

# Associated Press

## New York, New York

### 4 December 2009

## Embargo as genocide? US disputes Cuban claim

By WILL WEISSERT (AP)

HAVANA — It was a story meant to captivate the United Nations: A dozen Cuban children with heart defects were forced to endure unnecessary surgery because the U.S. embargo blocked them from receiving American-made catheters.

The embargo as a whole "could be classified as an act of genocide," Foreign Minister Bruno Rodriguez said before the U.N. General Assembly voted 187-3 in October to condemn U.S. policy toward Cuba for the 18th year running.

A dramatic argument — but the facts behind it are fuzzy and tangled in the bureaucracies of two hostile countries.

U.S. law exempted medicine and health care supplies from the embargo in 1992. It also lifted the ban on agricultural exports in 2000 and is now Cuba's biggest supplier of food — \$710 million worth last year.

The U.S. says it approved about \$142 million in commercial and donated medical exports to the communist island in 2008. So why did less than 1 percent of it get here?

The answer lies somewhere in a war of words between the estranged countries and provides a cautionary lesson as the U.S. and Cuba take halting steps toward better ties: Reality often takes a back seat to rhetoric.

Cuba claims that despite the embargo exemption, the U.S. government imposes extra regulations on medical exports to discourage American companies from participating.

U.S. medical export firms interviewed by The Associated Press agree the paperwork can be troublesome, but say they won't go on the record or give specific examples for fear of jeopardizing pending or future export applications. Others complained about both sides in private, but said they preferred not to do so for attribution given how touchy a subject U.S.-Cuba relations can be.

The U.S. Commerce Department says it takes only about 14 days to get a license to export medical supplies to Cuba — about twice as fast as for ordinary exports to other countries.

Another factor, according to two U.S. suppliers and a research group, is that China or other countries provide the goods more cheaply.

"It's not the embargo," said John Kavulich, a senior policy adviser at the New York-based U.S.-Cuba Economic Trade Council, which provides nonpartisan commercial and economic information about Cuba. "These are economic and political decisions not to buy."

In his U.N. speech, and later to reporters, Rodriguez singled out the case of Alexis Garcia Iribar, a 6-year-old born in the eastern province of Guantanamo with a congenital heart defect who underwent successful but unnecessary surgery in March.

Rodriguez gave no further details, but said he could have mentioned a dozen other cases where children between the ages of 5 months and 13 years also went under the knife for want of technology made only in the United States.

Rodriguez named four U.S. companies he said were blocked by the embargo from selling catheters or other desperately needed supplies to Cuba.

Two of them, Massachusetts-based Boston Scientific and AGA Medical of Minnesota, declined to comment. The parent company of another firm he mentioned, Applied Biosystems, said it has "not sought to sell products to Cuba, and has not applied for a license from the Commerce Department to sell products to Cuba."

The fourth company, NuMed, Inc. of Hopkinton, New York, would only say: "We will make every effort to work with the U.S. government and the Cuban government in order to get our product into Cuba to help their children."

To export to Cuba, medical supply companies need licenses from the Commerce Department and Treasury that also must be reviewed by the Defense and State Departments.

Once a sale goes through, a third party must verify the goods' arrival in Cuba to ensure they are not re-exported, or used for military purposes or human rights violations. Restrictions also apply to other countries' medical products with more than 10 percent U.S. content.

If machinery breaks, Cuba often can't get spare parts, and American firms may be denied U.S. permission to send technicians to the island to make repairs.

"The letter of the law allows (the exports), but in practice, it limits Cuba's options," said Lorenzo Anasagasti, president of the Cuban Oncology Society.

Commerce Department spokesman Kevin Griffis said licenses were approved for about \$142 million in health care items for Cuba — sold or donated — in 2008. He said the licensing process was not onerous.

So why did medical goods worth only \$1.2 million reach Cuba last year? Griffis wouldn't comment.

Cuba often waits for allies to donate what it needs, said the trade council's Kavulich. "They'd rather get things for free than pay for them."

He said he worked with U.S. companies that brought the first sample medical equipment to Cuba after the embargo was loosened in 1992 — but Fidel Castro's government bought nothing.

Sales are possible. Two years ago, Miller Exports of Key West, Florida, sold about 100 portable sonogram machines to Cuba, items totaling less than \$1 million. To get around servicing problems, it included 10 extra units that could be raided for spare parts.

But company head James Beaver also cited the China factor. He said Miller Exports once had a deal in principle to sell Cuba MRI machines, but a Chinese firm offered a lower price at the last minute.

How much American medical technology Cuba really needs is also open for debate. The communist government says no patient dies for lack of medicine or equipment in its universal health care system.

Also, Cuba's Health Ministry sends buyers to the U.S. "to buy everything we need" and carry them back without permits, said Anasagasti, the Cuban oncologist.

The buyers "are blond, with blue eyes," he said, "and they even speak good English."

# Associated Press

## New York, New York

### 2 November 2009

#### **As economy sags, Cuba says it will spend at least 32 pct less on US food in '09**

By: WILL WEISSERT

HAVANA — Cuban purchases of U.S. food will fall by at least a third this year as the island slashes imports to stabilize an ever-weak economy further hammered by the global economic crisis, a top trade official said Monday.

Igor Montero, head of the state import company Alimport, calculated that the communist government would spend less than \$590 million on American food in 2009 once banking, shipping and other transaction costs are included. That's down at least 32 percent from last year's \$870 million.

Montero blamed the economic crisis, but also took a swipe at Washington's 47-year-old trade embargo, even though it exempts food, arguing that America should begin buying Cuban products and allowing its citizens to visit the island as tourists.

"If we aren't given more possibility to generate revenue through Cuban exports to the United States, or an exchange of visitors," Montero said, "it's going to be very difficult to continue to reach the levels of trade we've grown accustomed to." He said 2009 will mark the first year American food imports to Cuba have not increased since the U.S. Congress authorized direct sale of agricultural products to this country in 2000.

Because of a dispute over financing, Cuba refused to import even a single grain of rice until a hurricane caused food shortages in November 2001. After that, the U.S. quickly became Cuba's top source of food and will retain that title in 2009, despite falling sales.

Cuban officials have begun a campaign to increase domestic food production as falling imports have squeezed product supplies at the country's farmers and supermarkets. But so far, those efforts have led to little increased output.

Last year Cuba spent a record of more than \$710 million for U.S. agricultural products of all kinds — a figure lower than the one Montero gave because it does not include transaction costs — according to the New York-based U.S.-Cuba Trade and Economic Council. That was 61 percent more than in 2007, the council reported.

The spike came as Cuba stockpiled food in the face of rising commodity prices, a strategy that backfired when three hurricanes hit the island, damaging many of the warehouses where perishable items were stored.

Minister of Foreign Trade and Investment Rodrigo Malmierca said that foreign imports as a whole were down 36 percent to about \$10 billion so far this year, and that about 80 percent of that was food. Some 51 percent of imports come from the United States, he said, though Cuba's top trading partner remains Venezuela, led by socialist ally Hugo Chavez, followed by China, Russia, Spain and Brazil.

In a speech kicking off a foreign trade fair east of Havana on Monday, Malmierca said "complex economic factors" have forced Cuba to delay payments to many of its foreign suppliers. But he said that the island "is ready to hold dialogues to fix that."

Thirty-five U.S. businesses, most of them food, agriculture or shipping companies, brought about 200 representatives to Cuba for the fair. Among those here were state agriculture officials from Maryland, Virginia and Georgia, Montero said.

Terry Coleman, Georgia's deputy commission of agriculture, said the White House should push to modify banking regulations so that Cuba can transfer payments from its banks to American ones without having to go through financial institutions in third countries.

"We are hoping and praying for a real approach to trade," he said. "Normal trade is direct. You buy, you send the products to the ships and there's no middle man."

# El Nuevo Herald

Miami, Florida

30 October 2009

## Resaltan potencial agrícola de la isla

By RUI FERREIRA

Especial para El Nuevo Herald

La agricultura cubana es un terreno con un potencial tan grande que totalmente desarrollado podría sobrepasar el volumen de producción del Tratado de Libre Comercio, dijo el martes un especialista del tema.

Según William A. Messina, Jr., del Instituto de Ciencias Agrícolas de la Universidad de la Florida, la isla comunista "tiene un suelo tan bueno y representa un reto de tal magnitud que, con el fin del embargo, el impacto del mercado agrícola en el continente será mayor que el Tratado de Libre Comercio".

"El clima cubano es muy bueno, tiene buenos recursos, un sistema agrícola con potencial, pero lo cierto es que no vemos grandes tendencias hacia su desarrollo en términos de regulación", añadió Messina.

También se refirió al hecho de que el año pasado la temporada ciclónica haya perjudicado enormemente la agricultura cubana, con el paso de dos huracanes y una tormenta tropical. Cuba sufrió pérdidas por \$10,000 millones y perdió toda las siembras del año.

La tragedia coincidió con un decrecimiento en las importaciones de alimentos de la isla, recordó el presidente del Consejo Cuba-Estados Unidos de Economía y Comercio, John Kavulich.

"Las exportaciones de comida y productos agrícolas han bajado aproximadamente 20 por ciento en lo que va de año, dada la continua y cada vez mayor falta de moneda convertible por parte de Cuba y ellos siempre han decidido usar ese tipo de moneda para comprar alimentos", explicó Kavulich.

Messina y Kavulich vinieron a Miami a participar en la Conferencia de las Américas 2009, organizada por The Miami Herald y El Nuevo Herald.

Junto a ellos estuvo Carlo Dade, director de la Fundación Canadiense para las Américas, quien la próxima semana viajará a La Habana, en un momento en que los nexos comerciales de su país con la isla experimentan una contracción significativa.

"En estos momentos el futuro con Cuba lo vemos en términos de búsqueda de nuevas oportunidades. Hay que seguir explorando posibilidades en términos económicos, porque muchos de nuestros proyectos conjuntos han desaparecido prácticamente", dijo Dade.

En su opinión, desde los años 90 las inversiones canadienses en Cuba se han diversificado, como ha sido la extracción de petróleo y minería, pero ahora se están reduciendo por la bajada de precios, en el caso de la minería, y la falta de inversiones cubanas, en el terreno petrolífero.

"Nuestros negocios han tenido una presencia, pero no puedo decir que sea espectacular en estos momentos", precisó Dade.

Agregó que con la apertura del mercado de la isla a la importación de productos agrícolas, Estados Unidos logró ventaja sobre Canadá.

"Canadá es un buen exportador de productos agrícolas, pero cuando Estados Unidos comenzó a venderlos a Cuba, cambió totalmente nuestra percepción de negocios con Cuba", dijo Dade. "Nuestros empresarios se viraron para otros países de Latinoamérica, como Perú y Ecuador".

# The Miami Herald

Miami, Florida  
30 September 2009

## Cuba's agriculture shows promise

BY RUI FERREIRA  
El Nuevo Herald

Cuban agriculture has such a big potential that if it were to be totally developed it could surpass the volume of production of the Free Trade Treaty, an expert said Tuesday.

William A. Messina Jr., of the University of Florida's Agriculture Science Institute, said that the communist island "has such good soil and it represents a challenge of such magnitude that, with the end of the embargo, the agricultural market impact on the continent would be larger than that of the Free Trade Treaty."

"The Cuban climate is very good, has good resources, and an agricultural system with potential," Messina said. "But the truth is that we don't see big trends toward its development in terms of regulation."

The UF expert mentioned the fact that last year the hurricane season inflicted huge harm on Cuban agriculture after the island was hit by two hurricanes and a tropical storm. Cuba's losses amounted to \$10 billion and it lost all of its crops for the year.

The tragedy coincided with a decrease in food imports, said John Kavulich, president of Cuba-U.S. Economic and Trade Council.

"Food and agricultural exports went down approximately 20 percent so far this year due to the consistent lack of foreign currency in Cuba," Kavulich said. "They have always opted to use that type of currency to buy food."

Messina and Kavulich came to Miami to take part in the annual conference of the Americas, hosted by The Miami Herald and El Nuevo Herald. With them was Carlo Dade, director of the Canadian Foundation for the Americas, who will travel to Havana next week at a time in which the trade links of his country with the communist island have suffered a significant contraction.

"At this time we see Cuba's future in terms of new opportunities," Dade said. "We must continue to explore possibilities in economic terms, since many of our joint projects have nearly disappeared."

In his opinion, since the '90s, Canadian investments in Cuba diversified in the areas of oil and mineral extractions, but now they are decreasing due to the fall in prices in the case of minerals, and the lack of Cuban investments in the case of oil. "Our businesses have had a presence, but I can't say it's significant at this time," Dade said.

According to the expert, when agricultural imports opened in Cuba, the United States had an advantage over Canada.

"Canada is a good exporter of agricultural products, but when the United States began to sell to Cuba, our business with Cuba changed. Our entrepreneurs turned to other Latin American countries such as Peru and Ecuador."

# Golf Magazine

## New York, New York

### 28 August 2009

## Adios Fidel, Hello Tiger: The Future of Golf in Cuba

By Josh Sens

In the tiny, tattered pro shop where he presides, Johan Vega hangs a black-and-white photo of a famous twosome. It shows the pair in action on a shaggy green. One man wields a putter, the other watches, a mundane golf scene marked by a dress-code violation. Instead of collared shirts and spikes, Fidel Castro and Che Guevara wear boots and drab fatigues. Both could also use a shave, but Vega has no interest in their fashion sense. He prefers to focus on Che's poor form.

"Look at his hands," he says, pointing to the image of the guerrilla icon. "He holds them too far forward. You can tell that he doesn't really know how to play."



Vega earns a living dispensing swing tips, but he has few outlets for his expertise. As the sole instructor at Havana Golf Club, a lonely nine-hole track in the Cuban capital, the 38-year-old watches over a course that averages no more than a dozen rounds a day.

That the club operates at all makes it an exception. Built in 1953, it is one of just two golf courses in Cuba, and the only one that predates the revolution that swept Castro to power 50 years ago and purged the island of its capitalist playthings. Casinos were closed, country clubs shuttered. The Havana Golf Club, formerly known as the Rovers Athletic Club, was permitted to stay open as a small concession to British diplomats, who cared for the greens and accounted for the bulk of play.

Half a century later, the club is both a time capsule and a paradox — a scruffy, forlorn layout from another era that caters exclusively to elites. The odd expat or tourist who ambles to the first tee encounters a course that is only a course in the loosest sense. Flagsticks are fashioned from bamboo poles and red rags. Tee boxes are hardpan, and the greens are as rough as the fairways at most munis. There is no driving range. On the rare occasion that Vega gives a lesson, he drops some battered balls along the tree line of the first hole, and shags them himself after the session.

"It's a humble facility," Vega says. "But in Cuba, golf culture simply doesn't exist. If you talk to people here about birdies and bogeys, they have no idea what you mean."

Yet if golf is a game of infinite hope, Cuba is a country of perpetual promise. And the latest assurances from overseas are that golf's fortunes on the island are about to change. For more than a decade, foreign outfits have been cutting through red tape and courting government officials in a push to create courses along the island's largely untouched coast. Nearly a dozen projects are in the pipeline, and though they still face hurdles — not the least of which is Cuban law, which forbids land ownership and complicates plans for real estate leasing — their architects insist that the finish line is in sight. They point not only to symbolic gestures, like the headline-making visit of Fidel's brother and successor, Raul, to an Italian golf course in 2007, but also to Cuba's increased openness to outside investment and tourist infrastructure, prompted by its ever-growing need for funds.

"Look at the Berlin Wall," says Wally Berukoff, CEO of Leisure Canada, a Vancouver-based development company with plans to build three courses an hour east of Havana. "It took a while, but it fell."

Ask him for a timeline, and Berukoff predicts a golf course ribbon-cutting "within three to five years." But he is not the first to offer upbeat forecasts, and some observers refuse to hold their breath. Put the golf course question to Johan Vega, and he smiles wanly. "When the new ones open, show them to me," he says. "Then I'll know it's true."

Any talk of golf in Cuba's future invariably reverts to talk of golf in Cuba's past. In the 1950s, Havana alone had two quality courses in addition to the Havana Golf Club, and the city hosted a stop on the PGA Tour. The island's reputation as a hedonist's delight was reflected in the spirit of the Havana Invitational, which was held at the posh Havana Country Club and infused with a strong scent of rum.

"That's where we learned to drink them mojitos," says Bob Toski, the 82-year-old former Tour star who won the event in 1953. "Some of us found out that we played better drunk than sober."

The year he claimed the crown, Toski shaped a 4-iron to two feet on the closing hole to avoid a four-way playoff, a shot he calls "the greatest of my career." He was swarmed on the fairway by a crowd of buoyant Cubans that included the club's head pro, Rufino Gonzalez, a scrappy, homemade player who later fled the island. "The Cubans were real down-to-earth people and they appreciated a guy like me who had come up from nothing," Toski says. "In all my years of playing, I don't think I had a reception quite like that."

Though the tournament attracted a host of marquee names, from Jimmy Demaret to Arnold Palmer, its days were numbered. By 1958, Castro's forces had descended from encampments in the mountains and the island echoed with unrest. Billy Casper, who won the Havana Invitational that year, recalls that in the run-up to the event, fellow Tour standout Frank Stranahan was warned by playing partners to steer clear of Cuba; they worried that Stranahan, whose multimillionaire father founded Champion Spark Plug, ran the risk of being kidnapped and held for ransom.

"We all knew about Castro and what was going on," Casper says. "When you drove around the island, there was tight security and armed checkpoints. But you didn't sense it on the golf course. You got to the first tee and you just played."

Within a year of Casper's triumph, Castro assumed power. The Havana Country Club was bulldozed, replaced by an art school. Later, in an act of historical revisionism, the PGA Tour erased the Invitational from its records, along with recognition of Casper's win.

In the 50-plus years since Casper struck his final putt in Cuba, the most noteworthy match to unfold on the island featured two outsize figures who could barely play. The pairing of Fidel Castro and Che Guevara took place in the spring of 1961, at Colinas de Villareal golf club in Havana, a month before the failed American-sponsored invasion at the Bay of Pigs. Portrayed by the Cuban regime as a sporting event, the match was actually political theater, a thumb-nosing exercise intended as a mockery of the U.S.

Among the few spectators on that warm March day was Jose Lorenzo Fuentes, a prizewinning novelist and short-story writer who served as Castro's personal correspondent. Early that morning, Fuentes was ordered to a scenic promontory in the capital, where a black sedan awaited. In the back seat sat Castro and Guevara, dressed in military garb. "Fidel looked at me and said, 'Today we're playing golf, and I'm going to give you the headline for your story,'" says Fuentes, who is 81 years old and lives in Miami, having sought asylum there in 1992. "It will say, 'I could easily beat Kennedy at this game.'"

As it happened, Castro couldn't even beat his comrade. Guevara, who had caddied as a boy in his native Argentina, wasn't a threat to any course records but at least possessed the rudiments of a swing. According to Fuentes' written account, Castro scratched out a win on the first hole and was exultant. He repeated his boast about besting JFK as the pair moved to the second tee. But it wasn't long before the tables turned on Castro, and the match devolved into a lopsided hack-fest between two men who couldn't stand to lose.

"They both tried hard, but Che played with a great passion," Fuentes says. "In the end, it wasn't very close."

The results of the match had far worse repercussions for Fuentes. After the round, Castro asked the correspondent what he planned to write. "The truth," Fuentes said. Castro nodded and said nothing. But two days later, after his article had run in the national paper, Fuentes was demoted to a lower government post. In 1969, on the outs with the regime, he was imprisoned and served a three-year sentence, falsely accused, he says, of working as a CIA liaison.

"The day I was sent to prison was the day I lost faith in the revolution," Fuentes says. "But looking back, the golf game was an early indication of the government's relationship to the truth."

Pictures of the Castro-Guevara match are commonplace in Cuba, sold as postcards in souvenir shops and displayed in the lobby of the Hotel Nacional, Havana's most luxurious hotel. But other evidence of golf has been erased. The Villareal course long ago gave way to a military camp. And what was once a practice range on the west side of the city is now a beach club, enjoyed mostly by foreigners and government brass.

In Old Havana, the historic city center, where tail-fin sedans and worn colonial facades stand like stage props in a period piece, children play soccer in vacant lots and toss baseballs on cobblestone streets. They recognize names like A-Rod and Jeter but stare blankly at the mention of Woods and Mickelson. America's pastime is Cuba's national sport.

Golf's firmest foothold on the island, the Varadero Golf Club, is a two-hour drive from the capital, on a peninsula in a resort town of the same name. Designed by Les Furber, a Canadian architect and former protege of Robert Trent Jones Sr., Varadero opened in 1998 and twice played host to final qualifying for the European Tour. But the site is perhaps best known as the one-time home of Irene du Pont, the chemical company mogul, who, in 1927, built a mansion on the bluffs that he christened "Xanadu." The four-story, 11-bedroom former residence, adorned with precious hardwoods and laden with floors of Italian marble, is today the Varadero clubhouse, with a lavish top-floor bar overlooking the sea.

On a recent afternoon, with the wind whipping fiercely off the water, Pedro Klein breezed past the clubhouse on his way toward the first tee. A cheerful 50-year-old with close-cropped hair who looks like a burly version of Ben Kingsley, Klein came on board as Varadero's director of golf back when the Cuban government pumped \$27 million into building the course. His single-digit handicap makes him one of the country's most accomplished golfers, a qualified honor, given that of Cuba's 11 million citizens, only 120 or so play the game. Klein would like to boost that number. A national golf association would be nice, he says. So would a junior golf program, and a year-round golf academy.

It's a wish list encumbered by catch-22's. As it stands, Varadero has a driving range and two Cuban instructors. They offer clinics but without the benefit of video equipment or enough local interest to occupy them full time. "It's challenging," Klein said. "You want to develop the game by creating the infrastructure for it. But to create the infrastructure, you need to have the demand."

He had reached the third hole, a long par-5, where the skeleton of an abandoned tee box stood to the right of the green. "See that?" Klein said. "That's a tee from the old course."

In the 1930s, Irene du Pont built a modest nine-hole track on his property and allowed locals to play it on weekends for one peso. Its footprint is now covered by the Varadero club, which receives around 35,000 rounds a year, mostly from Canadian tourists. Greens fees in peak season are 70 pesos, or roughly \$75, nearly half of the average Cuban's monthly wage.

Just as simple economics keeps most Cubans from the golf course, politics restricts Klein's options at the club. Varadero's irrigation system could use an upgrade, but the California company that Klein says could do the best job at the best price is off-limits due to the U.S. embargo of Cuba. Almost any equipment Klein gets his hands on, from golf carts to pro shop merchandise, comes through a costly, circuitous route. Klein would like to sell Titleist golf balls with "Varadero Golf Club" imprinted on them, but under U.S. law, Cuban logos are forbidden to appear on American products.

"There are a number of things we wish were different," Klein says. "But we have sit back and hope they change."

"Down there is where the links course will begin."

Noel Fuentes (no relation to Jose Lorenzo) was standing on a bluff, halfway between Havana and Varadero, overlooking a pristine stretch of shoreline, where the Jibacoa River spills from the mountains of the Sierra Maestra into the turquoise sea. Before the revolution, the mobster Meyer Lansky dreamed of constructing casinos here. But foreign interests now envision different uses for the land. Under plans drawn up by Leisure Canada, which hired Fuentes as a design consultant, a golf resort is destined for Jibacoa, with three 18-hole courses, private villas and a hotel. The project is one of a number of golf ventures at various stages of development on the island. Another project, the Carbonera Club, driven by British-based Esencia Hotel & Resorts, calls for apartments, villas and a championship golf course just west of Varadero. Brochures for Carbonera announce the club's intentions to hold its first golf tournaments in 2012.

Such confident predictions have been made before in Cuba, only to bog down in bureaucracy or founder in the face of anti-free-market think. As early as 1995, the Castro regime reviewed plans for a course in Jibacoa, but passed on



the project. Leisure Canada's current proposal is farther along in a torturous approval process. But skeptics say that when it comes to golf, Cuba is the country of the future: always has been, always will be.

"For anyone who has an interest in the Cuban marketplace, the base strategy is all about optimism and never about reality," says John Kavulich of the U.S.-Cuba Trade and Economic Council, a nonprofit group that analyzes economic and political relations between the two countries. "Over the years, there have been numerous occasions when Cuba's interest in golf has risen to a peak, then dropped suddenly into a valley."

Still, those bullish on the island insist that times have changed. Ideology, they say, has given way to pragmatism, as Cuba looks to stimulate a \$2 billion-a-year tourist industry that has shown signs of stagnation. Leisure Canada CEO Wally Berukoff says his company is all but ready to turn dirt in Jibacoa; it holds a 50-year lease on the property, with an option to renew, but it has petitioned the Cuban government to extend those terms to 75 years, the better to ensure a healthy return on investment. Berukoff says he has no doubt that this will happen.

Adding to his optimism is a trip he made to Cuba three years ago. Hearing that Berukoff was in Havana, Fidel Castro invited the developer to a private party that kicked off late at night and dragged on until dawn. In the midst of the festivities, Berukoff says, he and Castro had a three-hour conversation about golf. Gone, Berukoff says, was the Castro of 15 years ago, the hardliner who railed against the game as a capitalist pursuit. "His stance had mellowed," Berukoff says. "He was now justifying golf in terms of what it does to preserve green space and provide people with exercise."

As the sun rose on the capital, and Berukoff prepared to leave, Castro handed him a parting gift: an autographed poster of his golf match with Guevara.

Even as Cuba's climate slowly shifts, Havana Golf Club remains largely unchanged, trapped in a state of suspended animation on the downtrodden outskirts of the capital. Once operated by the British embassy, the club was nationalized in 1980. It is kept afloat by the government, which also keeps it removed from the currents of contemporary sport. On one wall of the clubhouse hangs an ancient set of lefty Dunlop irons. Listed for \$166, they have gone unsold for nearly 20 years.

On a recent late spring morning, a television in the corner was tuned to a government-sponsored newscast. Even in a golf shop, golf rarely airs in Cuba; Cubans are forbidden access to satellite TV. One of the club's three caddies, a silver-haired man named Leo, sat on a leather couch, half-watching the newscast but eager to talk shop. Though the Masters had ended nearly a month before, Leo hadn't heard who had won the year's first major.

"Cabrera?" he said, smiling at the news. "The Argentine, right?"

The clubhouse door swung open, and in stepped Johan Vega. Short and stocky, with a placid demeanor that suits his favorite sport, Vega enjoys a leisurely commute. He lives across the street and walks to the course from the pink stucco house where he was born. When Vega was a boy, his father worked as the club's greenskeeper, but Vega didn't take up the game until he was 23. An 8-handicap, he keeps up with swing theory by skimming any magazines that filter down to his shop. He plays with a set of battered Snake Eye irons, hand-me-downs from a visiting Dutch teaching pro who vacationed in Cuba several years back.

"In Cuba," Vega says of his equipment, "you don't look a gift horse in the mouth."

The day was warm and windless, and Vega had no pressing obligations, so he'd opted to squeeze in a quick nine holes. He strolled to the first tee, which stands below the club's abandoned tennis courts, their cracked, concrete surfaces overgrown with weeds. Vega waggled and hit a lazy draw down the left side of the fairway. The ball landed on the rock-hard turf and caromed wildly into the trees. Vega shook his head and chuckled. Before he was the pro, Vega was the caddie master at the club, and he has looped the course more times than he can count. But the funhouse bounces still often surprise him. Now and then, he dreams of playing elsewhere, though he's not convinced he'd find the grass much greener.

His predecessor, he says, fell prey to that illusion. Jorge Duque was a gentlemanly pro and longtime lead instructor at the Havana Golf Club until five years ago, when he took a trip to Spain and chose not to return. The last Vega heard, Duque had found work at a pitch-and-putt. "In Cuba, El Duque was the king, but he goes to Spain and he struggles," Vega said.

He had found his ball and was surveying his next shot, an improbable approach around a tree. "People think if they leave the island, everything is glory," he said. "But life is not so simple. I have my house. I have my family. I have my job. Better to be happy with what matters most."

# Reuters Americas

## London, United Kingdom

### 10 September 2009

## Despite opening, Cuba looks tough for U.S. telecoms

By Jeff Franks - Analysis

HAVANA (Reuters) - Americans may soon be able to use their cell phones in Cuba, but U.S. telecommunications companies will find it tough to break into Cuba's largely untapped market under a new relaxation of the U.S. embargo against the island, industry experts say.

They will face a tangle of political, legal and technical issues that reflect 50 years of bitterness between two countries that were closely allied before the 1959 Cuban revolution put Fidel Castro in power.

Chief among the hurdles is likely to be a cool reception from the Cuban government, which views American cell phones, satellite dishes and Internet service as a threat to its control over the flow of information to the island just 90 miles from Florida.

Potentially big obstacles loom on the U.S. side as well, despite enactment last week of regulations by President Barack Obama effectively granting U.S. telecoms companies a loophole in the 47-year-old U.S. trade embargo against communist-ruled Cuba.

Lawsuit judgments against Cuba have been stacking up for years in U.S. courts, creating hundreds of millions of dollars in financial liability for the cash-strapped island in the midst of its worst economic crisis since the 1990s.

U.S. companies also could face stiff competition from Latin American and European rivals said to be eyeing the Cuban market. All potential entrants will have to market to a Cuban population that makes on average \$20 a month and so for whom modern communications are often a luxury.

On the plus side, Cuba is a close and potentially lucrative market where there are only 12.6 phones per 100 people, the lowest ratio in the region, and only 13 percent of the population has access to the Internet, or in most cases a local intranet restricted to Cuban sites.

Cuba has been mostly silent so far on the telecoms changes, which Obama originally announced in April along with the lifting of restrictions on family travel and remittances of money to Cuba by Cuban Americans.

But a high-ranking Cuban official, well placed to know the government's telecoms policy, told Reuters last week Cuba was willing to meet with all U.S. companies.

### HAPPY TO TALK

"We'd be happy to talk with them," he said when asked if Cuba would consider doing business with U.S. telecommunications companies. "We're prepared to talk about everything."

John Kavulich, senior policy adviser at the U.S.-Cuba Trade and Economic Council in New York, said Cuba's assurances should be taken with a grain of salt.

"The government of Cuba generally responds to overtures from the United States with a 'willingness to discuss anything.' When the 'anything' is defined as accountability and lessening of control, the willingness is likely to be minimal," he said.

Most experts think Cuba will seriously consider any telecom proposal that holds the promise of rich revenues. But security concerns will take precedence, and so they doubt the Cuban government will want anything to do with U.S. satellite television or Internet services.

Many households in Havana already tune in to private anti-Castro Miami TV stations using clandestine antennas, despite periodic government crackdowns, and Cuba has for years asked Washington to halt broadcasts by U.S. government-funded TV and Radio Marti, which are critical of communist rule.

Deals involving U.S. telecoms companies "are very unlikely considering the Castro government's tight control on the flow of information through those sources," said post-doctoral fellow Paolo Spadoni at Tulane University's Center for Inter-American Policy and Research.

What is more likely, he said, are roaming agreements with U.S. cell phone providers that would finally allow most people with U.S.-based mobile phones to use them in Cuba, as many with phones from other countries already do.

Spadoni points out Cuba and U.S. phone companies already mutually handle land-line calls between their countries, which resulted in the U.S. firms paying Cuba \$150 million for services in 2007, the last year for which data is available. With a rising number of Cuban Americans coming to visit and the possibility, under pending legislation in Washington, that all Americans will soon be able to travel to Cuba, cell phone roaming charges could generate serious cash, Spadoni said.

But the numerous lawsuit awards against Cuba in U.S. courts is a worrisome problem because any money to be paid to Cuba could be diverted by judicial order to someone who has won a judgment against the island, experts say. In the past two weeks alone, judges in Maine and Miami have awarded a combined total of \$48 million in damages against Cuba in lawsuits charging that family members had been killed or wrongly imprisoned in Cuba.

To avoid payment, any U.S.-Cuba agreements likely will include a stipulation that funds owed the island are kept outside the United States, but that will not prevent court judgments from coming down, said Kavulich.

"The only means of protecting any funds is through legislation, which is unlikely," he said.

The high-ranking Cuban official said the government had had no contact with U.S. telecom executives. A spokesman for Empresa de Telecomunicaciones de Cuba SA (ETECSA), the mostly state-owned phone company, said "we have not received any expression of interest from any telecommunications company in the United States."

"These new measures allowing U.S. companies to do business in Cuba, lifting a lot of restrictions ... have been perceived in the market as huge opportunity for U.S. companies, (but) right now it's just empty talk," said Jose Otero, president of Signals Telecom Consulting.

# The Miami Herald

Miami, Florida

5 September 2009

## From truffles to fox furs, U.S. ships more than food to Cuba

BY MARTHA BRANNIGAN

When a Havana family sits down for *pollo asado*, passes *pan de ajo* across the kitchen table or splurges on some chocolate soy ice cream, chances are the ingredients came from U.S. farms. Venezuela may boast of its revolutionary friendship with Cuba, and China may send its youth there to study Spanish, but the United States has emerged as the No. 1 exporter of agricultural products to Cuba. And that's not all that can be sent to Cuba legally. Try live primates, truffles, azalea bushes, fox furs -- even cigars.

When President Obama announced plans in April to ease the embargo by lifting family-travel restrictions to the island and allowing U.S. telecommunications firms wide latitude to do business there, many analysts said the policy changes could significantly expand ties between the estranged neighbors -- assuming Havana responds positively to the overture.

But fairly significant commerce has been going on since the Trade Sanctions Reform and Enhancement Act of 2000 opened the door to U.S. food and medicine exports to Cuba -- despite the tense relationship between Havana and Washington and a trade embargo that has spanned nearly 50 years. U.S. agricultural exports to Cuba hit a record \$711.5 million in 2008, as prices for commodities soared. That makes the United States Cuba's fifth-largest trading partner overall.

"We are the natural provider of food and agriculture products to Cuba," says Kirby Jones, president of Alamar Associates, a consulting firm for U.S. companies aspiring to trade with Cuba. "We're No. 1 and could be selling a lot more, were it not for the restrictions."

Over the past nine years, Cuba, which imports 80 percent of its food, has come to rely heavily on its nemesis to the north for wheat, corn, soy goods and scores of other key agricultural products. American companies provide two-thirds of Cuba's imported chicken and more than 40 percent of its pork imports. Utility poles, organic fertilizer and chewing gum also make their way in. Not much medicine has been shipped, however, since Cuba has other options.

## **CASH FLOWS FROM U.S.**

Much has changed since President John F. Kennedy imposed a total economic embargo of Cuba in 1962, making it illegal for Americans to spend any money in Cuba or trade with Havana. The chinks began when some travel restrictions were lifted in the late 1970s, and through the years there has been a tightening and loosening of the embargo as administrations change in Washington. In recent years, Cuba has raked in U.S. dollars in a host of other ways, too:

- The Castro government charges a 10 percent fee to exchange greenbacks for convertible pesos, or CUCs, used by Cuban Americans and other visitors, and there's another 10 percent hit due to the unfavorable exchange rate given by money changers.
- Cuba also gets millions of dollars -- perhaps hundreds of millions -- in fees from U.S. telecommunications companies that already provide long-distance service to the island through third countries.
- When Cuban Americans make trips to Cuba, they generally travel heavy, lugging an estimated \$3,000 to \$5,000 in goods for family and friends. If just half of the 200,000 Cuban travelers expected this year carried even the low end, or \$3,000 worth, that would amount to \$300 million of clothing, electronics and household gadgets winding up in Cuba in 2009 alone. These travelers also are allowed to spend up to \$179 per day while in Cuba, according to U.S. regulations.
- Cuba's airport-related fees levied on U.S. air-charter companies average \$120 per passenger, according to charter officials, which would bring in some \$12 million for the 100,000 U.S. visitors last year and possibly double that amount this year.
- And money sent by individual Cuban Americans to help family members amounts to an estimated \$400 to \$800 million a year, according to a 2004 study by the Commission for Assistance to a Free Cuba, which noted some estimates put U.S. remittances as high as \$1 billion a year.

Even with all major portions of the embargo still in place, such commercial ties between the United States and Cuba could easily exceed \$2 billion a year.

## **TOUGH BUSINESS**

Meanwhile, a series of intentional hurdles reflects the U.S. government's conflicted attitude toward dealing with the communist regime that has outlived nine U.S. presidents. The cash-strapped island must pay in advance for U.S. goods, and with no banking ties between two nations, Cuba has to pay through a bank in a third country, typically France.

U.S. exporters need clearance from the Office of Foreign Assets Control and the Commerce Department's Bureau of Industry and Security. Cargo ships carrying goods from the United States must go directly to Cuba before visiting any other nations, and they are forbidden from picking up anything to haul elsewhere. Cuban food inspectors often can't get visas to visit U.S. facilities.

And the trade remains a one-way street. Virtually nothing can be imported to the United States from Cuba, with the exception of artwork, printed materials and recordings. Last year, that came to a grand total of \$39,126. That gives

Cuba the curious distinction of helping the United States with its chronic balance of trade deficit, albeit in a token fashion.

The obstacles to Cuba trade have tipped the scales in favor of agribusiness Goliaths like Cargill, Archer Daniels Midland and Tyson Foods. For American businesses, there is only one customer in Cuba: Alimport, the government agency that coordinates purchases from the United States. Small and mid-sized exporters are often spooked by the maze of regulations and the opaque process of selling to Cuba. More than a few would-be exporters have ventured to Havana trade fairs only to come home empty-handed.

“People [looking to export to Cuba] get discouraged,” says Jay Brickman, vice president of government services at Crowley Maritime Corp. He travels frequently to Cuba for his company, which sends a cargo ship with chicken and other agricultural products to Havana from Port Everglades every week. “They confuse being nicely received by the Cubans with the idea they’re going to get business. Cuba is limited [in its ability to buy imports], and they’re price-conscious. You almost have to have a certain passion to really want to be there,” he said.

Some U.S. business executives imagine big opportunities in an untapped market. Others are drawn to the forbidden fruit. Naples businessman John Parke Wright IV shipped beef cattle to Cuba from Port Everglades three years ago and flew to Havana to shepherd his herd from the dock.

Last year, Wright, a member of the Lykes family that owned vast agricultural lands in Cuba before they were seized in the revolution, exported 2,500 straws of Brahman bull semen from the J.D. Hudgins ranch in Hungerford, Texas, to impregnate Cuban heifers.

Now he’s negotiating more cattle deals for Florida and Alabama Brangus cattle and semen. Wright, who has been making frequent visits to Cuba for nearly a decade, sees big potential for agricultural development on the island, in keeping with President Raúl Castro’s recent call to the Cuban people to work the land. “There was and there is another Florida there in the land mass and agricultural potential,” says Wright.

But many others have called it quits after a few sales. Independent Meats shipped some goods about a year and a half ago, but decided its Idaho location is too far west to compete with other U.S. suppliers. “It just didn’t make a lot of sense for us,” said Independent Chief Executive Patrick Florence.

Cuba, meanwhile, has spread out its purchases among as many U.S. states as it practically can in hopes of drumming up support in Congress for an end to the embargo. And yet, this year, U.S. exports will likely trail 2008 as Cuba struggles with severe financial problems that limit its ability to pay for foreign goods..

## **CUBA’S CREDIT WOES**

Some experts believe Cuba is facing its biggest challenges since the early 1990s, when the collapse of the Soviet Union left Fidel Castro scrambling for support in a changed world.

Just as poor families do, the Cuban government often makes purchases based on access to credit. That leaves U.S. businesses at a disadvantage, since transactions must be in cash.

U.S.-grown rice, especially the long-grain style favored in many recipes, was a huge hit with Cubans until 2005, when the Bush administration changed the meaning of cash in advance to mean payment before a product leaves U.S. shores -- instead of when it arrives in port in Cuba.

Since that tightening of policy -- which is expected to be reversed under provisions in the 2009 omnibus appropriations bill -- U.S. rice exports to the island have plunged. Cuba has relied more on Vietnam, which is thousands of miles away and sometimes delivers broken rice but provides generous credit.

Some argue, however, that the cash-in-advance rule is a blessing in disguise for American companies, because it ensures that they get paid.

“Cuba generally doesn’t pay on time,” says John Kavulich, senior policy advisor for the nonprofit U.S.-Cuba Trade and Economic Council. “And sometimes it doesn’t pay at all.”

# **The Miami Herald**

**Miami, Florida**

**5 September 2009**

## **Drop in imports highlights Cuban economic crisis**

BY JUAN O. TAMAYO

Cuba's sea-borne imports dropped by nearly two-thirds in the first half of this year compared to the same period in 2008, official data showed, highlighting the depths of the island's economic crisis.

Yet the value of Cuba's U.S. imports for the same period dropped only 15 percent, underscoring the U.S. producers' advantages because of the short distance between the countries, trade experts said.

A cargo transportation report issued last month by Cuba's Office for National Statistics shows that imports by sea dropped from 4,626,000 metric tons to 2,309,000 mt from the first half of 2008 to the same period this year. Exports also dropped, from 307,000 to 203,000 MT.

“The numbers show the real contraction of the Cuban economy because they reflect not the value but the volume,” said Jorge Piñon, a fellow at the University of Miami's Center for Hemispheric Policy who monitors the island's economy.

The Cuban government has been reported to be planning to cut its 2009 imports by at least 30 percent because of its economic crisis.

Raúl Castro's government is currently facing the worst economic crisis since the Soviet Union collapsed in the early 1990s. Three hurricanes last year caused \$10 billion in damages, the world economic slowdown sparked a cut in the price and volume of Cuba's main export, nickel, as well as an estimated \$1 billion drop in foreign lending to the island.

Cuba's imports from U.S. producers have held up far better than imports from other countries, however, according to U.S. government figures gathered by the New York-based U.S.-Cuba Trade and Economic Council (USCTEC).

The value of U.S. food and agricultural exports to the island dropped from \$355.6 million for the first six months of 2008 to \$301.8 million for the same period in 2009 -- a 15 percent drop -- according to the USCTEC figures.

# Reuters Americas

## London, United Kingdom

### 31 August 2009

## **U.S., Cuba to hold postal service talks: diplomats**

HAVANA (Reuters) - Talks aimed at resuming direct postal service between the United States and Cuba, which has been suspended for decades, are set to be held in mid-September in another sign of thawing U.S.-Cuba relations, Western diplomats said.

Officials from the U.S. State Department and U.S. Postal Service were expected to attend the discussions in Havana, the diplomats, who asked not to be named, said. No further details were immediately available and there was no immediate confirmation from the Cuban government.

The talks are part of U.S. President Barack Obama's declared intention to "recast" relations with Communist-ruled Cuba, which for 47 years has been the target of a U.S. trade embargo.

In April, Obama lifted restrictions on travel and remittances sent to Cuba by Cuban Americans with relatives on the island and he has restarted talks on immigration that were suspended by the Bush administration in 2004.

Cuba agreed in late May to resume the immigration discussions and also to a U.S. request for talks on the postal service. At present, mail between the two countries must go through a third country.

Direct postal service was suspended as a result of the animosity between the United States and Cuba that began soon after the Cuban revolution toppled dictator Fulgencio Batista in 1959. Diplomatic relations were broken off in 1961 and a year later the U.S. launched a trade embargo that is still in place.

The United States has approached Cuba before about resuming direct postal services but Cuba has insisted in the past that, among other things, this must be accompanied by a resumption of regular scheduled commercial flights between the two nations just 90 miles apart. Currently, only charter flights are permitted under U.S. regulations.

Cuba is also said to be concerned about the possible delivery by post of items it views as potentially harmful, including chemicals, firearms, ammunition, and technology such as satellite phones. U.S. express mail service companies such as UPS and FedEx cannot operate in Cuba but German-owned carrier DHL can.

According to John Kavulich, senior policy advisor at the U.S.-Cuba Trade and Economic Council in New York, resumption of direct mail would likely draw interest from UPS and FedEx.

"Pressure might increase for UPS and FedEx to have the right to compete with the U.S. Postal Service," he said. The two companies "might not want to service Cuba, but they would certainly insist on the right to compete."

He also said that with direct postal service, Cuba's government agencies would be expected to respond more promptly to U.S. requests and queries than in the past.

"With normalization comes accountability -- a relationship that centrally-planned commercial, economic and political systems are not designed to accept readily," Kavulich told Reuters.

While Obama has moved to improve U.S.-Cuba relations, he has said the U.S. trade embargo will only be eliminated if Cuba make progress on political prisoners and human rights.

Cuba has said it is willing to discuss everything with Washington but has ruled out unilateral political concessions or any shift to capitalism.

# Associated Press

New York, New York

30 August 2009

## Trademark wars: US goods carry famous Cuba brands

By WILL WEISSERT and MICHAEL FELBERBAUM (AP)

SAN JOSE DE LAS LAJAS, Cuba — Cuban rum maestro Jose Navarro's taste buds sing when he sips Havana Club, the sweet spirit distilled in this farming town south of the capital.

"It has to be Cuban," said Navarro, the oldest of the island's nine certified rum experts. "Havana Club can't exist anywhere else."

But another Havana Club does exist, one made by Bermuda-based rum giant Bacardi Ltd. A variety of Cohiba cigars, once rolled exclusively for Fidel Castro, is produced by Swedish Match North America of Virginia, and a Miami firm offers its own version of Cubita, a top Cuban coffee.

Washington's 47-year-old trade embargo has kept Cuban products out of the U.S. — but hasn't prevented companies from using the communist island's brand names.

As the U.S. and Cuba consider better ties, such trademark issues would have to be settled before any easing of the embargo. The fight between Bacardi and the Cuban government for the Havana Club name already has played out in the U.S. courts and Congress for more than a decade — and is now before Spain's high court.

But the battles are about so much more than brand names. They are charged with 50 years of emotion over Fidel Castro's 1959 revolution and expropriation of private companies as he implemented socialism. They are also rooted in the future as U.S. corporations face the specter of new competition from Cuban products, which may carry a special allure after being banned for nearly a half century.

"There are U.S. interests thinking about how they are going to be affected by an influx of Cuban products, and the outlook is not always positive," said Jake Colvin, director of the Washington-based USA Engage, which opposes the embargo.

Americans craving all things Cuban already can buy products inspired by the Caribbean island — just not made there.

Bacardi's Havana Club is an 80-proof rum that has sold in Florida since 2006, and sales have been so strong, it's thinking of expanding the label to other states, said spokeswoman Patricia M. Neal.

Even though Cuba's Havana Club rum can't be sold in the U.S., the Cuban government still sued Bacardi for using the name.

Bacardi argues it owns the name because the original Havana Club was expropriated by Castro from its Cuban producers, the Arechabala family, who went into exile. Bacardi bought the name and recipe from the Arechabalas in 1997.



Cuba says it registered the Havana Club trademark in the U.S. in 1976 after the Arechabalas let their claim on it expire. It has sold the rum internationally since 1993 in a joint partnership with French spirits consortium Pernod Ricard.

So far the U.S. courts have sided with Bacardi based on a 1998 federal law that prevents the registration or renewal of U.S. trademarks tied to companies nationalized by the Cuban government. Cuba has appealed its most recent case to the U.S. District Court of Appeals in Washington.

Meanwhile, Cuba's Havana Club is winning abroad. A Bacardi suit filed in a Spanish court against the Cuban government and Pernod Ricard over the trademark in that country was thrown out in 2007. Bacardi, too, has appealed, and the case is before the Spanish Supreme Court.

The true argument is over who can claim to produce authentic Cuban rum — especially if the country opens up to global commerce.

Bacardi, a family-owned spirits conglomerate founded in Santiago, Cuba, in 1862, pioneered the light, dry smoothness Cuban rum is now famous for, devising a charcoal-filter system and aging in oak barrels for added sweetness.

But the Bacardis joined the fiercely anti-Castro exile community in Miami after Castro nationalized the company in 1960. Havana Club, like all Bacardi rums, is made in Puerto Rico — and says so on the bottle.

Still, Neal says her company's Havana Club transports consumers "back to the time it was created: sultry nights, classy nightclubs, and pulsating Latin music, enjoyed by locals and visitors alike."

Cuba and Pernod Ricard spent \$70 million to rehabilitate a Havana Club distillery specializing in darker, higher quality anejo rum in San Jose de Las Lajas.

"If I have a recipe, am I producing a Cuban rum? No. Cuban rum is not a recipe. It's an expression of an entire culture," said Navarro, while scrutinizing stacks of barrels filled with aging rum.

Even without the U.S. market — 40 percent of world rum drinkers — Cuban Havana Club has seen its annual sales soar 13 percent to 3.4 million cases. Bacardi's more than 200 brands and labels sell 20 million cases in 150 countries every year.

It's a debate that may ultimately be decided by consumers.

John Verburg, manager at Cafe Habana in Ann Arbor, Michigan, uses Bacardi to mix his mojitos, the famous Cuban cocktail of rum, sugar and mint. But he's asked all the time when he will get rum "authentically from Cuba."

"I don't know if people are salivating yet," Verburg said, "but it could be something very exciting."

The thought of competing with Cuba is already keeping executives at Swedish Match North America up nights. The Richmond, Virginia-based company owns General Cigar Inc., which has sold Dominican Republic-made Cohiba cigars in the U.S. since 1997.

"It's not the brand that's going to make the difference, it's whether it's Cuban or not," said Gerry Roerty, the company's vice president and general counsel. And smokers are willing to pay a premium for Cuban, he said.

Cohiba was founded in Cuba to make cigars for Castro and visiting dignitaries. Today it is the flagship of 27 premium brands produced by Habanos, equally owned by the government and Madrid-based Altadis SA, which was acquired last year by Britain's Imperial Tobacco Group PLC.

Cuba never registered its version of Cohibas in the United States but still sued General Cigar. The U.S. Supreme Court sided with General Cigar, which has factories in the Dominican Republic and Honduras and produces versions of signature Cuban brands Partagas, Hoyo de Monterrey, Bolivar and Punch. It also makes the La Gloria Cubana, Rico Habano and Havana Honeys brands, which despite their names are unknown on the island.

U.S. industry estimates show 85 million Cuban cigars could be shipped to the U.S. annually in a post-embargo world, slashing profits for U.S. companies that sell about 255 million premium cigars a year.

Roerty said not only would General Cigar face a trademark war, but the company would not have access to Cuban tobacco leaves or other raw materials to match its new competitors.

Some say the forbidden-fruit factor around Cuban cigars and other products won't last if the embargo vanishes.

Still, most U.S. aficionados are anxious to get their hands on real Cubans.

At Havana Connections, a cigar shop in suburban Richmond — General Cigar's own backyard — mention of Cubans sparked an hour-long discussion.

"When you smoke, it's taste. And the Cuban seed and Cuban cigar — they're smoother and creamier," said 60-year-old Dan Tater, a smoker for about a quarter-century. "There's got to be something to that lore that this is really a better cigar."

Americans hankering for super-strong, Cuban-style espresso can get Cubita, a coffee imported by Universal Brands Inc. in Florida that shares a name with the Cuba's best-seller on the island.

Universal Brands President Raul Diaz said his company has held a U.S. trademark for Cubita since the early 1990s and is confident it will stand regardless of any change in America's Cuba policy. But he acknowledged that "at some point, if Cubita from Cuba is sold in the U.S., one of the Cubitas is going to suffer."

More than 3,000 U.S. brands continue to hold trademarks in Cuba, with everything from McDonald's to Macy's to Mr. Peanut paying periodic registration fees in case the island one day embraces the free market, according to a 2002 list compiled by U.S.-Cuba Trade and Economic Council, Inc. in New York.

Experts worried the 2006 decision to nullify Cuba's Havana Club trademark in the U.S. would prompt Cuba to stop respecting American brand names on the island — especially after Castro famously threatened to produce Cuban Coca-Cola.

So far, there has been no retaliation.

Colvin said Cuban leaders know that violating U.S. trademarks will weaken the island's case before the World Trade Organization and other groups, where it claims American laws have allowed multinational companies to trample its trademarks.

"They've always made the case that they are right on this issue and they are the victims," he said. "If they start violating trademarks, they lose the moral high ground."

# USA TODAY

## Arlington, Virginia

### 18 June 2009



"It's not starting up trade," says Robert Landry, marketing director for the Port of New Orleans.  
"It's expanding already-existing trade."  
By Sean Gardner for USA TODAY

## U.S. ports set to deal with Cuba

By Rick Jervis, USA TODAY

NEW ORLEANS — Some U.S. port cities are putting plans in place to increase travel and trade with Cuba — just in case relations with the communist island begin to thaw.

U.S. lawmakers are still far from lifting the 47-year-old trade embargo on Cuba, but the election of Barack Obama, along with a Democratically controlled U.S. Congress, has some city leaders banking on improved relations.

In New Orleans, city officials met recently with trade and Cuba experts to discuss how to rekindle relationships in Cuba and bolster trade with the island if relations improve. Leaders also plan to take part in a trip to Cuba with Tulane University this fall.



Lumper Claude Washington stacks frozen chicken at a New Orleans storage facility.

"We have the right geography, given where we're located, as well as historic ties," says Councilman Arnie Fielkow. "We need to start developing the relationships and getting ready for the time when the U.S. brings down the embargo."

Other developments include:

- Mobile, Ala., is adding its representatives to a group of 60 state and trade officials visiting Cuba in July.
- In a recent report, the Greater Miami Chamber of Commerce analyzed the economic impact to the city if the embargo is lifted, even if Cuba remains communist.
- Rep. Kathy Castor, from Tampa, has requested that her city be allowed to have direct charter flights to Cuba to let Cuban Americans more easily visit the island.

Through executive order, Obama already has made it easier for Cuban Americans in the U.S. to visit relatives in Cuba and authorized expansion of telecommunication service to the island, says John Kavulich, a policy adviser with the U.S.-Cuba Trade and Economic Council, a non-profit group that provides information on trade issues with Cuba. Congress also has loosened restrictions on sending agricultural items, he says.

Increased trade with Cuba could bring a much-needed economic boost to port cities at a time when communities are looking for ways to weather the recession. "It would be good for everyone all around," says Steven Cernak, director of the Port of Galveston.

However, even if restrictions continue to relax, Cuba is drowning under large amounts of debt and has a reputation for not paying bills on time, Kavulich says. U.S. companies are willing to sell Cuba rice, poultry and other items allowed under the embargo because U.S. law requires Cuba to pay upfront, he says.

"There are always those who believe that Cuba represents a country like Saudi Arabia 90 miles south of the U.S., with unlimited resources," Kavulich says. "The reality is Cuba remains a bankrupt country."

### **Loosening up gateway of New Orleans**

Havana and New Orleans were two of colonial Spain's most important New World ports in the 18th and 19th centuries. The two cities were vibrant trading partners right up to the 1962 U.S. embargo, Fielkow says. That tie is one of the reasons New Orleans is seeking stronger links with Cuba.

Even under the embargo, many of the products allowed into Cuba come through the Port of New Orleans, says Robert Landry, the port's marketing director. The port has seen a steady increase in the amount of poultry dispatched to Cuba, from 9,500 tons in 2005 to 18,500 tons last year, according to port records.

Bolstering that relationship could significantly improve the city's economy, still battered by the 2005 floods, and recapture New Orleans' status as a "gateway to the Americas," Fielkow says.

### **Mobile, Ala., rooted in history with Cuba**

The ties between Mobile and Cuba stretch back more than 300 years. Pierre Le Moyne d'Iberville, the French-Canadian trapper who founded Mobile in 1702, is buried in Havana's cathedral, says Mobile Mayor Sam Jones. (D'Iberville's brother, Jean-Baptiste Le Moyne de Bienville, later developed New Orleans.) A 9-foot-tall statue of d'Iberville stands in downtown Mobile, facing Havana. A similar statue stands on Havana's seaside Malecon, facing Mobile, Jones says. The loosening of trade restrictions with Cuba "has been something we've been waiting to happen for some time," Jones says.

Jones may still have awhile to wait, says Phil Peters, a Cuba analyst with the Arlington, Va.-based Lexington Institute. Changes to the embargo would likely require Cuban officials to make notable economic, democratic or human rights changes, he says. Lifting of the embargo "is a few steps down the road still," Peters says.

# **The New York Times**

## **New York, New York**

### **20 May 2009**



A passenger waiting to check in at C&T Charters, one of seven or eight companies that fly from Miami International Airport to Cuba. Round trips cost about \$500.

## **Charter Companies Flying to Cuba Thrive**

By **DAMIEN CAVE**

MIAMI — The crowd of Cuban-Americans pressing against the airport ticket counter scorned those on the other side. Only a handful of American charter companies have landing rights in

Cuba, and with the new White House policy letting Cuban-Americans visit relatives there as often as they want, ticket prices have become political.

“I paid \$600 for a 45-minute flight,” said Carelis Sabatela, in loud Spanish, before checking in with a cart of heavy luggage. “It’s very high, super excessive.”

Like many in line, she called for more competition, but as the current boom in reservations shows, this is not a normal business. Who flies and how much they charge is intimately tied to the 50-year feud between Cuba and the United States. Experts describe these charter companies as byproducts of a dysfunctional back-and-forth that has not ended — and that now promises to provide millions of dollars in profit to a politically savvy few.

“The system exists solely because the relationship between Cuba and the United States doesn’t exist in its normal form,” said John S. Kavulich II, a senior policy adviser for the U.S.-Cuba Trade and Economic Council, a nonpartisan group that tracks trade activity in Cuba. “You have an abnormal service environment directly because of abnormal relations.”

Today’s charter companies began in the late 1970s during a period of warming relations, and most owners figured that their role would be temporary. The companies survived not just because Fidel Castro and the American embargo kept larger carriers out; many of the owners have also played both sides, deploying money and favors under the cover of dual identities that let them connect with Cuban leaders one minute, Americans the next.

John Cabanas, of C&T Charters, is perhaps the least known but the most powerful owner in a group that includes Vivian Mannerud, who followed her father into the business after he was convicted in the 1980s of “trading with the enemy,” in part for taking four Pepsi machines to Cuba; and Francisco Aruca, owner of Marazul Charters, who sneaked out of a Castro-run prison dressed as a child, but now praises Cuba on his Miami radio show.

A large man, quick to laugh and partial to linen Guayaberas with a gold plane pinned to the collar, Mr. Cabanas, 66, grew up in Key West, Fla., but spent 28 years in Cuba. He says his company is the largest of the seven or eight that fly there regularly.

Certainly since the new White House policy was announced last month, business is booming. “We used to send 15,000, 16,000 people a year,” Mr. Cabanas said. “Now I’ll probably handle 40,000 or 50,000.”

He insists that his prices — though at least double the cost of flying to the Bahamas — are fair when seen in context. In his view, customers like Ms. Sabatela, who was traveling on a C&T flight to Camagüey, fail to appreciate the industry’s challenges.

The past decade has been especially tough. The cost of fuel and jet rentals have increased while the Bush administration’s tighter travel restrictions in 2004 halved the number of legal American visitors from a peak of 135,000 in 2000, according to the U.S.-Cuba Trade and Economic Council. The government has also demanded reams of paperwork from the charter operators, proving that they have complied with various rules — which led in part to a \$125,000 penalty settlement that C&T paid in 1999.

The Cuban government has demands as well: it prohibits the charters from hiring in Cuba, and charges \$100 to \$133 per passenger for landing rights, baggage claim and other services.

Mr. Cabanas admits that the industry is “very controlled.”

“My business is business,” he said. “But it depends on politics.”

His office illustrates the point. In a back conference room, photographs on the walls show him with four very different leaders: Barack Obama, George W. Bush, Fidel Castro and Alvaro Uribe, the president of Colombia.

Since returning to Florida in the late '90s, Mr. Cabanas has also spread more than \$145,000 in campaign donations across the political spectrum. "Right now, I support Barack Obama," he said, "even though I'm a Republican."

Mr. Cabanas had just come from a Cinco de Mayo party at the White House, but his connections and charm have done nothing to alter the controversial basics of his business.

The industry "is in essence a protected monopoly," Mr. Kavulich said. "There are a finite number of people in the marketplace, and you have to have the Cuban government's authorization."

Cuban officials, he said, want as few companies as possible, and "if they can't Google you and find you've opposed the commercial, economic or political position of the United States, you're not likely to do any business."

That means approved operators earn a lot during open moments. A recent poll by Bendixen and Associates found that about 240,000 Cuban-Americans plan to travel to Cuba by the end of 2010.

If round-trip tickets continue to hover around \$500, with a 10 percent markup, that would be around \$12 million in profit.

In interviews, several charter operators described their flights as humanitarian and insisted that politics did not enter into conversations with Cuban officials.

They all oppose the embargo, which puts them squarely in line with the stated desire of Cuban officials, but also with a growing swath of the 1.2 million Cuban-Americans in the United States.

And yet, many here see the companies' owners as relics of a past they would like to get beyond. For Cubans, the charters' prices and profits are pinpricks in a wound that has not healed.

Conservatives still accuse the charters of being collaborators.

"They are a virtual cartel that control the travel sector from the U.S. to Cuba, charging egregious fees in collusion with Cuban authorities," said Mauricio Claver Carone, director of the U.S.-Cuba Democracy PAC in Washington.

More moderate Cuban-Americans are only slightly kinder.

"Do they charge more than they should? They do," said Andy S. Gomez, a senior fellow at the Institute for Cuban and Cuban-American Studies at the University of Miami. "Are there any other alternatives? None."

Well, not yet, but momentum for broader changes in Cuba policy has been building. Last week, Orbitz, the online travel company, began offering a \$100 coupon for a vacation in Cuba to everyone who signed an online petition urging leaders in the United States to give all Americans the freedom to visit.

Jose Fernandez, one of the dozens waiting here to board a C&T flight to Cuba, said he would welcome new alternatives. "The prices," Mr. Fernandez said, "are out of balance with the moment."

# St. Paul Legal Ledger

St. Paul, Minnesota

14 May 2009

Saint Paul Legal Ledger

CapitolReport



## From Minnesota to Cuba

By Betsy Sundquist

May 14, 2009

Jesse Ventura's not the only Minnesotan who's got his eye on Cuba.

The former governor, who lobbied this week on "Larry King Live" to be appointed ambassador to Cuba if and when the two countries resume trade relations, might want to prepare himself by checking out an upcoming seminar hosted by the Minnesota Trade Office: "Cuba: Opportunities, Cautions, Myths and the Political Landscape."

The June 22 seminar is aimed at companies and their employees who want to learn about the commercial, economic and political landscape between the U.S. and Cuba.

John S. Kavulich II, who from 1994 to 2005 served as president of the U.S.-Cuba Trade and Economic Council, a private, nonprofit U.S.-based organization that focuses on economic relations with Cuba, will be one of two speakers at the seminar. Kavulich has been a senior policy adviser to the group since 2005 and is editor in chief of its publication, Economic Eye on Cuba.

The other speaker will be Robert S. Muse, a Washington, D.C.-based attorney with substantial experience in U.S. law as it relates to Cuba. He has testified on legal issues involving Cuba before U.S. Senate and House committees, the Foreign Affairs and International Trade Standing Committee of the Canadian House of Commons and the External Economic Relations Committee of the European Parliament. He has delivered papers on the Helms-Burton Act and other U.S. embargo laws pertaining to Cuba at a number of conferences.

Last month, President Obama announced changes to existing regulations focusing on travel for Americans of Cuban descent, family remittances and development of the telecommunications sector. The president said he believes the changes will promote the free flow of communication and humanitarian aid to the Cuban people, and allow Cuban-Americans to travel freely to Cuba to visit family members and send unlimited money to relatives there.

The seminar is scheduled from 1 to 3:30 p.m. June 22 in Suite E200 of the Minnesota Department of Employment and Economic Development, located on the skyway level of the First National Bank Building, 332 Minnesota St. in St. Paul.

The fee is \$25 for pre-registrations and \$35 for registration at the door, though advance registration is recommended. For more information, contact Rachel Limon at (651) 259-7492 or (800) 657-3858, or via e-mail at [rachel.limon@state.mn.us](mailto:rachel.limon@state.mn.us).

# El Nuevo Herald

Miami, Florida

9 May 2009

## **Campaña en internet para que los estadounidenses puedan viajar a Cuba**

JULIE JOHNSON / The Chicago Tribune

En una mezcla de comercio con política, Orbitz Worldwide ha lanzado una campaña dirigida a conseguir que el Congreso revoque la ley que prohíbe a la mayoría de los estadounidenses viajar a Cuba.

A partir del domingo, en la página electrónica [www.opencuba.org](http://www.opencuba.org), los visitantes de Orbitz podrán pedir a la Casa Blanca, a la secretaria de Estado Hillary Clinton y a los legisladores que eliminen las viejas restricciones al comercio y los viajes a la isla.

Las aerolíneas, líneas de crucero y los operadores de turismo están ansiosos de comenzar a operar en la mayor de las Antillas.

El presidente Barack Obama reanimó sus esperanzas al alentar un diálogo con el gobierno cubano y eliminar restricciones a las visitas familiares de los cubanoamericanos, establecidas por George Bush.

Pero no es en absoluto seguro que el Congreso revoque la prohibición de viajar, que se remonta al gobierno de John F. Kennedy y que sigue siendo un tema sumamente espinoso. El gobierno de Obama no ha presionado al Congreso sobre este tema y sus opositores dicen que sería una locura hacerlo sin que Cuba realice reformas significativas.

Aprovechando lecciones de la campaña presidencial de Obama, Orbitz trata de conseguir una base de apoyo para abrir los viajes a la isla apelando directamente a los 14 millones que visitan mensualmente su página de internet.

"Queremos organizar a nuestros clientes y a otras partes interesadas para llegar a Obama y a otros funcionarios", dijo Barney Harford, de 37 años, el enérgico presidente y director general de Orbitz.

Harford, ciudadano británico, se enamoró de la cultura y la música cubanas durante un viaje a La Habana y sus zonas aledañas en 1997.

"Es un país mágico", dijo.

Orbitz ha creado una campaña en internet. Estimulado por una visita a la Casa Blanca en marzo, Harford decidió movilizar su compañía tras una causa social y escogió a Cuba. Sus ingenieros crearon el sitio en sólo dos semanas.

En su apresuramiento, Orbitz no ha solicitado el apoyo de los líderes cubanoamericanos, aunque Harford dijo que sería su próximo paso.

Por supuesto, corre el riesgo de que la gente piense que, en realidad, sólo le interesa lucrar. Como no puede vender viajes a Cuba, Orbitz ganaría mucho si se levantara la prohibición. Los que cabildan a través del nuevo sitio recibirán un cupón de \$100 para unas vacaciones en Cuba, redimible si se levanta la prohibición y Orbitz puede vender legalmente viajes y paquetes de giras a la isla. Orbitz es la segunda agencia de viajes en Internet.



"Ciertamente, algunos pensarán que Orbitz es un craso ejemplo de mercadotecnia empresarial a costa de los que están en Cuba y no tienen la libertad de viajar, no tienen acceso a internet ni pueden expresar sus opiniones", dijo John Kavulich, asesor político del Consejo Económico y Comercial Estados Unidos-Cuba, que brinda información comercial sobre la isla.

"Existe el riesgo de una reacción negativa de ciertos grupos de intereses", reconoció Harford. "Pero los dirigentes dirigen. Si recibimos algunas críticas por eso, es parte de ser líder".

Sin embargo, Orbitz enfrenta muchos obstáculos. Dado su carga de trabajo en este período de sesiones, es probable que los líderes legislativos no aborden el tema de los viajes a Cuba.

Además, los hermanos Castro tienen un historial de socavar las aperturas de Estados Unidos con acciones deliberadamente provocadoras, que pudieran debilitar aun más la voluntad de los legisladores. Aunque, según una encuesta encargada por Orbitz, dos terceras partes de los estadounidenses apoyan el fin de la prohibición de los viajes a Cuba, sus opositores son poderosos y están bien organizados.

La Fundación Nacional Cubano Americana, una destacada organización radicada en Miami y dedicada a mejorar los derechos humanos en Cuba, está contenta de que Obama haya levantado las restricciones a las visitas familiares de los cubanoamericanos. Pero se opone a permitir la entrada de turistas estadounidenses hasta que el régimen cubano conceda a los cubanos las libertades de las que gozan los demás países del continente.

"Creemos que esto no ayuda en lo más mínimo al pueblo cubano", dijo el Francisco "Pepe" Hernández, presidente de la Fundación. "Sólo va a ayudar al gobierno cubano".

Con todo, los observadores piensan que la libertad de viajar entre ambos países es sólo cuestión de tiempo.

"Estamos en el 2009", dijo Delvis Fernández Levy, presidente del Cuban American Alliance Education Fund, que apoya el levantamiento de las prohibiciones comerciales y de viajes. "Es hora de iniciar una nueva era".

Pero aunque se revoque la prohibición, es probable que Cuba restrinja los viajes en el futuro inmediato, dijeron los expertos. Es probable que el gobierno cubano restrinja las visas con la esperanza de impedir que los turistas puedan fomentar el descontento.

Otro gran reto para Cuba es que tiene pocos hoteles de lujo y que, en el apogeo de la temporada, se llenan con turistas de otros países.

"Sí, pueden comenzar los vuelos, pero ¿qué va a hacer la gente cuando llegue?", preguntó Kavulich. "Habrá un abismo entre las expectativas y la realidad. Desafortunadamente, Cuba va a salir perjudicada por eso".

# Chicago Tribune

Chicago, Illinois

9 May 2009

## Cuba: Fantasy island for Orbitz?

**Chicago-based travel site launches Web campaign seeking to overturn the U.S. government's longtime travel restrictions to Cuba**

By Julie Johnsson  
Tribune reporter

Blending commerce with politics, Chicago's Orbitz Worldwide is launching a campaign this week aimed at getting Congress to reverse a law that prohibits travel to Cuba for most U.S. citizens and green-card holders.

Starting Sunday through a Web site at [www.opencuba.org](http://www.opencuba.org), Orbitz visitors can petition the White House, Secretary of State Hillary Clinton and members of Congress to eliminate the decades-old trade and travel restrictions.

American airlines, cruise and tour operators are eager to launch travel to the Caribbean's largest island, known for distinctive architecture, friendly people and stunning beaches.

President Barack Obama raised their hopes by encouraging a dialogue with Cuba's communist regime and by removing restrictions on family visits by Cuban-Americans enacted by his predecessor.

But it is by no means assured that Congress will take the next step and repeal the Kennedy-era ban on travel, which remains a prickly political issue. The Obama administration isn't pushing Congress to act on the measure, and opponents say it would be folly to do so without significant reforms by Cuba.

Borrowing a page from the Obama presidential campaign, Orbitz is trying to build grass-roots support for opening travel to the island by appealing directly to the 14 million monthly visitors to its Web site.

"We want to organize our customers and other interested parties to reach out to Obama and other government officials," said Barney Harford, 37, the energetic president and chief executive of Orbitz. A British national, Harford became enamored with Cuban culture and music during a 1997 trip to Havana and surrounding areas. "This is a magical country," he said.

Orbitz created its Cuba campaign in Internet speed. Energized by a White House visit with the president in March, Harford decided to rally his company behind a social cause and selected Cuba. His engineers built the Web site in just two weeks.

In its haste, Orbitz hasn't solicited support from Cuban-American leaders, although Harford says that is next on its agenda.

And it risks being seen as exploitative, since Orbitz is prohibited from selling travel to Cuba and stands to profit should the ban be lifted. Those who lobby via the new site will receive a \$100 coupon toward a Cuba vacation. It would be redeemable if the travel ban is lifted and flights and tour packages can be sold legally by Orbitz, the second-largest online travel agency.

"There certainly will be some who position what Orbitz is doing as a crass example of corporate marketing at the expense of those in Cuba who are not free to travel, not free to have access to the Internet to voice their opinion," said John Kavulich, senior policy adviser for the U.S.-Cuba Trade and Economic Council, which provides commercial information about Cuba.

"There's a risk that there may be backlash from narrow interest groups," Harford acknowledged. "But leaders lead. If we take a few bullets for this, that's part of being a leader."

Orbitz faces many hurdles, however. Given their heavy workload this session, congressional leaders may not get to legislation involving travel to Cuba.

Moreover, the Castro brothers have a history of undermining U.S. overtures with exquisitely timed acts of provocation, which could further weaken lawmakers' resolve, observers noted. Although two-thirds of Americans support ending the travel ban, according to a poll commissioned by Orbitz, opponents are powerful and well-organized.

The Cuban American National Foundation, a prominent Miami-based organization intent on improving human rights in Cuba, is glad Obama lifted restrictions on family visits to the island by Cuban-Americans. But it opposes allowing other tourists into the country until the Castro regime grants Cuban citizens freedoms taken for granted elsewhere in the Americas. "We believe this is not going to help the Cuban people, whatsoever," said Dr. Francisco "Pepe" Hernandez, foundation president. "It's only going to help the Cuban government."

Still, observers think it is only a matter of time before travel is fully opened between the two countries. "This is the year 2009," said Delvis Fernandez Levy, president of the Cuban American Alliance Education Fund, who supports easing trade and travel bans. "It's time to start a new era."

But even if the ban is abolished, Cuba is likely to constrict travel for the near term, experts said. Cuba's leadership is likely to restrict travel visas in the hope of thwarting visitors who might foment discontent.

Another major challenge for Cuba is that it has few hotels with luxurious accommodations, and those fill up during peak seasons with tourists from other parts of the world.

"Yes, you can put people on the planes, but what's going to happen when they get there?" asked Kavulich. "There's going to be a massive distance between expectations and reality. Unfortunately, Cuba's going to be harmed because of that."

Waiting in the wings for Cuba to open up are companies such as United Airlines, which holds far more international travel rights to the island nation than any other American carrier. It inherited those rights when it purchased Pan Am's Latin American routes in the early 1990s.

If the ban is lifted, United could fly, or sell, 31 routes that it controls between the U.S. and Cuba, including the potentially lucrative New York-Havana and Miami-Havana routes, according to the Department of Transportation.

Chicago-based United won't disclose its plans for serving the island.

"Right now, we are monitoring the dialogue," said spokeswoman Robin Urbanski.

Atlanta-based Delta Air Lines holds rights to five routes between the two countries; Houston's Continental owns rights to two routes.

Filling up flights shouldn't be an issue. Online guides to Havana and other parts of Cuba remain one of the most popular features offered by iExplore, a Chicago-based adventure travel site, even though Americans aren't allowed to travel to Cuba unless they fit the narrow commercial or humanitarian criteria set by the Treasury Department's Office of Foreign Asset Control.

Travel agents face fines for booking trips to Cuba, even if bookings are handled by overseas subsidiaries.

"They can currently learn about Cuba and fantasize and dream about the travel to Cuba," said Todd McClamroch, iExplore's CEO. "But we're waiting for them to open up the door so we can start selling Cuba."

# The Washington Post

Washington, DC

4 May 2009

## Virginia, Maryland Prepare for Cuban Detente

By Fredrick Kunkle  
Washington Post Staff Writer

Virginia and Maryland trade officials, sensing winds of change in the tempestuous relationship between the United States and Cuba, are hustling to build markets for their goods in the event two countries normalize relations further.

Virginia agriculture has already benefited from the relaxation of the 47-year-old trade embargo with Cuba, increasing exports from less than \$1 million to \$40 million in five years. Maryland has been developing farm trade in Cuba, though so far on a more modest scale. Last year, Maryland spent \$6,000 on a trade mission that sewed up a \$12.8-million deal on soybeans.

"There's just a lot of excitement," said Todd P. Haymore, commissioner of the Virginia Department of Agriculture and Consumer Services. "We feel certain that things are going to happen based on what the Obama administration has already done -- just the fact that we're talking about changing policies in place for 40 years or more."

Even the Cuban American National Foundation, a Miami-based organization that applied its political clout to keeping the door shut to Cuba, has reconsidered the embargo.

"If you look at the last few years, I think the door has already been about wide open," said Francisco "Pepe" Hernandez, the group's president.

Virginia made its first deals with Cuba under former governor Mark R. Warner and now ranks sixth among U.S. states exporting to Cuba, Haymore said. In 2003, the commonwealth shipped \$838,009 worth of soybeans and apples to Cuba. That marked the first such export from Virginia to the island since the U.S. embargo was imposed in 1962. Last year, Virginia tallied \$40.7 million in exports to Cuba, including pork, apples and soybeans.

The commonwealth's deep-water port in Chesapeake is also a conduit for the region. Maryland, which no longer has the capability to ship soybeans from Baltimore, also sends shipments to Cuba through Virginia. Dulles International Airport is an important hub too, moving nearly \$1 million worth of goods to Cuba in 2008.

Haymore, who traveled to Cuba twice in 2007 and 2008, said in an interview that he anticipates greater trade in poultry, wood products and livestock. Virginia's wineries also hope to crack the Cuban market, Haymore said. The new markets are vital to an industry that remains Virginia's largest, pumping \$55 billion a year into the economy while also preserving open land.

"If we could open a new line of trade with Cuba, that would be good for everybody," said Cameron Gibson, a soybean farmer in Orange County, Va., who sells to the Perdue processing plant in Chesapeake.

President Obama signaled an interest in warmer relations with a modest step on easing travel restrictions for Cuban Americans and allowing U.S. telecommunications firms to invest in Cuba. Cuban President Raul Castro seemed to reciprocate the goodwill when he said that everything was on the table for discussions, including human rights.

Late last month, however, former president Fidel Castro, who still wields enormous influence, accused Obama of misinterpreting his brother's remarks and bristled at calls for a wide-ranging debate or the release of political prisoners, casting doubt on the leadership's intentions for detente.

Some Americans, too, are uneasy about dealing with Cuba's repressive leadership.

"That's always been one of the issues -- whether we should be trading with a regime like the one that currently exists in Cuba," said Dick Atkinson, executive director of the Virginia Soybean Association. "It's something for strong debate."

President John F. Kennedy imposed the comprehensive trade embargo in February 1962 in retaliation for the seizure of U.S. property by Fidel Castro's new government. Thanks to lobbying from farm lobbyists, the Trade Sanctions Reform and Export Enhancement Act of 2000 allowed a narrow trade of food products and medical goods. The first shipment to Cuba contained corn sold by Archer Daniels Midland, the Decatur, Ill.-based agricultural conglomerate. By 2004, the United States had supplanted Europe as the top exporter to Cuba.

In 2005, the Bush administration again tightened restrictions. These required cash payments for U.S. exports to Cuba before the goods left port or financing through letters of credit guaranteed by financial institutions in a third nation, usually in Europe.

Attitudes are shifting. Hernandez said his group changed its position because Fidel Castro has shown signs of exiting his unrivaled position of power and because the standard of living has plummeted in Cuba in recent years. The Cuban American community's support for sanctions against Cuba also has waned.

But John S. Kavulich II, senior policy adviser for the U.S.-Cuba Trade and Economic Council, said state officials and private businesspeople should be wary about rosy predictions of Cuban trade. He argued that a significant reason U.S. exporters have been pleased about the trade is because of the existing financial restrictions that ensure they receive payment for their goods.

"This is still a bankrupt country," Kavulich said.

# **The Miami Herald**

**Miami, Florida**

**3 May 2009**

## **Selling trips to Cuba once was deadly**

**U.S.-CUBA TRAVEL**

**Selling trips to Cuba once was deadly**

Cuba travel agencies appear to have put their troubled past behind -- and business is booming thanks to the new relaxation of travel restrictions to Cuba. But it all began with a murder 30 years ago.

**BY LUISA YANEZ, DOUGLAS HANKS AND LAURA FIGUEROA**

There was a time when advertising Viajes a Cuba on a storefront was an invitation to a pipe bombing.

In the politically charged Miami of the late 1970s and '80s, the FBI investigated more than a dozen blasts at Cuba travel agencies -- considered nests of Communist agents by staunch anti-Castro exiles.

Selling tickets to Havana could even get you killed. That's what happened to Carlos Muñiz Varela, a 26-year-old exile living in Puerto Rico who opened the first Cuba-approved travel agency. Thirty years ago this week, he was gunned down in San Juan. But times have changed, and the travel agencies today worry little about political retribution.

"They want to call me a communist -- thank you very much," said a strident Francisco Aruca, the owner of Marazul Charters. Aruca, also a Miami radio host, is one of the more outspoken of the seven agency owners who book charters to Cuba. They all have permission from Cuba and the U.S. Treasury Department.

The long-standing and sometimes violent clashes between exiles who oppose anyone doing business with the island have disappeared -- welcome news to the agencies, where business has been booming since last month, when President Barack Obama lifted restrictions on Cuban Americans wanting to travel or send money to relatives on the island.

Armando Garcia, president of Marazul Charters, points no further than the windows of his Westchester storefront as indication that the climate for trips to Cuba has changed. More than a decade ago, he had to install bullet-proof glass following a 1996 bombing that nearly gutted the store, which is across the street from The Falls on South Dixie Highway.

It was one of several bombing attempts against the company's three South Florida stores. "People were scared for their lives," Garcia said. "None of the employees wanted to tell relatives where they worked for fear of retribution."

## OUT OF THE SHADOWS

Now customers sit in a row of chairs edged up against the window. Perception of those who travel to Cuba has also changed; it's no longer a dirty little secret.

"A lot of people were scared of telling their neighbors and friends -- they would lie about where they were going on vacation," Garcia said.

Miguel Saavedra, head of Vigilia Mambisa, a group that continues to picket those who do business with Cuba, said the travel agencies feed off Miami's poor exile community. "Cuban exiles are victims of these agencies who prey off people traveling to see relatives by charging them exorbitant amounts of money that goes to the Cuba government," Saavedra said. "These agencies make a pact with the devil."

Bad blood between exiles and the Cuba travel agencies erupted in earnest in 1978 after a group of Miami Cubans, who became known as the Comité de 75, visited the island and negotiated with Fidel Castro for the release of 3,600 Cuban political prisoners.

## NEW DEAL

More significantly, they also negotiated for travel to the island on what were called viajes de la comunidad -- for the first time, trips by exiles to visit Cuba.

The deal created a need for agencies to open for business in Miami, New Jersey and Puerto Rico. Cuba jumped in, creating Havanatur, a government agency charged with overseeing the venture with the U.S. travel agencies. But Aruca said Cuba originally had bigger plans. Cuban officials

thought large American companies would jump in to book passage to the island -- much like they did before the 1958 Cuban revolution.

"They were ignoring the public relations aspect that many of these bigger companies would not want to get in the middle of U.S. and Cuban affairs," Aruca said. "Once Cuba realized that no big travel outfits were signing on to coordinate trips, they realized they should work with the smaller Cuban-American businesses."

The down side: The small agencies became a magnet for anti-Castro anger.

George Kiszynski, a special agent for the FBI in Miami during the late 1970s and '80s, was caught in the middle, assigned with stopping the rash of bombings. The bombings soon spread from the travel and packages-to-Cuba agencies to consulates of countries that did business with Cuba, and to persons believed to support the Cuban government and even the FBI and state attorney's offices in Miami.

"The interesting thing is that there were many bombers, not just one. That made it more difficult," said Kiszynski, now director of investigations for the Ackerman Group. It became so hectic, he created an ad hoc task force with other local law enforcement agents. "We were pretty successful in arresting many of the bombers."

Most of the bombs were set to go off in the early morning. "If one had gone off during the day, it could have killed someone," he said. In Miami, no one was killed.

## SHOOTING DEATH

In Puerto Rico, Muñiz was not as fortunate. With the blessing of Cuba, he had wasted no time scheduling the first flight through Viajes Varadero in December 1978.

Although he was only in his 20s, Muñiz was a dedicated political activist who supported Puerto Rican independence. He was a member of the leftist Antonio Maceo Brigade, said his best friend, Raúl Alzaga Manresa, current owner of the company.

Viajes Varadero made its inaugural flight with about 90 people aboard; Muñiz was among the passengers.

Four months later, he was shot in the head as he drove to his mother's house in San Juan. No arrests have ever been made. "There had been threats, and our office had been bombed, but I guess we were too young to take the danger seriously; it was a mistake," Alzaga said.

The anniversary of Muñiz's death is being marked this week by Cuban government news sites.

"I don't like to use the word martyr, but I guess you can call Muñiz our martyr in the Cuba travel industry. He was the first and the only one directly killed over it," Aruca said.

For those agencies in business with Cuba, there are rules to follow. Initially, the travel companies had to follow conditions set by Havanatur -- among them, all flights had to be purchased with a seven-day stay in one of the state-run hotels.

Eventually agency owners were able to bargain to only require one night's stay in a hotel, and by the 1990s the hotel requirement was lifted.

Aruca said Marazul charged customers the cost of the flight and hotel stay, but barely broke even.

In the 1990s, travel agencies diversified by seeking out organizations, sports teams and schools that wanted to travel to Cuba for humanitarian and educational reasons, Aruca said.

Despite the domestic political controversy, winning permission from Washington for the flights is considered the easy part of the equation, said John Kavulich II, president of the U.S.-Cuba Trade and Economic Council. "From the U.S. side, if you meet the criteria, you cannot be denied. There isn't a quota," Kavulich said.

On the Cuba side, it's another story.

"The Cuban government is going to favor those operators who have stated publicly that they oppose certain U.S. policies" -- like Washington's trade embargo against the island, Kavulich said.

"They'll Google you," he added. "Have you written letters, have you given testimony, have you been in the media opposing what the Cuban government feels are policies doing [Cuba] a disservice?"

# Atlanta Journal-Constitution

Atlanta, Georgia

23 April 2009

Business

## Flights to Cuba on airline's radar

By [Kelly Yamanouchi](#)

AirTran Airways wants to be one of the first airlines to operate scheduled flights into Cuba if restrictions on tourism to the country are eased, chief executive Bob Fornaro says.

"It's a very pretty country, and the curiosity level as well as the ethnic flying back and forth is going to be substantial," Fornaro said Wednesday. AirTran is based in Orlando and has its largest hub in Atlanta.

President Barack Obama earlier this month lifted restrictions on Cuban-Americans' visits to Cuba. If broader travel is also eventually allowed, "We'd like to be one of the first ones for scheduled flights, and certainly that would include Atlanta and probably other points in Florida as well," Fornaro said. "I think a lot of airlines are going to have a lot of interest."

Atlanta-based Delta Air Lines considers it premature to say if it would serve Cuba, "based on the fact that we don't know how any changes would be structured in the future" for tourism, spokesman Kent Landers said.

AirTran has operated charter flights from Miami to Havana with tour operators in past years.

John Kavulich, senior policy advisor of the U.S.-Cuba Trade and Economic Council, warned that the opening of the Cuba market for U.S. tourism "is quite likely to be some time off."



“It isn’t all about U.S. policy toward Cuba, it’s also about Cuba policy toward the United States,” he said.

If restrictions are lifted, being among the first carriers with scheduled flights into Cuba may not be easy.

“There’s a couple of things to consider with Cuba,” Fornaro said. “What’s the quality of facilities and the hotels? How much tourism can it take?”

He added, “a lot of development needs to occur.”

## **Reuters Americas**

### **London, United Kingdom**

**15 April 2009**

- \* Obama move opens door a crack but not all the way**
- \* Port in Cuba seen as boon to US-based cruise lines**
- \* Pent-up demand after 50 years of US embargo**
- \* But where would hordes of tourists eat lunch?**

Cuba on horizon but U.S. travel industry cautious

By Deepa Seetharaman and Kyle Peterson

NEW YORK/CHICAGO (Reuters) - The U.S. leisure industry could reap rich rewards if lawmakers relax Cuban travel bans, but industry experts warn that several hurdles still block a potentially huge payday for cruise companies, hotels and airlines.

Earlier this week, President Barack Obama opened a crack in the decades-old U.S. embargo against Cuba, allowing American telecommunications firms to start providing service for Cubans and lifting restrictions on family ties to the island.

The move marked a major shift from the prior approach to Havana, as Obama ended limits on family travel and money transfers by Cubans in the United States to their homeland and spurred hopes that loosened travel restrictions could be next.

But experts warn there is little clarity on if and when limits on commercial trade will be lifted. Some expressed doubts about Cuba's ability to handle the potential deluge of thousands of U.S. tourists.

"The hype about U.S. tourism in Cuba far exceeds the existing infrastructure," said John Kavulich, senior policy adviser for the U.S.-Cuba Trade and Economic Council.

The travel industry has long eyed Cuba as a desirable destination for American tourists. The country's capital city, Havana, is little more than 200 miles from Miami, the home base of two of the world's largest cruise ship operators: Royal Caribbean and Carnival Corp.

A port in Cuba would be a boon for these companies as they can offer new trips at minimal fuel costs and jump-start demand for more cruises to the Caribbean, a key market.

Americans "have not seen Cuba in 50 years," said Jay Lewis, president of the Miami-based cruise consultancy Passenger & Shipping Institute. "There is a great allure of the unknown."

European cruise operators have offered trips to Cuba for years and Kavulich said 2 million tourists journey to the island nation each year.

In the past decade, both Royal Caribbean and Carnival have bought European companies that have at one point offered routes to Cuba. In 2000, Carnival bought Italian company Costa Cruises, and Royal Caribbean acquired Spanish cruise ship operator Pullmantur in 2006. Both businesses stopped offering Cuban trips when they were bought.

"We have a pretty good idea about the infrastructure there because of the European lines that we acquired previously," said Tim Gallagher, Carnival spokesman.

Cruise lines will likely benefit first, some experts said, because it can take years to build up resort-style hotels on shore. Even so, capacity questions remain.

"If you have a 2,000-passenger cruise vessel at the port of Havana, at some point they're going to want to have lunch," Kavulich said.

"There are three restaurants -- how are you going to feed 2,000 people at one time?"

#### AIRLINES STAND TO BENEFIT

Obama directed the U.S. government to look at sending regularly scheduled commercial flights to Cuba. Air travel between the two countries is now limited to charter flights.

Demand for air travel between the United States and Cuba is unclear, experts said. But they generally agree that airlines with operations in Miami and up the East Coast are best-positioned to win customers.

"There's huge pent-up demand," said Joe Schweiterman, travel expert at DePaul University in Chicago.

"The hubs in the South will be attractive gateways to Cuba," he said. "Miami could support a full-blown shuttle operation."

At Miami International Airport, AMR Corp's American Airlines carries the largest percentage of traffic by far. JetBlue Airways and Spirit Airlines have large operations in Fort Lauderdale, Florida.

"We have been flying some charter flights to Cuba," AMR spokesman Tim Smith said. "For the present, we will continue those charters based on demand for them. (But it's) too early to talk about the future beyond that."

Experts say Delta Air Lines and Continental Airlines with hubs in the New York area, which also has a large Cuban population, stand to benefit as well.

Cuban air travel has increased lately. Data from the International Air Transport Association (IATA) showed a 7.3 percent increase in travel to and from the nation in 2008. Travel between Mexico and Cuba surged 10.9 percent in 2008, while travel between Canada and Cuba fell 20.8 percent.

"We could see a significant increase in traffic with the changes announced this week," IATA spokesman Steven Lott said. "We see significant demand for expanded air service."

"It opens the door a little bit but not all the way," he said. "This is certainly a hint of greater liberalization to come."

# **Sun-Sentinel**

## **Fort Lauderdale, Florida**

### **15 April 2009**

## **South Florida Sun-Sentinel.com**

### **U.S. companies hope that Obama's olive branch to Cuba yields new business**

**A lot depends on how Cuba's communist government reacts to Obama's overtures and how much it opens to Cuban-American visitors and to U.S. travel and telecom companies, business leaders and analysts said.**

By Doreen Hemlock

President Barack Obama's newly unveiled plans to ease U.S. travel and telecom links with Cuba drew widespread attention, but how much that translates into real business remains a question.

A lot depends on how Cuba's communist government reacts to Obama's overtures and how much it opens to Cuban-American visitors and to U.S. travel and telecom companies, business leaders and analysts said.

Companies also want to see the fine print from U.S. agencies on how the new programs will be implemented, since red tape has snarled their Cuba plans before, analysts add.

"Potentially, the news is important for business, but right now, it's abstract," said Jake Colvin, vice president at the National Foreign Trade Council in Washington, D.C., a pro-trade group. "U.S. companies are generally taking a wait-and-see approach."

Changes to rules for U.S. residents visiting family in Cuba illustrate the potential for business and the challenges.

While Obama's plan lets Cuban-Americans visit the island whenever they want and stay as long as they want, many still need to obtain Cuban visas to enter, a process that can take months or longer.

Also, flights to the island are limited, either to direct charters approved from several U.S. cities or commercial flights from other nations. American Airlines and other carriers can't start

scheduled U.S-Cuba service without bilateral aviation agreements with the Cuban government -- a move not yet authorized, executives said.

"It is premature to comment on any future service opportunities to Cuba, given that there appear to be no changes to scheduled service rights at this time," Delta Air Lines said in a statement.

If Cuba eases visa approvals and if air service to Cuba increases, Tico Travel of Fort Lauderdale figures it can "easily" expand its authorized U.S. business with Cuba from less than 3,000 clients a year to more than 30,000 yearly. But that requires lots of conditions be met, far beyond White House approval, said co-owner Rob Hodel. "Just because you can do it, doesn't mean you can do it," Hodel said.

New telecom rules also may prove tough for U.S. business, requiring approvals from Cuban telecom authorities and agreements with Cuban telecom agencies, analysts said.

Cuba now restricts satellite TV and Internet services, so many hookups at homes are illegal and signals pirated. The country lags in cell-phone use, partly because of high charges, often more than 60 cents a minute for local calls.

Cuban authorities may want to expand some services with U.S. telecom companies to generate cash, but they also will also want to keep political control, limiting others and complicating business, said Enrique Lopez, head of AKL Group in Coral Gables.

In addition, many services may be out of the financial reach of Cubans, who earn salaries averaging less than \$20 a month.

"Even if Cuban families could pay \$30 a month for satellite TV, how would the government control what they have access to?" Lopez asked.

So many questions have U.S. telecom companies cautious about Obama's plan, which still leaves the 47-year-old U.S. embargo against Cuba in place.

"We will look at any change in U.S. policy very closely, and should a new market opportunity arise in Cuba, carefully consider our options," DirecTV said in a statement.

John Kavulich, an adviser with the U.S-Cuba Trade and Economic Council in New York, said Cuba doesn't need U.S. business to survive.

The Caribbean nation of 11.5 million people already does business with many other countries and receives financial help from Venezuela, China and other allies. When Washington connects travel, telecom and other business links to promoting "change" on the island or bypassing the Cuban government, Havana becomes circumspect, often wary of approvals for U.S. business, he said.

"Any change in U.S. policy toward Cuba," Kavulich said, "always results in far more questions than people want to admit."

**The News-Press**  
**Fort Myers, Florida**

14 April 2009

**SW Fla. Cuban residents say they're ready to go**

## **Obama removes restrictions on families**

*By Chris Umpierre*

Fort Myers resident Juan Castillo, who has 19 relatives living in Santiago, Cuba, had trouble containing his excitement Monday after learning that President Barack Obama lifted travel and gift restrictions for Cuban Americans.

"About time," Castillo, 49, said about being able to make unlimited trips and money transfers to his family in Cuba. "This is long, long overdue."

Castillo, who hasn't visited his Cuban relatives in three years largely because of tighter U.S. travel restrictions installed by former President George W. Bush, said that he plans on visiting the Communist island soon.

Travelers going to Cuba should pack loads of cash. That's just one tip the U.S. -Cuba Trade and Economic Council, a New York-based group that tracks the Cuban economy, told The News-Press on Monday.

U.S. credit cards and debit cards won't work on the Communist island. U.S. traveler's checks won't work, either, said John Kavulich, a senior policy adviser to the U.S.-Cuba Trade and Economic Council.

"For U.S. nationals visiting Cuba, Cuba has become far more expensive than you think," said Kavulich, who has been tracking the Cuban economy since 1994. "You either have to change dollars into euros before you leave (the U.S.) or you change the dollars in Cuba and pay a double exchange rate."

In addition to having a low exchange rate, the Cuban government imposes a 10 percent surcharge to exchange dollars. Most people use Canadian dollars or euros in Cuba, Kavulich said.

Kavulich said travelers going to Cuba should bring double of what they're budgeting.

"More than likely they'll leave money with relatives or buy them something and it's going to take a lot of cash to do that," Kavulich said. "There are legions of stories of U.S. nationals going to Cuba, spending all their money, getting to the airport and barely having enough money to pay the airline departure tax."

Kavulich said Cuban hotels are expensive and don't have the amenities most Americans would expect.

"A Cuban five-star hotel is a two- or three-star hotel in the U.S. because Cuba is generous with its rating system," he said.

"I have an aunt over there that's not doing well right now. She's sick so it's very good to know that I can go see my aunt whenever I want," Castillo said.

Castillo is one of about 27,000 people of Cuban descent who live in Lee and Collier counties, according to the latest figures from the U.S. Census Bureau.

Cuban Americans residing in Southwest Florida remained divided on the controversial subject.

Some older Cubans such as Naples resident Felix Roque, 60, disagree with the move because it will lead to more Americans spending money in Cuba, which will eventually land in Communist pockets.

The island nation has been ruled by Communists for 50 years. Obama is keeping the decades-old U.S. trade embargo - for now, at least.

"I want them to make stricter and tighter (travel) restrictions to see if the regime falls," said Roque, 60, who was a political prisoner under former Cuban dictator Fidel Castro's regime before immigrating to the U.S. in 1990.

Cape Coral resident Mirardo Corrales, 39, was also a political prisoner in Cuba before he left the nation on a raft in 1993. His 12-person raft took four days to reach Key West.

"What Obama did is good if it can stop the suffering of people in Cuba," Corrales said. "That's all I care about because so many people are suffering in Cuba. I go to the supermarkets here and I cry because I see all this food and say, 'Why can't my people have this?'"

Corrales doesn't have any relatives remaining in Cuba so he won't be sending money or traveling there. But other local Cuban-Americans are considering making the trek to the island nation for the first time.

"Yeah, I would think about going to Cuba now," said Charlie Flores, vice president of membership for the Southwest Florida Hispanic Chamber of Commerce. Flores was born in the U.S. but his parents grew up in Cuba.

"But the structure of the Cuban hotels is just not there right now," Flores said. "It's got a long way to go. And I still don't think the political stability of the country is there to make it a totally safe place."

Still, Fort Myers travel agencies applauded Obama's decision. They see the change as a potential boon to business.

"We have a lot of Cuban Americans in the area and I'm sure they would be interested in going, but most people would fly out of Miami because it's cheaper to fly to the Caribbean from there," said Fred Greene, a travel consultant at Geraci Travel in Fort Myers.

Castillo said he will likely hop on a plane from Miami to Cuba sometime during the next three months.

"Lifting travel restrictions is a very good thing because the embargo did nothing for nobody," Castillo said. "It's time the political differences get put on the side. I think the increased revenue would only bolster the Cuban economy."

## Additional Facts

### CUBAN TRAVEL TIPS

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— Chris Umpierre

14 April 2009

## Going to Cuba? Take plenty of cash

BY MARTHA BRANNIGAN

Travelers heading to Cuba will need cash -- and a good bit of it.

Visitors suffer sticker shock at the island's lofty prices almost as fast as they notice Havana's colonial architecture.

Most of the basic needs of travelers -- hotels, rental cars and restaurants -- are expensive compared to other Latin American countries. However, there are alternatives for traveling on the cheap, such as *casas particulares*, private homes whose owners have received permission from the government to rent rooms to visitors.

Cuba is just across the Florida Straits, but it's a world away: U.S. credit cards and debit cards won't work on the Communist island; neither will U.S. travelers' checks, so take plenty of cash.

Cuba has two currencies: the Cuban peso, known as *moneda nacional*, which Cubans typically get as salaries and use in routine purchases, and the Cuban convertible peso, which is called the *CUC* (pronounced kook), and which Cubans on the island informally call *chavitos*.

A Cuban convertible peso is worth 24 Cuban pesos, though most travelers have little use for the latter.

Cuba officially sets the value of the *CUC* at \$1.08, but the currency exchanges typically charge a rate of \$1.12 for one *CUC*.

On top of that, the Cuban government imposes a 10 percent surcharge to exchange dollars, which in effect makes one dollar worth 0.804 *CUCs* at the currency exchanges or *cambios*. Conversely, it costs about \$1.24 to get a *CUC* after all is said and done.

The surcharge means travelers are better off switching dollars for euros, Canadian dollars or Swiss francs before leaving the United States. Those currencies don't get hit with the extra 10 percent fee.

"If you take dollars down, they get you in essence twice," says John S. Kavulich, senior policy advisor to the U.S.-Cuba Trade and Economic Council, a New York-based group that tracks the Cuban economy. "Most people use Canadian dollars or euros."

CADECA, the government-run currency exchange, has locations throughout Cuban cities and towns for converting foreign money to pesos. Hotels and other tourist haunts will also change money, but they give even worse exchange rates.

For a decade, from 1994 to 2004, the U.S. dollar circulated on the island as an uber currency that could be used in so-called dollar shops that sold consumer goods such as electronics, clothes, toys and food items not available elsewhere.

But in 2004, the Cuban government banned the use of U.S. dollars for most transactions in response to a Bush administration move tightening remittances to Cuba.

That was when the Cuban government, as part of a "de-dollarization," instituted the 10-percent surcharge on converting U.S. dollars to Cuban convertible pesos.

Most people visit Cuba because of family ties, curiosity, business or cut-rate prices at seaside resorts, so the island isn't trying very hard to compete with other spots in the Caribbean.

"Business travelers are the proverbial bread and butter of revenue streams," says Kavulich. "I tell people if you think you're going to spend \$200 a day, take \$400, because it's expensive, and generally you're going to want to do something for someone."

## **CBC News**

### **Toronto, Canada**

**10 April 2009**

### **U.S. tourists could flood Cuba if law changes**

The Associated Press

A push in Congress to do away with U.S. travel bans on Cuba could set off a flood of American visitors to the long-forbidden island.

But many wonder if a communist country where foreigners have long complained about lousy food, sluggish service and iffy infrastructure is ready for an onslaught of Americans unseen since the days of gangster Meyer Lansky.

Cuba has about as many hotel rooms as Detroit and most are already full of Canadians and Europeans. Experts say droves of Americans could drive up prices, unleash calls for more flights and cruises than Cuba can handle and force the government to tighten visa restrictions to regulate the stampede.

The U.S. travel ban and trade embargo survive 50 years after the revolution led by Fidel Castro overthrew an oppressive, gambling-oriented government and nationalized many U.S. businesses.

"There is great pent-up demand," said Bob Whitley, president of the United States Tour Operators Association, which opposes the travel ban. "It will have to be controlled by officials in Cuba, but also by U.S. tour operators to make sure the infrastructure is up to it."

Bills in the U.S. House of Representatives and the Senate would effectively allow all Americans to visit. Trips for U.S. citizens with relatives in Cuba already got easier last month: Cuban-Americans can now come annually instead of every three years.

Cuba began encouraging international tourism after the fall of the Soviet Union, and its top feeder countries are Canada, Britain, Italy, Spain and France. Foreign tourist visits jumped 9.3 per cent last year to a record 2.35 million, generating \$2.7 billion US, or 11 per cent more than 2007, the government says.

Despite the global economic downturn, international visitor rates have increased 4.5 per cent through February, compared with the first two months of 2008.



An influx of Americans could create a lodging crunch. The communist state has partnered with foreign companies such as Spanish chain Sol Melia to offer about 46,000 hotel rooms across an island about the size of Pennsylvania.

Some 17,300 of those rooms are concentrated in the beach resort of Varadero, 140 kilometres east of Havana.

Cuba plans to build 30 new hotels across the country to tap into the market for boutique accommodations. Some of those have been completed, but many aging properties have been shut down for remodelling, leaving the total number of rooms flat since 2006.

According to Smith Travel Research, the 349 hotels in Miami and Hialeah, Fla., alone have about as many rooms as all of Cuba. The city of Detroit, with 42,000-plus hotel rooms, is not far behind.

Not up to U.S. standards

Even at top Cuban resorts, it is often hard to get amenities as basic as an extra roll of toilet paper. Comforts including apples, french fries and bottled beer are sometimes scarce — as are perks like in-room coffee-makers or wireless Internet access.

And, as in Eastern Europe in the 1970s, international tourists complain about sub-par food and service.

"You have maybe five hotels [in Havana] that you could consider decent enough for Americans and their standards, but if they are already running at 60 to 70 per cent occupancy during high season, where are all these new people going to stay?" asked John Kavulich, senior policy adviser for the U.S.-Cuba Trade and Economic Council in New York.

Many travellers bypass hotels for rented rooms in Cuban homes. But the government does not allow those offering home-stays to rent more than two rooms, and few are hopeful those rules will be eased, no matter what happens to the U.S. travel ban.

"More demand won't mean anything unless the government changes things," said Concha Perez, who offers rooms in her home in Havana's Plaza de la Revolution district.

U.S. travel to Cuba is not illegal, but spending money in the country is — except with special authorization like that for journalists and some businesses. In 2007, the latest figures available, about 40,500 Americans visited the island, most presumably on the sly.

Tracking U.S. family visits is difficult since authorities count Cuban-Americans as Cubans.

Just how many U.S. travellers would come if Cuba weren't off-limits is a guess. The American Society of Travel Agents estimated in 2007 that nearly 1.8 million Americans could visit in the first three years after travel rules were loosened.

Cuba has only 2 golf courses

To control the flow, the government might tighten rules on visas. Currently, tourist cards can be purchased at airports outside the U.S. or through travel agents.

"The Cuban government may go, 'Just because you say your people can come doesn't mean we have to let everyone in,'" Kavulich said. "People forget the United States is not the only one with a say."

Cuba has long welcomed U.S. tourists with few questions asked and officials say they have taken no special precautions to prepare for more Americans. Deputy Tourism Minister Maria Elena Lopez said Cuba understands that aspects of its tourism industry need to improve.

She singled out beach hotels overdue for renovations and a lack of golf courses: a nine-hole course in Havana and Varadero's 18-hole club are the only ones on the island.

But instead of the beach or the links, many U.S. tourists will hit Havana for its classic, if crumbling, architecture and streets choked with 1950s American behemoth automobiles.

Americans "are all going to want to go to El Floridita and La Bodeguita del Medio at the same time and there won't be space," Kavulich said, referring to two ever-crowded watering holes made famous by writer Ernest Hemingway.

Whitley said the first wave of Americans could arrive by cruise ship and visit Havana only for a few hours, thus alleviating strains on hotels, restaurants and already hard-to-find taxis and rental cars.

"There's going to be such a desire to see the country that people won't care if they are in a five-star hotel," he said.

Whitley said U.S. airlines and charter companies could restore commercial service to Cuba in six months if the travel ban is lifted. Other industry watchers say U.S. carriers could shift flights to different airports around the island to ensure Havana isn't overwhelmed, at least until extra tourism generates enough revenue to improve infrastructure.

Added demand for limited tourist accommodations could drive up prices that already have been high since 2004, when the Cuban government banned the U.S. dollar in official transactions and imposed a 20 per cent tax on exchanging it.

But Elliot Feldman, head of the international trade practice at Baker Hostetler LLP in Washington, said Cuba's command economy may cap prices and supply to create buzz.

"They'd rather just have everything fully booked and make people wait a year or two to get a room than raise prices and hurt interest," said Feldman, who has travelled to Cuba and litigates international trade disputes. "Having to wait to go only adds to the mystique."

# **El Nuevo Herald**

**Miami, Florida**

**28 March 2009**

## **Presentan legislación para facilitar las ventas agrícolas a Cuba**

**WILFREDO CANCIO ISLA**

Un proyecto legislativo que busca eliminar los obstáculos existentes para la venta de productos agrícolas y permitir las transacciones financieras directas con Cuba se sumó a la creciente ola de iniciativas contra el embargo que avanza en el Congreso.

La propuesta titulada Ley para Facilitar la Exportación Agrícola fue presentada el jueves en la Cámara de Representantes por el legislador republicano Jerry Moran (Kansas), y cuenta con el apoyo bipartidista de una veintena de congresistas.

La legislación suspendería la regulación que obliga al gobierno cubano a realizar pagos en efectivo y por adelantado a los exportadores estadounidenses, permitiendo que la operación financiera se complete una vez que los productos arriben a la isla.

"Con las dificultades que impone a nuestros productores la actual situación económica, este es el momento oportuno para impulsar a Estados Unidos a hacer cambios en su política comercial hacia Cuba", dijo Moran. "Cuba es un importante mercado para la producción agrícola estadounidense, así como para los productos manufacturados y los distribuidores de alimentos".

Además, la iniciativa liberalizaría el otorgamiento de licencias para que los empresarios estadounidenses puedan viajar a Cuba sin los controles impuestos por el Departamento del Tesoro, a la vez que haría más flexible la concesión de visados para que funcionarios e inspectores cubanos puedan venir a Estados Unidos en ocasión de eventos comerciales o para la supervisión de cargamentos.

Una cláusula esencial de la propuesta está en permitir transacciones directas entre instituciones financieras de Estados Unidos y Cuba, con el fin de reducir las demoras en el pago a los exportadores.

La legislación podría ir a votación en la Cámara a fines de abril.

De todos los componentes de la propuesta de Moran, el punto más controversial es el de las transacciones bancarias directas, según opina John S. Kavulich, principal analista del Consejo Económico y Comercial EEUU-Cuba.

"Es importante observar que aunque las transferencias bancarias directas sean autorizadas, eso no significaría que los bancos de Estados Unidos harán uso de esa provisión, pues el establecimiento de semejante vínculo financiero requeriría que tanto el gobierno como los bancos estadounidenses certificaran que el gobierno cubano opera sus instituciones financieras de acuerdo con los parámetros de transparencia requeridos por las leyes de este país", consideró Kavulich.

La batalla entre partidarios y opositores del embargo está cobrando una intensidad sin precedentes en el Congreso. A la propuesta sobre ventas agrícolas en la Cámara seguirá la semana entrante un proyecto legislativo en el Senado para suprimir las barreras vigentes desde 1962 a los viajes turísticos de ciudadanos estadounidenses a la isla.

La legislación para liberar totalmente las restricciones de viajes a Cuba será presentada el próximo martes por los senadores Byron Dorgan (demócrata por Dakota del Norte) y Michael Enzi (republicano por Wyoming), y es equivalente a un proyecto que promueve en la Cámara el representante demócrata William Delahunt (Massachusetts), también con apoyo bipartidista.

Mientras, la maniobra legislativa de Moran constituye una respuesta a la postura adoptada por el Secretario del Tesoro, Timothy Geithner, a raíz de la aprobación de la ley presupuestaria con enmiendas favorables a los viajes familiares y al comercio con Cuba.

Geithner envió una carta a los senadores demócratas Bill Nelson (Florida) y Bob Menéndez (Nueva Jersey) asegurándoles que las cláusulas relacionadas con Cuba no marcarían ningún cambio significativo en la política de Washington hacia el régimen castrista.

En una guía posterior para la implementación de las nuevas medidas sobre las visitas familiares y las operaciones comerciales con Cuba, la Oficina de Control de Bienes Extranjeros (OFAC) enfatizó que los pagos a las exportaciones agrícolas estadounidenses debían ser "en efectivo y por adelantado" o financiadas mediante bancos de un tercer país.

La obligatoriedad del pago por adelantado --antes de que los cargamentos salgan de los puertos estadounidenses-- fue decretada por la OFAC en el 2005, como parte del recrudecimiento de las sanciones contra el régimen cubano por la administración de George W. Bush.

Las aclaraciones de la OFAC enfurecieron a numerosos congresistas partidarios de suavizar el embargo, quienes consideraron que Geithner había empleado "estrategias mañosas" para desbloquear el debate acerca de Cuba y pavimentar la aprobación del presupuesto en el Senado sin contratiempos adicionales.

Las reacciones no se hicieron esperar. Un grupo de influyentes senadores encabezados por el presidente de la Comisión de Finanzas, Max Baucus, demócrata por Montana, envió la pasada semana una carta al Departamento del Tesoro exigiéndole a Geithner que aplique las medidas aprobadas por el Congreso y facilite las operaciones comerciales con la isla.

Moran, un veterano integrante del Comité Agrícola de la Cámara, estuvo entre los legisladores que se sintieron defraudados con la actitud de Geithner y emplazaron de inmediato al Departamento del Tesoro.

"Yo esperaba que esta administración abandonara las políticas fallidas de administraciones anteriores respecto al comercio con Cuba", expresó Moran. "Me queda claro que para que se logre un cambio de política, el Congreso tiene que pronunciarse directamente sobre el asunto".

Moran suscribió este mes una carta de los legisladores del Grupo de Trabajo sobre Cuba, quienes solicitaron a Geithner una reunión urgente para discutir las regulaciones del comercio con la isla.

Durante el pasado año, la estatal cubana Alimport compró \$710 millones de productos alimenticios a las empresas estadounidenses, la cifra más alta desde que el Congreso autorizó las ventas agrícolas por razones humanitarias en el 2000.

Mientras, ocho congresistas del sur de la Florida y Nueva Jersey enviaron esta semana una carta al presidente Barack Obama solicitándole que no haga concesiones unilaterales en la política hacia Cuba.

La misiva, firmada por el llamado Comité Parlamentario Pro Democracia en Cuba, respalda las restricciones de licencia para los viajes de empresarios agrícolas a la isla, y enfatiza en la necesidad de mantener el requisito de "pago en efectivo" previo a los envíos de cargamentos desde puertos estadounidenses.

## **Reuters Americas**

### **London, United Kingdom**

**25 February 2009**

### **Marcas EEUU esperan pacientemente su desembarco en Cuba**

Por Esteban Israel

LA HABANA (Reuters) - La apertura de un McDonald's en Cuba parece remota incluso con Barack Obama en la Casa Blanca.

Pero los Big Mac y otros 5.000 productos estadounidenses están registrados en Cuba, esperando pacientemente el día de su desembarco en uno de los últimos países socialistas del planeta.

La lista incluye otros símbolos del capitalismo como Nike, Visa o Starbucks. La Oficina Cubana de Propiedad Intelectual registró en diciembre pasado nuevos productos de Coca-Cola, Google y Ford Motor.

"Desde la elección del presidente Obama hubo un marcado aumento en el interés de las grandes compañías estadounidenses en el comercio y clima de inversiones en Cuba", dijo Jake Colvin, vicepresidente del National Foreign Trade Council, un grupo con sede en Washington cuyos miembros incluyen a Boeing, Caterpillar y Microsoft.

Obama es el primer presidente de Estados Unidos en medio siglo dispuesto a hablar con el Gobierno comunista de Cuba.

Y el registro de marcas extranjeras en Cuba es sensible al clima político en el Estrecho de Florida.

Según cifras cubanas, las solicitudes cayeron un 36 por ciento al radicalizarse el conflicto durante el Gobierno del presidente George W. Bush.

Aunque hoy la crisis financiera está frenando el ritmo de solicitudes, expertos en propiedad intelectual en La Habana y Miami creen que las empresas estadounidenses que registraron productos en Cuba renovarían sus licencias.

El objetivo es un mercado virgen de 11 millones de habitantes a sólo 145 kilómetros de sus costas.

Por registrar sus productos en Cuba pagan entre 1.000 y 1.500 dólares, incluyendo gastos de representación.

La mayoría de esos productos registrados no está a la venta en la isla. El mayor obstáculo es el embargo estadounidense, que limita las ventas a Cuba a unos 710 millones de dólares anuales en alimentos.

Cuba es una de las últimas sociedades libres de publicidad. La Coca-Cola importada de México, por ejemplo, se vende aunque los únicos anuncios sean oxidados carteles de chapa de la década de 1950 colgados en casas de coleccionistas.

## MANTENER STATU QUO

Una de las razones para mantener actualizados los registros en la isla es la piratería, dice el abogado Jesus Sanchelima, cuyo bufete en Miami inscribió numerosas de marcas en Cuba.

"Continuamos registrando y renovando registros. Nadie quiere crear otro Taiwán a 90 millas de Estados Unidos (...) Pero el terreno es muy inestable y se trata principalmente de mantener el 'statu quo'", explicó.

John Kavulich, del U.S.-Cuba Trade and Economic Council, una organización que sigue de cerca el comercio entre ambos países, dice que los empresarios no ven señales de apertura de la economía cubana, controlada en un 90 por ciento por el Estado.

"Los gerentes de las grandes empresas estadounidenses no tienen expectativas de un inminente regreso a Cuba (...) No hay razones para hacer nada más que lo legalmente posible por mantener las marcas protegidas", comentó.

El National Foreign Trade Council suele poner el ejemplo de Sudáfrica, donde tras el fin del apartheid algunas empresas estadounidenses como Burger King descubrieron que sus marcas habían sido usurpadas. Recuperarlas costó mucho tiempo y dinero.

"Proteger marcas en ausencia de comercio es importante para asegurar que una compañía como Starbucks podrá establecer un negocio y mantener el control de su reputación en Cuba en el futuro", dijo Colvin.

Muchas de las marcas estadounidenses corrieron a registrarse en Cuba en la década de 1990, cuando el Estado aflojó un poco las riendas de la economía en respuesta a una crisis que muchos creían que no sobreviviría.

## RUINAS DEL CAPITALISMO

Los memoriosos aseguran que antes de la revolución de 1959, Chevrolet lanzaba sus nuevos modelos simultáneamente en Detroit y La Habana, la primera ciudad de América Latina en ver la televisión a color o tener un refrigerador de dos puertas.

Tras la llegada de Fidel Castro al poder, el hotel Havana Hilton fue estatizado y bautizado Habana Libre. Woolworth, General Motors y RCA cerraron para transformarse en ruinas del pasado capitalista.

Otras fueron reconvertidas. Una tienda por departamentos de SEARS, que fue la primera fuera de Estados Unidos, es hoy el Palacio de Computación de la Unión de Jóvenes Comunistas.

Pero Cuba ha respetado las marcas de Estados Unidos, incluso revocando y devolviendo a sus legítimos dueños algunas que habían sido usurpadas.

La mayor disputa sobre derechos de propiedad ha tenido como protagonista a Bacardi, un fabricante de ron que dejó Cuba tras la revolución y décadas más tarde reclamó Havana Club, el ron más famoso de la isla.

La batalla legal, y política, entre Bacardi y el Gobierno cubano y su socio, el gigante francés de los licores Pernod Ricard, está aún irresuelta.

Las autoridades cubanas acusan sin embargo a Estados Unidos de violar sus derechos de propiedad al permitir que Bacardi comercialice desde el 2006 su versión del ron Havana Club.

La pelea llegó hasta la Organización Mundial de Comercio y más de una década después continúa sin resolverse.

Fidel Castro amenazó con vengarse fabricando una versión cubana de Coca-Cola, pero nunca lo hizo.

Jorge Espinosa, un abogado especializado en propiedad intelectual en Miami, cree que el interés crecería si, por ejemplo, Obama libera los viajes a Cuba y los empresarios estadounidenses pudieran valorar personalmente el potencial de negocios en la isla.

"Pero no creo que veamos la apertura de un McDonald's en Cuba por varios años. Con o sin Obama", dijo.

# **Reuters Americas**

## **London, United Kingdom**

### **25 February 2009**

By Esteban Israel

HAVANA, Feb 25 (Reuters) - The opening of a McDonald's in Communist Cuba seems unlikely any time soon, even with U.S. President Barack Obama in the White House and the prospect of better U.S.-Cuba relations on the horizon.

But the fast food giant is one of many U.S. companies that have an estimated 5,000 products trademarked in Cuba, waiting for the day they might finally land on the island separated from the United States by the Florida Straits and a vast ideological gulf.

The list includes ubiquitous symbols of capitalism such as Nike, Visa, and Starbucks and some that might surprise, including former basketball stars Magic Johnson and Patrick Ewing and the caped crime-fighter Batman.

As recently as December the Cuban Office of Intellectual Property registered trademarks for new products for Coca-Cola, Google and Ford Motor Co.

Many U.S. trademarks date back to before the Jan. 1, 1959 revolution that put Fidel Castro in power and transformed the island from a capitalist U.S. ally into a communist foe.

Their names -- among them Aunt Jemima, Timex, Quaker Oats, M&M's, Polaroid, Kodak, General Motors, Texaco -- invoke a time when Cuba was a consumer society with an affinity for U.S. goods, most of them unavailable since the U.S. imposed a trade embargo against the island in 1962.

The biggest wave of registrations came in the early 1990s when the Soviet Union, which subsidized Cuba's economy to the tune of \$4 billion a year, collapsed and Castro's communist system seemed in trouble.

Cuban communism survived and since then the registration of U.S. trademarks has ebbed and flowed with the state of U.S.-Cuba relations, rising when they improved and falling when they worsened.

#### TENSIONS DURING BUSH ERA

The number of applications fell by 36 percent during the George W. Bush administration. His hard-line policies toward Cuba increased tensions between the two countries.

The advent of Obama is expected to bring a fresh look at Cuba from U.S. companies interested in opening new markets.

He is the first U.S. president in half a century who has said he is willing to talk with Cuba's leaders, and he has promised to ease the trade embargo.

There has been a "marked increase in interest among major U.S. companies in the trade and investment climate in Cuba since the election of President Obama," said Jake Colvin, Vice President for Global Trade Issues at the National Foreign Trade Council, which promotes rule-based trade.

If history is a guide, that interest will translate into another wave of new U.S. registrations in Cuba, but not until the global financial crisis has passed, industrial property experts in both countries said.

To a certain extent, U.S. companies which seek a Cuban trademark are betting on the future. Even with Obama in office, they do not expect the Cuban market, that has been mostly off-limits for 47 years, to open up overnight.

"There is no expectation by senior management of large United States corporations that a return to Cuba is imminent," said John Kavulich, senior policy advisor for the U.S.-Cuba Trade and Economic Council, which monitors trade between the two countries.

But companies that already have trademarks are expected to keep renewing them every 10 years as required, both to keep their foot in the door and to protect against piracy.

Registering a trademark cost only about \$1,500.

"They have to protect their rights. They don't want to create another Taiwan 90 miles (144 km) from the United States -- you don't want people manufacturing (fake) Nike shoes there," said Jesus Sanchelima, a Cuban-American lawyer in Miami who has registered numerous trademarks on the island.

## BURGER KING AND BACARDI

The National Foreign Trade Council often cites the example of South Africa, where after the end of apartheid rule some U.S. companies such as Burger King found their trademarks had been registered by someone else. Regaining control over the brands took a lot of time and money.

"Protecting trademarks in the absence of trade is important to ensure that a company like Starbucks will be able to establish a business and maintain control of its reputation in Cuba in the future," Colvin said.

Experts say the Cuban authorities have honored trademarks. When they found that some brands had been registered by people with no legal claims to them, they awarded the rights to the legitimate owners.

The biggest trademark dispute involved Bacardi, the rum maker which fled Cuba after the revolution and then years later laid claim to Cuba's best-known rum brand, Havana Club.

The claim touched off a politically-charged legal battle between Bacardi and the Cuban government and its joint venture partner, French liquor giant Pernod Ricard, that is not yet fully resolved.

In response to this controversy, an angry Fidel Castro, before illness forced him from office a year ago, vowed to start producing Coca-Cola in Cuba to retaliate against what he viewed as U.S. maliciousness.

So far, with Fidel's brother Raul Castro now Cuba's president, that vow remains only a threat.

# Diario Publico

Madrid, Spain

14 February 2009

**Estados Unidos ya es el quinto socio comercial de la isla**

**La exportación de alimentos de EEUU hacia Cuba creció un 61% en 2008**



Una cosechadora, en Bearly, Sant Louis. - jupiter images L.B. - 14/02/2009 23:10



El valor de las importaciones cubanas de alimentos desde Estados Unidos aumentó un 61% en 2008, hasta alcanzar un récord de 710 millones de dólares. A pesar del bloqueo, la economía estadounidense ya influye en la isla. Hasta el punto de que es el quinto socio comercial de Cuba.

La enmienda del embargo aprobada por Bill Clinton en el año 2000 que consiente a Cuba comprar alimentos siempre que sea en efectivo ha permitido al país importar más de 2.700 millones de dólares en comida de EEUU desde entonces. Y la cifra no deja de aumentar.

Los intereses económicos son, sin duda, uno de los principales motivos de presión para el derribo del bloqueo. La toma de posesión en enero del presidente Obama avivó las demandas para que Washington elimine su embargo comercial de casi medio siglo contra Cuba, un mercado natural a escasos kilómetros de sus costas.

Las ventas de alimentos situaron a la isla en el puesto 29 de los mercados de las exportaciones agrícolas estadounidenses en 2008. El país de Obama, por su parte, fue el quinto socio comercial de Cuba en el 2007.

Wayne Smith, un ex diplomático norteamericano en La Habana, afirmó recientemente que el embargo "no funcionó durante casi 50 años; es estúpido, contraproducente y tiene un gran rechazo en el ámbito internacional".

Un "golpe de bolígrafo"

Smith puntualizó que "las ventas se podrían triplicar si se cambia el sistema de pagos". Y estas limitaciones se eliminarían "con un solo golpe de bolígrafo del presidente". Los proveedores estadounidenses y los clientes cubanos piensan que esta supresión "debe hacerse lo antes posible".

"Si Cuba continúa aumentando sus compras de alimentos y productos agrícolas en el 2009 y la economía de EEUU continúa teniendo problemas, Obama será objeto de presiones para ofrecer mayores oportunidades a los exportadores", afirma John Kavulich, asesor del Consejo Económico y Comercial Cuba-EEUU.

Por otro lado, las perforaciones de empresas internacionales en aguas profundas de Cuba comienzan este año. El Departamento del Tesoro ha sancionado por violación del embargo a firmas como PSL Energy Services y Dresser-Rand Group por facilitar información de explotación petrolera. Pero todo podría cambiar con Obama.

## **Virgilio Notizie**

**Rome, Italy**

**13 February 2009**

### **Cuba/ A livello record nel 2008 le importazioni di cibo dagli Usa**

Importati soprattutto mais, frumento, pollo congelato

Roma, 13 feb. (Apcom) - Le importazioni di generi alimentari dagli Stati Uniti verso Cuba hanno raggiunto nel 2008 il valore di 710 milioni di dollari, una cifra senza precedenti, da quando il Congresso americano autorizzò nel 2000 le transazioni commerciali di prodotti agricoli, cibo e medicine con l'isola dopo i danni arrecati dall'uragano Michelle. Secondo un resoconto del Consiglio economico e commerciale Usa-Cuba (US-Cuba Trade and Economic Council-Ustec), riferisce l'agenzia Misna, il denaro investito dal governo dell'Avana è pari al 61% in più di quello

speso nel 2007, quando l'azienda statale Alimport stabilì un record di acquisti dalle aziende statunitensi pari a 437,5 milioni di dollari.

Sebbene l'aumento del valore delle importazioni sia attribuito anche a quello dei prezzi dei generi alimentari sui mercati internazionali, le cifre dell'Ustec confermano anche un picco del volume di acquisti dovuto ai gravi danni subiti da Cuba dopo il passaggio, la scorsa estate, di quattro uragani che hanno distrutto buona parte dei raccolti e danneggiato le riserve alimentari.

I principali prodotti americani importati sono mais (il 27% del totale), frumento, pollo congelato, soia, aceto di soia e dolci di soia. A dispetto dell'embargo in vigore dal 1962, gli Stati Uniti continuano di fatto a essere i primi fornitori di cibo per Cuba, un commercio che molti avrebbero interesse a espandere, primo tra tutti lo stato del Texas: il commissario all'Agricoltura texano, Todd Staples, ha guidato nel dicembre scorso una folta delegazione di imprenditori in una visita a Cuba, diventando il primo funzionario statale americano eletto a recarsi sull'isola negli ultimi 45 anni. A gennaio, Staples ha scritto una lettera al nuovo inquilino della Casa Bianca, Barack Obama, invitandolo "a ristabilire forti rapporti diplomatici e a consentire accordi per commerciare liberamente con i nostri vicini cubani".

## **Reuters Americas**

### **London, United Kingdom**

**11 February 2009**

### **U.S. Food Sales To Cuba Soar 61 Percent In 2008**

By Marc Frank

HAVANA (Reuters) - The value of U.S. agricultural sales to Cuba soared 61 percent in 2008 to \$710 million, a record amount since American producers began exporting to Cuba under a 2001 amendment to the U.S. trade embargo against the communist-run island, a U.S. trade council said on Wednesday.

The booming sales, up from \$437.5 million in 2007, made Cuba the United States' 29th largest agricultural export market.

It was the 37th largest market in 2007, said the U.S.-Cuba Trade and Economic Council, which monitors trade with Cuba.

The group said in a statement that the increased sales were due mainly to higher food prices, with increased volume in some products. U.S. policy requires that the goods be purchased in cash.

Cuba has said it imported more food in 2008 due to crop damage from three hurricanes that battered the island last year and paid more for what it bought due to rising fuel and commodity prices worldwide.

Its primary U.S. purchases included corn, wheat, chicken and soybean products, the council said.

The United States was Cuba's 5th largest trading partner in 2007, the last year for which Cuban data are available.

Congressional lobbyists working to further open trade with Cuba point to the food sales as an indicator of broader potential at a time when the U.S. economy is struggling.

The 47-year-old trade embargo was tightened under President George W. Bush, but his successor, President [Barack Obama](#), has said he would ease it by lifting restrictions on Cuban-Americans traveling to Cuba and the amount of money they can send to Cuban relatives.

Obama has said he would maintain the embargo unless Cuba changes its political and human rights policies.

Trade Council senior policy advisor John Kavulich told Reuters that pressure to ease the embargo could increase if Cuba sales continue to be strong.

"If Cuba continues to increase its purchases of food and agricultural products in 2009, and the U.S. economy continues to be problematic, President Obama will receive bipartisan pressures from members of Congress and from state governors to use executive orders as a means of providing greater export opportunities," he said.

A bill lifting all travel restrictions to the communist-run island was introduced this week, and another allowing Cuba to access U.S. banks to buy U.S. food will be introduced soon, congressional sources said.

Kavulich said the fate of any legislation to put more holes in the embargo will depend in part on how Cuba "relates to its citizens and how it relates to other countries, particularly Venezuela, China, Russia and Iran."

Cuban President Raul Castro has on several occasions indicated his interest in talks with the United States, but said they must held with no pre-conditions on Cuba.

## **Associated Press**

**New York, New York**

**11 February 2009**

### **U.S. farm sales to Cuba rise 61 pct, group says**

HAVANA -- Cuba spent a record \$710 million on U.S. farm imports last year, a 61 percent increase over 2007, as hurricanes destroyed much of the country's farms, a leading trade research group said Wednesday.

Spending on imports jumped with rising food prices during the first part of the year, said the New York-based U.S.-Cuba Trade and Economic Council. It climbed increased more after three hurricanes hit the island, crippling food production in many parts of the countryside.

Cuban food and farm imports from the United States have climbed annually since 2001, a year after Washington modified its trade embargo to allow the direct, cash-only sale of farm goods to the island. The U.S. is Cuba's top foreign source of food.

Hurricanes Gustav, Ike and Paloma hit Cuba in 2008, causing more than \$10 billion in damage and forcing a sharp increase in food imports.

The Cuban government has not released a breakdown of import or export figures for the year.

# **El Nuevo Herald**

**Miami, Florida**  
**12 February 2009**

## **Récord histórico en las ventas de EEUU a Cuba**

WILFREDO CANCIO ISLA



Bloomberg

Estibadores cargan sacos de frijoles destinados a Cuba en un almacén de Westar Co., en Corpus Christi, Texas.

Las ventas de alimentos de Estados Unidos a Cuba alcanzaron \$710 millones durante el 2008, una cifra sin precedentes desde que el Congreso autorizó las transacciones comerciales con la isla hace ocho años.

El monto invertido por el gobierno cubano representa un incremento de 61 por ciento en comparación con el 2007, cuando la firma estatal Alimport estableció un récord de compras a las empresas estadounidenses de \$437.5 millones.

Las estadísticas reveladas el miércoles por el Consejo Económico y Comercial EEUU-Cuba (USTEC), con sede en Nueva York, muestran que sólo en el último trimestre del año pasado Cuba desembolsó \$173.5 millones para adquirir productos agrícolas en el mercado estadounidense. Entre enero y septiembre, el balance de las operaciones registradas ya había hecho historia, superando los \$536 millones.

Aunque el espectacular salto en valor de exportaciones estadounidenses parece determinado por el alza del precio de los productos en el mercado internacional y el encarecimiento de los fletes marítimos, las cifras del USTEC apuntan también a un incremento notable en el volumen de compras en medio de dificultades agravadas por el paso de tres devastadores huracanes, que arrasaron con buena parte de las cosechas y las reservas alimentarias del país.

El 85 por ciento de la canasta familiar cubana proviene de las importaciones.

"El incremento mayor ha sido en los precios, pero también aumentó la cantidad de productos adquiridos", explicó John S. Kavulich, consejero principal del USTEC. "Definitivamente sí, Cuba gastó más, pero también recibió más alimentos".

Los principales productos adquiridos fueron maíz --que representó el 27 por ciento de las compras--, trigo, cuartos de pollo congelados, soya, pasteles de soya y aceite de soya.

El informe anual del USTEC --entidad independiente-- se basa en los reportes oficiales de los departamentos de Agricultura y Comercio, así como en los registros de compañías exportadoras, pero no incluye los costos añadidos de transporte, recargos bancarios y otros gastos derivados de los envíos mercantiles a la isla. Cuba dice que sus estadísticas abarcan los cargos asociados con el traslado de los cargamentos, pero no entrega documentos verificables para sustentarlo.

Alimport pronosticó que en el 2008 gastaría unos \$2,500 millones en la compra de productos agroalimentarios, casi un tercio más de lo previsto, para asegurar las mismas provisiones que en el período precedente. Estados Unidos es el principal proveedor de alimentos a la isla.

En un discurso ante la Asamblea Nacional (Parlamento) en diciembre pasado, el gobernante Raúl Castro dijo que en el 2008 Cuba tuvo que pagar en alimentos \$907 millones más que en el 2007 y mencionó que de esa cifra unos \$840 millones se debieron al aumento de precios.

"Nuestro elemental deber es ajustar los gastos en divisas a los volúmenes que estamos en condiciones de ingresar", dijo entonces Raúl Castro, quien exhortó al sector productivo a ganar la batalla de la sustitución de importaciones.

De cualquier manera, las estadísticas divulgadas por el USTEC colocan a Cuba en el lugar 29 de la lista de países con mayor volumen de importaciones de productos agrícolas de Estados Unidos.

Y el año en curso pudiera ser determinante para potenciar un alza del comercio hacia la isla, al calor de las expectativas de flexibilización de la política de embargo tras la llegada de Barack Obama a la Casa Blanca, apoyado por un Congreso de mayoría demócrata.

Por lo pronto, el primer cargamento rumbo a la isla, con 5,000 toneladas de frijoles bayos, ya arribó a Santiago de Cuba a finales de enero. Salió del puerto de Corpus Christi, Texas, y correspondió a la firma West Star Foods, que tiene previsto entregar a Alimport otras 15,000 toneladas de frijoles durante el presente año.

Texas se ha convertido en un enclave primordial para los negocios con Cuba. Las autoridades texanas están promoviendo activamente la expansión del comercio con el país vecino, luego de que el año pasado una delegación estatal viajara a la isla.

El comisionado de Agricultura de Texas, Todd Staples, presidió la delegación integrada por empresarios agrícolas, ganaderos y autoridades portuarias, convirtiéndose en el primer funcionario estatal electo que visitó Cuba en los últimos 45 años. Staples escribió en enero una carta a Obama solicitándole que permita la restauración del comercio con Cuba para beneficiar tanto a Texas como las necesidades alimentarias de la población de la isla.

"Sé que la política hacia Cuba encara retos enormes y por eso le pedimos a usted que actúe con determinación para restablecer fuertes lazos diplomáticos y permitir acuerdos para comerciar libremente con nuestros vecinos cubanos", escribió Staples en la misiva enviada al Presidente.

Entre el 29 y 30 de enero la Universidad de Texas en Austin auspició un simposio dedicado a explorar las posibilidades económicas, comerciales y financieras de las relaciones entre Estados Unidos y Cuba en un futuro cercano.

Pero no sólo de Texas proviene la avalancha de peticiones a Obama para flexibilizar el comercio con Cuba y levantar las restricciones del Departamento del Tesoro para los pagos cubanos por cargamentos, decretadas en febrero del 2005.

Empresarios, agricultores y entidades gremiales de otros estados creen que Obama representa la oportunidad dorada para debilitar el embargo, que impide la comercialización libre de productos y el otorgamiento de créditos a Cuba desde 1962.

Entre las iniciativas más recientes figuran:

\* La Asociación Nacional de Productores de Maíz, con el respaldo de otros productores agrícolas, procesadores de alimentos y exportadores, envió en enero a Obama una petición exhortándolo a reanudar las relaciones económicas y comerciales con Cuba, así como a levantar la prohibición de los viajes turísticos a la isla.

\* La Federación de Productores de Arroz de Estados Unidos pidió a Obama a comienzos de este mes que restaure completamente el comercio con Cuba. "Las estrellas están finalmente alineadas en favor de Cuba", dijo Betsy Ward, presidenta de esa asociación.

\* Esta semana el Departamento de Agricultura de Dakota del Sur anunció que enviará una delegación oficial a la Feria Internacional de La Habana el próximo noviembre, y pidió a Washington el levantamiento de las restricciones que impiden un flujo comercial más directo con la isla.

El 19 de marzo el Hotel Intercontinental de Miami será sede de la Conferencia y Exposición de Comercio con Cuba, en la cual empresarios, académicos y expertos discutirán las alternativas futuras de comercio, turismo e inversiones en la isla.

## **Reuters America Latina**

### **London, United Kingdom**

#### **11 February 2009**

### **Exportaciones EEUU a Cuba alcanzan récord 710 mlns dlrs en 2008**

LA HABANA (Reuters) - El valor de las importaciones cubanas de alimentos desde Estados Unidos aumentó un 61 por ciento en el 2008 hasta un récord de 710 millones de dólares, debido al alza de los precios, dijo el miércoles un grupo que vigila el comercio entre ambos enemigos.

Según las cifras del U.S.-Cuba Trade and Economic Council, un grupo independiente con sede en Nueva York, Estados Unidos es el mayor proveedor de un tercio de los alimentos que Cuba importa.

"Una de las principales razones del aumento en el valor (...) continúa siendo el aumento de los precios de las materias primas compradas a Estados Unidos", dijo el grupo en un comunicado.

Pero el informe habla también de un "significativo aumento" en la cantidad de algunos de los productos importados.

Una enmienda del embargo estadounidense ha permitido a Cuba importar más de 2.700 millones de dólares en comida de Estados Unidos desde el 2001.

Las ventas de alimentos situaron en el 2008 a la isla de Gobierno comunista como el mercado número 29 para las exportaciones agrícolas de Estados Unidos.

Estados Unidos, por su parte, fue el quinto socio comercial en importancia de Cuba en el 2007.

La asunción en enero del presidente Barack Obama avivó las demandas para que Estados Unidos elimine su embargo comercial de casi medio siglo contra Cuba, un mercado natural a 145 kilómetros de sus costas.

El nuevo presidente ha dicho estar dispuesto a suavizar las restricciones para los viajes y envíos de remesas de los cubano estadounidenses a la isla, aunque no a levantar el embargo.

Cuba intenta reducir su fuerte dependencia de las importaciones de alimentos.

Pero en el 2008 tenía previsto importar 3.423 toneladas métricas de alimentos por 2.554 millones de dólares.

"Usando el valor actual en dólares de las exportaciones de comida y productos agrícolas a Cuba, Estados Unidos fue la fuente del 27 por ciento de las importaciones de alimentos y productos agrícolas en el 2008", dijo el U.S.-Cuba Trade and Economic Council.

El maíz fue el producto estadounidense más importado por Cuba en el 2008, seguido por el trigo, el pollo y la soya.

# **International Herald Tribune**

**Paris, France**

**11 February 2009**

## **US farm sales to Cuba rise 61 pct, group says**

The Associated Press

HAVANA: Cuba spent a record \$710 million on U.S. farm imports last year, a 61 percent increase over 2007, as hurricanes destroyed much of the country's farms, a leading trade research group said Wednesday.

Spending on imports jumped with rising food prices during the first part of the year, said the New York-based U.S.-Cuba Trade and Economic Council. It climbed increased more after three hurricanes hit the island, crippling food production in many parts of the countryside.

Cuban food and farm imports from the U.S. have climbed annually since 2001, a year after the U.S. modified its trade embargo to allow the direct, cash-only sale of farm goods to the island. The U.S. is Cuba's top foreign source of food.

Hurricanes Gustav, Ike and Paloma hit Cuba in 2008, causing more than \$10 billion in damage and forcing a sharp increase in food imports.

The Cuban government has not released a breakdown of import or export figures for the year.

# Cubaencuentro.com

Madrid, Spain

12 February 2009

Comercio bilateral

## Las exportaciones desde Estados Unidos alcanzaron los 710 millones de dólares en 2008

Las ventas de alimentos situaron a Cuba como el mercado número 29 para las exportaciones agrícolas de EE UU, según un informe del U.S.-Cuba Trade and Economic Council.

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Las exportaciones de alimentos de Estados Unidos hacia la Isla alcanzaron el récord de 710 millones de dólares en 2008, lo que significa un crecimiento del 61 por ciento con respecto a 2007, informó Reuters.

"Una de las principales razones del aumento en el valor (...) continúa siendo el aumento de los precios de las materias primas compradas a Estados Unidos", dijo un comunicado del U.S.-Cuba Trade and Economic Council, un grupo independiente con sede en Nueva York.

Según el informe de esta entidad, ha habido también un "significativo aumento" en la cantidad de algunos de los productos importados.

"Si Cuba continúa aumentando sus compras de alimentos y productos agrícolas en el 2009 y la economía de Estados Unidos continúa en problemas, el presidente Obama recibirá presiones de ambos partidos en el Congreso y gobernadores para usar órdenes ejecutivas como forma de ofrecer mayores oportunidades a los exportadores", dijo John Kavulich, asesor del U.S.-Cuba Trade and Economic Council.

En 2008, las ventas de alimentos situaron a Cuba como el mercado número 29 para las exportaciones agrícolas de Estados Unidos.

De acuerdo con Kavulich, "usando el valor actual en dólares de las exportaciones de comida y productos agrícolas a Cuba, Estados Unidos fue la fuente del 27 por ciento de las importaciones de alimentos y productos agrícolas en el 2008".

El maíz fue el producto estadounidense más importado por el gobierno cubano en 2008, seguido por el trigo, el pollo y la soya. Desde 2001, La Habana ha importado más de 2.700 millones de dólares en comida de Estados Unidos, que en 2007 se convirtió en su quinto socio comercial.