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CUBA: A NEW POLICY OF CRITICAL AND
CONSTRUCTIVE ENGAGEMENT

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PROCEEDINGS

MR. HERNANDEZ: (In progress) -- experiences and perhaps looking too much to the back as we try to move forward. But since about 1994 or 1995, after the migration accords with Cuba, there have been about 20- to 25,000 Cubans arriving in Miami since then and there are about now probably about 300- to 350,000 Cubans who have a completely different experience, outlook and vision about the situation and how to proceed in this situation.

These Cubans are more dealing with engagement and compassion toward the Cuban people because they have left in Cuba very close families and they have lived of course all their lives under a different

system and it is a completely -- obviously a different outlook and a different situation than ours that from the very beginning looked more toward sanctions and, yes, hatred of a regime that had taken away all our lives. So this has been extremely important for us, especially for me and for my organization, in realizing that we have to take into consideration the realities of these people and the wishes of these people.

This doesn't mean that we believe that by changing attitude toward the regime or by changing the U.S. policy Fidel and Raul Castro they are going to change. That's absolutely nonsense. I really do not believe that after 50 years these people that simply believe in power are going to change whatsoever. And also I really believe that what Frederick Douglass said that "power concedes nothing without a demand." How can we create that demand? We believe that at the present time that demand can be created by the people inside Cuba and should be created by the people inside Cuba. It cannot be created by us. It's nothing that we are going to do here or the European community is going to do in order to create that demand. Therefore, if that is going to happen and there's really going to be change in Cuba, it is the Cuban people who have to change that.

How do we do that? We have to help the Cuban people in their effort then in creating a solidarity with the Cuban people if we are

going to do that. Who can do it best? The Cuban-American community I think can do that very well because we know them and we know what the situation is inside Cuba. So this is what has driven us to realize that it is a moment to lift -- not that we have to just lift the embargo or anything like that right now because we believe that by doing that the government is going to change and everything is going to change in Cuba. But we believe that the emphasis now should be toward helping the Cuban people help themselves, helping the Cuban people realize that the responsibility is with them, and there is where we are now. And I think that if we proceed on that basis, things are going to change, and it's reflected in the fact that our people both inside Cuba and in the United States at the present time are looking to this new administration with a tremendous expectation.

One of the greatest problems that Fidel and Raul Castro and all of them have now is determining how are they going to deal with this new animal that is called Barack Obama. I call it the Obama Factor because this is a young man with a new message, a message that they are not used to handling or dealing with and a guy that is very similar in his racial context than 70 percent of the Cuban population. So this is something that they are going to have to handle. I don't think that they are going to deal with it in the sense that they basically are going to try to

(inaudible) and create as many problems as they can, because as I said, they are not going to release power easily, but I think that there is a great opportunity for a change in policy and this is what we should be pursuing at the present time.

MR. PASCUAL: Thank you. Very eloquently stated. Let's continue building on that and move from the political dynamics of the Cuban-American community and starting on the politics internally within Cuba to another factor which is critical to the politics of Cuba which is actually the wellbeing of the Cuban people and how that affects their capacity to actually advance and promote change from within, and for that, Carlos Saladrigas.

MR. SALADRIGAS: One of the few things that we did in the process of deliberating and developing this report is we looked at elements of the U.S. policy as has been in effect through the years and we began to break it apart and look for those myths or the things that need to be debunked that certainly have not worked.

I think one of those, and Pepe alluded to it, is this belief that we have always had that there is somehow one magic silver bullet that's all of a sudden going to change the character and the nature of that regime overnight, and the fact of the matter is that no matter what we do, there is not a silver bullet to bring about change in Cuba. This is the

argument, for instance, of people in Miami and other places when we talk about opening up the forces and breaking down the isolation of Cuba. They'll say the Europeans have been visiting Cuba for so many years and nothing has happened. We cannot expect anything to happen. I think Pepe said it very, very clearly when he said that it is the Cuban people that will bring about this transition on their own terms, on their own time, under the right set of circumstances.

That leads us to the next debunking which I think is critical which is the fact that we have always done what Fidel Castro has always wanted us to do and that's to look at the Cuban people through the lens of the regime. He has always wanted to institute a system in Cuba where the regime, the government, the leaders and the Cuban people are all one and the same, it is all one big monolith, and we have actually fallen into that trap not only in terms of U.S. policy, but in terms of how we in Miami have always looked at Cuba and what to do about Cuba. We have never been able to distinguish between the regime and the people and this is one of the myths that we agreed in the report that needed to be broken and this is one of the things about U.S. policy that needed to change, and that we need to start believing and understanding and acting where the people are more important than the regime.

I have talked many times to people from Eastern Europe, I had this morning a meeting with someone from the Czech Republic, and they said forget the government. Focus on the people. What can we do to help the Cuban people be the protagonists of their own change and to have access to the contacts, the money, the resources, the people, the information that they need to truly become agents of their own change on their own time and under the right circumstances. That I think needs to be the focus of a whole new policy approach, focused on the people of Cuba to do what they need to do to change the course of events.

This is the third aspect, because all of the things are related, the third myth about U.S.-Cuba policy, is that its single most objective needs to be denial of resources to the regime. When you deny resources to the regime, you deny resources to the people also, and therefore that is a myth that has perpetrated a significant amount of damage on the people, because the fact of the matter is that Cuba is a poor nation not by default, but by design and the design is based on the fact that the government believes that by keeping people poor they exercise a greater degree of control over the population. Therefore, anything we can do to break that myth, to break that strategy on the part of the regime I think will ultimately help the Cuban people to do what they need to do.

This is incredibly important because by focusing on the Cuban people we can begin to empower them and engage them in ways we have never done before. I was talking to (inaudible) the other day and just released a poll that was alluded to yesterday and he told me that in one question he was asking in the poll as to how much money are you going to be sending to Cuba, one person told him I'm going to send \$5,000. It's beginning. It's beginning in the sense that people in Miami are sending money to Cuba for the Cubans to start their own small businesses. This is already beginning. It's already happening as we speak. This is wonderful news because to the extent that we can begin to create Cuban citizens who are economically independent of the Cuban state, we are helping significantly to move the needle forward in terms of allowing these people to truly become agents of change in the future.

I think to some degree Voltaire said it when he said that economic activity that enriches people makes them free, and there is no distinction here. This is true. There is precedent for this, it happened everywhere in Eastern Europe, and if we can be sure that as we open up these doors to the Cuban people, their relatives in Miami and others will begin to provide the resources that they need to live independently of the state, and in many, many cases they are going to be sending money for these people to establish their own little businesses, their own little self-

employment activity, and we're going to be creating increasingly more and more Cuban people who are independent of the regime. I think this is a significant step forward.

There are other benefits from this increased level of resulting economic engagement that's going to happen inevitably from more Cubans traveling to the island and more people-to-people exchanges and so forth, and this is again looking at this issue perhaps in a way we have never looked before. The more the Cuban economy grows to depend on travelers, the more difficult it is going to be for them to repress the population because it has a significant cost not only in terms of economic cost, but also in terms of political and in terms of public relations costs to the regime so it makes repression more costly and more difficult. Also because travelers bring so much money to the island in different ways, this begins to trickle down through the island. Clearly the government takes a bit cut. We know that. We're aware of that. It's a question of tradeoffs. Nothing in Cuba can be thought about in the absence of a tradeoff. Everything is a tradeoff, do we help the regime, do we hurt the people, do we hurt the regime, do we hurt the people? What I think we have concluded in this report is that in that tradeoff every single initiative where it helps the people more than it helps the regime it's worth doing because everything has a significant tradeoff. And in this particular case

we can begin to see that the more Cuban citizens that we can help to become economically independent of the monopoly of the state, the greater contribution we are making to the future of Cuba and to these people to be empowered to bring about changes that we would all like to see happen in Cuba as soon as possible.

MR. PASCUAL: Carlos, thank you. That's excellent and provides I think a very useful framework in which to think about the approach that Vicki laid out in these three phases. People often ask how is it that the United States can have a policy in which we're proceeding with a set of actions based on judgments that we make, and the actions that are taken very much along the lines of exactly as Carlos Saladrigas has just said, to assess the tradeoffs: in what cases do you begin to help the Cuban people more than the regime? That becomes the fundamental criterion on which certain policy actions are taken, and the United States makes the judgment on when to do that.

A dimension of this and a new part of the realism of both the politics and economics of Cuba has to deal with the very fundamental resource questions that Carlos was just talking about. Energy is a central part of that equation, and there's nobody better than Jorge Piñón to talk us through those issues.

MR. PIÑÓN: Thank you, Carlos. As Carlos said earlier, for the last 19 months we went through a very structured process in order to arrive to these recommendations. We went through decision three process, future mapping, a scenario planning process, a process that kept us really focused on the subject at hand, particularly for those of us who are Cubans and tend to usually go in different directions at the same time.

It is very important for me to put on the table early on that the issue of oil came about not because of oil. The issue of oil came about because of the overriding statement that we always have presented in this report, that it's up to the Cuban people to determine their own future outside of any political influences. That's how the issue of oil came about. Oil did not come to the table and then we developed a strategy position around oil. It was again the self-determination of the Cuban people that then brought about the question of oil. So it is important for all of you to understand the comments that I'm going to follow with that understanding.

In Cuba today, two-thirds of Cuba's oil demand depends on one single source, one single source of oil on very heavily subsidized terms. That was the same situation and position that Cuba was in in 1991 with the fall of the Soviet Union, and we know that results. That was the same position that Cuba was in in 2003 during the Venezuelan oil strike, and we also know what the situation at that time was. We believe that as

long as the Cuban people rely on one single source of oil and that single source of oil has any political leverage over the future of the Cuban people and their own determination, we believe that's not right. We believe that Cuba has to somehow diversify its government portfolio and its energy sources in order for them to truly independently from any outside third-party influence make their own decisions.

We believe that the Cuban government even understands this, and I think that Raul Castro's visits overseas, all of them to oil exporting countries, he visited Brazil, he visited Russia, he visited Algeria and Angola, and all four of them are net exporters of oil. I believe, we believe, that Cuba must somehow reach energy independence in order for them to be able to really draw their own future roadmap independent of any influence that might come from that supply.

We have some pushback, I received some pushback, our strategy received some pushback, on the issues of any potential short-term benefit that that might give the current Cuban government. One of the points that we also want to make very clear is that when we made a timeline of what it will take for Cuba to develop its own oil capabilities, it's going to be at least 3 to 5 years away. That's number one. Number two, for them to get an equal amount of the cash-flow represented by the 100,000 barrels a day that Venezuela is giving them today, Cuba will need

to be a producer of at least 224,000 barrels of oil a day from their current production of 54,000 barrels of oil a day. So the point again here is that Cuba still has a long way to go in order for them to become energy independent vis-à-vis the cash-flow represented by the 100,000 barrels a day that Venezuela gives it. I'm talking just about a break-even point. I'm not talking about Cuba eventually becoming a net exporter of oil and then benefiting from that revenue. In fact, the James Baker Institute at Rice University predicts that under an open market economy, Cuba's demand for oil could be as high as 300,000 barrels a day, double their demand today. So again eventually even Cuba will have a very, very long road ahead of becoming really a net exporter of oil.

Our position on Cuba vis-à-vis oil, and that's why you will notice that I'm usually in this panel, again not from the oil point of view, not from the point of view that Cuba has a lot of oil, therefore we the United States needs it, therefore let's go ahead and grab it, let's go ahead and take it, we need the Exxons and the Conocos and the Marathons and the Chevrons to go after it, that is not our position. Our position is very clear, and that is that that future Cuban government in transition or that future Cuban government or people have to be independent of any outside political influence.

Brazil plays a huge and important role in this, by the way. Brazil is the only country of the five countries that Raul Castro visited that can not only give them crude oil, but can also give them refined products. As you know, Cuba has a huge deficit in refining capacity, so just by Cuba finding oil, that's really not the good news. There is still bad news because what do I do with that oil?

Also, Brazil will play a very important role in sugarcane ethanol. I know that sugarcane ethanol in Cuba is a political issue, but if you look at the economics of sugarcane ethanol, sugarcane ethanol is the only ethanol process or the only biofuel process that is net energy contributory, again because of the electricity that it can produce from the gas, something that we in Cuba have known for the last 50 years. So again we believe that oil, we believe that energy, we believe that sugarcane ethanol within the political context within the development of that new Cuban society is a very important catalyst and really must be forefront in our discussions and conversations in the future.

MR. PASCUAL: Before I let you go, an estimate of total reserves and that translates into in a reasonable timeframe under production-sharing agreements for Cuba's (inaudible)

MR. PIÑÓN: There are two sets of numbers. One set of numbers is the number provided by the USGS through a methodology that

we in the industry have recognized and trust and believe and are comfortable with for a number of years, and the USGS only looks at Cuba's North Belt. Cuba's North Belt is only the southern-most part of Cuba's EEZ and they say that there is about 5 billion barrels of oil. That is, by the way, a P50 scenario. If you look at their P90 scenario, it's about 9 billion barrels of oil. This is undiscovered reserves. The 5 billion, Carlos, is a number very similar to what Colombia and Ecuador have today, for example. It is reported that Repsol (ph) is about the drill their second well sometime this year, so we'll see what success there is.

Most of us have listened to remarks by the Cuban government recently by Binbas (ph) about a 20 billion number figure. The way that they reach that 20 billion number figure is that they take the 5 billion in the Cuban North Belt and they also add then very deep waters of the Gulf of Mexico in the Forland Trust (ph) and in the 6B basin. These are areas in which really very little exploration has been done. These are areas in which very little seismic work has been done. This is the area in which, by the way, many of you have heard off the coast of Florida about the eastern gap or the huge donut hole, that just the eastern gap itself sometimes when people report that it has as much as 10 billion barrels of oil, remember Cuba will have a piece of the eastern gap. Many people don't recognize that when the EEC was agreed to during the

administration of President Jimmy Carter, there was a section that was not agreed to and that is the eastern gap. The eastern gap is still to be agreed to between Mexico, the United States and Cuba, and Cuba will have a piece of the eastern gap. So conservatively, Carlos, I think that if you go to Houston and you talk to experts, experts will go ahead and put their dollar on the table that the 5 billion number is achievable.

One last remark. I was just in Cuba 2 weeks ago, 3 weeks ago, and Cuba today has about a billion barrels of oil reserves. By the way, proven reserves in Cuba is about a billion. Their recovery rate is only 7 percent. So the potential for Cuba of course because of heavy oil and because of the geology, but if you look at California, if you look at Canada and Alberta's coal sand, their recovery rate there is somewhere between 17 and 22 percent. So with the right technology and with the offshore potential, Carlos, we believe that, yes, Cuba has the resources to become energy independent, but again it's a challenging road a head but, yes, it does have the resources.

MR. PASCUAL: Finally, let's come back to Carl and put this into a political context. And Carl, congratulations to you and Senator Lugar for being willing to take on these questions and approach them in a very objective and thoughtful way in the report that you have put together.

MR. MEACHAM: Thank you. First of all, I want to thank you and Vicki for putting this report together and pursuing this.

We are I guess the evolution of a lot of the work that has been done by the folks who are here on the panel and some of the folks who are in the audience, and I think that we stand on your shoulders in the work that we've done and we want to pursue that in a way that's constructive and a way that's productive. I would say that the report that you put out we support conceptually because it's very similar to the things that we were saying, but also because it really does lay a realistic roadmap forward with regard to Cuba and our policy toward Cuba, so kudos to you.

I'm going to talk a little bit about how we are or where we are with regard to Cuba after the Trinidad and Tobago Summit. There was an op-ed today by Henry Kissinger I think that really summarized well the approach that you saw from the President in Trinidad and Tobago and I just want to read one sentence from the op-ed. It says, "The administration's approach seems to be pointing toward a sort of concert diplomacy in which groupings of great powers work together to enforce international norms. In that view, American leadership results from the willingness to listen and provide inspirational affirmations. Common action grows out of shared convictions." I think the President was really trying to

do that in how he approached countries in the region at the summit, but I think that, nevertheless, what you have here especially with the Cuba issue is a bunch of moving pieces.

You have the U.S. Congress and the different views in the Congress, and we've seen that over the last month, folks who are very, very committed and very passionate about the issue on both sides articulating their views. We have my boss with Senator Dodd and with Senator -- and Senator Dorgan and over 20 co-sponsors supporting the travel legislation which is incredibly important. You have actions in the region. You have President Lula really trying to provide our President with some support and some room to move forward with regard to Cuba which has been helpful. You have Venezuela and Venezuela's interest in playing a role, we don't know if it's constructive yet, but a role in how we would go about our policies with regard to Cuba. And then you have Cuba. And what we've seen lately with the (Spanish) that have come out with former President Fidel Castro taking a very bitter approach to the OAS, and secondly being a little bit disparaging of the efforts of President Obama to move forward in this policy. So we have a lot of challenges, and I'm just going to give you a couple of views based on that.

When I was preparing for today I asked Vicki what do you want me to talk about, and she said, what do we do now? That's really the

question, what do we do now? I would say that we need to keep on going forward. We can't stop. Senator Lugar in a letter to President Obama was very clear in saying that we need to focus on what we're doing here in Washington and not focus on events in Havana -- Senator Lugar, I support what he's saying. But I would say that we need to do this with eyes wide open and really understanding what we're talking about, that a lot of the moves that we're making are very threatening to the Cuban government, that they're going to I guess respond in ways that might not be constructive as we've seen through the history of our relationship with Cuba getting back to efforts that Kissinger himself made, that the Clinton administration made, and we know how that resulted with Brothers to the Rescue, that we need to go forward. We need to force a conversation at the government level, and in that respect, the recommendations that my boss made to the President on continuing this conversation in the OAS assembly in Honduras is consistent with that.

The other issue is we need to understand that we're going to get gamed here. This is a grandiose game of chicken to a certain extent where the Cuban government has a lot to lose from changing the math that we've had for 50 years, 47 years, so we really do need to go forward with this. But this process is fraught with peril. This is going to be very, very difficult because there are political risks not only internationally but

also domestically with Florida and other states that have a large group of Cuban-Americans that follow this issue and that form their views based on what the administration or what politicians say or do with regard to the Cuba issue. There's also the issue in the region. President Obama's handshake and smile to President Chavez should give you an example of the different passions that exist in the Congress with regard to how to approach these issues. So there's a lot there.

But we need to go forward and we need to understand that it's not going to be a cakewalk. The President talked about a fine (?) and it's going to take a lot of time. Again my boss Senator Lugar has suggested that maybe the right approach to that would be to designate a special envoy so they could be much more deliberate and much more specific as to dealing with these issues. Again we look at the larger picture. We need to approach this in a very nuanced way going forward, and we cannot quit. A lot of my friends came to me after the first response from President Raul Castro saying that he wanted to talk which was changed in the (Spanish) former President Fidel Castro said that we had misunderstood what Raul Castro had said. I watched the video many times. I don't understand what the definition of conversation about everything is other than what we saw from Raul Castro. But a lot of our folks are getting enthusiastic on this side. I think that we have to be very

conservative in how we approach this. Childish enthusiasm with this is really not helpful. It's really being very careful, very conservative about this, but always staying forward and continuing with the efforts to improve dialogue, to create an environment where we do have a conversation, and not moving back. Thanks.

MR. PASCUAL: Carl, thank you very much. I hope what you've seen laid out before you is a strategy of realism. It is a recognition that in Cuba you still have a regime that wants to stay in power. That regime will have ups and downs as it sees different actions being taken and makes its judgments about what is best for it. If we decide policy based on those ups and downs in Cuba, our policy will be a failure, and that's what this report lays out. It says that we have to be able to understand on our part exactly what those measures are that can as Carlos Saladrigas said empower the Cuban people, that take into account the measures that Vicki laid out that become a fundamental source of empowerment, but that also takes into account that in order to be able to operate, the Cuban people need to build space. Therefore, there needs to be a political and diplomatic strategy of somehow engaging the Cuban government to be able to build that space out. That's what we tried to lay out in this report and we're happy to answer any questions that you might have. If you could introduce yourself.

MR. MARTINEZ: My name is Tony Martinez. I'm an attorney, a policy adviser to Governor Bill Richardson. You made an important point when you mentioned the documentary "The Fog of War" which is I consider a master class in diplomacy and you said it's important to emphasize with your adversary. With that in mind, this is really a contextual question because this has come up as I've been working on this issue and with respect to, I want to address this to Mr. Hernandez, because you are in a very important position representing the Cuban-American community here. In the context of the U.S.-Cuba relations there's been so much mistrust and bad blood and violence and the question I have for you, will the Cuban-American National Foundation renounce publicly the history, I'm not saying that this is you now, I'm saying there's a history of violence and support for individuals like Luis Posada Corelas (ph) and Orlando Bosch (ph). These are the controversial things. The reason why I bring this up is that as an important adviser to our government, we have to have total credibility in negotiations and this is something that is a sore point as I've discussed this and worked on this issue. So I really hope that we can put the past as you said behind us, and one of those things is to say we're not going to use violence in dealing with Cuba or support it and renounce it and reject it, that kind of thing. So I'd appreciate your comment on that.

MR. HERNANDEZ: First of all, I've been for a long time a personal friend of those individuals that you have mentioned and that is not going to change. As far as the Cuban-American National Foundation as an organization, we have never, we have never believed in violence as an instrument of obtaining the freedom of the Cuban people, and the record is very, very clear. Our organization started just as a lobby organization going to Washington and if we are blamed for something, we are blamed for the embargo itself, for the Torricelli bill, for the Helms-Burton bill, and so we realize that in Cuba there has been too much violence. The reason why actually we brought and we started working on the Cuban-American National Foundation is because we thought that it was necessary to bring our people out of the (Spanish) out of all the situations inside there and take it to the places where people could really understand public opinion, to really understand the realities of our community. But, yes, we for a long, long time thought that personally and I have a number of reasons that we could discuss to believe that we needed to take perhaps revenge on what had been done on our people. This is a personal situation, but the organization and I as a person right now believe that the last thing that you can do to the Cuban people at the present time is try to bring back violence to the island. I think we have to leave that aside. The Cuban people have suffered too much so we have

to abandon violence as a means of change in the Cuban government at the present time.

MR. PASCUAL: I'm going to take two questions together here. Why don't we take these two right here?

MR. TOWEL: Timothy Towel (ph), former political officer at the Interests Section in Havana in 1979-1980, Mariel. Pepe Hernandez said an interesting thing about a new generation of people in Miami, 300,000 more, and they're young people who don't always share the views of the old guard that we know so well (Spanish) will anyone on the panel address the obverse, the new generation of Cubans? I used to pick up people who were hitchhiking because the bus service is so bad down there 20 or 30 years ago and they'd sit and chat once with me, and once they were relaxed they were very friendly toward the United States of America. We're the imperialist enemies. I was out on 16th Street at the Interests Section the other day and there are young DJI people who were in short pants when I was there. Is there a new generation in Cuba that has a new view of the rest of the world?

MR. PASCUAL: Right here. Straight across.

SPEAKER: -- New Cuba Coalition. First of all, to those in the audience that are not familiar with that, there is no embargo on Cuba. The United States is the fifth commercial partner of Cuba. Let's start

there. In order for us to communicate with the Cubans, we need to speak the same language, and we don't. Why? Because our bodies are different. We must understand that the Cuban people are completely demoralized, completely demoralized, and when you receive information of that you confirm that. As to what President Obama could influence Fidel Castro or Raul Castro, I think the true. I think President Castro and Fidel Castro perhaps would influence President Obama. As to what you mentioned -- about what can we do, I think that our best option is to do nothing. Whatever we do, we sent an American envoy to Havana, President Raul Castro will use that (inaudible) with Russia, with China, with the international community that we can influence what they will do, first of all, our interests are different. American interests are economic. Cuban interests or the Cuban government's interests are political. They want to remain in power. We want to make money. However, my impression is that both will succeed. I think that there will be more economic relations and the Cuban government will stay in power as is. I don't have time for more details, but I should mention to you and Mr. Pascual something that has been bothering me in many of these meetings, that we need a discussant. You are all discussants, but a discussant in the sense of someone arguing against the points that are raised here. I think that would be very -- thank you very much.

MR. PASCUAL: We'll come back to the panel. One thing I will not was when we pulled together the group that participated in this study, it was not people with uniform views. I can assure you that there was a lot of argument, and the intent today was indeed to actually present the results of the report and we're happy to take differing opinions, and I'm glad you spoke up and we'll come back to that. Let me start with Jorge Piñón.

MR. PIÑÓN: There is also another issue, and that is that two of our meetings or the many meetings that we had during the 19 months were held in Miami. So I want to assure to that. And we opened our meetings and we invited people in the Cuban-American community in Miami to come and give their thoughts and opinions. So trust me, we were hit over the head with a 2 by 4 many, many, many times.

I was in Havana during the Japan-Cuba baseball game, so you can imagine the ambiance on the street. But before I briefly go into that, I want to make one very important point that Pepe made at the beginning of his statement. Mr. Martinez, your question to Pepe again underscores where most people are. I came here in 1960 with my parents, so I'm -- my parents died in 1991 and 1992 respectively in Miami. My mother with her walker used to go to Versailles to listen to every American politician that will have (Spanish) and will have coffee and will

says (Spanish) and mom would come back home saying next year. It is time to stop looking back. Your question is not constructive. If you want us to crawl on the floor and beg forgiveness, there many of us on all sides that have to crawl on the floor and beg forgiveness.

I have four children and nine grandchildren. I am now 61 years old. I want to contribute and I want to look forward. There was a think tank in Miami recently that published a Cuba Fact Sheet, a Cuba Fact Sheet, and they were talking about 1959, how many telephones in 1959 per capita, how many televisions per capita. What does that have to do with anything? I know about 1959. I'm very proud of the Cuba of 1959. There is nothing -- yes, I am proud, but that doesn't mean that I have to carry that baggage with me. What it means is that I'm honest enough with myself and I'm looking to a Cuba in the 21st century and I'm willing to sacrifice myself, not my ethics and my morals, but I'm willing to sacrifice myself like Pepe has and said it is time to leave that baggage alone and leave that baggage behind. It is time to look forward. It is time to look at the 21st century, and that is my position.

The last comment, Carlos, and as you can see, somebody put a quarter -- last issue is the issue that in the last 2 days that I've been here in D.C. I have been -- a couple of people came to me addressing the issue of the poll that was conducted in Miami and said the Cuban-

American community in Miami reelected their Cuban representative, therefore the poll is wrong, the Cuban-American community in Miami supports a strong position toward the government of Cuba. I lived in the Leana Ross (ph) -- District. My wife Marentonia (ph) and I bought it for Leana. My wife and I not only bought it for Leana, my wife and I contributed to Leana's campaign. People fail to realize that I am a Cuban-American. I am also an American, and I'm also an American citizen. I have responsibility with over 300 million people in this country. I voted for Leana because she is a good representative to me on social issues, on health care, on the elderly, on education. Leana and I happen to differ on the Cuban policy. And let me tell you, if Leana tomorrow runs for dog catcher of Hialeah, I will vote for her because she is a good representative. So please do not misunderstand the position of those us that are also American citizens and those of us that have a loyalty to this country. We also have other concerns and that's how we elect our representatives. We don't elect our representatives on one single subject.

MR. PASCUAL: Carlos, did you want to comment?

MR. SALADRIGAS: Very briefly I wanted to comment on the subject of generations because I think it's fascinating and it's incredibly important. We began to look at this issue of generational shifts in Miami since the year 2000 and we began to work as Carlos mentioned with FIU

and others to track on this is moving and how this is changing, and these changes are real. But by the same token, there are significant generational shifts also taking place inside the island and we need to understand those and follow those a little bit better.

What I think the real lesson is is not to fall into the trap of sitting back and expecting that the problem will be solved by the simple passage of time or by the simple passage of the baton from one generation to the next. It may not. In fact, I had a very interesting conversation with someone from the island and he said something that really made me think deeply and significantly about the opportunities that we have now in a significant way. He said there are generational issues happening in Cuba and perhaps they are moving in a direction that is very different from the way that generational shifts are moving in Miami. He said your best bet, referring to us as the Miami exiles, that part of the nation of Cuba that's on the other side of the strait, said your best bet is to deal with those Cubans who are your generation referring to the Pedro Pan (ph) generation, those of us that came to Miami in the early 1960s at the age of 10 to 15 years of age, that Pedro Pan generation. That's your best bet. Because those people were revolutionaries, they fought for the revolution, they believed in the revolution, and most of them are disenchanted with the revolution who has abandoned them in many ways,

but they still remain idealistic, they remain true patriots committed to Cuba. He said the next generation of people in the government -- he said that generation is more like Gorbachev. The newer generation of Cubans who are running the government are more like Putins. And let me tell you, you are better off dealing with Gorbachev than you are dealing with Putin.

So this is food for thought, and this whole issue of generational change is critical and it's important, but if there is one overriding conclusion, it is let's move the momentum along, let's move the thing along now rather than wait for magical solutions, whether one is a generational solution or another silver bullet, they do not exist. Let's seize the moment. The momentum is building. This is the time to bring about significant change.

MR. PASCUAL: I know others on the panel want to comment. I'm going to come back to take a couple more questions and then I'll come back to the panel. Let's go to the back of the room.

MR. PATRY: Thank you. Jason Patry (ph) -- student at American University. I'd just like to commend the Brookings Institute first for this report that's been a long time coming and long overdue. Something I find interesting is the amount of studies that look at the Cuban-American population and opinions in Miami and Dade County. However, there is very little consideration -- 200 million other -- generation

in America that see this as a relic, that really has no place existing the way it is. My question to the panel is that the last two panelists mentioned that there is much more at play than just bilateral relations between the United States and Cuba, that changes in the policy toward Cuba are going to have a ripple effect in other countries throughout the region. To back to Vicki's comment about if the U.S. is going to play ball, they've got to be on the field, it is that the United States is really playing in a league here. So if any panelists would like to comment on their opinions on what kind of ramifications that a change in U.S. policy is going to have for other countries in the region.

MR. PASCUAL: Thank you. One other question. Let's go over here on this side.

MR. GOMEZ: My name is Henry Gomez. I have a question. Could you please elaborate a little bit more regarding the relationship between self-determination -- I read in the Obama -- regime change and the critical and constructive engagement strategy that you have just released here.

MR. PASCUAL: Thank you. Let's come back and talk about other countries. First, Vicki, do you want to begin on that?

MS. HUDDLESTON: I want to leave lots of time for Carl, so I'm just going to say very briefly in Latin America I think it makes all the

difference. President Obama made a difference at the summit. He was listening. He was appreciated. He went a little ways. Actually, he went a long ways because he said it's not -- he didn't say it's not regime change, but he said it's engagement, and to me shifting the policy is what he did. He dropped regime change and isolation in favor of engagement, and that was the big thing that was done, not the more small steps.

But the whole region is waiting for the big change, reintegration into or ending Cuba's suspension with the OAS, a relationship is respect between the two countries, a trading, a commercial relationship, a relationship in which people and there's human contact. And once we have a policy that's aligned with the region and the world, not only are we going to gain much greater respect, but it's going to be a much more powerful policy because everybody is going to be on the same page telling the Cuban government you need to evolve, you need to listen to your people, you need to respect universal norms of human rights.

SPEAKER: Just very quickly addressing three points that I saw. One, the issue of the generations, and I think Carlos alluded to it a little bit. When I was in Cuba, I went to the corner of G and 23rd Street where there were a lot of college-aged kids and late-twenties, early-thirties folks. After having conversations with folks on that street, I could not reconcile how the Cuban government is going to link the revolution to

these kids. It was just very different. The things that they were concerned about were not the things that you would say the (Spanish) or the fifty-somethings or forty-somethings were concerned about. They were concerned about material wellbeing and jobs and that was very, very clear. So as far as the government was concerned, I asked them about their views of the government and they used some terms that I'm not going to use right now, but they were more concerned about applying the education that they have because they're very educated, and having opportunity to do that. They wanted to travel. They also are interested in material goods. And one of the points that we make or that I make in our report is the fact that that is a vulnerability of the government and that that is an opportunity for us to be able to, how would you say, attract more folks and expose more folks to different ways of doing things and to see how other people live, and that's where the travel issue comes into play as well. So that's one thing that I would highlight.

Second, on your comment, sir, I find it very difficult to do nothing given that our policy has just failed so clearly. I think that this ties into not only our ability to affect change in Cuba, because that's really what we want to do, and the stated policy is to improve the lives of Cubans, to improve human rights. There's also an aspect of being able to advocate for our interests, security interests, and there are some security

interests that are relevant such, we started talking a little bit about energy and if it's not done in a sustainable way guess who's going to end up with oil pollution and it's going to be the Straits of Florida, it's going to be the Florida coast, it's going to be Louisiana, it's going to be the Gulf area, so that's very important. There's migration and there are also conversations on narco-trafficking. So I find it difficult to just not do anything given that there is so much on the line.

And third, with regard to ramifications of our policy in the region, it's part of changing the tone, it's part of turning the page, it's a region that is looking at the United States or has looked at the United States has being responsible for interventionism, being responsible for being very paternalistic rightly or wrongly. It gives us an opportunity, a symbolic opportunity, to say we're going to do things in a different way. We're going to listen to you in a different way now. We want to be one of many. We don't want to be the big father telling you what to do anymore. And I think that that will go a long way in advancing other interests that we have in the region. So I think that we do have a pretty big opportunity.

Remember we're moving here and I think that your report focuses on this as well, we're not moving away from our principles as a country. We're not saying that we don't want to talk about human rights.

That's not what we're doing. We're just saying we need to approach this from a different perspective. Isolation is not working. Maybe dialogue will.

SPEAKER: We have been concentrating here on what can we do and what is the policy that we can follow and I think it should be -- but there is something that concerns me tremendously right now in Cuba and I think we cannot lose sight of this issue. To me it's probably the most critical problem and situation that the Cuban people have faced over the whole history, at least the last 150 years. First, you see we are talking about whether Raul and Fidel Castro and these people are in power in Cuba right now, they are going to respond or how are they going to respond, are they going to seek power or not. These people think that they are going to live forever. Just a month ago they have -- over 30 years they had a cadre of young people that they had created, gone through the ranks such as Carlos Lahe (ph) and Pedro Roke (ph) and another 10 other young ministers in there that had developed with the international community a sense of rapport if you may somehow, and suddenly they just got rid of them just because they thought supposedly that these people were just angling and putting themselves in a position to succeed these fellows in there.

So my real concern, and I think that it should be the concern of all of us here, is what happens when these people disappear, because

they are going to disappear? Most of them are very close to 80 or over 80 years old and it's going to happen, exactly the same thing that has happened to Fidel Castro, that he cannot appear in front of the Cuban people as he used to do every week in Cuba because people would realize that he has lost all of his faculties that he had before. So what is going to happen to Cuba when these people disappear and there's nobody and there is a real vacuum inside the island and there is nobody to take over there? What should we do? We have been frozen in time here waiting for Fidel Castro to die, and what happens when he dies? This is the real problem, because what happens inside Cuba at the present time is that, and this is the real problem, is that there is no national project for the Cuban people at the present time. The only national project for Cubans right now is to become hyphenated Cubans. Everybody wants to be a Cuban-American or a Venezuelan-Cuban. Get out of Cuba. And you cannot construct a country or a nationality or stability if everybody wants to leave. If they are not satisfied with what they are living inside the island at the present time, and nobody is satisfied with that, not even the close people to the top ranks of the Cuban government in there because most of them or a large portion of them are here in the United States. They have sent their families to Brazil or to Mexico or to the United States, so this is the real problem.

And what is it? If we do not create for the Cuban people a hope that they can establish themselves and they can have a future in Cuba, a future that they can live for them and their families, then we are going to have to resolve the problem here because they're all going to come here regardless of what we do. So this is why we have to act now. We have to change the policies now. We have to help the Cuban people to realize that they have to do something by themselves and that we are going to help them, that is the only solution, so that we are ready for the time when these people disappear which they are.

MR. PASCUAL: I'm going to take three last questions briefly and then I'm going to come back to the panel to allow them to comment across those. I'll begin over here. I'm going to go over there and then to the back.

MR. SANCHEZ: My name is Ignacio Sanchez and I'm an attorney here in town. As I listened to all the comments with respect to the benefits of this for the people, I want to put myself in the shoes of not a Cuban-American which I am, although I was born after the revolution, but in the shoes of a person in Cuba reading this report, and I want to pose two concepts to you and ask you why they were not included in the report.

When I read the report, and I've just looked at the recommendations and I haven't read it in detail, it seems like this report is

all about doing business on both sides. It's about economic benefit, whether it's tourism, whether it's oil, whether it's reaching out to one government or the other. Two things that I find missing from here is, one, a massive humanitarian assistance effort from the United States government, and Pepe knows what I'm talking about because he and I talked about this 10 years ago which was the Food for Peace Program. Why not embrace this effort by saying, no, the United States government is going to reach out to the Cuban people directly, not the Cuban government, but the Cuban people directly. Let the government of Raul stop it. Either they let it in and then it has the salutary effect that Carlos was talking about, or it shows them for what they are to their own people.

The second aspect of that which is I think glaringly missing from the report is labor rights. You've talked about doing business, you've talked about tourism, nowhere in this report in any of the short-term or long-term recommendations is labor rights in any way stated. President Obama has even talked about opening up NAFTA again because of the failure of labor rights. And I was just wondering why the humanitarian assistance and the labor issue was not addressed in your report.

MR. PASCUAL: Thank you. I'm going to go over to this side.

MR. MILLER: My name is Stan Miller. I'm an independent stringer, and I was in Florida in 1958 during the revolution. We're not addressing what made the revolution happen which was the corruption of the government by the United States, United States companies, United States people. How do we avoid this from happening again?

MR. PASCUAL: A final question in the back.

MR. GUYOSO: My name is Antonio Guyoso. I am a refugee from USAID and the State Department, and now I teach at George Washington University. It seems to me that this process that we are witnessing is a radical change. I am convinced, and I may be wrong, that U.S. toward Cuba was always crafted if not drafted in Havana and that isolation was always in the benefit of the dictatorship and we responded reactively by enforcing it. So for the first time I see an open discussion so that we can make our own policies toward Cuba in this country regardless of what those two characters down there are doing.

We talk about zombie banks in this crisis. They have a zombie government in Cuba, but it's reinforced by the hate that they have been able to create by manipulating us. So for the first time we're saying forget it. No more. And when I talk to the (inaudible) every week because I have a radio program on VOA, they are telling me that the young generation is rebelling. This is why the government had to back up on the

vagrancy law in the last month. They were putting people in jail for 4 years for not working for the government. They were vagrants. And in the eastern part of Cuba at least people started complaining, young people, and they backed down. So I think that to the extent that our opening reinforces civil society, gives autonomy to the individuals, we're on the right track.

MR. PASCUAL: Thank you, Antonio. I'm going to in fact actually just give all of the panelists an opportunity to comment and respond on any of the questions that have been raised or any final points that they would like to raise. Vicki, I'll give you the final word. Carl, do you want to start?

MR. MEACHAM: Just two comments on the first point that was made by the gentleman here up front. I don't think we're ignoring humanitarian aid or labor rights. I think the attempt that we're making in the Brookings Report and in the Lugar Report is to set a broad kind of framework or roadmap on how we approach a change in policy as the gentleman in the back correctly stated from isolation to dialogue. I don't think we've ignored those things. I think those things are really important. I think that on the labor rights side, you really have a lot of interest in Cuba and here to work on those things. I think, Carlos, you've done a lot of work on that. I wouldn't dismiss those things. It's things that we're

interested in. But the attempt once again was to create a roadmap. What you're talking about is more of a point within that roadmap as we move forward maybe step one, two, three, we would address those things.

And the comment in the back, again, I believe that the youth is fertile ground in Cuba. I think we really do need to be talking to the age group that you're talking about. I think that we do need to be showing them how differently we live here, and I think that they're interested in those things. I think that there's a lot of tools to do that. It's not just grandiose political or thematic conversations, but it's also pop culture, it's also pop music, it's also fashion, it's sports. That's why we need to be able to get a lot of these exchanges, the baseball diplomacy that I think you did a lot of, there was also the music side. This is going to open up opportunities and channels for conversation and progress that I think are very important and that could probably lead to a change of attitude in how Cubans, not just create this because I think Cubans are smart, these folks are smart, they know what's being fed to them. But it would help emphasize certain points that they want to have a different life and there's another kind of opportunity that they should be pushing and demanding from their government.

MR. PIÑÓN: On the comment of labor, I have spent half of my career working and living in emerging markets overseas for oil

companies and the fact that we came in with a set of rules, we -- some corporations in at least two countries developed we developed national safety laws in the hydrocarbon sector, so I think that eventually by international companies coming in and engaging in the business community of Cuba, you're going to see that as a catalyst for Cuban labor law to evolve into what we at least in the U.S. believe that it should be.

On the issue of corruption, I'm talking from an industry that has a long history and a big question mark next to that word. I think today is different. I believe that we, American corporations and certainly international corporations, or at least most of them, certainly have changed the rules of the game. Corruption is something that you are never going to avoid. You are always going to have it whether it's a bureaucrat, whether it's the policeman or whether it's the individual that is willing to pay for that corrupt act, you're always going to have that. But I think that early engagement even from the business community, from the international community, eventually it's going to go into Cuba and cover that vacuum that Pepe is so concerned about. That is the vacuum that we're talking about, and labor and corruption are two vacuums that are going to be created and I believe that our engagement can help in that development.

MR. PASCUAL: Pepe?

MR. HERNANDEZ: If you see the report, if you read the report, you will see a lot of things reflected there that sort of were exactly the same things that President Lech Walesa told us about 3 years ago in Miami and several members of the Cuban-American National Foundation were there with us when we met with President Walesa. He said, he was talking to us as if opposition movement against the regime and he said the Cuban opposition has made two fundamental mistakes in its strategies. He said one is you have allowed the regime to carry the banner of Cuban nationalism when it should have been the opposition, not the regime. And number two, he said you all talk about politics and you don't talk enough about economics, and what the Cuban people want to hear is about economics, not just -- they're fed with up with politics and they want to talk about economics.

So grandiose actions like sending five ships full of rice to Havana's harbor and have the Cuban government stop them, and they will stop them, accomplish very little in my opinion. I think actions that help the Cuban people like for instance Caritas did during the aftermath of the last hurricane where significant numbers of people in Miami contributed heavily. I know that out of Miami came nearly \$500,000 to help that effort. But it was people to people. It was people helping their brothers and sisters in Cuba. The Cuban -- accepted that -- came to Cuba. It's been

helping build homes in Cuba. That's the kind of thing that is effective. In the end it's about the people. It's about people to people that really matter, and that's what's really effective.

You know, for those of us that believe in private enterprise, this is tantamount to privatizing the change in Cuba. It's not the job of the U.S. government. It's the job of each and every one of us to carry that aid, to carry that help, to carry that message by allowing the optimization of that message to happen through a vast number of people going to Cuba, Cuban-Americans, and others, academicians, artists, members of civil society, were helping to build that bridge on an individual basis one on one without having to resort to these grandiose schemes that simply do not work, and certainly they have not worked in the past.

SPEAKER: To end on a positive note if we may, let me give you a personal anecdote that shows how long I've been in this process or in this struggle. In 1962 I was in jail in prison in Cuba, sentenced to 30 years in prison after my participation in the Bay of Pigs invasion and other things. I was in the -- those of you who know Havana, there is a old castle in the middle of Havana that's called the Prince Castle (Spanish) which is not a place where any prince or pauper would want to be. Anyway, in October 1962, one night in late October of 1962 I was there and I saw that there was a tremendous movement outside the cells and the building of

the castle itself. I looked through one of the big windows there in that old castle, it's a 16th century castle, and I saw a lot of cows that were being brought into the areas around the castle. It was something. But also I saw that there were antiaircraft artillery that was being positioned around the castle.

So the next morning there was a guard there that I had been able to talk to him once in a while and I said, what happened? Are they going to start giving us meat or what is going on? And he said to me, no, I tell you they are going to invade and the world is going to end. So that was during the missile crisis of October. So after a few days, nothing happened of course and they took the cows away and they didn't give us any meat whatsoever. But 2 months later, about late December of 1962, this same guard comes back on his guard. He comes to me and he says, get ready. You are going to Miami. And I said, come on. You are joking with me again like you did before and all that. He said, no. This is true. You are going to Miami. True enough. Next day they came in and they said, okay, get all your things and you are going out of here. They didn't say where we were going. And so they put us on buses and they took us to a military base outside Havana that is called San Antonio (Spanish). When I was in the bus that we came to the military, we could see at the end of the tarmac three beautiful white painted planes that had the name

PanAm on them. And then I said, yes, this guy is right. Now we are going to Miami.

So things can change so fast in Cuba in this process that we have to continue to hope that by doing the right things maybe, maybe things are going to happen. So we cannot lose optimism about the future about Cuba because things are going to happen and the Cuban people are going to take care of their own destiny.

MR. PASCUAL: On the question of corruption, I'm glad you raised it. It's one of the issues that I'm not going to try to tackle here, but we will try to do a much more detailed job on in the monograph because in any regime that has broken apart that has been a centrally controlled economy –

(Interruption)

MS. HUDDLESTON: (In progress) -- and now is in exile in Spain who is a leader of the independent trade union movement in Havana probably would be unhappy too and say why didn't you say something specifically, and perhaps we should have. But indeed it's what all the human rights activists and all the independent journalists told me, we need the contact with the people and the similar organizations, and at that time AFL-CIO had contact with his organization, and so it's included in the people to people.

There are at least three or four recommendations in first, second, and third phases on assistance by private people and government people and the government itself, the civil society, disaster relief, environmental relief, cooperation on health. But if you're interested, and all of you here if you want a little bit more Cuba, on the 28th at 2:00 p.m. in Falk over at Brookings next door, the Environmental Defense Fund and Brookings are putting on a seminar on how we can cooperate with Cuba and with the region on the environment which is very much linked to the United States. Cuba has most of the fisheries for the whole Caribbean Basin which affects our fisheries and our environment, and if those fisheries and hatcheries aren't taken care of carefully, we'll have severe problems here both economically and for our tourists and for our overall environment.

Then I have to apologize to anyone who's heard this story before, and I fear there are a few who have, but I just love to wind up this with this story. Thanks, Carlos. You're willing one more time to hear it. I thought you must have let me go last so I can tell this story. During the end of my tour, toward the end of my tour, when it was the Cuban spring in Havana, in the spring I was taking the official car which is a large black Crown Victoria Ford and armored, so it looks pretty impressive, of course, in a city of Ladas and old Buicks and Fords of the '50s, and I was driving

down Quinta Vanita (ph) which is still this lovely old avenue with the beautiful houses and people strolling and the banyan trees. But everybody looking for a ride back into town because it was Friday night, all the kids are out and they're all doing (Spanish) so I stopped and I said to the kids, get in. They all jumped in. Wow, you know, here they are in this air conditioned beautiful American car, and they said, where did you get this car? And I said, it's the United States government's car. And they said, what do you do? I said, I'm the head of the Interests Section, the jefe, or as the Cubans love to say, the jefe of USID (?) and there was sort of this pause and I wondered what are they going to think now. Are they going to jump out of the car? This young lady, she leans over and she says, be our mother. Take us to Miami. But that's the whole point. If we don't do something now, if we just accept the status quo, if we just hope someone change will happen, then we leave those children, the future of Cuba, without a future. I think it's up to all of us to engage and help the President and the administration have a constructive dialogue with Cuba that will make ourselves once again good neighbors with Cuba and with the region. Thank you all very much.

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I, Carleton J. Anderson, III do hereby certify that the forgoing electronic file when originally transmitted was reduced to text at my direction; that said transcript is a true record of the proceedings therein referenced; that I am neither counsel for, related to, nor employed by any of the parties to the action in which these proceedings were taken; and, furthermore, that I am neither a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

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