

A Look Back at the First Year of the U.S.-Cuba Relationship December 17, 2014 - Present

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A Look Back: Top 10 Changes In The Past Year of U.S.-Cuba Relations

- 1. Presidents Obama and Castro announce rapprochement after a half-century of hostile relations (December 17, 2014).
- 2. The free flow of information on the island increases as Cuba expands internet access to 50 areas across the country.
- 3. More than 25 public opinion polls show consistent majority support from both Americans and Cubans in support of new Cuba policies for trade and travel.
- 4. Private entrepreneurship surges on the island fueled by increased travel and remittances from the United States.
- 5. Diplomatic relations are officially restored; embassies are reopened (July 2015).
- 6. Congress begins to move forward with legislation to dismantle the embargo, including historic bipartisan votes in the Senate Appropriations Committee on three amendments favorable to lifting sanctions on Cuba (July 2015).
- 7. Bipartisan legislation to reform and end the embargo is introduced in Congress. Gains major support, including 47 Senators on legislation to end the travel ban.
- 8. Efforts by select Republican Members of Congress to reverse new relations with Cuba fail, including objections around the removal of Cuba from the State Sponsors of Terrorism list.
- 9. Leading American companies from across industries overwhelmingly express public interest in operating in Cuba.
- 10. Media interest in Cuba hits an all-time high, including coverage of civil society and opportunities and challenges in Cuba.

Timeline of Key Actions & Accomplishments

December 17, 2014: President Obama moves to normalize relations with Cuba (Washington Post).

- Decision follows 18 months of secret negotiations between U.S. and Cuba and the release of American aid contractor Alan Gross.
- Announcement of plans over the coming months to ease travel and financial restrictions on Cuba.
- Paves the way for U.S.-Cuba to restore diplomatic ties, reopen embassies, and potentially lift the embargo.

January 16, 2015: Departments of Commerce and Treasury announce regulatory changes to Cuba sanctions (<u>U.S. Department of the Treasury</u>).

• The amendments implement the changes President Obama announced on December 17, 2014.

March 31, 2015: U.S. and Cuba hold first formal talks on human rights (Reuters).

April 8, 2015: A public opinion poll of Cubans on the island is released; shows that an overwhelming majority of Cubans support an end to the embargo (<u>Washington Post</u>).

• Nearly all Cubans (97 percent of those polled) believe normalization of the relationship between Cuba and the United States is good for Cuba.

April 11, 2015: Presidents Obama and Castro meet at the Summit of the Americas in Panama (CNN).

- Marks the first time the two nations' top leaders have sat down for substantive talks in more than 50 years. Both presidents agree it is time to end the embargo.
- The inclusion of Cuba in the Summit of the Americas comes after Latin American countries pressured the United States to allow Cuba to participate.

April 20, 2015: Governor Andrew Cuomo leads delegation to Cuba (New York Times).

- Governor Andrew Cuomo leads a delegation of New York business owners and politicians to Havana.
- His visit marks the first time a U.S. governor has travelled to the island since the U.S. and Cuba normalized relations.
- The trip includes officials from JetBlue Airways, the Plattsburgh International Airport, Pfizer, MasterCard, and the founder of Chobani.
- The trip leads to an agreement between Cuba's Center for Molecular Immunology and Roswell Park
 Cancer Institute in Buffalo, New York to import a lung cancer vaccine and begin clinical trials in the
 United States (<u>The Huffington Post</u>).

May 4, 2015: New Cuba PAC launches (Miami Herald).

• New Cuba PAC pledges to donate to political candidates who support favorable policy toward ending the Cuban embargo.

May 29, 2015: United States removes Cuba from state terror sponsors list (POLITICO).

- President Obama informs Congress of his decision in mid-April; Congress has a 45-day review period.
- Some congressional Republicans oppose the move; however, they do not make any effort to block the decision.
- Cuba had been on the list since 1982. Being listed subjects a country to U.S. restrictions on such things as foreign aid and defense sales.

June 16, 2015: Engage Cuba officially launches (New York Times).

• Engage Cuba releases <u>television ad</u> on CNBC, Fox News and MSNBC calling on Congress to end the embargo.

June 18, 2015: Cuba expands Wi-Fi access across the island (NBC News).

- 35 Wi-Fi hotspots are created.
- Previously, Wi-Fi was only available at tourist hotels at hourly prices that would amount to nearly a quarter of the average monthly salary for Cubans.

July 2015: United States restores diplomatic ties with Cuba (CNN).

- On July 1, President Obama announces that the U.S. and Cuba would reopen their embassies nearly 55 years since they first closed.
- On July 20, diplomatic relations are officially re-established; Cuban embassy holds flag-raising ceremony in Washington. Engage Cuba hosts private dinner between Cuban Foreign Minister Bruno Rodríguez-Parrilla and American business leaders.
- On July 22, Engage Cuba hosts a briefing at the White House for the Cuban-American community about U.S.-Cuba relations.

July 23, 2015: Senate Appropriations Committee approves three amendments favorable to lifting sanctions on Cuba (Reuters).

• The amendments would end restrictions on travel to Cuba, allow private financing for agricultural sales to Cuba, and lift restrictions on ships docking at Cuban ports.

August 14, 2015: Secretary of State John Kerry presides over the flag-raising ceremony at American embassy in Havana (BBC).

• Sec. Kerry's visit marks the first time in 70 years that a U.S. Secretary of State has visited Cuba.

August 2015 – October 2015: American airline companies announce new flights to Cuba

- American Airlines and Cuba Travel Services announce a new charter service providing nonstop service from Los Angeles to Havana. American Airlines also begins offering a once-weekly flight from Miami to Havana in partnership with Cuban travel services (American Airlines).
- JetBlue announces the addition of a second charter flight from JFK to Havana (<u>Reuters</u>)
- Delta establishes charter flights from Atlanta to Havana, set to start April 2, 2016 (<u>Atlanta Journal-Constitution</u>)

September 8, 2015: Leading Republican presidential candidate Donald Trump comes out in support of diplomatic reengagement with Cuba (CNN).

• Trump's stance means that for the first time in over a half-century, the leading presidential candidates from both parties support normalization; Hillary Clinton had stated her support a year prior.

September 18, 2015: Obama administration further eases travel and business restrictions against Cuba (<u>Wall Street Journal</u>).

- The announcement expands telecommunication opportunities in Cuba and allows certain American businesses to establish offices and bank accounts on the island.
- Cuban businesses and residents are now able to set up offices and bank accounts in the United States.
- However, significant barriers to open trade and travel still exist with Congress' refusal to lift the embargo.

September 19, 2015: Pope Francis arrives in Cuba (<u>Al Jazeera</u>).

• The Pope visits Cuba before coming to the United States. During his visit, he lauds the normalization process between the two countries.

September 2015 - November 2015: Telecommunications contracts begin to be signed on the island.

- Verizon begins to offer voice and data roaming in Cuba through a third party (<u>CNBC</u>).
- Sprint signs an interconnection agreement with Cuba's state telecoms monopoly Etecsa (<u>Wall Street Journal</u>).

September 28, 2015: Governor Asa Hutchinson leads Arkansas delegation to Cuba (Reuters).

- Governor Asa Hutchinson asks Congress to lift restrictions that prevent U.S. food companies from selling to Cuba on credit.
- The measure, led by Senator John Boozman (R-AR), was approved by the Senate Appropriations Committee in July but has yet to receive a floor vote in the Senate and House.
- In 2000, the U.S. authorized cash-only agricultural exports to Cuba, which brought \$30 million in sales to Arkansas annually. Since Cuba prefers to buy on credit, sales have fallen.

September 29, 2015: Presidents Obama and Castro meet on the sidelines of the United Nations General Assembly (<u>ABC News</u>).

• For the first time in more than 60 years, a U.S. president meets with a Cuban president on U.S. soil.

October 6, 2015: Secretary of Commerce Pritzker makes official trip to Cuba (New York Times).

- Sec. Penny Pritzker becomes the second U.S. cabinet official to visit the island since Fidel Castro's 1959 revolution.
- Sec. Pritzker meets with the country's ministers of foreign affairs and foreign investment.
- Sec. Pritzker tours Mariel, the site of a \$1 billion investment to create a major shipping hub in Cuba.

October 14, 2015: Nine state governors sign onto bipartisan letter supporting end to Cuban embargo (AL.com).

• The governors of Alabama, California, Idaho, Minnesota, Montana, Pennsylvania, Vermont, Virginia and Washington write letter to Congressional leadership highlighting the harm that the embargo has done to American agriculture exports.

October 25, 2015: North Dakota Agriculture Commissioner Doug Goehring leads North Dakota agriculture delegation to Cuba (Farm & Ranch Guide).

- North Dakota Agriculture Commissioner Doug Goehring leads a delegation of representatives from commodity, agricultural, and commerce organizations to the island.
- Full list of participants: North Dakota Department of Agriculture; Bank of North Dakota; Fredrikson &
 Byron, P.A.; Great Northern Ag; Northarvest Bean Growers Association; North Dakota Grain Growers
 Association; North Dakota Mill & Elevator; North Dakota Trade Office; North Dakota Wheat
 Commission; and Red River Farm Network.

November 2, 2015: Cuba hosts annual international trade fair (Reuters).

- It is estimated that 50 U.S. companies attend the fair, more than ever before.
- Cuba signs first-ever roaming agreement with U.S. telecom company Sprint Corp.

November 17, 2015: Engage Cuba partners with the Atlantic Council to release a poll from America's "Heartland" voters profiling their opinions on Cuba (Reuters).

• The poll's findings show bipartisan support in "Heartland" states – Iowa, Ohio, Indiana, and Tennessee – for restoring diplomatic relations with Cuba, lifting the travel ban and ending the embargo.

November 18, 2015: U.S. and Cuba sign historic environmental pact (Associated Press).

- The agreement marks the first accord between the two countries since the announcement that they would be normalizing diplomatic relations.
- The accord will protect nearby fish and marine life living off the coasts of both countries and allow U.S. and Cuban scientists to collaborate on research.
- Cuba's marine ecosystem is considered one of the best preserved and most diverse in the world.

November 19, 2015: Debit cards become available for use in Cuba (USA Today).

- MasterCard and Stonegate Bank (based in Ft. Lauderdale) announce that their cards are now active for use in hotels, restaurants and other stores in Cuba.
- They become the first financial institutions to take advantage of new business openings with Cuba.
- Americans travelling to Cuba will be able to use these cards at 10,000 merchants that accept the cards.
- ATM transactions will be available in 2016.

November 29, 2015: Governor Greg Abbott leads Texas delegation to Cuba (Dallas Morning News).

- Governor Greg Abbott leads a delegation of Texas agriculture and port officials and local businesses to Cuba.
- While in Cuba, the delegation meets with the Ministry of Foreign Trade and Investment, the Port of Mariel, the Chamber of Commerce and two Cuban entities, Alimport and Cimex.
- Texas-Cuba trade relations have decreased over the years due to restrictions and regulations. If full trade were allowed, Texas could see an economic impact of \$43 billion.

December 7, 2015: Engage Cuba launches Tennessee State Council (The Tennessean).

• The 16-person council includes representatives from a range of industries, including agriculture, academia, manufacturing, business, and the arts.

December 8, 2015: U.S. and Cuba hold the first round of discussions on mutual property claims (<u>Wall Street</u> Journal).

• The two governments begin negotiations over U.S. individuals' and companies' properties that were seized after the 1959 revolution; Cuba also presents counterclaims of economic damages stemming from the embargo.

December 11, 2015: U.S. and Cuba move to re-establish direct mail service (Washington Post).

- The agreement between the State Department and Cuban officials will establish a pilot program to provide direct mail flights between the U.S. and Cuba.
- Previously, all mail between the two countries was delivered through a third country.
- If the pilot program is successful, the two countries will discuss expanding it permanently.

Additional U.S.-Cuba Business Milestones In 2015

American travel to Cuba increased 36% from January to May of 2015 compared to the same period in 2014 (POLITICO).

According to the State Department, 51,458 Americans visited Cuba from January - May 2015.

- 12,982 Americans have traveled to Cuba through another country, which represents a 57% increase from last year.
- The normalization of U.S.-Cuba relations and the loosening of travel restrictions are seen as key reasons behind the spike in travel.

Adorgraf (Excelencias Magazines)

- Adorgraf, a small Cuban startup, partners with American company Commonwealth Packaging Co., to share a booth at the Havana International Trade Show.
- This marks the first private business partnership between a Cuban and an American company.

Airbnb (Miami Herald)

• Since launching in Cuba with 1,000 listings on April 2, 2015, Airbnb has doubled its Cuba-based listings to around 2,000 properties.

IDT (Miami Herald)

• In March 2015, the New Jersey-based IDT Corp. becomes the first U.S. company to strike a long-distance deal with Cuba and now handles direct calls to Cuba.

Carnival (CBS News)

- On July 7, 2015 Carnival receives a license from the Treasury Department's Office of Foreign Assets Control (OFAC) to sail to Cuba, rendering it the first cruise line with such permission.
- The company's "Fathom" brand plans to conduct tours that provide "social impact travel" and "cultural immersion" in Cuba.

Marriott International (Skift)

- Marriott's CEO visits Cuba in July 2015.
- While American businesses are still prohibited from conducting business in Cuba, Marriott has formulated plans to act should business restrictions be loosened.
- Marriott's CEO argues that Latin American and European hotel companies have had a footprint in Cuba for decades, putting American companies like Marriott at a disadvantage.

Starbucks (Reuters)

- The Obama administration's September announcement to ease business restrictions with Cuba will allow Starbucks to open offices on the island.
- However, due to existing regulatory and legal issues, the company cannot sell prepared beverages and must stick to pre-packaged coffee.

Dismantling The Cuban Embargo: Legislation Currently Before Congress

<u>S. 299/HR 664 Freedom to Travel to Cuba Act</u>: Lead co-sponsors are Sens. Jeff Flake (R-AZ), Patrick Leahy (D-VT) in the Senate along with 6 original cosponsors – 3 Republicans and 3 Democrats Senators. Rep. Sanford (SC-1) leads the bill in the House. This bill repeals the Trade Sanctions Reform and Export Enhancement Act of 2000, which prohibited tourist travel to Cuba.

<u>S. 491 Freedom to Export to Cuba Act of 2015</u>: Co-sponsored by Sens. Amy Klobuchar (D-MN) and Mike Enzi (R-WY). This repeals key provisions of previous laws that block Americans from doing business in Cuba, but does not repeal portions of law that address human rights or property claims against the Cuban government.

<u>S. 1049</u> <u>Agricultural Export Expansion Act of 2015</u>: Lead co-sponsors are Sens. John Boozman (R-AR) and Heidi Heitkamp (D-ND). The bill lifts the ban on private banks and companies from offering credit for agricultural exports to Cuba, and helps to level the playing field for U.S. farmers and exporters.

S. 1389/HR 3055 Cuba DATA Act: Lead co-sponsors are Sens. Tom Udall (D-NM), Jeff Flake (R-AZ) and Kevin Cramer (R-ND). This bill codifies the regulatory changes made by President Obama to permit more telecommunication investments in Cuba. The bill also aims to bring certainty to U.S. telecommunication companies interested in investing in infrastructure to assist Cubans who have not been able to participate in the digital economy and have had limited access to technology for business development.

<u>S. 1543/HR 3238 The Cuba Trade Act of 2015</u>: Lead sponsors are Sens. Jerry Moran (R-KS) and Angus King (I-ME) in the Senate and Congressman Tom Emmer (R-MN) and Congresswoman Kathy Castor (D-FL) in the House. The Cuba Trade Act would permit private-sector industries in the United States to export goods and services to Cuba. But it includes additional language to ensure that U.S. taxpayers wouldn't be on the hook if the Cubans default on lines of credit extended by U.S. banks and businesses.

<u>H.R. 3687 Cuba Agricultural Exports Act</u>: Lead co-sponsors are Representative Rick Crawford (AR-1), House Agriculture Committee Chairman Michael Conaway (TX-11), and Representative Ted Poe (TX-2). The bill would repeal restrictions on export financing and give producers access to Department of Agriculture marketing programs that help the U.S. compete in foreign markets. Further, this legislation enables limited American investment in Cuban agribusinesses, as long as U.S. regulators certify the entity is privately-owned and not controlled by the Government of Cuba, or its agents.

<u>2015 U.S. Senate Appropriations:</u> This past July, three pro-engagement Cuba amendments sponsored by Sens. Leahy, Tester, and Boozman were approved by the Senate Appropriations Committee during the markup of the Financial Services and General Government Appropriations Act for Fiscal Year 2016 including:

- An amendment 'Lifting The Travel Ban To Cuba For One Year,' proposed by Sen. Moran adopted by a vote of 18-12.
 - The amendment prohibits the use of any funds appropriated under this Act or any other Act to implement any law, regulation, or policy that restricts travel to Cuba for one year.
- An amendment 'To End 180 Day Delay for Ships That Have Docked in Cuban Ports,' proposed by Sen. Tester, adopted by voice vote.
 - The amendment repeals the requirement that a vessel entering a port or place in Cuba may not load or unload freight at any place in the United States within 180 days without a license issued by the Secretary of the Treasury.
- Amendment 'Allowing Private Sector Credit for Purchase of American Agricultural Sales in Cuba,' proposed by Sen. Boozman, adopted by voice vote.
 - The amendment allows the private financing by United States persons of sales of agricultural commodities to Cuba. The amendment would not cost the government and does not allow for U.S. export credit guarantees or expose U.S. taxpayers to any risks associated with exporting to Cuba.