

MORAN REQUESTS PRESIDENT-ELECT BARACK OBAMA REFORM U.S., CUBA TRADE POLICIES

President-elect Barack Obama

451 6th Street NW

Washington, DC 20004

Dear Mr. President-elect:

On January 20, 2008, following your inauguration as President of the United States, you will have a unique opportunity to make meaningful reform to our unsuccessful trade policy with Cuba. Reform of U.S. trade policy with Cuba can facilitate new markets for U.S. goods and provide a means for our country's democratic principles to reach Cuban citizens. Development of more practical trade rules will also deter Cuban purchases from other more oppressive governments like Venezuela or China. This is especially the case with non-luxury items like food and medicine.

I have long advocated for a more sensible trade policy with Cuba. I sponsored the Trade Sanctions Reform Act of 2000 (TSRA), the first meaningful change in U.S./Cuban trade policy in nearly a half-century. This took a crucial step in changing relations with Cuba by allowing the export of agricultural products and medical supplies from the U.S. The Act recognized that democratic change can result from the free flow of goods and ideas from one country to another. Shipment of agricultural and medical goods into Cuba provided an avenue for the ideals of freedom and capitalism to reach an otherwise closed nation.

Unfortunately, in March 2005, after four years of rapid growth in agricultural trade with Cuba, the current Administration put into effect regulations that frustrated the very intent of TSRA. These regulations changed the meaning of "payment of cash in advance" to require Cuban buyers of U.S. commodities to make payment before the ships leave U.S. ports, rather than payment upon delivery of the commodities to Cuban harbors. Such a payment is inconsistent with normal trade standards and provides a disincentive to buy from U.S. companies. In addition, the rule also blocked direct transfers of funds from Cuban buyers to the accounts of U.S. purchasers. Prohibition of direct payments substantially increased transaction costs by requiring a third party intermediary and further frustrated trade flows.

As you begin your term as President, I ask that you direct your administration to issue new regulations to restore the original intent of TSRA. These regulations should repeal the flawed policy put in place in 2005 and define "payment of cash in advance" as payment on delivery to Cuban ports, allow direct transfers of funds from Cuban purchasers to U.S. sellers, facilitate travel for U.S. citizens seeking to market agricultural products in Cuba, and allow the issue of visas to Cuban nationals for travel to the U.S. when necessary to conduct activities related to the purchase of U.S. agricultural products.

Thank you for considering my request and I look forward to working with you to craft a sensible trade policy with Cuba in the coming months.

Very truly yours,

Jerry Moran

