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TESTIMONY BEFORE THE
HOUSE ENERGY AND COMMERCE SUBCOMMITTEE ON COMMERCE, TRADE
AND CONSUMER PROTECTION
for a hearing entitled
“Examining the Status of U.S. Trade with Cuba and its Impact on Economic Growth”
APRIL 27, 2009

INTRODUCTION

Chairman Rush, Ranking Member Radanovich, and distinguished members of the committee, thank you for the opportunity to speak with you today concerning recent events in our relationship with Cuba. I welcome your interest in this topic.

Today’s hearing is entitled “Examining the Status of U.S. Trade with Cuba and its Impact on Economic Growth,” but I can imagine the interests of Committee Members extend not only to that subject, but also to the President’s recent statements regarding his belief that we can move U.S.-Cuban relations in a new direction. It is my hope that Members will take no offense if I do not take this opportunity to expand upon nor to interpret the words and messages the President so capably laid out during the successful Summit of the Americas in Trinidad and Tobago. We meet at a fluid moment in U.S. policy and as Members of this Committee know, setting U.S. policy toward Cuba is not within the province of the Department of Commerce.

On April 13, 2009, the President directed the Secretaries of Commerce, Treasury and State to take actions necessary to lift restrictions on family visits to Cuba; remove restrictions on remittances to family members; authorize greater telecommunications links with Cuba; and expand the scope of humanitarian donations eligible for export. These changes in our Cuba policy are designed to encourage greater contact between family members, ease the flow of remittances to Cuban families and promote the flow of information to the Cuban people.

The Bureau of Industry and Security (BIS) at the Department of Commerce and Treasury’s Office of Foreign Assets Control (OFAC) are hard at work implementing these policy changes. My colleague from the BIS will discuss these changes in more detail in his testimony.

Reaching out to the Cuban people in this way is a demonstration of our interest in setting our relations with Cuba on a more productive and positive course. The actions we are taking will directly benefit the well-being of Cuban citizens and will remove barriers between families in both countries.

Mr. Chairman, I understand that you have recently returned from a visit to the island, and that you, as well as a number of your colleagues, are interested in greater commercial interchange with Cuba. As you know, the United States maintains extensive legal restrictions on the ability

of U.S. firms to trade with Cuba. The President has indicated his belief that the embargo should remain in place as a source of leverage for positive change in Cuba. I will briefly delineate the mix of legislation that governs our trade relations with Cuba.

The United States maintains a comprehensive trade embargo with respect to Cuba under numerous laws. That embargo was first announced by President Kennedy in Presidential Proclamation 3447 in 1962, under the authority of the Foreign Assistance Act of 1961. Implementing regulations issued by the Department of Commerce and the Department of the Treasury to carry out the trade embargo on Cuba relied on general authorities in the Export Control Act of 1949 and the Trading With the Enemy Act. The trade embargo on Cuba has been further shaped over the years by various pieces of legislation, including the Export Administration Act of 1979, the Cuban Democracy Act of 1992, and the Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1996, and the Trade Sanctions Reform and Export Enhancement Act (TSRA) of 2000.

TSRA limits Commerce's ability to promote and support U.S.-Cuba trade. Under TSRA, the Department of Commerce is prohibited from providing the routine export assistance to U.S. exporters to Cuba that our U.S. and Foreign Commercial Service regularly provides to other U.S. firms. Despite the broad restrictions on trade with Cuba, U.S. producers exported more than \$700 million in agricultural goods to Cuba in 2008, making the U.S. the largest source of food to Cuba and making us Cuba's fifth largest trading partner.

CONCLUSION

President Obama indicated at the Summit of the Americas that the United States seeks a new beginning in its relations with Cuba. The measures announced on April 13 were intended as a signal to the people in Cuba and to the government of Cuba that the United States is prepared to pursue policies that will strengthen the ties between the people in our countries and bolster progress toward a free and democratic Cuba.

Thank you Mr. Chairman, and I am pleased to answer any questions you or other members of the committee may have.