

AMENDED IN ASSEMBLY AUGUST 4, 2016

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

*(Coauthors: Assembly Members Achadjian, Arambula, Atkins, Bloom, Bonilla, Bonta, Brown, Burke, Calderon, Campos, Chau, Chiu, Chu, Daly, Dodd, Eggman, Frazier, Cristina Garcia, Eduardo Garcia, Gipson, Gonzalez, Gordon, Hadley, Holden, Irwin, Jones-Sawyer, Levine, Lopez, Maienschein, McCarty, Medina, Mullin, Nazarian, O'Donnell, Olsen, Quirk, Rendon, Rodriguez, Salas, Mark Stone, Thurmond, Weber, Williams, and Wood)*

January 5, 2015

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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

1 WHEREAS, The United States and Cuba recently signed an  
2 agreement to restore commercial airline service between both  
3 countries, which could potentially result in 110 daily flights to and  
4 from Cuba. According to the United States Embassy in Havana,  
5 authorized travel to Cuba by United States citizens increased by  
6 over 50 percent since travel restrictions were eased in December  
7 2014; and

8 WHEREAS, Prior to the embargo the United States placed on  
9 Cuba in 1960, the United States accounted for nearly 70 percent  
10 of Cuba's international trade. Cuba was the seventh largest market  
11 for United States exporters, particularly for American farm  
12 producers. Currently, 84 percent of all food consumed in Cuba is  
13 imported; and

14 WHEREAS, The United States and Cuba are natural trading  
15 partners, and California stands ready to be a major source for  
16 Cuba's domestic consumption, which will result in significant  
17 growth in the United States exports and the creation of more  
18 American jobs; and

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

23 WHEREAS, Removing the embargo would provide small- and  
24 medium-sized enterprises with access to a much needed market;  
25 and

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

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

35 WHEREAS, According to a 2001 study sponsored by the Cuba  
36 Policy Foundation, the estimated economic impact of expanded  
37 agricultural exports under the TSRA is \$3.6 billion. According to  
38 the United States Chamber of Commerce, the embargo's annual  
39 cost to the United States economy is \$1.2 billion, and the embargo  
40 disproportionately affects United States small businesses that lack

1 the transportation and financial infrastructure to skirt the embargo;  
2 and

3 WHEREAS, Since 2008, Cuba has undertaken more than 300  
4 economic reforms designed to encourage enterprise with small  
5 businesses, and, in 2008, United States exports to Cuba reached  
6 \$718 million, with corn exports estimated at \$198 million, followed  
7 by meat and poultry at \$152.6 million and wheat at \$135 million;  
8 and

9 WHEREAS, Allies of the United States have taken a  
10 disproportionate share of the market of an island that is only 90  
11 miles from our shores and is a natural market for United States  
12 goods and services; and

13 WHEREAS, California is currently the sixth largest economy  
14 in the world but exported only \$122,000 in agricultural products  
15 to Cuba in 2013, approximately .00068 percent of the \$18 billion  
16 of agricultural products exported from California each year; and

17 WHEREAS, According to the United States Department of  
18 Agriculture’s Economic Research Service data for 2013, each  
19 dollar of agricultural exports stimulated an additional \$1.22 in  
20 business activity, thereby further highlighting the potential for  
21 creating American jobs through California agricultural exports;  
22 and

23 WHEREAS, California is the main producer in the United States  
24 of delicate fresh fruits and vegetables such as strawberries,  
25 raspberries, lettuce, broccoli, artichokes, and cauliflower, which  
26 contain essential vitamins and minerals needed for daily nutrition  
27 that Cuba’s population could benefit from; and

28 WHEREAS, California’s agricultural growers face great  
29 opportunities by moving to Cuba to aid in the development of  
30 agricultural technology, innovation, and investment; and

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

34 WHEREAS, California agricultural products will support  
35 economic mobility by exporting products for middle and rising  
36 middle classes in Cuba to consume; and

37 WHEREAS, As a growing middle class rises, Cuba’s crumbling  
38 infrastructure will no longer support these communities, and Cuba  
39 will look to California for construction expertise and equipment,  
40 which could lead to job growth in these California industries; and

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

4 WHEREAS, California is the high-tech capital of the nation and  
5 is well positioned to export telecommunications infrastructure to  
6 Cuba; and

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

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

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

18 WHEREAS, California health care providers can benefit  
19 immensely from renewed Cuban relationships; and

20 WHEREAS, California would benefit from Cuba’s medical  
21 advances in lung cancer, diabetic foot ulcer, and advanced head  
22 and neck tumor treatment and the opportunity to conduct further  
23 research on Cuba’s medical accomplishments; and

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

28 WHEREAS, Acknowledging that the increase in trade with  
29 Cuba will better serve California’s interests and improve the lives  
30 of Cubans and their families; and

31 WHEREAS, California can benefit economically and culturally  
32 from direct air travel from the United States to Cuba, including  
33 direct flights from California; and

34 WHEREAS, California’s 89,000 Cuban Americans would  
35 benefit from normalizing trade relations with Cuba by permitting  
36 air travel to and from Cuba and for remittance practice purposes;  
37 and

38 WHEREAS, Normalizing trade relations would enable California  
39 and the Cuban government and its people to exchange dialogue,

1 giving them a better opportunity to influence one another regarding  
2 human rights practices; now therefore, be it

3 *Resolved by the Assembly and the Senate of the State of*  
4 *California, jointly,* That the Legislature of the State of California  
5 urges the Congress of the United States to support President  
6 Obama's initiative to normalize diplomatic relations with Cuba  
7 and to, with all deliberate speed, move forward with legislation to  
8 help increase trade with Cuba; and be it further

9 *Resolved,* That the Chief Clerk of the Assembly transmit copies  
10 of this resolution to the President and Vice President of the United  
11 States, to the Speaker of the House of Representatives, to the  
12 Minority Leader of the House of Representatives, to the Majority  
13 Leader of the Senate, to the Minority Leader of the Senate, and to  
14 each Senator and Representative from California in the Congress  
15 of the United States.

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