

AMENDED IN ASSEMBLY JUNE 28, 2016

AMENDED IN ASSEMBLY MAY 19, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

Assembly Joint Resolution

No. 3

Introduced by Assembly Member Alejo

January 5, 2015

Assembly Joint Resolution No. 3—Relative to the Cuban embargo.

LEGISLATIVE COUNSEL'S DIGEST

AJR 3, as amended, Alejo. Cuban embargo.

This measure would urge the Congress of the United States to support President Obama's initiative to normalize diplomatic relations with Cuba and to move forward with legislation to help increase trade with Cuba.

Fiscal committee: no.

1 WHEREAS, The Obama administration announced new United
2 States Department of the Treasury and United States Department
3 of Commerce regulations allowing more exports of certain products
4 to Cuba; and
5 WHEREAS, The United States and Cuba recently signed an
6 agreement to restore commercial airline service between both
7 countries, which could potentially result in 110 daily flights to and
8 from Cuba. According to the United States Embassy in Havana,
9 authorized travel to Cuba by United States citizens increased by
10 over 50 percent since travel restrictions were eased in December
11 2014; and

1 WHEREAS, Prior to the embargo the United States placed on
2 Cuba in 1960, the United States accounted for nearly 70 percent
3 of Cuba's international trade. Cuba was the seventh largest market
4 for United States exporters, particularly for American farm
5 producers. Currently, 84 percent of all food consumed in Cuba is
6 imported; and

7 WHEREAS, The United States and Cuba are natural trading
8 partners, and California stands ready to be a major source for
9 Cuba's domestic consumption, which will result in significant
10 growth in the United States exports and the creation of more
11 American jobs; and

12 WHEREAS, A United States International Trade Commission
13 report states that small exporters currently avoid the Cuban market
14 because of the complexity of the regulations in the Trade Sanctions
15 Reform and Export Enhancement Act (TSRA); and

16 WHEREAS, Removing the embargo would provide small- and
17 medium-sized enterprises with access to a much needed market;
18 and

19 WHEREAS, Studies on lifting the embargo show a possible
20 economic spark of \$1.1 billion, \$365 million from sales of United
21 States goods, and a creation of up to 6,000 American jobs,
22 predominantly in agriculture and telecommunications; and

23 WHEREAS, In 2000, under the TSRA, Congress began to allow
24 the sale of agricultural and medical products to Cuba. In four short
25 years, United States exports to Cuba rose from less than \$1 million
26 to \$392 million by 2004, with United States agricultural products
27 capturing 42 percent of the Cuban market; and

28 WHEREAS, According to a 2001 study sponsored by the Cuba
29 Policy Foundation, the estimated economic impact of expanded
30 agricultural exports under the TSRA is \$3.6 billion. According to
31 the United States Chamber of Commerce, the embargo's annual
32 cost to the United States economy is \$1.2 billion, and the embargo
33 disproportionately affects United States small businesses that lack
34 the transportation and financial infrastructure to skirt the embargo;
35 and

36 WHEREAS, Since 2008, Cuba has undertaken more than 300
37 economic reforms designed to encourage enterprise with small
38 businesses, and, in 2008, United States exports to Cuba reached
39 \$718 million, with corn exports estimated at \$198 million, followed

1 by meat and poultry at \$152.6 million and wheat at \$135 million;
2 and

3 WHEREAS, Allies of the United States have taken a
4 disproportionate share of the market of an island that is only 90
5 miles from our shores and is a natural market for United States
6 goods and services; and

7 WHEREAS, California is currently the ~~eightth~~ *sixth* largest
8 economy in the world but exported only \$122,000 in agricultural
9 products to Cuba in 2013, approximately .00068 percent of the
10 \$18 billion of agricultural products exported from California each
11 year; and

12 WHEREAS, According to the United States Department of
13 Agriculture's Economic Research Service data for 2013, each
14 dollar of agricultural exports stimulated an additional \$1.22 in
15 business activity, thereby further highlighting the potential for
16 creating American jobs through California agricultural exports;
17 and

18 *WHEREAS, California is the main producer in the United States*
19 *of delicate fresh fruits and vegetables such as strawberries,*
20 *raspberries, lettuce, broccoli, artichokes, and cauliflower; which*
21 *contain essential vitamins and minerals needed for daily nutrition*
22 *that Cuba's population could benefit from; and*

23 WHEREAS, California's agricultural growers face great
24 opportunities by moving to Cuba to aid in the development of
25 agricultural technology, innovation, and investment; and

26 WHEREAS, As Cuba raises its agricultural profile, Cuba will
27 need food manufacturing technology and education on effective
28 practices that Californian expertise can provide; and

29 WHEREAS, California agricultural products will support
30 economic mobility by exporting products for middle and rising
31 middle classes in Cuba to consume; and

32 WHEREAS, As a growing middle class rises, Cuba's crumbling
33 infrastructure will no longer support these communities, and Cuba
34 will look to California for construction expertise and equipment,
35 which could lead to job growth in these California industries; and

36 WHEREAS, The expected growth of infrastructure will allow
37 for the spread of telecommunication technology to advance in
38 Cuba, where only 5 percent of Cubans have Internet access; and

1 WHEREAS, California is the high-tech capital of the nation and
2 is well positioned to export telecommunications infrastructure to
3 Cuba; and

4 WHEREAS, California pharmaceutical companies and medical
5 devicemakers will be able to sell their products in Cuba, a new
6 market hungry for its products; and

7 WHEREAS, Biotechnology firms will be able to partner with
8 California companies on key ventures such as research and medical
9 product development in areas focusing on diabetes and cancer
10 treatment; and

11 WHEREAS, Cuba has already become a leader in the
12 biopharmaceutical arena, and its vaccine industry will be able to
13 ship more of its high-quality products to California to be distributed
14 to underserved populations at lower costs; and

15 WHEREAS, California health care providers can benefit
16 immensely from renewed Cuban relationships; and

17 *WHEREAS, California would benefit from Cuba's medical*
18 *advances in lung cancer, diabetic foot ulcer, and advanced head*
19 *and neck tumor treatment and the opportunity to conduct further*
20 *research on Cuba's medical accomplishments; and*

21 WHEREAS, California Latinos are an increasing part of the
22 electorate, and increasing economic integration with Latin
23 American countries is a natural evolution of who America is
24 becoming; and

25 WHEREAS, Acknowledging that the increase in trade with
26 Cuba will better serve California's interests and improve the lives
27 of Cubans and their families; and

28 WHEREAS, California can benefit economically and culturally
29 from direct air travel from the United States to Cuba, including
30 direct flights from California; ~~now, therefore, be it and~~

31 *WHEREAS, California's 89,000 Cuban Americans would benefit*
32 *from normalizing trade relations with Cuba by permitting air travel*
33 *to and from Cuba and for remittance practice purposes; and*

34 *WHEREAS, Normalizing trade relations would enable California*
35 *and the Cuban government and its people to exchange dialogue,*
36 *giving them a better opportunity to influence one another regarding*
37 *human rights practices; now therefore, be it*

38 *Resolved by the Assembly and the Senate of the State of*
39 *California, jointly, That the Legislature of the State of California*
40 *urges the Congress of the United States to support President*

1 Obama’s initiative to normalize diplomatic relations with Cuba
2 and to, with all deliberate speed, move forward with legislation to
3 help increase trade with Cuba; and be it further

4 *Resolved*, That the Chief Clerk of the Assembly transmit copies
5 of this resolution to the President and Vice President of the United
6 States, to the Speaker of the House of Representatives, to the
7 Minority Leader of the House of Representatives, to the Majority
8 Leader of the Senate, to the Minority Leader of the Senate, and to
9 each Senator and Representative from California in the Congress
10 of the United States.

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