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PRESIDENTIAL POLICY DIRECTIVE/PPD-43

MEMORANDUM FOR THE VICE PRESIDENT

THE SECRETARY OF STATE
THE SECRETARY OF THE TREASURY
THE SECRETARY OF DEFENSE
THE ATTORNEY GENERAL
THE SECRETARY OF THE INTERIOR
THE SECRETARY OF AGRICULTURE
THE SECRETARY OF COMMERCE
THE SECRETARY OF HEALTH AND HUMAN SERVICES
THE SECRETARY OF TRANSPORTATION
THE SECRETARY OF HOMELAND SECURITY
ASSISTANT TO THE PRESIDENT AND CHIEF OF STAFF
DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET
UNITED STATES TRADE REPRESENTATIVE
REPRESENTATIVE OF THE UNITED STATES OF AMERICA TO
THE UNITED NATIONS
ADMINISTRATOR OF THE SMALL BUSINESS
ADMINISTRATION
ASSISTANT TO THE PRESIDENT AND
NATIONAL SECURITY ADVISOR
ASSISTANT TO THE PRESIDENT AND
COUNSEL TO THE PRESIDENT
DIRECTOR OF NATIONAL INTELLIGENCE
ASSISTANT TO THE PRESIDENT FOR SCIENCE AND

hazards. Our policy advances bilateral cooperation in areas of mutual interest, including diplomatic, agricultural, public health, and environmental matters, as well as disaster preparedness and response, law enforcement, migration, and other security and defense topics. Our policy also supports increased cooperation with Cuba on regional initiatives on behalf of these interests.

2. A prosperous, stable Cuba that offers economic opportunities to its people. Increased travel and economic interconnectedness supports improved livelihoods for the Cuban people, deeper economic engagement between our two countries, as well as the development of a private sector that provides greater economic opportunities for the Cuban people. Efforts by the Cuban authorities to liberalize economic policy would aid these goals and further enable broader engagement with different sectors of the Cuban economy. United States policy helps U.S. businesses gain access to Cuban markets and encourages the sustainable growth of the Cuban economy. The U.S. private sector, scientific and medical researchers, agriculture industry, foundations, and other groups have new avenues for collaboration that can provide opportunities for Cuban entrepreneurs, scientists, farmers, and other professionals. At the same time, increased access to the internet is boosting Cubans' connectivity to the wider world and expanding the ability of the Cuban people, especially youth, to exchange information and ideas. The United States is prepared to support Cuban government policies that promote social equality and independent economic activity.

3. Increased respect for individual rights in Cuba. Even as we pursue normalization, we recognize we will continue to have differences with the Cuban government. We will continue to speak out in support of human rights, including the rights to freedoms of expression, religion, association, and peaceful assembly as we do around the world. Our policy is designed to support Cubans' ability to exercise their universal human rights and fundamental freedoms, with the expectation that greater commerce will give a broader segment of the Cuban people the information and resources they need to achieve a prosperous and sustainable future. In pursuit of these objectives, we are not seeking to impose regime change on Cuba; we are, instead, promoting values that we support around the world while respecting that it is up to the Cuban people to make their own choices about their future.

4. Integration of Cuba into international and regional systems. We seek Cuban government participation in regional and international fora, including but not limited to, those related to the Organization of American States (OAS) and Summit of the Americas to advance mutually held member objectives. We believe that a Cuba that subscribes to the purposes and standards of such fora will benefit, over time, from bringing its domestic economic and political practices in line with international norms and globally accepted standards. Our policy strengthens the U.S. position in international systems by removing an irritant from our relationships with our allies and partners and gaining support for a rules-based order.

III. Progress Toward United States-Cuba Normalization

Since the United States announced on December 17, 2014, that it would chart a new course with Cuba, we have re-established

diplomatic relations and have made progress toward the normalization of our bilateral relationship. We opened our respective embassies, six U.S. cabinet secretaries visited Havana, four Cuban ministers visited the United States, and I became the first sitting U.S. President to visit Cuba since 1928. We established a Bilateral Commission to prioritize areas of engagement, and we concluded non-binding arrangements on environmental protection, marine sanctuaries, public health and biomedical research, agriculture, counternarcotics, trade and travel security, civil aviation, direct transportation of mail, and hydrography. We launched dialogues or discussions on law enforcement cooperation, regulatory issues, economic issues, claims, and internet and telecommunications policy.

Given Cuba's proximity to the United States, increased engagement by U.S. citizens, companies, and the nongovernmental sector holds extraordinary promise for supporting our national interests. Bearing in mind the limits imposed by the Cuban Liberty and Democratic (LIBERTAD) Solidarity Act of 1996 ("Libertad Act") and other relevant statutes, the Departments of the Treasury and Commerce implemented six packages of regulatory amendments to the Cuba sanctions program, easing restrictions on travel, trade, and financial transactions. United States individuals, firms, and nongovernmental organizations are availing themselves of these regulatory changes to visit Cuba, and authorized travel to Cuba increased by more than 75 percent from 2014 to 2015. Future U.S. citizen travel will be supported by scheduled air service, which began in August 2016, and the first U.S. cruise liner visited Cuban ports in May 2016. We also commenced direct transportation of mail between our two countries, and U.S. telecommunications firms established direct voice and roaming agreements with Cuba. For its part, the Cuban government has continued to pursue incremental economic reforms and launched more than 100 public Wi-Fi hotspots across the island.

These developments lay the foundation for long-term engagement with Cuba that advances U.S. interests. But we have a great deal more to do to build on that foundation based on a realistic assessment of the strategic landscape surrounding normalization.

IV. Strategic Landscape

Cuba is experiencing several transitions in areas such as leadership, the economy, technological development, civil society, and regional and global integration. Cuba's leaders recognize the need to transition to the next generation, but they prioritize gradual, incremental changes to ensure stability.

Cuba has important economic potential rooted in the dynamism of its people, as well as a sustained commitment in areas like education and health care. Yet the Cuban government faces significant economic challenges, including eliminating its dual-exchange-rate system, making its state-run enterprises more efficient and transparent, developing a financial system that provides expanded services to individuals and the private sector, and reducing its reliance on foreign subsidies. Cuba remains highly dependent on food and energy imports, yet must cope with limited sources of hard currency to pay for import needs. Significant emigration of working age Cubans further exacerbates Cuba's demographic problem of a rapidly aging population.

A series of statutes limits U.S. economic engagement with Cuba, precluding a complete lifting of restrictions on U.S. travel to Cuba, prohibiting United States Government export assistance and the provision of U.S. credit for Cuban purchases of agricultural commodities, and requiring that the embargo not be suspended or terminated unless the President determines that a transition or democratically elected government has come to power in Cuba.

Due to Cuba's legal, political, and regulatory constraints, its economy is not generating adequate foreign exchange to purchase U.S. exports that could flow from the easing of the embargo. Even if the U.S. Congress were to lift the embargo, Cubans would not realize their potential without continued economic reform in Cuba. Cuban government regulations and opaque procurement practices hamper transactions with U.S. companies that would be permitted under U.S. law.

Normalization efforts have raised Cubans' expectations for greater economic opportunities. With an estimated 1 in 4 working Cubans engaged in entrepreneurship, a dynamic, independent private sector is emerging. Expansion of the private sector has increased resources for individual Cubans and created nascent openings for Cuban entrepreneurs to engage with U.S. firms and nongovernmental organizations. We take note of the Cuban government's limited, but meaningful steps to expand legal protections and opportunities for small- and medium-sized businesses, which, if expanded and sustained, will improve the investment climate.

Cuba is not a member of international financial institutions (IFIs), such as the International Monetary Fund, the World Bank, and the Inter-American Development Bank, which could provide expertise and potentially finance economic reforms and viable investment projects.

Although Cuba has reached agreement with several creditor nations on bilateral debt relief through restructuring and forgiveness, it remains in default to the United States Government on pre-Cuban revolution bilateral debts and does not participate in international capital markets. Cuba and the United States are both members of the World Trade Organization (WTO); however, neither country applies the agreement to the other because of the U.S. embargo toward Cuba.

Rapprochement has enabled us to increase our engagement with Cuba on regional issues such as the Colombia peace process and healthcare in Haiti, and has undermined an historic rallying point for regimes critical of the United States. Although Cuba has expressed no interest in participating in the OAS, it did attend the Summit of the Americas in 2015. We also welcome engagement between Cuba and other U.S. allies from around the world, including our European and Asian treaty allies. At the same time, we recognize that Cuba and the United States will continue to have differences on many regional and global issues.

U.S. engagement with the Cuban government will also be constrained by Cuba's continued repression of civil and political liberties. We anticipate the Cuban government will continue to object to U.S. migration policies and operations, democracy programs, Radio and TV Marti, the U.S. presence at the Guantanamo Bay Naval Station, and the embargo. The United States Government has no intention to alter the existing

3. Expanded Commerce

The United States Government will seek to expand opportunities for U.S. companies to engage with Cuba. The embargo is outdated and should be lifted. My Administration has repeatedly called upon the Congress to lift the embargo, and we will continue to work toward that goal. While the embargo remains in place, our role will be to pursue policies that enable authorized U.S. private sector engagement with Cuba's emerging private sector and with state-owned enterprises that provide goods and services to the Cuban people. Law enforcement cooperation will ensure that authorized commerce and authorized travelers move rapidly between the United States and Cuba. Although we recognize the priority given to state-owned enterprises in the Cuban model, we seek to encourage reforms that align these entities with international norms, especially transparency.

United States regulatory changes have created space for the Cuban government to introduce comparable changes. In tandem with the Department of the Treasury's regulatory change to expand Cuba's access to the U.S. financial system and U.S. dollar transit accounts, the Cuban government announced in early 2016 plans to eliminate the 10 percent penalty on U.S. dollar conversion transactions, subject to improved access to the international banking system. We will sustain private and public efforts to explain our regulatory changes to U.S. firms and banks, Cuban entrepreneurs, and the Cuban government.

4. Economic Reform

While the Cuban government pursues its economic goals based on its national priorities, we will utilize our expanded cooperation to support further economic reforms by the Cuban government. Recent exchanges among financial service institutions and regulators have provided greater mutual understanding of our respective financial system and economic priorities. We will undertake government-to-government dialogues to discuss options for macro- and microeconomic reform, with the goal of connecting the changes in U.S. policy with Cuban reforms in a manner that creates opportunity for U.S. firms and the Cuban people.

If and when the Congress lifts the embargo, my Administration will engage with the Congress and stakeholders on preparatory commercial and economic exchanges and dialogues. My Administration would then similarly engage the Congress on the substance and timing of a new bilateral commercial agreement to address remaining statutory trade requirements.

5. Respect for Universal Human Rights, Fundamental Freedoms, and Democratic Values

We will not pursue regime change in Cuba. We will continue to make clear that the United States cannot impose a different model on Cuba because the future of Cuba is up to the Cuban people. We seek greater Cuban government respect for universal human rights and fundamental freedoms for every individual. Progress in this area will have a positive impact on the other objectives. We will encourage the Cuban government to respect human rights; support Cuba's emerging, broad-based civil society; and encourage partners and nongovernmental actors to join us in advocating for reforms. While remaining committed to

supporting democratic activists as we do around the world, we will also engage community leaders, bloggers, activists, and other social issue leaders who can contribute to Cuba's internal dialogue on civic participation. We will continue to pursue

State will continue to co-lead efforts with the U.S. Agency for International Development to ensure democracy programming is transparent and consistent with programming in other similarly situated societies. State will coordinate efforts to advance science and technology cooperation with Cuba. State will support telecommunications and internet access growth in Cuba and provide foreign policy guidance to the Departments of Commerce and the Treasury on certain exports, financial transactions, and other license applications.

The U.S. Mission to the United Nations (USUN), in coordination with State, will oversee multilateral issues involving Cuba at the United Nations. USUN will identify areas of possible collaboration with Cuba that could help foster a more collaborative relationship between the United States and Cuba at the United Nations. The USUN will also participate in discussions regarding the annual Cuban embargo resolution at the United Nations, as our bilateral relationship continues to develop in a positive trajectory.

The Department of the Treasury is responsible for implementation of the economic embargo restrictions and licensing policies. The Treasury will continue its outreach to help the public, businesses, and financial institutions understand the regulatory changes. The Treasury will continue to review and respond to public questions and feedback on regulations and public guidance that could be further clarified and to discuss with State any novel license requests that the Treasury receives from the public to determine whether such requests are consistent with the regulatory changes and existing law. The Treasury will make use of available channels for bilateral dialogue to understand Cuba's economic and financial system and encourage reforms and will continue to engage in dialogue with the Cuban government about our regulatory changes.

The Department of Commerce will continue to support the development of the Cuban private sector, entrepreneurship, commercial law development, and intellectual property rights as well as environmental protection and storm prediction. If statutory restrictions are lifted, Commerce will promote increased trade with Cuba by providing export assistance to U.S. companies. In the meantime, Commerce will continue a robust outreach effort to ensure that U.S. companies understand that U.S. regulatory changes provide new opportunities to obtain licenses or use license exceptions to increase authorized exports to Cuba, including to Cuban state-owned enterprises that provide goods and services to meet the needs of the Cuban people. Additionally, Commerce will continue to engage in dialogue with the Cuban government about our regulatory changes, as well as the need for simplification of the Cuban import process, transparency in Cuban business regulations, and other steps that will lead to full realization of the benefits of our regulatory changes.

The Department of Defense (DOD) will continue to take steps to expand the defense relationship with Cuba where it will advance U.S. interests, with an initial focus on humanitarian assistance, disaster relief, and counternarcotics in the Caribbean. The DOD will support Cuba's inclusion in the inter-American defense system and regional security and defense conferences, which will give Cuba a stake in hemispheric stability. The DOD will continue to make contingency

preparations and support the capacity of the Department of Homeland Security and State to address mass migration and maritime migration issues pursuant to Executive Orders 12807 and 13276 and consistent with other applicable interagency guidance and strategy.

The Department of Homeland Security (DHS) will engage, together with the Department of Justice, with the Cuban government to combat terrorism and transnational organized crime. In support of U.S. security and foreign policy objectives, DHS will develop protocols for investigative cooperation with Cuba in coordination with other departments and agencies. The DHS will strengthen the security and efficiency of cross-border supply chains and travel systems in support of people-to-people engagement and authorized U.S. trade with the Cuban private sector. The DHS will safeguard the integrity of the U.S. immigration system, to include the facilitation of lawful immigration and ensure protection of refugees. The Secretary of Homeland Security, the United States Government lead for a maritime migration or mass migration, with support from the Secretaries of State and Defense, will address a maritime migration or mass migration pursuant to Executive Orders 12807 and 13276 and consistent with applicable interagency guidance and strategy.

The Department of Justice (DOJ) will engage, together with DHS, with the Cuban government to combat terrorism and transnational organized crime. The DOJ will work with Cuba to expand security and law enforcement cooperation, increase information sharing, and share best practices with Cuban counterparts. This work will build upon, and strengthen, current law enforcement cooperation with Cuba under the umbrella of the U.S.-Cuba Law Enforcement Dialogue and its various working groups, which focus on counterterrorism, counternarcotics, cybercrime, human trafficking, and other areas of criminal activity.

The Small Business Administration (SBA) will continue to engage with the Cuban government, entrepreneurs, small businesses, and cooperative enterprises. The SBA will support exchanges with the Cuban government in areas of mutual interest, particularly on formalization of small businesses and to spur the growth of new enterprises.

The Office of the United States Trade Representative will provide trade policy coordination in international fora 830.86 Tm[]TJET E

between HHS and the Ministry of Public Health of the Republic of Cuba, will collaborate with Cuban counterparts in the areas of public health, research, and biomedical sciences, including collaboration to confront the Zika virus, dengue, chikungunya, and other arboviruses. The HHS will promote joint work, such as development of vaccines, treatments, and diagnostics; partner with Cuba to prevent, detect, and respond to infectious disease outbreaks; collaborate in the field of cancer control, treatment programs, and joint research; and exchange best practices related to access to healthcare.

The United States Agency for International Development (USAID) will coordinate with departments and agencies the United States Government's response to unplanned environmental occurrences, such as natural or manmade disasters. The USAID will co-lead efforts with State to ensure that democracy programming is transparent and consistent with programming in other similarly situated societies.

The Department of Transportation (DOT) will continue to develop air and surface transportation links between the United States and Cuba in support of transportation providers, authorized travelers, and commerce, while providing required regulatory and safety oversight of transportation providers and systems.

The Office of the Director of National Intelligence (DNI) will support broader United States Government efforts to normalize relations with Cuba, with Intelligence Community elements working to find opportunities for engagement on areas of common interest through which we could exchange information on mutual threats with Cuban counterparts.

The Department of the Interior (DOI) will continue cooperation with Cuba on marine protected areas and continue to engage Cuban counterparts to finalize arrangements on wildlife conservation, terrestrial national protected areas, and seismic records.

2. Congressional Outreach

Strong support in the Congress for U.S.

implementation in their agency: State, the Treasury, Commerce, DOD (Office of the Secretary of Defense and Joint Staff), DHS, DOJ, USDA, HHS, DOT, USUN, the Office of the United States Trade Representative, USAID, SBA, and DNI.

4. Previous Guidance

Executive Order 13276, *Delegation of Responsibilities Concerning Undocumented Aliens Interdicted or Intercepted in the Caribbean Region*, dated November 15, 2002, and Executive Order 12807, *Interdiction of Illegal Aliens*, dated May 24, 1992, remain in effect.

BARACK OBAMA

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