



Statement of the U.S. Chamber of Commerce

On: Submitted for the Record for the Hearing: "Is it Time to Lift the Ban on Travel to Cuba?"

To: United States House of Representatives Committee on Foreign Affairs

By: U.S. Chamber of Commerce

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The Chamber's mission is to advance human progress through an economic, political and social system based on individual freedom, incentive, initiative, opportunity and responsibility.

The U.S. Chamber of Commerce is the world's largest business federation, representing more than three million businesses and organizations of every size, sector, and region.

More than 96 percent of the Chamber's members are small businesses with 100 or fewer employees, 70 percent of which have 10 or fewer employees. Yet, virtually all of the nation's largest companies are also active members. We are particularly cognizant of the problems of smaller businesses, as well as issues facing the business community at large.

Besides representing a cross-section of the American business community in terms of number of employees, the Chamber represents a wide management spectrum by type of business and location. Each major classification of American business -- manufacturing, retailing, services, construction, wholesaling, and finance -- is represented. Also, the Chamber has substantial membership in all 50 states.

The Chamber's international reach is substantial as well. It believes that global interdependence provides an opportunity, not a threat. In addition to the U.S. Chamber of Commerce's 112 American Chambers of Commerce abroad, an increasing number of members are engaged in the export and import of both goods and services and have ongoing investment activities. The Chamber favors strengthened international competitiveness and opposes artificial U.S. and foreign barriers to international business.

Positions on national issues are developed by a cross-section of Chamber members serving on committees, subcommittees, and task forces. More than 1,000 business people participate in this process.

The U.S. Chamber of Commerce sees an end to the travel ban as an important first step toward a policy more likely to bring change to Cuba and commercial benefits to the United States.

The last 50 years of U.S. policy toward Cuba have proven that unilateral sanctions do not work. Rather than encouraging Cuba to democratize, the embargo made a martyr out of a tyrant and actually helped prop up the Communist regime. Allowing Americans to act as ambassadors of freedom and democracy is an important first step in reforming U.S. policy toward Cuba.

But ultimately what we would like to see is an end to the embargo. During one of the most exciting and dynamic periods of global economic expansion and technological innovation, the Cuban people have been left out. Cuba's poverty is the direct result of a half century of Marxist mismanagement, but the embargo allows the Castro brothers to blame it on Washington. Lifting the embargo would not only remove their excuse for economic failure, it would help American farmers, businesses, and workers, as well as the Cuban people by providing new economic opportunities.

Unilateral sanctions also isolate the United States from its allies who choose not to join the U.S. in imposing sanctions, denying U.S. companies access to markets and bolstering third-country competitors. 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. Moreover, the embargo does not just hurt American businesses, but also workers and farmers who would benefit from trading with Cuba.

The United States is currently the primary supplier of food to Cuba, with exports reaching \$718 million in 2008. Currently authorized exports of U.S. food and agricultural products to Cuba would undoubtedly get a boost from a lifting of the travel ban. American travelers prefer American goods and familiar brands when traveling abroad. U.S. exporters would benefit from increased sales of their goods at restaurants, airports, hotel shops, and convenience stores across Cuba.

Additionally, U.S. exporters of currently authorized goods would benefit from a lifting of restrictions on the ability to travel for the purpose of establishing commercial relationships. U.S. exporters often lose out to third-country competitors because of the significant delays travel restrictions place on the ability to transact commercial sales. Unrestricted U.S. business travel to Cuba to explore the market would create additional commercial opportunities.

It is clear that the time is right to finally end a failed policy that isolates the United States from the region and the world. Public opinion has shifted in favor of increased trade and travel to Cuba. A September 2009 poll released by Bendixen & Associates indicates that 59% of the Cuban-American community approves of lifting the travel ban for all Americans.

Prosperity and free enterprise go hand in hand. The Chamber's own mission statement commits us to "advancing human progress through an economic, political, and social system based on individual freedom, incentive, initiative, opportunity, and responsibility." The Chamber supports efforts to broaden economic engagement with the island in the belief that additional commercial and people-to-people contacts would promote a transition to democracy and full civil liberties.