A Telecom opening in Cuba

Steve LeVine

Obama clears the way for U.S. companies to offer wireless phone and satellite-TV service on the island, but broader trade won't come easy.

President Barack Obama's decision to allow U.S. telecommunications companies to obtain licenses to operate in Cuba is a cautious first step toward any possible thaw in U.S. trade relations with the Caribbean nation, trade experts say. But Obama held back from bolder steps that he could have taken.

Along with lifting a ban on travel and remittances for Cuban-Americans, White House press secretary Robert Gibbs announced on Apr. 13 that the Administration would let U.S. telecom network providers set up—and Americans pay for—fiber-optic cable and satellite communications facilities linking the U.S. and Cuba. The U.S. government will also license those companies to provide cell-phone service in Cuba, and allow satellite-radio and satellite-TV service providers to do business in that country.

The U.S. clamped a trade embargo on Cuba 47 years ago, after Fidel Castro seized power. In his Presidential campaign, Obama vowed to move to open relations with Cuba.

Militant in Miami

Since 2000, U.S. companies have been allowed to sellfood and agricultural products to Cuba. The U.S. shipped \$438 million in such goods to Cuba in 2007. The U.S. and Cuba already have telecommunications relations, in the sense that U.S. companies and the Cuban government share revenue for phone calls made between the countries.

Trade experts said that Obama appears not to be moving to allow the sale of a broader array of products to Cuba, nor to restore travel for all Americans to the country. One reason is the persistent political opposition among some members of the Cuban-American community to a more extensive opening of relations.

However, if both the U.S. and Cuba allow telecommunications agreements and Cuban-American travel to proceed smoothly, political pressure could be created to allow more open trade, says Julia Sweig, an expert on Cuba at the Council on Foreign Relations. Restrictions were tightened on Cuban-American travel to the island in 2004 by former President George W. Bush. Currently, Cuban Americans can travel to Cuba once every three years to visit immediate family members.

"To characterize it as the beginning of a thaw of trade relations is a bridge too far," Sweig said. "But it is the beginning of a process that could move quickly or slowly depending on politics in Cuba, and on politics here."

Flow of funds

Sweig said that allowing Cuban Americans to make cash remittances to relatives was potentially more important than the telecommunications move. She said that such cash could lead to actual U.S. investment in Cuba.

Of course, introducing telecom services to Cuba assumes that its government allows operators in. When asked if the Cuban government could do anything to stop U.S. residents from paying for telecom and TV services, Dan Restrepo, special assistant to Obama and senior director for Western Hemisphere Affairs, said the "Cuban government would have a hard time getting in the middle of [this]."

The goal, Restrepo argued, is to create "conditions for greater communication to and from the Cuban people.... The idea is to increase the flow of information [and] ensure that the U.S. government is not standing in the way of that."

BusinessWeek, New York, 13 abr. 2009, Top News, online. Disponível em <www.businessweek.com>. Acesso em: 16 abr. 2009.