

Practice Update

# Cuba Practice Update

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## Cuba Activates First-Ever Fiber Optic Cable

Cuba has long lagged behind its regional counterparts in telecommunications and Internet technologies, trailing even neighboring Haiti in numbers of mobile phone users and per capita internet access.

But in January Cuba took a big step forward in potential connectivity with the activation of its first fiber-optic cable connection. Although the cable linking Cuba and Venezuela is not yet fully operational, it can provide a much faster, much less expensive data transmission than the island's current communications systems, which relied exclusively on satellite hook ups. Experts estimate that the new cable has the technical capacity to increase by up to 3,000-fold Cuba's capacity to send and receive data.

Despite this recent progress, questions remain about how quickly Cuba's national telecoms provider can bring the cable sufficiently online to noticeably boost the functionality of mobile phone devices and the average user's Internet speeds. Also unknown is whether the new cable will lead to significantly improved communications links between the United States and Cuba.

## Virginia on Cutting Edge of Cuba Agriculture Exports

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Farm products are the one major category of exports that are largely exempt from the U.S. embargo. In fact, total agriculture exports, which began in 2001, have exceeded \$300 million every year since 2002 and even hit \$710 million in 2008. Yet, in recent years U.S. exporters of some crops—particularly corn and rice—have reported a drop in Cuban purchase orders that they attribute to increased competition from growers in countries like Brazil and Vietnam. These losses have contributed to a modest downturn in total exports. But some states are bucking the trend.

Recent work by Virginia state's department of agriculture is helping the Virginia farmers secure a new export market for their products in Cuba. In the last five years, total Virginia exports to Cuba have more than doubled to an estimated \$65 million in 2011 and in 2012 Virginia became Cuba's top supplier of apples.

Virginia's ability to increase its Cuba exports is in large part testament to the proactive steps its state government has taken to boost trade volumes. In November 2012, state Secretary of Agriculture Todd Haymore undertook his sixth consecutive trip to Havana to participate in Cuba's annual international trade fare—part of a long-term effort to forge trade ties with a potentially much larger future importer.

### **Analysis: White House Cabinet Changes**

President Obama's selections of John Kerry as Secretary of State and Chuck Hagel as Secretary of Defense may impact Cuba policy decisions. Kerry and Hagel have both historically questioned the effectiveness of the embargo as a policy tool. Still, while the historic views of both on U.S.–Cuba relations have favored engagement over isolation, ultimate authority rests with a White House that proceeded cautiously on Cuba during President Obama's first term.

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