

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

New York, New York

Telephone (917) 453-6726 • E-mail: council@cubatrade.org

Internet: <http://www.cubatrade.org> • Twitter: @CubaCouncil

Facebook: www.facebook.com/uscubatradeandeconomiccouncil

LinkedIn: www.linkedin.com/company/u-s--cuba-trade-and-economic-council-inc-

Seven Letters Signify Importance Of Governor McAuliffe's Visit To Cuba.... C-L-I-N-T-O-N

**Port of Norfolk Ranked 1st Of 14 Ports In 2015 For TSREE MT Exports To The Republic Of Cuba
Republic of Cuba Was Virginia's 7th Largest Export Market in 2015
1/8th The Personal Staff Of Governor Andrew Cuomo (D- NY)**

The 3 January 2016 to 6 January 2016 visit to the Republic of Cuba by The Honorable Terry McAuliffe (D- Virginia) may be the most important of any governor to the Republic of Cuba since 17 December 2014.

From Wikipedia about Mr. McAuliffe:

1993-2001- Raising US\$275 million, then an unprecedented sum, for Clinton's causes while president.

1996- Co-chairman of President Bill Clinton's re-election campaign.

2000- Chaired a fundraiser with the Clintons; setting a fundraising record of US\$26.3 million.

2001- Loaned Clintons US\$1.35 million to purchase a residence in New York State.

2001-2005- Chairman of the Democratic National Committee.

2008- Chairman of Hillary Clinton's presidential campaign; super delegate at 2008 DNC.

Governor McAuliffe visited the Republic of Cuba from 12 April 2010 to 15 April 2010 after his unsuccessful campaign for the nomination of the Democratic Party for governor of the Commonwealth of Virginia. He reportedly was promoting products sourced in the Commonwealth of Virginia; no purchase contracts were announced in conjunction with the visit.

The Trade Sanctions Reform and Export Enhancement Act (TSREEA) of 2000 re-authorized the direct commercial (on a cash basis) export of food products (including branded food products) and agricultural products (commodities) from the United States to the Republic of Cuba, irrespective of purpose. The TSREEA does not include healthcare products, which remain authorized by Cuban Democracy Act (CDA) of 1992.

The significance of the visit is neither about the agricultural commodity and food product that has moved through the Port of Norfolk (ranked first in 2015 of fourteen United States ports in terms of metric tons) nor the agricultural commodity (soy) or food product (apples) that have been sourced (grown) by Virginia-based entities and exported to the Republic of Cuba.

The significance of the visit is neither the proximity of the Commonwealth's northern suburbs to the Washington, DC, media marketplace nor that he will be the first governor to visit the Republic of Cuba in 2016.

It is the twenty-plus-year relationship of Governor McAuliffe with Mr. and Mrs. Clinton.

During the visit to the Republic of Cuba, he will be using that relationship, it's aura, to leverage benefits for the Commonwealth of Virginia... and politically for himself as Chief Marketing Officer (CMO) of the Commonwealth of Virginia.

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What Governor McAuliffe shares and/or suggests with representatives of the government of the Republic of Cuba is likely to have been vetted during his discussions with Mr. and Mrs. Clinton, as well as, with senior-level representatives of the Obama Administration.

Thus, the government of the Republic of Cuba will have near-as-can-be insight into the post-Obama relationship... if it is replaced by a [Hillary] Clinton Administration... and even if it is not due to his political skillset. The reception afforded Governor McAuliffe will directly impact upon the perception of the Republic of Cuba by Mrs. Clinton.

Will H.E. Jose Cabanas, Ambassador of the Republic of Cuba to the United States, be in the city of Havana during the visit as he was during the visit of The Honorable Andrew Cuomo, Governor of the State of New York?

Will Governor McAuliffe meet with H.E. Raul Castro, President of the Republic of Cuba? The three governors (and one spouse-of-a-governor-led delegation) who visited in 2015 did not meet with President Castro during their visits.

The United States business community will be monitoring the visit for how Governor McAuliffe is received by the government of the Republic of Cuba: Is he simply a politician seeking publicity? Will the company representatives have meaningful meetings with appropriate-level Republic of Cuba government-operated entities- as some have not been afforded during governor-led delegation visits in 2015? Will agreements be announced? Will the governor be ensconced within the traditional politician itinerary or will he escape and engage with independent business operators? What will be the tone?

The government of the Republic of Cuba will never have a better negotiating partner than President Barack Obama- because the President has placed a significance upon the relationship that will not be shared by his successor, including an elected Mrs. Clinton. A visit to the Republic of Cuba is not (yet) on her legacy “*bucket list*” agenda.

Rescinding some regulations issued in 2015, and those likely to be issued in 2016, by the United States Department of the Treasury and United States Department of Commerce, may be on the agenda of some of the individuals who seek to replace President Obama in 2017.

A [Hillary] Clinton Administration will not have a focus upon the Republic of Cuba, nor will the members of the United States Congress who are seated in January 2017. There will be too many other issues requiring attention.

Export Facts

Since 2010, the Port of Norfolk ranks 3rd of 34 ports (in metric tons) that have been used for exporting food products and ag products from the United States to the Republic of Cuba; primarily soybeans and soybean flour. For 2015, the Port of Norfolk ranks 1st of 14 ports. The Commonwealth of Virginia currently accounts for approximately 12% of export volume from the United States to the Republic of Cuba; steadily increasing since 2008.

| Ranking | Port | State | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | Total (MT) |
|---------|---------|-------|--------|--------|--------|--------|--------|--------|------------|
| 3 | Norfolk | VA | 83,472 | 94,976 | 85,362 | 54,883 | 43,267 | 95,069 | 457,029 |

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The Virginia Department of Agriculture and Forestry reported that food product and agricultural commodity exports to the Republic of Cuba transported through the Port of Norfolk were valued at US\$838,000.00 in 2003; US\$12.3 million (soybeans) in 2008; US\$11 million in 2010; US\$65 million in 2011; US\$40 million to US\$60 million in 2013; approximately US\$40 million in 2014; and approximately US\$25 million in 2015. For the period 2005 to 2015, approximately US\$400 million. For the period 2010 through 2014, approximately US\$225 million.

Apples from the Commonwealth of Virginia: In 2012 a reported 7,000 cases (875,000 apples) from Glaze Farms and Crown Orchard (red and golden delicious).

With the Commonwealth of Virginia's existing commerce with the Republic of Cuba, there may be difficulty in determining an immediate value of the visit by the governor. Significant will be if, for example, contracts are reported for product(s) that have not been purchased or have not been purchased in 2015. If additional exports through the port of Norfolk are announced, important will be to determine if those additions are at the expense of existing port facilities.

TSREEA-related exports from the United States to the Republic of Cuba in 2015 (January to November) had decreased 37% compared to the same period in 2014.

Members Of Congress Visits

The Honorable Mark Warner (D- Virginia), a member of the United States Senate, visited the Republic of Cuba in February 2015.

The Honorable Don Beyer (D- Virginia), a member of the United States House of Representatives, visited the Republic of Cuba in May 2015.

Visit Specifics & Costs

A three-night visit by a governor to the Republic of Cuba is unusual; thus, the visit is reflective of more than a focus upon commerce.

The Governor is using a Commonwealth of Virginia-owned aircraft to transport him, his wife, one security officer (a second will be traveling separately), personal staff and department/agency staff. Other participants are traveling through Miami International Airport.

According to the Office of the Governor, the costs of all employees (presumably including Mrs. McAuliffe) of the Commonwealth of Virginia will be paid for with taxpayer funds. Private sector representatives and Commonwealth institutions will use their respective funds.

Governor McAuliffe will be staying in a hotel in the city of Havana, Republic of Cuba. In a visit interpreted by many as enveloped in narcissism (the near-empty A-320 aircraft), New York Governor Andrew Cuomo stayed one night at the residence of the Charges d'Affaires, The Honorable Jeffrey DeLaurentis.

A Washington, DC-based organization active in supporting changes to United States laws and policies towards the Republic of Cuba has been paid a consulting fee by the Commonwealth of Virginia for unspecified purposes. New York Governor Andrew Cuomo used US\$25,000.00 of

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New York State taxpayer funds to make a payment this same organization. When the Secretary of Agriculture and Forestry has made ten visits to the Republic of Cuba, and the Deputy Commissioner of the Department of Agriculture and Consumer Services has visited; and the Ambassador of the Republic of Cuba to the United States is within commuting range of the State Capitol, using taxpayer funds to retain the services of outside assistance is questionable.

The Governor will be offering gifts of wine produced in the Commonwealth of Virginia and cufflinks imprinted with the seal of the Commonwealth of Virginia.

Who Is Participating In The Visit

Governor Terry McAuliffe

Dorothy McAuliffe

Brian Coy, Communications Director for the Governor

Meghan Hobbs, Special Assistant of Agriculture & Forestry

Virginia State Police Officer

Virginia State Police Officer

Todd Haymore, Secretary of Agriculture and Forestry

Karen Jackson, Secretary of Technology

Bill Hazel, Secretary of Health and Human Services

Charles Green, Deputy Commissioner, Department of Agriculture and Consumer Services

Michael Howley, International Trade Manager, Virginia Economic Development Partnership

Thomas Capozzi, Chief Sales Officer, Virginia Port Authority

Alex Nyerges, Director, Virginia Museum of Fine Arts

Dr. Gail Hackett, Provost & VP- Academic Affairs, Virginia Commonwealth University (VCU)

Matt Conrad, Executive Director of Government and Board Relations VCU

Dr. Dan Wood, Altria Chair in International Business, VCU

Steven Harris, Director of Flight Operations and Safety

Chris Cummins, Pilot

Kishan Shenoy, Senior Vice President, Perdue Agribusiness LLC

Claudio Cardani, Director of Marketing, Perdue Agribusiness LLC

Mike Skahill, Vice President, Smithfield Foods

Jaime Smith, International Commodity Consultants, Smithfield Foods

Charles Flowers, Virginia Natural Beef

Jason Heckathorn, Chief Executive Officer, Forever Oceans

Mitchell Sanner, Chief Executive Officer, Onduline North America, Inc.

Will Hall, Senior Vice President, Onduline North America, Inc.

Bill Stone, Owner, Mountain Lumber Company

Tom Host, President, T. Parker Host

Media Participating In The Visit

The Washington Post (2)

WCVE Richmond Public Radio

More Data Follows.... ↓

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Statistics For 2015/2016 Governors Visits To Cuba

| Participants | Andrew Cuomo (D- New York) April 2015 | Asa Hutchinson (R- Arkansas) September 2015 | Greg Abbott (R- Texas) November 2015 | Terry McAuliffe (R- Virginia) January 2016 |
|--|---|---|--|--|
| State GSP Ranking | 3 | 34 | 2 | 12 |
| Duration (Nights) | 1 | 2 | 2 | 3 |
| Aircraft Used For Visit | Airbus-320 Charter | Miami Charter | Boeing 737 | Beechcraft King Air 350/Miami Charter |
| Personal | 1 | 1 | 2 (wife) | 2 (wife) |
| Executive Staff | 16 | 2 | 13 | 2 |
| State Agency Staff | 2 | 4 | 2 | 6 |
| Legislature Elected Officials | 3 | 0 | 0 | 0 |
| Legislature Elected Officials Staff | 2 | 0 | 0 | 0 |
| Educational Institution Staff | 2 | 2 | 0 | 3 |
| Airport Authority | 1 | 0 | 2 | 0 |
| Port Authority | 0 | 0 | 5 (four ports) | 1 |
| Paid Organizing Consultant | 1 (US\$25,000.00) | No | 1 (Not Disclosed) | 1 (Not Yet Disclosed) |
| Private Sector | 13 (seven companies) | 24 (thirteen companies) | 3 (two companies) | seven companies |
| Media | 18 | DND | 1 (newspaper pool) | 2 |
| Healthcare (non-profit) | 4 (two organizations) | 1 | 0 | 0 |
| Cost | US\$116,113.00+ | TBD | Not Disclosed | TBD |
| Export Agreements Confirmed | 0 | 0 | 0 | TBD |

| Private and Public Sector Entities Accompanying Governors To The Republic Of Cuba | | | |
|--|---|---|---|
| Andrew Cuomo (D- New York) | Asa Hutchinson (R- Arkansas) | Greg Abbott (R- Texas) | Terry McAuliffe (D- Virginia) |
| Cayuga Milk Ingredients Chobani Empire State Development Corporation Infor JetBlue MasterCard Worldwide NY Genome Center Pfizer Plattsburgh International Airport Regeneron Roswell Park Cancer Institute State University of New York (SUNY) | Arkansas Department of Agriculture Arkansas Economic Development Commission Arkansas Farm Bureau Arkansas World Trade Center ATA International Bio-Tech Pharmacal, Inc. CJRW ETW Enterprises, Inc. Hanna's Candle Company Hunt Ventures In Good Spirits (McDonald's franchisee) Keith Smith Company Mannco Fertilizer New Road Ventures Riceland Foods, Inc. Safe Foods Corporation Simmons Foods The Winrock Group University of Arkansas System University of Arkansas System Division of Agriculture West Fraser Winrock Farms Winrock International | AWSCI LLC Houston Airport System Port of Beaumont Port of Corpus Christi Port of Houston Texas Economic Development Corporation, Inc. Vaughn Farms, Inc. | Department of Agriculture and Consumer Services Department of Agriculture and Forestry Department of Health and Human Services Department of Technology Forever Oceans Mountain Lumber Company Onduline North America, Inc. Perdue Agribusiness Smithfield Foods T. Parker Host Virginia Commonwealth University Virginia Economic Development Partnership Virginia Museum of Fine Arts Virginia Natural Beef Virginia Port Authority |
| State Entities- 4 | State Entities- 3 | State Entities- 4 | State Entities- 6 |
| Non-Profit Entities- 2 | Non-Profit Entities- 2 | Non-Profit Entities- | Non-Profit Entities- 2 |
| Companies- 7 | Companies- 17 | Companies- 2 | Companies- 7 |