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17 December 2014 to 17 December 2015

2,283 Words
682 Words

365 Days
8,760 Hours
525,600 Minutes
31,536,000 Seconds

US Food/Ag Exports -37%
US Healthcare Exports +500%
US Licensed Visitors To Cuba +40%
US Dollar Outflows To Cuba +150%
Cuba's Cost Of Doing Business -10%

202 Days Since Removed From Sanctions List
150 Days Since Cuba Embassy Re-Opened In Washington
125 Days Since United States Embassy Re-Opened In Havana

400 Days Remaining For President Obama
800 Days Remaining For President Castro

Should President Obama Visit Cuba? Yes, He Should. Here's Why, What The Visit Might Look Like & What He and President Castro Need To Do.

When President Barack Obama addressed the nation on 17 December 2014, he wore a dark suit, stood at a podium, and used fifteen minutes to share 2,283 words- what he wanted to do to, with, and for the citizens residing along the 42,803 square mile, 800-mile long archipelago.

When President Raul Castro spoke to his nation the same day, he wore a military uniform, sat at a desk, and used five minutes to share 682 words about the relationship with a 3,794,101 square mile colossus a mere ninety-three miles north of his territory.

Optics mattered.

President Obama departs office at 12:00 pm on 20 January 2017. He has 400 days.
President Castro departs office on 24 February 2018. He has 800 days.

During the last twelve months, Presidents Obama and Castro have invested in their respective legacies and, in so doing, impacted the legacy of the other. Both expect to view from their post-elective perches the rooting and sprouting and harvesting from their individual and collective efforts.

Neither, however, is hostage to the other as the political systems in each nation do not share, equally, the consequences of success or failure. That might be one of the problems for each head of state as they attempt to exert (and/or repel) influence.

The government of each country has spent decades modeling outcomes- one does this, the other does that; initiative, response; threat, retaliation; coercion, uncertainty.

For President Obama, there is the knowledge that he commenced the reconfiguration of the commercial, economic and political relationship between a nation of 321.3 million and a nation of 11.3 million. He is responsible for the most sweeping changes in Republic of Cuba-related regulations.

Yet, for all their remarkable depth, without meaningful engagement by the government of the Republic of Cuba, President Obama will depart office with a wistful glance over his shoulder…. a knowing there is process not yet completed.

President Obama will view intently the candidacies of those who wish to succeed him- who amongst them will (or can) continue the pathway that he laid before them? If there appears a likelihood of a new president who intends to dismantle that pathway and resurrect regulatory and statutory history, will there be enough moments before inauguration day to cement a bilateral relationship with the government of the Republic of Cuba that can withstand revisions of executive orders? In this regard, President Obama needs President Castro. Does President Castro share President Obama's goals? Mostly, no, he does not.

There must be a bilateral commercial landscape that is impactful enough so that a successor would not, even though desirous, have an opportunity to disrupt as there would be too many United States-based companies engaged- with financial resources, with human resources, and with reputational risk. {Note: This landscape is equally important for the citizens of the Republic of Cuba, as the more of a relationship that exists, the less opportunity for the government of the Republic of Cuba to disrupt it.}

Not enough will be that hundreds of thousands of individuals subject to United States law are visiting the Republic of Cuba under the twelve authorized categories- by air or sea. Nor will be enough that regularly-scheduled commercial airline service has replaced regularly-scheduled charter flights. Nor will be enough that credit cards are being used and mobile device service providers have roaming agreements. If this is the existing landscape (which it is today), where the Republic of Cuba has benefited far more financially than has the United States, regulatory changes and statutory changes will be less problematic to implement.

During the last twelve months, United States product exporters have gained little, nearing nothing; those exporters who have gained are the limited entities providing services (for primarily aspirational purposes) to the companies that are seeking material commercial opportunities. That is neither ideal nor sustainable.

- air charter companies
- "*I-will-introduce-you-to-everyone-you-need-to-know*" glorified travel consultants (the government of the Republic of Cuba does not, as a policy, encourage the use of consultants, preferring a straight line between it and a company)
- Republic of Cuba government-owned or Republic of Cuba government-participant hotels, communication services, restaurants (privately-owned as well)

Specific Decisions

United States companies need to have a physical presence in the Republic of Cuba. They need signage. They need to have offices with staff and bank accounts. They need to be marketing their products and their services. They need to have meaningful revenues from those activities.

- The White House should use an expansive, rather than constrictive interpretation of the Trade Sanctions Reform and Export Enhancement Act (TSREEA) of 2000, title IX, Public Law 106-387

- [22 U.S.C. 7207(a)(1)] (TSRA). Actively assist United States businesses rather than holding assistance hostage to an abstract and unlikely legislative process

- The White House should make a recess appointment of The Honorable Jeffery DeLaurentis to be United States Ambassador to the Republic of Cuba

- The White House should remove restrictions upon the Republic of Cuba for the use of United States Dollars in international transactions

- The White House should authorize payment terms for product exports to the Republic of Cuba not subject to prohibitions by the Cuban Democracy Act (CDA) of 1992, Libertad Act of 1996 or Trade Sanctions Reform and Export Enhancement Act (TSREEA) of 2000. Further permit the transfer of relationship risk from being government-to-government to business-to-government. United States companies may get burned; it's their right

These decisions should arrive with the understanding that the government of the Republic of Cuba will continue to identify reasons for not engaging with United States companies. There will be complaints that the payment terms are not lengthy enough (compared to two years by government of Vietnam-operated entities that export rice to the Republic of Cuba), that interest rates are too high, that there is not enough credit, that the United States government is not insuring the risk.

What the United States perceives as excuses will exist for years and continue past settlement of the Certified Claims, revocation of statutes including Trading with the Enemy Act, Cuban Democracy Act, Libertad Act and Trade Sanctions Reform and Export Enhancement Act; and disengagement from Guantanamo Bay.

The government of the Republic of Cuba harbors resentment (and hatred) for the United States. Relishes every opportunity to afford pay-back. Will continue to use the United States business community as bait to lure interest from individuals, companies, and governments.

The only inoculation available to protect the regulatory initiatives enacted since 17 December 2014 is for the government of the Republic of Cuba to send foreign exchange to the United States.

Without meaningful commerce, albeit one-way, not only is the regulatory environment at risk, but there is a guarantee of no legislative action by the United States Congress until, at minimum, 2018. That timetable may be just fine with the government of the Republic of Cuba. A biological solution may too be satisfactory for the Republic of Cuba.

The Claims

The government of the Republic of Cuba has reiterated, most recently through statements by President Castro and Minister of Foreign Affairs Bruno Rodriguez, that before a normalized relationship will exist, reparations valued from US$121 billion and US$833.75 billion need settled, the land upon which the United States naval base at Guantanamo Bay must be returned, United States statutes and regulations must be amended, radio & television broadcasting must cease.

There will be no reparations to the Republic of Cuba by the United States. The 5,913 claims [approximately 5,000 individual (approximately US$229 million) and 913 company (approximately US$1.68 billion)] which have been certified by the U.S. Foreign Claims Settlement Commission- thirty (30) United States-based companies hold approximately 56% of the total value (US$1,851,197,358.00), will need to have a settlement. The gradual return of the naval base at Guantanamo Bay may become a component of negotiations; statutory language prevents President Obama from any decision.

When one country seeks between .22% and 2% of what the other country believes is owed to them, the distance is not a mere negotiating position.

The United States government could use a portion of fines levied against non-United States-based financial institutions to satisfy existing civil judgements (US$1 billion to US$4 billion) obtained by individuals in United States courts against the government of the Republic of Cuba which would mitigate asset seizure issues relating to aircraft operated by Republic of Cuba government-owned Cubana Airlines landing in the United States and Republic of Cuba government-operated financial institutions establishing correspondent banking accounts at United States-based financial institutions. Paris, France-based BNP Paribas SA was fined US$8.976 billion, some of which could be used to make payments for civil judgements and justified for use to make payments to certified claimants, thus lessening the direct cost to the Republic of Cuba.

The government of the Republic of Cuba has varied means of compensating certified claimants (individuals and companies):

- repayment in full
- a percentage of the value owed
- income tax holidays and import duty holidays that could be traded, bartered, sold by claimants
- credit toward direct foreign investment opportunities
- issuance of bonds

The nineteen-member Paris Club of Creditor Nations have announced acceptance, on behalf of their governments, taxpayers and companies, a debt (principal & interest) obligation reduction (after a default in 1986) of 50% to 80%, forgiving most interest and penalties. If other countries (China, Japan, Russia, etc.) which are owed billions of United States Dollars and have suffered from Republic of Cuba payment arrears have also accepted less, the United States government may see an opening for a prompt settlement.

The United States business community expects that the Obama Administration will not agree to an inequitable (not reasonable) agreement just to obtain an agreement in advance of 20 January 2017. If the Republic of Cuba desires an agreement, they have 400 days to negotiate an agreement.

The Cuba Perspective

For President Castro, there is the knowledge that he has re-established components of a bilateral relationship without having to alter, yet, the foundation of the grievances separating the two nations for fifty-six years. With discomfort, however, he digests that no matter what he does, no matter what instructions he leaves, no matter the intentions of his successor... much of what he abhors about the United States will be embraced by his fellow citizens.

The Republic of Cuba will become an economic appendage to that which President Castro and his brother, former President Fidel Castro, battled against- physically and ideologically. For a general, there is honor in knowing that a battle has been well-fought, even when lost. But, a general wants victory. A general needs victory. What is pride worth?

Interacting with President Obama has a certain outcome. Awaiting a new occupant of 1600 Pennsylvania Avenue has an uncertain outcome. Why would the government of the Republic of Cuba risk uncertainty?

An answer could be that they want more time to determine how much more they can obtain from other countries without the implementation of substantial commercial, economic and political reforms; they want more time to determine what their relationship will be with Venezuela (known is a continuing lessening of financial support) and China and Russia and the European Union.

A perspective of the government of the Republic of Cuba from a former employee of the then-United States Interests Section in Havana, "*I'm willing to let my people suffer, are you willing to let my people suffer*?" Depends upon who is defining the word "*suffering*."

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The Visit

President Obama wants to visit the Republic of Cuba. Whether a State Visit or Official Visit will be negotiated; a State Visit is preferred.

He should not be accompanied by any member of the Cabinet; nor any member of the United States Congress; nor any Governor; nor any business executive/representative; nor any celebrity. The Obama family and limited staff.

The visit must focus upon where the relationship can go, should go; not about where it's been or the process to get to where it is now.

Thus far, the government of the Republic of Cuba has not indicated that there would be any restrictions upon who President Obama may meet with during a visit; the President will meet with individuals and entities that will not please the government of the Republic of Cuba, but those meetings will be not a component of any official schedule.

Whether he ventures there for one night in 2016 or in January 2017 will depend upon whom he believes (or knows) will be seated in the Oval Office reading the traditional note than a president has deposited for his successor. Before Tuesday, 8 November 2016, or after? The first quarter of 2016 is likely.

The flight plan from Joint Base Andrews in Maryland will route over much of the State of Florida; there is irony in the shadow of the most recognized aircraft in the world casting darkness as it traverses community after community of people of Cuban descent who departed the Republic of Cuba because of the 1959 Revolution- Jacksonville, Tampa, Miami.

The imagery that is Air Force One landing at Jose Marti International Airport outside of the city of Havana is compelling. There remains a red carpet donated by Georgia-based Textile Rubber & Chemical Company upon which Pope John Paul II first stepped in January 1998 after departing the stairway from his Alitalia Airlines aircraft, "*Shepard One*." A public address system used by the Holy Father during the visit was donated by Illinois-based Motorola.

There is the imagery of "*The Beast*" transporting President Obama and his family through the Plaza de la Revolucion- past the immense image of Argentina-born Che Guevara on the building of the Ministry of Interior.

The following is an outline for a one-night, two-day State Visit by President Obama to the Republic of Cuba, focusing upon the largest city and second-largest city:

Day One			
Departure	**Arrival**	**Location**	**Activity**
0650	0700	The White House	Marine One flight
0700	0930	Joint Base Andrews	Flight to Republic of Cuba
0930	0950	Jose Marti International Airport	Arrival Ceremony
0950	1130	United States Embassy	Welcome; tour of facility and meeting with United States Embassy staff
1130	1145	Malecón	Walk; selfies with Cuban citizens
1200	1400	Office of President Castro	Working luncheon
1415	1445	University of Havana Law School	Televised Lecture
1450	1550	Old Havana	Tour & enjoy a Café Cubano; shopping using a credit card/debit card

Departure	Arrival	Location	Activity
1600	1700	Apostolic Nunciature of Holy See	Meeting with Apostolic Nuncio and Archbishop of Havana, Cardinal Jaime Ortega
1710	1730	El Capitolio	Tour and stop for Café Cubano
1740	1900	Residence of U.S. Ambassador	Private Time and meetings with staff
1915	2130	Paladar	Dinner
2130	2145	Coppelia	Ice cream

Day Two			
Departure	**Arrival**	**Location**	**Activity**
0800	0830	San Francisco de Paula	Tour of Finca La Vigia ("Lookout House') residence of Ernest Hemingway
0915	0930	Office of President Castro	Bilateral meeting
1200	1210	El Aljibe	Lunch of roasted chicken and coconut ice cream
1310	1320	TBD	Visit with Licensed Self-Employed (cuentapropistas)
1440	1500	Jose Marti International Airport	Departure to Santiago de Cuba
1500	1630	Arrival Antonio Maceo Airport	Arrival ceremony
1630	1640	University of Santiago de Cuba	Televised address
1740	1800	TBD	Dinner and music performance
1930	1940	Antonio Maceo Airport	Official departure ceremony with President Raul Castro
2000	2130	Joint Base Andrews	Arrival
2140	2150	The White House	Marine One flight

Could a visit by the President of the United States provide legitimacy to the 1959 Revolution, President Castro, former President Fidel Castro? Could the brothers Castro claim victory? Yes. Yes, they could.

Yet, a visit by the President of the United States also results in scrutiny- an MRI-like penetration of society that can only derive from a visit by the President of the United States.

Journalists from throughout the world, and particularly the United States, will be invading every commercial, economic and political orifice of the Republic of Cuba.

Democracy is a slowly-engaging process. Capitalism is continually changing its definition. Communism is stubborn. Socialism can be intoxicating. Change is disruptive. Defining winners and losers is sometimes painful. The Republic of Cuba is changing because for fifty-six years it has looked as it does because others subsidized it; the number of guarantors are decreasing as is their generosity.

President Obama must be prepared to arrive in the city of Havana and view a commercial, economic and political landscape unchanged or nominally changed with respect to his initiatives of December 2014 to the date of his arrival.

While the responses by the government of the Republic of Cuba to the regulatory initiatives of The White House have been meaningful, and certainly exceedingly, perhaps breathtakingly profitable in terms of revenues and political capital, they are not offered willingly.

The government of the Republic of Cuba would likely have been prepared to continue its dependence upon the largess of Venezuela (the good news for the Republic of Cuba has the price of a barrel of oil decreasing

while the bad news for Venezuela has the price of a barrel of oil decreasing; lower is better for the buyer, but disables the seller from being generous) and China and Russia for as long as possible before having to confront change and adapt to its consequences.

While the government of the Republic of Cuba has thus far selected a strategy of maintaining distance between it and the United States business community, they will be represented by the private sector Trojan horses of Europe, The Americas and Asia. These companies appreciate that their exports to, imports from, and direct investments within the Republic of Cuba will not reach potential absent the full-on, unrestrained capabilities which are the sole provenance of United States companies.

The government of the Republic of Cuba neither trusts the intentions of United States companies nor the intentions of the United States government. Any re-engagement with the United States results in uncertainty… the government of the Republic of Cuba dislikes uncertainty.

Important to believe, yes, believe, trust, that neither (most of) the individuals nor their perspectives who were occupying the corner offices of United States companies in the 1950's and 1960's do so today. Those who espoused support for the Platt Amendment are long residing in a cemetery.

Showing-up is an intensely significant component of democracy. A road-show for democracy is what presidents do… They are the Chief Marketing Officers of their respective countries.

- Sometimes a visit coincides with the signing of a treaty or agreement
- Sometimes a visit is to convince a government to support a position- one that it may be planning to anyway or may not want to, either not yet or not ever
- Sometimes a visit is to apologize- in public or in private
- Sometimes a visit is to listen or to hear; they can be different
- Sometimes visits are a disaster
- Sometimes visits seem a waste of taxpayer money and human time

In a democracy, in the United States form of democracy, showing-up is important. President Obama may receive nothing more than a handshake, good food, media coverage.

The citizens of the Republic of Cuba will know that he is there. They will view him on television, hear him on radio, read about him in a newspaper or magazine; interact about his visit using social media and mobile devices; interact with media representatives from throughout the world; see him at a speech, meet him and his wife and his daughters…

The reasons for President Obama to visit the Republic of Cuba before he departs office are threefold: Rooting. Sprouting. Harvesting. *The Gardener-In-Chief.*

What has the government of Cuba agreed to or done since December 2014:

- Re-establish diplomatic relations
- Re-open its embassy in Washington, DC
- Authorize the re-opening of the United States Embassy in Havana
- Accepted removal from the List of State Sponsors of Terrorism ("Sanctions List")
- Hosted visits by three (3) members of the Obama Administration Cabinet: The Honorable John Kerry, United States Secretary of State; The Honorable Penny Pritzker, United States Secretary of Commerce; The Honorable Thomas Vilsack, United States Secretary of Agriculture
- Hosted a visit by The Honorable R. Gil Kerlikowske, Commissioner, U.S. Customs and Border Protection
- More than fifty (50) representatives of the government have visited the United States in 2015
- More than thirty (30) representatives of the United States government have visited Cuba in 2015

- Continue to decrease food product/agricultural commodity purchases authorized by the TSREEA of 2000; down approximately 37% compared to 2014
- Increase healthcare product purchases authorized by the Cuban Democracy Act (CDA) of 1992. Healthcare product exports (cash-only with verification requirements) permitted by the CDA have increased nearly fivefold thus far in 2015 compared with 2014
- Authorize a direct correspondent banking agreement by Banco Internacional de Comercio S.A. (BICSA) with Florida-based Stonegate Bank
- Authorize Stonegate Bank to issue a Debit MasterCard for use in Cuba (10,800 current locations); with expansion in 2016 for use at ATM locations in Cuba
- Authorize Cuba government-operated Banco Popular de Ahorro to establish lines of credit up to US$400.00 for licensed independent businesses; but continue to prohibit the entities to import products directly, requiring purchases through government-operated companies
- Creating a uniform commercial code and mortgage regulations
- Authorize roaming agreements between Cuba government-operated ETECSA and New York-based Verizon Wireless (indirect) & Kansas-based Sprint (direct)
- Increase by ETECSA to forty-three (43) Wi-Fi areas (parks and urban) for wireless Internet access; twelve (12) additional sites to be operational by the end of 2015
- Authorize Alabama-based Cleber LLC to have a tractor warehouse/assembly facility to be located in Mariel Special Development Zone. The company is awaiting authorization from the OFAC/BIS. Investment required for the first year is US$1.4 million; total investment US$5 million
- Resumption of direct long-distance telephone service through an agreement between ETECSA and New Jersey-based IDT Corporation
- Not disrupt the in-country and out-of-country operations of California-based Airbnb
- Discuss the re-establishment of regularly-scheduled commercial airline service (Civil Aviation Agreement- CAA)- although this has been complicated by issues of reciprocity and by the self-preservation interests of currently-operating charter companies. CAA expected by the end of 2015
- Agree to a (limited) resumption of United States Postal Service operations
- Permit a substantial revenue increase from United States visitors (charter flights, pleasure craft, general aviation aircraft, and third-country transit). Thus far in 2015, United States visitors to Cuba (authorized, unauthorized, family, non-family), who have the highest net profit margin per person of any visitor to the country, have increased approximately almost 40%
- The Ministry of Science, Technology, and Environment (CITMA) of the Republic of Cuba signed a Memorandum of Understanding (MOU) with the National Oceanic and Atmospheric Administration (NOAA) and the National Park Service (NPS). "*The MOU aims to facilitate joint efforts concerning science, stewardship, and management related to Marine Protected Areas (MPAs). The MOU also includes a sister MPA program to foster conservation and understanding of natural marine resources in both countries, sharing technical and scientific data, and promoting education and outreach initiatives*."
- Signed a joint statement with the United States Department of State on environmental cooperation including coastal and marine protection, the protection of biodiversity including endangered and threatened species, climate change, disaster risk reduction, and marine pollution.
- Agreed to discussions regarding bilateral claims

What has the government of Cuba not (or perhaps not yet) agreed to or done since December 2014:

- Authorize ferry services
- Authorize United States companies to export products directly to the 200+ categories of licensed independent businesses
- Authorize credit cards (although this has compliance issues for United States financial institutions; New York-based MasterCard has removed its "*block*" on credit cards issued by United States financial institutions using its brand). There are approximately 10,800 points of sale in Cuba
- Authorize United States companies (non-manufacturing/assembly) to have an operational presence (including hiring Cuban nationals, obtaining office space, establish bank accounts)

- Authorize United States companies to engage in loan/lease programs to licensed independent businesses
- Confirm itineraries for all commercial vessels operating people-to-people programs
- Purchase communications/telecommunications equipment or permit the provision of internet services (California-based Google & Facebook), although there are security, pricing and sourcing reasons not to purchase the equipment or permit the provision of such services
- Respond in a timely manner to inquiries from United States companies
- Compensated certified claimants

What has the government of the United States agreed to or done since December 2014:

- Re-establish diplomatic relations
- Re-open its embassy in Havana
- Authorize the re-opening of the Cuban Embassy in Washington
- Removed Cuba from the List of State Sponsors of Terrorism ("Sanctions List")
- Dispatched three (3) members of the Cabinet to Cuba: The Honorable John Kerry, United States Secretary of State; The Honorable Penny Pritzker, United States Secretary of Commerce; The Honorable Thomas Vilsack, United States Secretary of Agriculture
- Dispatched The Honorable R. Gil Kerlikowske, Commissioner, U.S. Customs and Border Protection to Cuba
- Permitted more than thirty (30) representatives of the United States government to visit Cuba in 2015
- Permitted more than fifty (50) representatives of the government of Cuba to have visited the United States in 2015
- Remove most licensing requirements for authorized travel to Cuba
- Agree to a (limited) resumption of United States Postal Service operations
- Remove some restrictions upon U.S. financial institutions
- Re-authorize direct correspondent banking agreements
- Re-authorize credit card and debit card usage
- Expanded the list of products that may be exported to Cuba
- Removed limits on remittances to Cuba
- Authorized individuals and businesses to have bank accounts in Cuba
- Authorized the export to Cuba of 100% U.S.-origin products from third countries
- Authorized companies to establish offices in Cuba
- Changed the definition of the "cash in advance" provision of TSREEA from "cash before shipment" to cash before transfer of title and control"
- Authorize microfinancing projects
- Expand the list of eligible products authorized for importation to the United States
- Discuss the issue of claims

What has the government of the United States not (or perhaps not yet) agreed to or done since December 2014:

- Removed restrictions upon Cuba for the use of United States Dollars in international transactions
- Authorized payment terms for product exports to Cuba not subject to prohibitions by the Cuban Democracy Act (CDA) of 1992 of Trade Sanctions Reform and Export Enhancement Act (TSREEA) of 2000
- Use an expansive, rather than constrictive interpretation of the Trade Sanctions Reform and Export Enhancement Act (TSREEA) of 2000, title IX, Public Law 106-387 [22 U.S.C. 7207(a)(1)] (TSRA)

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

17 December 2014 Statement by President Barack Obama
(2,283 words in 15 minutes)

"Good afternoon. Today, the United States of America is changing its relationship with the people of Cuba.

In the most significant changes in our policy in more than fifty years, we will end an outdated approach that, for decades, has failed to advance our interests, and instead we will begin to normalize relations between our two countries. Through these changes, we intend to create more opportunities for the American and Cuban people, and begin a new chapter among the nations of the Americas.

There's a complicated history between the United States and Cuba. I was born in 1961- just over two years after Fidel Castro took power in Cuba, and just a few months after the Bay of Pigs invasion, which tried to overthrow his regime.

Over the next several decades, the relationship between our countries played out against the backdrop of the Cold War, and America's steadfast opposition to communism. We are separated by just over 90 miles. But year after year, an ideological and economic barrier hardened between our two countries.

Meanwhile, the Cuban exile community in the United States made enormous contributions to our country- in politics and business, culture and sports. Like immigrants before, Cubans helped remake America, even as they felt a painful yearning for the land and families they left behind. All of this bound America and Cuba in a unique relationship, at once family and foe.

Proudly, the United States has supported democracy and human rights in Cuba through these five decades. We have done so primarily through policies that aimed to isolate the island, preventing the most basic travel and commerce that Americans can enjoy anyplace else. And though this policy has been rooted in the best of intentions, no other nation joins us in imposing these sanctions, and it has had little effect beyond providing the Cuban government with a rationale for restrictions on its people. Today, Cuba is still governed by the Castros and the Communist Party that came to power half a century ago.

Neither the American, nor Cuban people are well served by a rigid policy that is rooted in events that took place before most of us were born. Consider that for more than 35 years, we've had relations with China- a far larger country also governed by a Communist Party. Nearly two decades ago, we reestablished relations with Vietnam, where we fought a war that claimed more Americans than any Cold War confrontation.

That's why- when I came into office- I promised to re-examine our Cuba policy. As a start, we lifted restrictions for Cuban Americans to travel and send remittances to their families in Cuba. These changes, once controversial, now seem obvious. Cuban Americans have been reunited with their families, and are the best possible ambassadors for our values. And through these exchanges, a younger generation of Cuban Americans has increasingly questioned an approach that does more to keep Cuba closed off from an interconnected world.

While I have been prepared to take additional steps for some time, a major obstacle stood in our way- the wrongful imprisonment, in Cuba, of a U.S. citizen and USAID sub-contractor Alan Gross for five years. Over many months, my administration has held discussions with the Cuban government about Alan's case, and other aspects of our relationship. His Holiness Pope Francis issued a personal appeal to me, and to Cuba's President Raul Castro, urging us to resolve Alan's case, and to address Cuba's interest in the release of three Cuban agents who have been jailed in the United States for over 15 years.

Today, Alan returned home- reunited with his family at long last. Alan was released by the Cuban government on humanitarian grounds. Separately, in exchange for the three Cuban agents, Cuba today released one of the most important intelligence agents that the United States has ever had in Cuba, and who has been imprisoned for nearly two decades. This man, whose sacrifice has been known to only a few, provided America with the information that allowed us to arrest the network of Cuban agents that included the men transferred to Cuba today, as well as other spies in the United States. This man is now safely on our shores. Having recovered these two men who sacrificed for our country, I'm now taking steps to place the interests of the people of both countries at the heart of our policy.

First, I've instructed Secretary Kerry to immediately begin discussions with Cuba to reestablish diplomatic relations that have been severed since January of 1961. Going forward, the United States will reestablish an embassy in Havana, and high-ranking officials will visit Cuba. Where we can advance shared interests, we will- on issues like health, migration, counterterrorism, drug trafficking and disaster response. Indeed, we've seen the benefits of cooperation between our countries before. It was a Cuban, Carlos Finlay, who discovered that mosquitoes carry yellow fever; his work helped Walter Reed fight it. Cuba has sent hundreds of health care workers to Africa to fight Ebola, and I believe American and Cuban health care workers should work side by side to stop the spread of this deadly disease.

Now, where we disagree, we will raise those differences directly- as we will continue to do on issues related to democracy and human rights in Cuba. But I believe that we can do more to support the Cuban people and promote our values through engagement. After all, these 50 years have shown that isolation has not worked. It's time for a new approach.

Second, I've instructed Secretary Kerry to review Cuba's designation as a State Sponsor of Terrorism. This review will be guided by the facts and the law. Terrorism has changed in the last several decades. At a time when we are focused on threats from al Qaeda to ISIL, a nation that meets our conditions and renounces the use of terrorism should not face this sanction.

Third, we are taking steps to increase travel, commerce, and the flow of information to and from Cuba. This is fundamentally about freedom and openness, and also expresses my belief in the power of people-to-people engagement. With the changes I'm announcing today, it will be easier for Americans to travel to Cuba, and Americans will be able to use American credit and debit cards on the island. Nobody represents America's values better than the American people, and I believe this contact will ultimately do more to empower the Cuban people.

I also believe that more resources should be able to reach the Cuban people. So we're significantly increasing the amount of money that can be sent to Cuba, and removing limits on remittances that support humanitarian projects, the Cuban people, and the emerging Cuban private sector. I believe that American businesses should not be put at a disadvantage, and that increased commerce is good for Americans and for Cubans. So we will facilitate authorized transactions between the United States and Cuba. U.S. financial institutions will be allowed to open accounts at Cuban financial institutions. And it will be easier for U.S. exporters to sell goods in Cuba.

I believe in the free flow of information. Unfortunately, our sanctions on Cuba have denied Cubans access to technology that has empowered individuals around the globe. So I've authorized increased telecommunications connections between the United States and Cuba. Businesses will be able to sell goods that enable Cubans to communicate with the United States and other countries. These are the steps that I can take as President to change this policy. The embargo that's been imposed for decades is now codified in legislation. As these changes unfold, I look forward to engaging Congress in an honest and serious debate about lifting the embargo.

Yesterday, I spoke with Raul Castro to finalize Alan Gross's release and the exchange of prisoners, and to describe how we will move forward. I made clear my strong belief that Cuban society is constrained by restrictions on its citizens. In addition to the return of Alan Gross and the release of our intelligence agent, we welcome Cuba's decision to release a substantial number of prisoners whose cases were directly raised with the Cuban government by my team. We welcome Cuba's decision to provide more access to the Internet for its citizens, and to continue increasing engagement with international institutions like the United Nations and the International Committee of the Red Cross that promote universal values.

But I'm under no illusion about the continued barriers to freedom that remain for ordinary Cubans. The United States believes that no Cubans should face harassment or arrest or beatings simply because they're exercising a universal right to have their voices heard, and we will continue to support civil society there. While Cuba has made reforms to gradually open up its economy, we continue to believe that Cuban workers should be free to form unions, just as their citizens should be free to participate in the political process.

Moreover, given Cuba's history, I expect it will continue to pursue foreign policies that will at times be sharply at odds with American interests. I do not expect the changes I am announcing today to bring about a transformation of Cuban society overnight. But I am convinced that through a policy of engagement, we can more effectively stand up for our values and help the Cuban people help themselves as they move into the 21st century.

To those who oppose the steps I'm announcing today, let me say that I respect your passion and share your commitment to liberty and democracy. The question is how we uphold that commitment. I do not believe we can keep doing the same thing for over five decades and expect a different result. Moreover, it does not serve America's interests, or the Cuban people, to try to push Cuba toward collapse. Even if that worked- and it hasn't for 50 years- we know from hard-earned experience that countries are more likely to enjoy lasting transformation if their people are not subjected to chaos. We are calling on Cuba to unleash the potential of 11 million Cubans by ending unnecessary restrictions on their political, social, and economic activities. In that spirit, we should not allow U.S. sanctions to add to the burden of Cuban citizens that we seek to help.

To the Cuban people, America extends a hand of friendship. Some of you have looked to us as a source of hope, and we will continue to shine a light of freedom. Others have seen us as a former colonizer intent on controlling your future. José Martí once said, "Liberty is the right of every man to be honest." Today, I am being honest with you. We can never erase the history between us, but we believe that you should be empowered to live with dignity and self-determination. Cubans have a saying about daily life: "No es facil"- it's not easy. Today, the United States wants to be a partner in making the lives of ordinary Cubans a little bit easier, more free, more prosperous.

To those who have supported these measures, I thank you for being partners in our efforts. In particular, I want to thank His Holiness Pope Francis, whose moral example shows us the importance of pursuing the world as it should be, rather than simply settling for the world as it is; the government of Canada, which hosted our discussions with the Cuban government; and a bipartisan group of congressmen who have worked tirelessly for Alan Gross's release, and for a new approach to advancing our interests and values in Cuba.

Finally, our shift in policy towards Cuba comes at a moment of renewed leadership in the Americas. This April, we are prepared to have Cuba join the other nations of the hemisphere at the Summit of the Americas. But we will insist that civil society join us so that citizens, not just leaders, are shaping our future.

And I call on all of my fellow leaders to give meaning to the commitment to democracy and human rights at the heart of the Inter-American Charter. Let us leave behind the legacy of both colonization and communism, the tyranny of drug cartels, dictators and sham elections. A future of greater peace, security and democratic development is possible if we work together -- not to maintain power, not to secure vested interest, but instead to advance the dreams of our citizens.

My fellow Americans, the city of Miami is only 200 miles or so from Havana. Countless thousands of Cubans have come to Miami- on planes and makeshift rafts; some with little but the shirt on their back and hope in their hearts. Today, Miami is often referred to as the capital of Latin America. But it is also a profoundly American city- a place that reminds us that ideals matter more than the color of our skin, or the circumstances of our birth; a demonstration of what the Cuban people can achieve, and the openness of the United States to our family to the South. Todos somos Americanos.

Change is hard- in our own lives, and in the lives of nations. And change is even harder when we carry the heavy weight of history on our shoulders. But today we are making these changes because it is the right thing to do. Today, America chooses to cut loose the shackles of the past so as to reach for a better future for the Cuban people, for the American people, for our entire hemisphere, and for the world. Thank you. God bless you and God bless the United States of America."

17 December 2014 Statement By President Raul Castro
(682 words in 5 minutes)

"Fellow countrymen,

Since my election as President of the State Council and Council of Ministers I have reiterated on many occasions our willingness to hold a respectful dialogue with the United States on the basis of sovereign equality, in order to deal reciprocally with a wide variety of topics without detriment to the national Independence and self-determination of our people.

This stance was conveyed to the U.S. Government both publicly and privately by Comrade Fidel on several occasions during our long-standing struggle, stating the willingness to discuss and solve our differences without renouncing any of our principles. The heroic Cuban people, in the wake of serious dangers, aggressions, adversities and sacrifices, has proven to be faithful and will continue to be faithful to our ideals of independence and social justice. Strongly united throughout these 56 years of Revolution, we have kept our unswerving loyalty to those who died in defense of our principles since the beginning of our independence wars in 1868.

Today, despite the difficulties, we have embarked on the task of updating our economic model in order to build a prosperous and sustainable Socialism. As a result of a dialogue at the highest level, which included a phone conversation I had yesterday with President Obama, we have been able to make headway in the solution of some topics of mutual interest for both nations.

As Fidel promised on June 2001, when he said: "They shall return!" Gerardo, Ramon, and Antonio have arrived today to our homeland. The enormous joy of their families and of all our people, who have relentlessly fought for this goal, is shared by hundreds of solidarity committees and groups, governments, parliaments, organizations, institutions, and personalities, who for the last sixteen years have made tireless efforts demanding their release. We convey our deepest gratitude and commitment to all of them. President Obama's decision deserves the respect and acknowledgment of our people.

I wish to thank and acknowledge the support of the Vatican, most particularly the support of Pope Francisco in the efforts for improving relations between Cuba and the United States. I also want to thank the Government of Canada for facilitating the high-level dialogue between the two countries. In turn, we have decided to release and send back to the United States a spy of Cuban origin who was working for that nation. On the other hand, and for humanitarian reasons, today we have also sent the American citizen Alan Gross back to his country.

Unilaterally, as has always been our practice, and in strict compliance with the provisions of our legal system, the concerned prisoners have received legal benefits, including the release of those persons that the Government of the United States had conveyed their interest in. We have also agreed to renew diplomatic relations. This in no way means that the heart of the matter has been solved. The economic, commercial, and financial blockade, which causes enormous human and economic damages to our country, must cease. Though the blockade has been codified into law, the President of the United States has the executive authority to modify its implementation.

We propose to the Government of the United States the adoption of mutual steps to improve the bilateral atmosphere and advance towards normalization of relations between our two countries, based on the principles of International Law and the United Nations Charter. Cuba reiterates its willingness to cooperate in multilateral bodies, such as the United Nations. While acknowledging our profound differences, particularly on issues related to national sovereignty, democracy, human rights and foreign policy, I reaffirm our willingness to dialogue on all these issues. I call upon the Government of the United States to remove the obstacles hindering or restricting ties between peoples, families, and citizens of both countries, particularly restrictions on travelling, direct post services, and telecommunications.

The progress made in our exchanges proves that it is possible to find solutions to many problems. As we have reiterated, we must learn the art of coexisting with our differences in a civilized manner. We will continue talking about these important issues at a later date. Thank you."