. farmers" and others licensed to do business with Cuba under an exemption to the 50-year-old U.S. embargo against the island, said Robert Muse, an attorney in Washington, D.C. active for decades on Cuba matters.

Some also wondered how broadly Defense officials might interpret a future law. For example, would an airline that leases planes for a Cuba charter be banned from Defense contracts if it pays a fee in Havana?, asked John Kavulich of the US-Cuba Trade and Economic Council, a nonprofit group in New York.

Licensed charter flights to Cuba operate from Fort Lauderdale, Miami, Tampa and other U.S. cities.

Some analysts linked Rivera's move to election-year politics to court Cuban hard-liners. "As a taxpayer, I'd be more appreciative of Mr. Rivera's efforts to engage in budget matters," said Kavulich.

# El Nuevo Herald

## Miami, Florida

### 11 July 2012

## Medida de David Rivera busca impedir negocios con Cuba

Doreen Hemlock

Compañías del sur de la Florida que tienen vínculos con Cuba están preocupadas sobre una medida en el Congreso que les prohibiría recibir contratos del Departamento de Defensa federal si continúan haciendo negocios con la isla.

El representante David Rivera, republicano de Miami, insertó esa pequeña cláusula en un enorme proyecto de ley de gastos de Defensa que fue aprobado en mayo en la Cámara. La prohibición se aplicaría a todo aquel que haga negocios con países que Washington considere como patrocinadores del terrorismo, entre ellos Siria, Sudán e Irán.

Una versión del proyecto de ley en el Senado no contiene la cláusula, pero Rivera indicó que estaba en conversaciones con varios senadores para convencerlos de que lo añadan como "una cuestión de seguridad nacional". No está claro si la medida podría ser aprobada por el Senado o sobrevivir a un comité bicameral.

Los negocios en Cuba — tanto de firmas extranjeras como compañías estadounidenses con licencia del Tesoro de EEUU para vender alimentos, medicinas u ofrecer servicios de viajes — están preocupados de que, si la medida llega a convertirse en ley, se verían forzados a escoger entre sus clientes en un momento de demorado crecimiento en la economía global.

Debido a que muchas compañías grandes hacen más negocios con las fuerzas armadas estadounidenses que con Cuba, la medida podría acabar de hecho con sus nacientes ventas a la Mayor de las Antillas, a menos que funcionarios de Defensa les ofrezcan una dispensa, según abogados y consultores especializados en los negocios con Cuba,

Entre los afectados podrían estar compañías estadounidenses con licencia para vender en Cuba tales como las gigantes de la industria alimenticia ADM, Cargill, Perdue y Tyson; la naviera estadounidense Crowley; y gigantes extranjeros como el líder de la construcción en Brasil, Odebrecht. Crowley opera rutas de envío a Cuba desde Port Everglades en Fort Lauderdale. Odebrecht está construyendo el proyecto de \$360 millones de MetroRail al Aeropuerto Internacional de Miami.

Los partidarios de una línea dura en la Florida consiguieron recientemente poner en vigor una ley similar prohibiendo contratos estatales y locales de \$1 millón o más a compañías que hagan negocios con Cuba. Pero esa ley fue bloqueada recientemente por un juez federal, quien afirmó que la política exterior de EEUU era dominio del gobierno federal y no de un estado.

Rivera declaró que su medida federal afectaría fundamentalmente a firmas extranjeras en busca de contratos con las fuerzas armadas de EEUU tales como Odebrecht, la cual está ahora construyendo una expansión del Puerto del Mariel, en Cuba, por \$800 millones, y la española Repsol, que recientemente estuvo excavando en busca de petróleo junto a las costas cubanas. Pequeñas compañías estadounidenses que venden alimentos a Cuba o llevan a cubanoamericanos a visitar a sus parientes en la isla no se verán afectadas si no tratan de conseguir trabajo en la Defensa, aseguró.

"El impacto práctico significaría que crearíamos más oportunidades para compañías estadounidenses y empleos estadounidenses, porque compañías como Odebrecht y Repsol no podrían hacer negocios con el Departamento de Defensa", si ellos hacen negocios con estados patrocinadores del terrorismo, explicó Rivera.

Odebrecht, que se opuso a la ley de la Florida, indicó que estaba siguiendo el avance de la cláusula en el Congreso.

Abogados y consultores expresaron preocupaciones: ¿de dónde sacaría recursos el Departamento de Defensa para comprobar si contratistas propuestos hacen negocios con Cuba, Irán, etc.? ¿Choca la medida con la ley federal que autoriza a compañías estadounidenses a vender alimentos y medicinas a Cuba por razones humanitarias? Si las compañías estadounidenses se fueran de Cuba, ¿disminuiría eso la disponibilidad de alimentos y medicinas para el pueblo de Cuba?

“Las implicaciones podrían ser serias: asignación inadecuada de recursos y penalización de granjeros estadounidenses” y otros con licencias para hacer negocios con Cuba bajo una exención al embargo de 50 años contra la isla, consideró Robert Muse, abogado de Washington, D.C. que ha estado vinculado durante décadas al tema cubano.

Además, algunos se preguntaron cuán literalmente interpretarían los funcionarios de Defensa una futura ley. Por ejemplo, ¿se prohibiría a una aerolínea que alquile aviones a una compañía de vuelos chárter a Cuba que haga contratos con el Departamento de Defensa si paga una tarifa en La Habana?, preguntó John Kavulich, miembro del US-Cuba Trade & Economic Council (Consejo Comercial y Económico EEUU-Cuba), grupo sin afán de lucro radicado en Nueva York.

Vuelos chárter a Cuba con licencia operan desde Fort Lauderdale, Miami, Tampa y otras ciudades estadounidenses.

Algunos analistas vincularon la medida de Rivera a la política en un año de elecciones para complacer a los partidarios de una línea dura contra Cuba. “Como contribuyente, agradecería mucho más si el señor Rivera dedicara sus esfuerzos a asuntos del presupuesto”, comentó Kavulich.

# HispanicBusiness.com

## Miami, Florida

### 11 July 2012

#### News Column

## Ban Considered on Companies Doing Business in Cuba

Doreen Hemlock, Sun Sentinel

South Florida companies active in Cuba are worried about a measure in Congress that would ban them from U.S. Defense Department contracts if they keep up business with the island.

Anti-communist hard-liner Rep. David Rivera, R-Miami, inserted that tiny provision into a massive defense spending bill that passed the House in May. The ban would apply to anyone doing business with countries that Washington deems state sponsors of terrorism, which includes Syria, Sudan and Iran.

A Senate version of the bill does not contain the provision, but Rivera said he's talking with several senators to convince them to add it as "a question of national security." It is unclear whether the measure could pass the Senate or survive a conference committee.

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Hard-liners in Florida recently pushed a similar law banning state and local contracts of \$1 million or more to companies dealing with Cuba. But that law recently was blocked by a federal judge, who said U.S. foreign policy was the domain of the federal government, not the realm of a state.

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## **Reuters Americas**

### **London, United Kingdom**

#### **22 February 2012**

## **U.S. food sales to Cuba have fallen by half since 2008**

Economics, not politics, blamed for decline

Feb 22 (Reuters) - U.S. agricultural exports to Cuba declined 6 percent last year on top of a 31 percent decline in 2010 as the Communist-led island's financial woes continued and it turned elsewhere to buy food, a trade group said on Wednesday.

Cuba, which imports most of its food, gets chicken, corn, soy, wheat, pork and other products from the United States.

Cuba's food imports topped \$1.5 billion in 2011, the government has reported.

U.S. sales to Cuba have dropped by just over 50 percent since hitting a peak of \$710 million in 2008, the New York-based U.S.-Cuba Trade and Economic Council said in a report.

The trade council said the reasons for the decline were largely economic and not political and included Cuba's lack of foreign currency and better financial terms being offered by a host of countries from Canada, Brazil and Vietnam to Russia and France.

Cuban President Raul Castro, soon after taking over for his brother Fidel in 2008, introduced austerity measures, including significant cuts in imports, in an effort to overcome the country's chronic financial problems.

Cuba imports between 60 percent and 70 percent of the food it consumes and Castro has prioritized agricultural reform to increase domestic food production.

The United States has a 50-year-old trade embargo against its longtime ideological enemy that prohibits most business between them, but exemptions are made for agricultural products and medicine for cash.

Despite the embargo, the United States, located just 90 miles (145 km) to the north, has been one of Cuba's top 10 trading partners for a number of years. Cuba also ranks as one of the top 50 U.S. agricultural export markets.

Cuba has purchased more than \$3.5 billion in agricultural products from the United States since trade began in 2001, the council's report said.

# El Nuevo Herald

Miami, Florida

11 February 2012

## Encallan los planes de un ferry a la isla



MÁS DE 400,000 cubanos viajaron a la isla en el 2011 desde Estados Unidos para visitar a sus familiares, una cifra que tiende a crecer y que estimula la ampliación de los servicios de transporte. Varias compañías de EEUU acarician la idea de establecer un servicio de ferries de Florida a La Habana.

Lynne Sladky / AP

Doreen Hemlock  
Sun Sentinel - MCT

Fort Lauderdale -- Casi dos años después de solicitar una licencia para operar un ferry entre Port Everglades y Cuba, una compañía de Fort Lauderdale aún aguarda la respuesta.

Havana Ferry Partners se pregunta por qué no consigue la luz verde, cuando la administración de Obama ha autorizado a alrededor de una docena de aeropuertos para que ofrezcan más vuelos charter a Cuba.

“¿Estarán enterrando esto en un archivo?”, pregunta Leonard Moecklin Sr., socio gerente de Havana Ferry.

Existen al menos otras tres compañías con el ojo puesto en los servicios de ferry a Cuba a través de las licencias de viaje permitidas excepcionalmente en el embargo de 50 años impuesto por Washington contra la isla de gobierno comunista.

Orlando's United Caribbean Lines y Paris' Unishipping la solicitaron hace años, mientras que Balearia, la compañía española que opera un nuevo ferry de Port Everglades a Bahamas, está también interesada.

La Oficina del Tesoro de Estados Unidos, que supervisa el embargo, no comenta sobre licencias en específico, escribió un funcionario en un correo electrónico.

Havana Ferry está tan frustrada que está solicitando un permiso de una sola vez para llevar pasajeros a Cuba en ocasión de la visita a la isla del papa Benedicto XVI, programada para los días 26 al 28 de marzo.

La compañía buscó una primera licencia para operar un servicio de ferries a Cuba en el 2010. Su plan: operar un navío que pueda acomodar de 500 a 600 pasajeros y su equipaje, y más tarde, llevar carga y quizás vehículos.

Por ahora los pasajeros serían mayormente cubanoamericanos, a quienes les está permitido por la administración de Obama visitar a sus familiares en la isla cuantas veces lo deseen. Alrededor de 400,000 cubanoamericanos visitaron la isla el año pasado en vuelos charter autorizados desde Miami, Fort Lauderdale y un puñado de otros aeropuertos, según los operadores.

Las compañías de ferries tenían grandes esperanzas de que hubiera aprobaciones el año pasado, cuando el Tesoro permitió que Fort Lauderdale y otros aeropuertos ofrecieran viajes charter a Cuba.

Las elecciones en EEUU han hecho las posibilidades más remotas este año. La aprobación de más negocios con EEUU pudiera alienar a los votantes cubanoamericanos conservadores, que desean hacer más estricto el embargo, afirman ejecutivos.

“En un año de elecciones esa compañía tiene más probabilidades de unirse a los planes de Newt Gingrich de establecer una colonia en la Luna”, afirma John Kavulich, de U.S.-Cuba Trade and Economic Council, un grupo con sede en Nueva York que presta ayuda a las compañías interesadas en hacer negocios con la isla caribeña.

United Caribbean Lines ha desviado su atención hacia el inicio de un servicio de ferry entre Tampa y Cancún, asumiendo que Washington no actuará en el tema de nuevos negocios con Cuba en el 2012, dijo su fundador Bruce Nierenberg.

“Tienen miedo de que esto se convierta en una papa caliente política en el sur de la Florida”, dijo Nierenberg desde Orlando. Si los demócratas ganan probablemente veremos con el tiempo un desarrollo del comercio y los viajes a Cuba. Pero si lo hacen los republicanos, ¿quién sabe? Pudieran cancelar los nuevos [viajes] charter y los intercambios de pueblo a pueblo”, que permite a más grupos cívicos estadounidenses visitar Cuba y a ciudadanos cubanos, afirmó.

Broward County leaders from the mayor to port officials have backed requests for Cuba flights and ferries, hoping the area can cash in if Americans eventually travel freely to the island. In the 1950s, before Cuba's government turned communist, ferries frequently plied Florida waters to Havana.

Más allá de la política los ejecutivos de ferries han sabido al menos de una razón para las demoras de Washington: el costo de agregar personal de Aduanas e Inmigración a los puertos marítimos.

Havana Ferry ha ofrecido asumir una parte de la cuenta del personal pasándoles una tarifa a los viajeros, como unos cinco a siete dólares por boleto. La compañía espera que los precios de sus boletos sean al menos unos \$50 dólares más baratos que los boletos de avión en vuelos charter entre la Florida y La Habana, que ahora están a unos \$400 por viaje de ida y vuelta, dijo Moecklin.

Una vez que Washington diera su aceptación, quedaría también el problema de lograr un permiso cubano para atracar los ferries. Eso también pudiera tomar meses, si no años, dicen los ejecutivos.

Moecklin está buscando primero su licencia estadounidense. “Nos están dando un tratamiento de agujero negro”.

# **Almomento.net**

## **Santo Domingo, Dominican Republic**

### **13 February 2012**

**Las elecciones en EEUU han hecho las posibilidades más remotas este año**

**Havana Ferry Partners se pregunta por qué no consigue la luz verde para conectar Fort Lauderdale y Cuba**

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Havana Ferry está tan frustrada que está solicitando un permiso de una sola vez para llevar pasajeros a Cuba en ocasión de la visita a la isla del papa Benedicto XVI, programada para los días 26 al 28 de marzo.

La compañía buscó una primera licencia para operar un servicio de ferries a Cuba en el 2010. Su plan: operar un navío que pueda acomodar de 500 a 600 pasajeros y su equipaje, y más tarde, llevar carga y quizás vehículos.

Por ahora los pasajeros serían mayormente cubanoamericanos, a quienes les está permitido por la administración de Obama visitar a sus familiares en la isla cuantas veces lo deseen. Alrededor de 400,000 cubanoamericanos visitaron la isla el año pasado en vuelos charter autorizados desde Miami, Fort Lauderdale y un puñado de otros aeropuertos, según los operadores. Las compañías de ferries tenían grandes esperanzas de que hubiera aprobaciones el año pasado, cuando el Tesoro permitió que Fort Lauderdale y otros aeropuertos ofrecieran viajes charter a Cuba.

Las elecciones en EEUU han hecho las posibilidades más remotas este año. La aprobación de más negocios con EEUU pudiera alienar a los votantes cubanoamericanos conservadores, que desean hacer más estricto el embargo, afirman ejecutivos. “En un año de elecciones esa compañía tiene más probabilidades de unirse a los planes de Newt Gingrich de establecer una colonia en la Luna”, afirma John Kavulich, de U.S.-Cuba Trade and Economic Council, un grupo con sede en Nueva York que presta ayuda a las compañías interesadas en hacer negocios con la isla caribeña.

United Caribbean Lines ha desviado su atención hacia el inicio de un servicio de ferry entre Tampa y Cancún, asumiendo que Washington no actuará en el tema de nuevos negocios con Cuba en el 2012, dijo su fundador Bruce Nierenberg.

**USA Today**  
**Arlington, Virginia**  
**13 February 2012**

## **2-year effort to set up ferry service to Cuba runs aground**

By Douglas Stanglin, USA TODAY



By H. Darr Beiser, USA TODAY

Although charter flights to Cuba have now been approved from a dozen U.S. airports, an effort to establish cheaper ferry service between the two countries appears to have run aground, the *Sun-Sentinel* reports.

About 400,000 Cuban Americans, who are allowed to visit family on the island whenever they wish under more relaxed policies by the Obama administration, flew to the island on authorized charter flights last year from Miami, Fort Lauderdale and a handful of other U.S. cities.

But Havana Ferry Partners' application for ferry service out of Port Everglades, Fla., has languished for two years, the newspaper says. The company, which would use a 600-passenger ferry to the island, proposes to charge \$50 less than the \$400 roundtrip airfare.

At least three other companies are eyeing a similar service, the newspaper says.

A U.S. Treasury Department official told the newspaper in an e-mail the department cannot comment on specific licenses.

Progress seems unlikely during an election year, the newspaper says, because it could alienate conservative Cuban-American voters who want to tighten, not loosen, the 50-year-old U.S. economic embargo on the Caribbean island.

"In an election year, that company has a better chance of joining Newt Gingrich's colony on the moon," John Kavulich, senior adviser to the U.S.-Cuba Trade and Economic Council, tells the *Sun-Sentinel*. The New York-based group helps companies interested in business with Cuba.

Havana Ferry Partners is so frustrated that it is now pushing for one-time permission to carry passengers to Cuba for Pope Benedict XVI's visit scheduled for March 26-28, the newspaper says.

**Update at 12:42 p.m. ET:** Leonard Moecklin, vice president for Havana Ferry Partners, tells On Deadline that his company has already officially applied to the U.S. government for permission to provide service for the papal visit, has a boat on standby and could complete final preparations if he gets an OK by March 1.

## **Sun-Sentinel**

### **Fort Lauderdale, Florida**

#### **11 February 2012**

## **Florida-Cuba ferry plans stuck in U.S. "black hole"**

By Doreen Hemlock

Nearly two years after applying for a license to run a ferry between Port Everglades and Cuba, a Fort Lauderdale company still awaits government approval.

Havana Ferry Partners wonders why it can't get the go-ahead, when the Obama administration has authorized about a dozen U.S. airports to offer more charter flight to Cuba.

"Are they just burying this in a file?," asked Leonard Moecklin Sr., Havana Ferry's managing partner.

At least three more companies are eyeing Cuba ferry services through travel licenses allowed as exceptions to Washington's 50-year-old embargo against the communist-led island.

Orlando's United Caribbean Lines and Paris' Unishipping applied years back. Balearia, the Spanish company that operates a new Port Everglades-Bahamas ferry, is interested. The U.S. Treasury office that oversees the embargo does not comment on specific licenses, an official wrote in an e-mail.

Havana Ferry is so frustrated that it's pushing for one-time permission to carry passengers to Cuba for Pope Benedict XVI's visit scheduled for March 26-28.

The company first sought a license for Cuba ferry service in 2010. Its plan: to operate a ship that can hold 500 to 600 passengers and their luggage and later, to haul freight and maybe vehicles.

For now, passengers would be mostly Cuban-Americans, who are allowed by the Obama administration to visit family on the island whenever they wish. About 400,000 Cuban-Americans visited last year on authorized charter flights from Miami, Fort Lauderdale and a handful of other U.S. cities, operators say.

Ferry companies had high hopes for approvals last year, when Treasury let Fort Lauderdale and other airports offer Cuba charter flights.

U.S. elections have made chances more remote this year. Approval of new U.S. business could alienate conservative Cuban-American voters who want to tighten the embargo, executives said.

"In an election year, that company has a better chance of joining Newt Gingrich's colony on the moon," said John Kavulich, senior adviser to the U.S.-Cuba Trade and Economic Council, a New York-based group that helps companies interested in business with the Caribbean island.

United Caribbean Lines has turned its focus to starting ferry service between Tampa and Cancun, Mexico, assuming Washington won't act on new Cuba business in 2012, said founder Bruce Nierenberg.

"They're afraid of this becoming a political hot potato in South Florida," Nierenberg said from Orlando. "If the Democrats win, we'll likely see a continuing development of trade and travel with Cuba over time. But if the Republicans get in, who knows? They could cancel new charters and new people-to-people exchanges" that permit more U.S. civic groups to visit with Cuban citizens, he said.

Broward County leaders from the mayor to port officials have backed requests for Cuba flights and ferries, hoping the area can cash in if Americans eventually travel freely to the island. In the 1950s, before Cuba's government turned communist, ferries frequently plied Florida waters to Havana.

Beyond politics, ferry executives have heard at least one financial argument for Washington delays: costs to add U.S. Customs and Immigration staffing at seaports.

Havana Ferry has offered to pick up its share of the staffing tab and charge passengers a fee, likely \$5 to \$7 per ticket. The company expects to sell its ferry tickets at prices at least \$50 cheaper than Florida-Cuba charter flights, which now start at around \$400 round-trip, said Moecklin. Once Washington gives the nod, there's also the problem of getting Cuban permission to land ferries. That could take months or years too, executives said.

Moecklin first is looking for his U.S. license: "They're giving us the black-hole treatment."