

AMENDED IN SENATE AUGUST 19, 2016  
AMENDED IN ASSEMBLY AUGUST 4, 2016  
AMENDED IN ASSEMBLY JUNE 28, 2016  
AMENDED IN ASSEMBLY MAY 19, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

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**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

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

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

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

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

27 WHEREAS, Removing the embargo would provide small- and  
28 medium-sized enterprises with access to a much needed market;  
29 and

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

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

39 WHEREAS, According to a 2001 study sponsored by the Cuba  
40 Policy Foundation, the estimated economic impact of expanded

1 agricultural exports under the TSRA is \$3.6 billion. According to  
2 the United States Chamber of Commerce, the embargo’s annual  
3 cost to the United States economy is \$1.2 billion, and the embargo  
4 disproportionately affects United States small businesses that lack  
5 the transportation and financial infrastructure to skirt the embargo;  
6 and

7 WHEREAS, Since 2008, Cuba has undertaken more than 300  
8 economic reforms designed to encourage enterprise with small  
9 businesses, and, in 2008, United States exports to Cuba reached  
10 \$718 million, with corn exports estimated at \$198 million, followed  
11 by meat and poultry at \$152.6 million and wheat at \$135 million;  
12 and

13 WHEREAS, Allies of the United States have taken a  
14 disproportionate share of the market of an island that is only 90  
15 miles from our shores and is a natural market for United States  
16 goods and services; and

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

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

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

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

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

38 WHEREAS, California agricultural products will support  
39 economic mobility by exporting products for middle and rising  
40 middle classes in Cuba to consume; and

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

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

8 WHEREAS, California is the high-tech capital of the nation and  
9 is well positioned to export telecommunications infrastructure to  
10 Cuba; and

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

14 WHEREAS, Biotechnology firms will be able to partner with  
15 California companies on key ventures such as research and medical  
16 product development in areas focusing on diabetes and cancer  
17 treatment; and

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

22 WHEREAS, California health care providers can benefit  
23 immensely from renewed Cuban relationships; and

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

28 WHEREAS, California Latinos are an increasing part of the  
29 electorate, and increasing economic integration with Latin  
30 American countries is a natural evolution of who America is  
31 becoming; and

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

35 WHEREAS, California can benefit economically and culturally  
36 from direct air travel from the United States to Cuba, including  
37 direct flights from California; and

38 WHEREAS, California’s 89,000 Cuban Americans would  
39 benefit from normalizing trade relations with Cuba by permitting

1 air travel to and from Cuba and for remittance practice purposes;  
2 and

3 *WHEREAS, Strengthening educational exchanges and*  
4 *culture-to-culture interactions would create bridges for us to build*  
5 *on and promote mutual awareness, trust, and respect towards one*  
6 *another; and*

7 *WHEREAS, Normalizing trade relations would enable California*  
8 *and the Cuban government and its people to exchange dialogue,*  
9 *giving them a better opportunity to influence one another regarding*  
10 *human rights practices; ~~now~~ now, therefore, be it*

11 *Resolved by the Assembly and the Senate of the State of*  
12 *California, jointly, That the Legislature of the State of California*  
13 *urges the Congress of the United States to support President*  
14 *Obama's initiative to normalize diplomatic relations with Cuba*  
15 *and to, with all deliberate speed, move forward with legislation to*  
16 *help increase trade with Cuba; and be it further*

17 *Resolved, That the Chief Clerk of the Assembly transmit copies*  
18 *of this resolution to the President and Vice President of the United*  
19 *States, to the Speaker of the House of Representatives, to the*  
20 *Minority Leader of the House of Representatives, to the Majority*  
21 *Leader of the Senate, to the Minority Leader of the Senate, and to*  
22 *each Senator and Representative from California in the Congress*  
23 *of the United States.*

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