

American Farm Bureau Federation
American Society of Travel Agents
Business Roundtable
Coalition for Employment through Exports
Emergency Committee for American Trade
Grocery Manufacturers Association
National Foreign Trade Council
National Retail Federation
Organization for International Investment
U.S. Chamber of Commerce
U.S. Council for International Business
USA*Engage

December 4, 2008

President-elect Barack Obama
P.O. Box 8102
Chicago, IL, 60680

Re: Reexamining U.S. Cuba Policy

Dear President-elect Obama:

We would like to extend to you our sincere congratulations on your historic election to the presidency of the United States.

We are pleased that your promises of change include U.S. policy toward Cuba. It is time for the United States to rethink its approach to the Cuban government and the Cuban people.

You have already indicated that you support suspending restrictions on family remittances, visits, and humanitarian care packages from Cuban Americans. These are excellent first steps but we urge you to also commit to a more comprehensive examination of U.S. policy, one that will have the power to transform Cuban society without costing U.S. taxpayers and one that will greatly benefit U.S. businesses.

When Presidents Dwight Eisenhower and John F. Kennedy initiated restrictions against Cuba, they did so in the face of clear national security challenges and with the support of much of the international community. Today, the United States maintains the embargo despite the absence of an obvious national security threat and against nearly unanimous international opposition. Moreover, as countries like Venezuela and China invest increasing amounts of money in the Cuban economy, it is clear that the embargo is not having – and will not have – the type of economic impact that might influence the behavior of the Cuban government. It is time to consider new approaches that would benefit U.S. national security and economic interests, as well as the Cuban people.

Current policies are ineffective and costly

Current policies towards Cuba have clearly not achieved their objectives. Without the support of our allies and the larger international community, U.S. sanctions serve only to remove the positive influences that American businesses, workers, religious groups, students and tourists have in promoting U.S. values and human rights. Sanctions are also blunt instruments that generally harm the poorest people of the target country rather than that country's leaders.

There is no better example of the ineffectiveness of unilateral sanctions than the case of Cuba. During the Cold War, Soviet assistance helped bolster the Cuban economy in spite of U.S. sanctions. The Cuban economy struggled – but did not collapse – during the “special period” in Cuba following the end of Soviet aid, while Fidel Castro was able to blame shortages at the time on the U.S. embargo. Today, tourism from Europe and Canada, investment from China, Latin America, Canada and Europe, and a more diversified economy have helped to stabilize the Cuban economy and marginalize the impact of U.S. sanctions. Venezuelan financial assistance in the form of petroleum sold at below market prices has also helped prop up the regime.

While the current isolation of Cuba has far outlasted its original purpose, U.S. policies impose real costs on America. For American businesses, the U.S. International Trade Commission estimated in 2001 that the Cuba embargo costs American exporters up to \$1.2 billion annually in lost sales. The U.S. government focuses attention and resources on the Cuba embargo at the expense of more urgent pursuits such as halting flows of money to al Qaeda and keeping terrorists and criminals out of the United States. Using scarce resources to investigate and prosecute minor violations of Cuba sanctions ignores the infinitely greater challenge of securing the homeland from more serious national security threats.

The real cost, however, is the influence that the United States has lost by voluntarily isolating itself from Cuba during an important moment of transition. Far from providing leverage, U.S. policies threaten to make the United States virtually irrelevant to the future of Cuba.

A moment of opportunity

Your administration has a unique opportunity to take steps to end nearly 50 years of isolation from Cuba and the Cuban people. We support the complete removal of all trade and travel restrictions on Cuba. We recognize that change may not come all at once, but it must start somewhere, and it must begin soon.

The United States could engage in bilateral discussions with the Cuban government. Beginning a dialogue on issues of mutual interest could begin the process of repairing the complicated relationship between the United States and Cuba, but that process will take time.

The United States should immediately remove travel restrictions and allow Americans to act as ambassadors of freedom and American values to Cuba. From farmers and manufacturers to human rights and religious groups, as well as a large and growing number of Cuban Americans, the American people increasingly recognize the unfairness and incongruity of restricting travel to Cuba. It is simply wrong that American citizens cannot travel freely to Havana but are not restricted by the United States from traveling to Pyongyang and Tehran.

Your administration should also consider removing certain restrictions on trade to allow American companies to help Cuba to respond more effectively and meaningfully to the devastating humanitarian crisis in the wake of Hurricanes Gustav and Ike. For example, the United States could exempt agricultural machinery, heavy equipment and other exports from the embargo which would provide the goods and technology needed to rebuild from recent storms. The United States could also license direct banking services in order to facilitate these sales.

American businesses stand ready to help Cuba rebuild and hope to play a constructive role in reaching out to the people of Cuba.

We urge you to support the immediate reconsideration of U.S. Cuba policy, and to convene a bipartisan commission tasked with looking at U.S. policies in their entirety. Continuation of the status quo could leave the United States isolated from the Cuban people for another generation. As you have said, the time for change is now.

Sincerely,

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