## Senator Amy Klobuchar USITC Hearing: Investigation #332-552: Overview of Cuban Imports of Goods and Services and Effects of U.S. Restrictions June 2, 2015

Chairwoman Broadbent, Vice Chairman Pinkert, and distinguished Commissioners, I am grateful for the opportunity to appear before you today to speak about the economic importance to our country of providing the freedom for Americans to export to Cuba.

The simple fact is that over fifty years of the embargo have not brought change to Cuba. It has not brought change for the Cuban people. And the embargo has constrained opportunities for American businesses by restricting commerce to 11 million people just 90 miles from our shores.

Back in February, I visited Cuba, where I met with senior officials at the Foreign Ministry, including Foreign Minister Bruno Rodriguez and Director Josefina Vidal. We met with representatives of the Cuban Ministry of Foreign Trade and Investment. We met with religious leaders who have worked on human rights issues, including the Catholic Church in Cuba; the Cuban Jewish community; and a number of Cuban *cuentapropistas*, small entrepreneurs who are taking advantage of Cuba's economic reforms by doing everything from managing their own restaurants to sewing baby clothes and mosquito nets to running a chauffeur service for classic cars.

More than anything else on this trip, I was struck by the enthusiasm of everyday Cubans for renewed ties with the United States. Everywhere I would go I would see the date December 17, 2014. December 17, 2014 – the day our two counties agreed to start opening up relations – was just another day for most Americans…but for Cubans, that day – and the hope it has inspired – is one they will always remember.

Cubans are looking forward to more opportunities to interact with Americans, to do business with us, and to work with us to improve economic opportunities and the quality of life in their country.

There's a real eagerness for the person-to-person contact and relationships that have been mostly blocked for decades. That excitement is alive in Minnesota, too. The Minnesota Orchestra just returned from a historic trip to Cuba, where they were welcomed with open arms. This is an example of the type of relationship we want to help rebuild between our people. The Cuban people are way ahead of the Cuban government.

If you've been trying the same approach for fifty years and it hasn't worked, it's probably time to change course.

That is why I introduced the bipartisan Freedom to Export to Cuba Act with Senators Enzi, Stabenow, Flake, Leahy, Durbin, Paul, Wyden, Franken, McCaskill, and Tester. This bill lifts the trade embargo on Cuba and knocks down the legal barriers to Americans doing business in Cuba. This bill will help open up new economic opportunities for American businesses and farmers by boosting U.S. exports and allowing Cubans greater access to American products.

Ultimately I believe that by lifting the embargo this legislation will help usher in a new era for American exporters to access this important market that we have blocked ourselves from for over half a century. And it will also help improve the lives of everyday Cubans.

The process the President has jumpstarted to normalize our ties with Cuba is a positive step forward. My home state of Minnesota exported about \$20 million in agricultural products to Cuba in 2013. With the President's action alone, the Minnesota Department of Agriculture estimates that exports could increase by another \$20 million.

The United States is already the one of the largest sources of imports to Cuba based solely on authorized shipments of agriculture and medical supplies. Over the past decade, we have been one of Cuba's top suppliers of food products.

So it is not as if we don't already do business in Cuba. But unlike every other country, including our own democratic ally Canada, we hamstring our businesses seeking to export their products there. Export and travel restrictions have continued to prevent Americans from seeking opportunities in Cuba. And the embargo prevents Cubans from obtaining food and other goods we take for granted in the United States.

In general, for every \$73,600 in U.S. food and agricultural exports to Cuba, one job is created in the United States and an additional \$170,000 in economic activity is required to support those additional exports. Cuba's population is 11 million, that's 11 million new customers for U.S. businesses. One study estimates that U.S. exports to Cuba could exceed \$1.2 billion dollars within five years. That's 16,304 American jobs if we open our doors to trade, not including the jobs needed to support those new jobs.

The Freedom to Export to Cuba Act will help us do that. It is simply a targeted repeal of the provisions in current law that keep the embargo in place, including restrictions that prevent American businesses from financing their own exports to the island and requirements for American firms to seek special licenses for any transaction with Cuba.

It's also important to emphasize what this bill does not do. There are many outstanding issues between our two countries that must be dealt with, especially our concerns about the Cuban government's repressive policies.

That is why this bill does not repeal provisions of current law that address human rights in Cuba or that allow individuals and businesses to pursue claims against the Cuban government for expropriated property.

The embargo has not solved these important issues. Members on both sides of the aisle recognize that continuing along the same path with respect to Cuba has not achieved our objectives and has constrained Americans' freedom to pursue business opportunities abroad.

I believe that now is the time to build on our current progress and lift the embargo and the restrictions that keep Americans from competing for business in Cuba. Doing so will help forge a practical and positive relationship that will boost opportunities for Americans to export to Cuba.

Thank you for the opportunity to testify today. I look forward to continuing to help American exporters to grow our economy through increased commerce with Cuba.