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WH Press Secretary On Cuba; US\$6 Billion Is Misleading, He Knows It, And Not The First Time Administration Officials Have Said It

<http://www.cubatrade.org/blog/2016/12/15/wh-press-secretary-discusses-cuba-again-uses-us6-billion-value-which-is-not-accurate>

The White House Reports US\$6 Billion; They are short US\$5,629,086,137.00

This is not the first time that an official of The White House has exaggerated the value of commercial activity between the United States and the Republic of Cuba. The Honorable Penny Pritzker, United States Secretary of Commerce did so in March 2016:

<http://www.cubatrade.org/blog/2016/3/13/nidtwqhvdtl3nmkj8s9l3w7it6xb1?rq=United%20States%20Department%20of%20Commerce>

A Senior-Level Official of the Bureau of Industry and Security (BIS) of the United States Department of Commerce did so in October 2016:

<http://www.cubatrade.org/blog/2016/10/16/has-the-obama-administration-called-it-quits-leaving-united-states-companies-with-more-than-was-expected-but-far-less-than-was-needed?rq=US%246%20billion>

There is a substantial political component, which commenced during the Bush Administration and has continued through the Obama Administration- increase the value of licenses so as to emphasize **1)** The White House was authorizing/encouraging commercial activity **2)** Demonstrate that United States companies were eager to engage with the Republic of Cuba and **3)** Reinforce the narrative that the government of the Republic of Cuba was not engaging to the level that United States companies were desiring.

Aggressively marketing aspirational license values can create an unsustainable and, more significantly, an unattainable commercial landscape. Important to neither oversell the Republic of Cuba nor undersell the Republic of Cuba. Sell it for what it is and be reasonable and honest about the potential. This will provide value to United States companies.

Creating a narrative within which the government of the Republic of Cuba is unlikely to have the capacity to participate is unproductive and potentially harmful.

Since the enactment of the Trade Sanctions Reform and Export Enhancement Act (**TSREEA**) of 2000, the total value of agricultural commodity/food products exported from the United States to the Republic of Cuba is US\$5,273,721,859.00.

Since 2003, the total value of healthcare products (medical equipment, medical instruments, medical supplies, pharmaceuticals) under provisions of the Cuban Democracy Act of 1992 is US\$14,652,747.00.

For the period 17 December 2014 through 31 October 2016, the total value of TSREEA and CDA exports from the United States to the Republic of Cuba is US\$370,663,863.00. Add to this value approximately US\$250,000.00 in products exported from the United States to the Republic of Cuba regularly-scheduled airline operations, hotel management contracts, and other Obama Administration-related initiatives (that are not donations).

So what does the remaining US\$5,629,086,137.00 represent?

If this value represents real and potential exports, all of the funds received as payment(s) would need to be transferred through third country financial institutions because the Office of Foreign Assets Control

(OFAC) of the United States Department of the Treasury will not permit Republic of Cuba government-operated financial institutions to have accounts with United States-based financial institutions. As a result, there is no direct correspondent banking so more than **US\$180 million** in fees are paid to financial institutions domiciled in other countries.

THE WHITE HOUSE
Office of the Press Secretary
December 14, 2016
PRESS BRIEFING BY PRESS SECRETARY JOSH EARNEST
James S. Brady Press Briefing Room
12:20 P.M. EST

Q Last, I'd like to get your sort of expanded comments on something Ben Rhodes talked about, and that is the continued relations between the United States and Cuba, and the importance moving forward. What is the President's message? And will he reach out directly to the President-elect about the importance of maintaining that relationship and some of the pitfalls that come along with that, given their lack of human rights and other concerns that many people around this country have?

MR. EARNEST: Yeah. Well, listen, Kevin, we've got concerns about the human rights situation in a lot of countries around the world, including some countries like China and Russia that we've already spent a lot of time talking about today. The question really is, how do we shape those relationships so the United States benefits from them? How can we shape those relationships so that we can put pressure on those countries to improve the human rights situation inside their country while at the same time giving the American people the opportunity and our country the opportunity to benefit from those relationships?

So when it comes to Cuba, the United States had had a policy in place for more than five decades that attempted to isolate Cuba in an effort to pressure them to improve their respect for human rights. That policy failed. That policy was in place for more than 50 years and it didn't have the desired outcome. So President Obama decided to try something new.

And in just two years since the President decided to try a new approach that would seek to normalize relations between our two countries, we've made a lot of important progress. **More than \$6 billion in trade has been initiated between Cuba and the United States since then [emphasis added]**, which obviously has an important economic benefit here in the United States. More Cuban Americans are able to send more money and travel more frequently to Cuba to visit their family members who remain in that country. Other Americans who are interested in visiting Cuba for cultural or educational reasons can have the benefit of learning more about the island and essentially deepening relations between our two countries. Those Americans are also allowed to bring back as much Cuban rum and Cuban cigars as they'd like for their own personal use. So there are a variety of benefits, you might say, that the American people can enjoy as a result of this policy change.

Just as importantly, the Cuban people are benefitting too. And we're seeing the Cuban economy -- particularly when it comes to entrepreneurs in that country -- benefit from more interactions with Americans who are traveling to their country.

Q But would that lead to a change in their human rights posture at all? I mean, because on the one hand you said, listen, the old policy didn't work as far as human rights were concerned. Now this new policy seems to be working perhaps economically, certainly for them, and I think, from a social perspective, perhaps even for the American and Cuban relations. But is that changing the paradigm on human rights?

MR. EARNEST: Well, it certainly is ramping up pressure on the Cuban regime. And earlier this year, many of you had the opportunity to travel to Cuba with the President where the Cuban President was asked directly and put in the international spotlight around a question about whether or not his government takes political prisoners.

That's increasing pressure on the Cuban government in a way that, frankly, they're not used to seeing. That was a rather remarkable, extraordinary event, those of you who saw it may recall. There were two different times in which an aide came onstage to whisper in the ear of the Cuban President about how best to answer

this question because they understood they were facing more public pressure than ever before about their respect for human rights; certainly more pressure than they faced when they were under an embargo for more than 50 years. And that pressure was only existent -- only existed because of the President's trip down there and his commitment to the pursuit of this approach.

I think the last thing is, if we're actually interested in trying to protect and advance the interests of the Cuban people, if we actually care about their plight, then we might consider what their view is of the policy. And all the public data that I've seen is that, in some cases, more than 90 percent of Cubans actually believe that this policy has been good for them.

So this is a policy that has only been in place for two years, and the President is hopeful that as this policy remains in place, we'll have more benefits to show from it. But of course, the next incoming President will have something to say about that.