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Deanna Hill
Operator's Signature

10/23/03
Date

2003 SENATE GOVERNMENT AND VETERANS AFFAIRS

SCR 4007

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10/23/03
Date

2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SCR 4007

Senate Government and Veterans Affairs Committee

Conference Committee

Hearing Date 01/31/03

Tape Number	Side A	Side B	Meter #
Tape 1		x	900-3750
Committee Clerk Signature <i>Lisa Hest</i>			

Minutes:

Senator Karen Krebsbach, Chairman opens SCR 4007.

Senator Krauter introduces and explains bill. States this is a follow-up from 2 years ago.

Recently with efforts of the governor, Farm Bureau, we attended the trade conference in Cuba.

We showed the quality and quantity of North Dakota to Cuba. since September's meeting we have made great strides with Cuba to do trade. We can not make anything other than cash sales right now. We can only do cash only trade with Cuba.

Senator Krebsbach : If this was a open and free market we would not have a cash only or is that a situation that they have demanded?

Senator Krauter: We are not able to use traveler's checks, credit cards, etc. We can only do strict cash transactions.

John Mittleider, ND Farm Bureau testifies in support of SCR 4007.

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10/23/03
Date

Page 2

Senate Government and Veterans Affairs Committee

Bill/Resolution Number SCR 4007

Hearing Date 01/31/03

In 2000 congress changed rules to trade with Cuba. It is a cash only sale now open after 40 years.

Cuba has a list of 296 products that ND had over 40 commodities that they were interested in and

came back with 8 different trade opportunities and have since received more since then. we

would like to propose an amendment that allows US citizens to be able to travel to Cuba openly.

This would promote the business between Cuba and the Us.

Senator Dever : I think the embargo gave us an advantage would ending the embargo work against us?

Mittleider: That is some of the reservations. We can get our products to Cuba quicker and cheaper than say Japan. I think it is imperative we do business with them.

Senator Krebsbach : Alimport, what actually is it?

Mittleider: Government procurement agency, buys all products that come into country.

Representative Kerzman testifies that he is supporting SCR 4007

Chuck Fleming: Marketing Coordinator ND Department of Agriculture(testimony attached)

Some of the products they have is tobacco products, nickel, rum, citrus crops. Primarily if we

don't have cash sales we could have larger shipments plus they need the sales. The Canadians

have a great relationship with Cuba. We cannot trade one way and make it work.

Closed SCR 4007

Senator Nelson moves a Do Pass on amendment

Senator Wardner 2nd

6 Yes 0 No

Senator Wardner moves a Do Pass as amended

Senator Nelson 2nd

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Deanna H. H. H.
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10/23/03
Date

Page 3
Senate Government and Veterans Affairs Committee
Bill/Resolution Number SCR 4007
Hearing Date 01/31/03

6 Yes 0 No

Carrier: Senator Krebsbach

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10/23/03
Date

33037.0201
Title.0300

Adopted by the Government and Veterans
Affairs Committee
January 31, 2003

JG3
1-31-03

PROPOSED AMENDMENTS TO SENATE CONCURRENT RESOLUTION NO. 4007

Page 1, line 2, after "Cuba" insert "and to end the travel restrictions that prohibit most United States citizens from visiting the Republic of Cuba"

Page 2, line 3, after "Cuba" insert "and to end the travel restrictions that prohibit most United States citizens from visiting the Republic of Cuba"

Renumber accordingly

Page No. 1

33037.0201

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Deanna Hollis
Operator's Signature

10/23/03
Date

Date: 1/31/03
Roll Call Vote #: 1

2003 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SCR 4007

Senate Government and Veteran Affairs Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken amendment

Motion Made By Nelson Seconded By Wardner

Senators	Yes	No	Senators	Yes	No
Senator Karen Krebsbach, Chr.	✓		Senator April Fairfield	✓	
Senator Dick Dever, Vice Chr.	✓		Senator Carolyn Nelson	✓	
Senator Richard Brown	✓				
Senator Rich Wardner	✓				

Total (Yes) 4 No 0

Absent 0

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

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Deanna Hill 10/23/03
Operator's Signature Date

Date: 1/31/03
Roll Call Vote #: 2

2003 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SR 4007

Senate Government and Veteran Affairs Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass as amended

Motion Made By Wardner Seconded By Nelson

Senators	Yes	No	Senators	Yes	No
Senator Karen Krebsbach, Chr.	✓		Senator April Fairfield	✓	
Senator Dick Dever, Vice Chr.	✓		Senator Carolyn Nelson	✓	
Senator Richard Brown	✓				
Senator Rich Wardner	✓				

Total (Yes) 6 No 0

Absent 0

Floor Assignment Krebsbach

If the vote is on an amendment, briefly indicate intent:

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Deanna Hill 10/23/03
Operator's Signature Date

REPORT OF STANDING COMMITTEE (410)
February 3, 2003 9:10 a.m.

Module No: SR-20-1491
Carrier: Krebebach
Insert LC: 33037.0201 Title: .0300

REPORT OF STANDING COMMITTEE

SCR 4007: Government and Veterans Affairs Committee (Sen. Krebebach, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SCR 4007 was placed on the Sixth order on the calendar.

Page 1, line 2, after "Cuba" insert "and to end the travel restrictions that prohibit most United States citizens from visiting the Republic of Cuba"

Page 2, line 3, after "Cuba" insert "and to end the travel restrictions that prohibit most United States citizens from visiting the Republic of Cuba"

Renumber accordingly

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10/23/03
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2003 HOUSE GOVERNMENT AND VETERANS AFFAIRS

SCR 4007

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10/23/03
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2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SCR 4007.

House Government and Veterans Affairs Committee

Conference Committee

Hearing Date 3-14-03

Tape Number	Side A	Side B	Meter #
1		x	48.6-end
2	x		0-20.6
Committee Clerk Signature <i>Jody Rinke</i>			

Minutes: Chairman Klein: opened the hearing on SCR 4007. All committee members were present.

Senator Krauter: appeared in support of SCR 4007 and also was the sponsor of the bill. We all understand the values of production Agriculture in North Dakota but one of the challenges is that to market and sell those types of commodities. What the resolution does, is simply urges the president and congress to end the embargo with the United States Agriculture and manufactured products and expand the trade with Cuba. What has happened in the past 12 months has been very exciting but there are still some things that need to be changed number one is we need to have cash type of transactions that need to take place with the country of Cuba versus 4 or 5 steps that will take days to get payment on commodity, the second thing is that the trade embargo right now only allows for basic food or medicine to go through we need to expand that for all commodities, and the third thing is that the exchange of currency, we do transactions with another country basically the U.S. currency is not the currency that is used there that whole

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Deanna Hall
Operator's signature

10/23/03
Date

Page 2

House Government and Veterans Affairs Committee

Bill/Resolution Number SCR 4007

Hearing Date 3-14-03

transaction I think is something that is negative to Cuba and potentially double negative to U.S. and North Dakota.

Roger Johnson, Agriculture Commissioner, North Dakota Department of Agriculture; appeared in support of SCR 4007 and also gave a statement, (SEE ATTACHED TESTIMONY).

Representative Sitte: can you review for us the reasons we do have this embargo isn't it do to the human rights abuses for political prisoners.

Roger Johnson: I think the principle reasons for this embargo had to do with a nuclear threat and the military threat the fact that they are a communist affiliated with the Soviet Union back when it was first put in place. I think every year that goes on the reasons for keeping the embargo in place become less and less clear, certainly those original reasons are gone. There are other communist countries that we trade with, we don't have an embargo with and our theory has always been that if we trade with them and integrate into their society they will come to see the wisdom of our way of doing business and will be more likely to change more quickly.

Representative Meier: made a motion to AMEND SCR 4007.

Representative Haas: SECOND the motion to amend.

All in favor motion carried to amend.

Representative Winrich: made a DO PASS AS AMENDED motion on SCR 4007.

Representative Tieman: SECOND the motion.

VOTE: 9-YES 5-NO 0-ABSENT.

Motion carried.

Representative Devlin: will carry the bill to the floor.

meeting adjourned.

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10/23/03
Date

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SCR 4007

House Government and Veterans Affairs Committee

Conference Committee

Hearing Date 3-27-03

Tape Number	Side A	Side B	Meter #
2	x		17.3-21.6
Committee Clerk Signature <i>Jody Roub</i>			

Minutes: Chairman Klein: lets take up SCR 4007, this has been re-referred back to our committee, all committee members were present.

Representative Kasper: moved to **RECONSIDER** SCR 4007.

Representative Potter: **SECOND** the motion.

All in favor.

Representative Devlin: one of the reasons that we had to reconsider this is that being I was carrying it was the fact that the bill that we passed in here earlier dealing with all the travel restrictions to CUBA , there are some differences in this bill, the travel restrictions would allow the Cuban economy to gain U.S. dollars to be used to buy U.S. farm products. I feel we either have to amend this bill to remove the travel part or do a way with it.

Representative Sitte: **I MOVE A DO NOT PASS** on SCR 4007.

Representative Grande: **SECOND** the motion.

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10/23/03
Date

Page 2

House Government and Veterans Affairs Committee

Bill/Resolution Number SCR 4007

Hearing Date 3-27-03

Representative Sitte: just in the last month U.S. diplomatic relations with Cuba have really broken down and the Cuban government have more political prisoners then ever, and that is one of President Bushs' main reason for saying we could not be trading and also FBI director Robert Mueller testified earlier this year that one of the most serious terrorist threats are coming from a Iraq, Iran, Syria, Sudan, North Korea and Cuba.

VOTE: 10-YES 4-NO 0-ABSENT.

Motion carried.

Representative Sitte: will carry the bill to the floor.

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10/23/03
Date

33037.0301
Title.0400

Adopted by the Government and Veterans
Affairs Committee
March 14, 2003

**House Amendments to Engrossed SCR4007 - Government and Veterans Affairs
Committee 03/14/2003
RESOLUTION NO. 4007**

Page 1, line 8, replace the first "of" with "on" and remove ", unlike the People's Republic of
China"

Page 1, line 9, remove "and Russia,"

Renumber accordingly

1 of 1

33037.0301

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10/23/03
Date

Date: 3-14-03

Roll Call Vote #:

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTE
SENATE BILL/RESOLUTION NO. SCR 4007

House GOVERNMENT AND VETERANS AFFAIRS Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Move to Amend line 8

Motion Made By Rep. Meier Seconded By Rep. Haas

Representatives	Yes	No	Representatives	Yes	No
Chairman M.M. Klein			B. Amerman		
Vice Chairman B.B. Grande			L. Potter		
W.R. Devlin			C. Williams		
C.B. Haas			L. Winrich		
J. Kasper					
L.R. Klein					
L. Meier					
M. Sitte					
W.W. Tieman					
R.H. Wikenheiser					

Total (Yes) _____ No _____

Absent all in favor (passed)

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

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Deanna Halverson
Operator's Signature

10/23/03
Date

Date: 3-14-03

Roll Call Vote #:

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTE
SENATE BILL/RESOLUTION NO. SCR 4007

House GOVERNMENT AND VETERANS AFFAIRS Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass As Amended

Motion Made By Rep. Winnich Seconded By Rep. Tieman

Representatives	Yes	No	Representatives	Yes	No
Chairman M.M. Klein	X		B. Amerman	X	
Vice Chairman B.B. Grande		X	L. Potter	X	
W.R. Devlin	X		C. Williams	X	
C.B. Haas	X		L. Winrich	X	
J. Kasper		X			
L.R. Klein		X			
L. Meier		X			
M. Sitte		X			
W.W. Tieman	X				
R.H. Wikenheiser	X				

Total (Yes) 9 No 5

Absent 0

Floor Assignment Rep. Devlin

If the vote is on an amendment, briefly indicate intent:

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10/23/03
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REPORT OF STANDING COMMITTEE (410)
March 17, 2003 8:38 a.m.

Module No: HR-47-4860
Carrier: Devlin
Insert LC: 33037.0301 Title: .0400

REPORT OF STANDING COMMITTEE

SCR 4007, as engrossed: Government and Veterans Affairs Committee (Rep. M. Klein, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (9 YEAS, 5 NAYS, 0 ABSENT AND NOT VOTING). Engrossed SCR 4007 was placed on the Sixth order on the calendar.

Page 1, line 8, replace the first "of" with "on" and remove ", unlike the People's Republic of China"

Page 1, line 9, remove "and Russia,"

Renumber accordingly

(2) DESK, (3) COMM

Page No. 1

HR-47-4860

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Operator's Signature

10/23/03
Date

Roll Call Vote #: _____ Date: 3-27-03

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTE
SENATE BILL/RESOLUTION NO. 4007

House GOVERNMENT AND VETERANS AFFAIRS Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Referred 4007

Motion Made By Kasper Seconded By Potter

Representatives	Yes	No	Representatives	Yes	No
Chairman M.M. Klein			B. Amerman		
Vice Chairman B.B. Grande			L. Potter		
W.R. Devlin			C. Williams		
C.B. Haas			L. Winrich		
J. Kasper					
L.R. Klemin					
L. Meier					
M. Sitte					
W.W. Tieman					
R.H. Wikenheiser					

Total (Yes) 14 No 0

Absent passed

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

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Deanna Hall Operator's Signature 10/23/03 Date

Roll Call Vote #:

Date: 3/27/03

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTE
SENATE BILL/RESOLUTION NO. 4007

House GOVERNMENT AND VETERANS AFFAIRS Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken

Do Not Pass

Motion Made By

Rep. Sitte

Seconded By

Rep. Grande

Representatives	Yes	No	Representatives	Yes	No
Chairman M.M. Klein	X		B. Amerman		X
Vice Chairman B.B. Grande	X		L. Potter		X
W.R. Devlin	X		C. Williams		X
C.B. Haas	X		L. Winrich		X
J. Kasper	X				
L.R. Klemin	X				
L. Meier	X				
M. Sitte	X				
W.W. Tieman	X				
R.H. Wikenheiser	X				

Total (Yes) 10 No 4

Absent 0

Floor Assignment Rep. Sitte

If the vote is on an amendment, briefly indicate intent:

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Operator's Signature

Deanna [Signature]

10/23/03
Date

REPORT OF STANDING COMMITTEE (410)
March 27, 2003 12:28 p.m.

Module No: HR-55-5899
Carrier: Sitte
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE
SCR 4007, as engrossed: Government and Veterans Affairs Committee (Rep. M. Klein, Chairman) recommends **DO NOT PASS** (10 YEAS, 4 NAYS, 0 ABSENT AND NOT VOTING). Engrossed SCR 4007 was placed on the Fourteenth order on the calendar.

(2) DESK, (3) COMM

Page No. 1

HR-55-5899

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Deanna K. Hall
Operator's Signature

10/23/03
Date

2003 TESTIMONY

SCR 4007

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Deanna Hall
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10/23/03
Date

Roger Johnson
Agriculture Commissioner
www.agdepartment.com



Phone (701) 328-2231
Toll Free (800) 242-7535
Fax (701) 328-4567

600 E Boulevard Ave., Dept. 602
Bismarck, ND 58505-0020

**Testimony of Charles Fleming
Marketing Coordinator
North Dakota Department of Agriculture
SCR 4007
Senate Government and Veterans Affairs Committee
Missouri River Room
January 31, 2003**

Chairman Krebsbach and members of the Government and Veterans Affairs Committee. I am Chuck Fleming, Marketing Coordinator for the North Dakota Department of Agriculture and I am here today on behalf of Agriculture Commissioner Roger Johnson in support of Senate Concurrent Resolution 4007.

Commissioner Johnson is in Washington DC today attending the winter meeting of the National Association of State Departments of Agriculture (NASDA). At that meeting he is offering a policy statement for that group to consider which has the same objective as the resolution that is before you. A copy of that policy statement is attached to my testimony.

The US Trade policy towards Cuba is flawed. It is a policy that is not consistent with our country's overall trade policy towards other countries. If it is designed to use food as a weapon, it has failed. Amazingly, the current policy is held in place by the strong support of about 600,000

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Operator's Signature

10/23/03
Date

Cuban Americans living in two counties in south Florida that have been able to influence the President and the Congress. If only our 600,000 + North Dakotans could exert such influence!!!

Current policy allows for the cash sales of food and medicine to Cuba. Visa and license requirements are burdensome, direct currency exchanges are not possible, and the current system is very inefficient.

North Dakota has been a leader in trading with Cuba. Senator Dorgan has been a leader in Congress in attempting to change policy. Governor Hoeven has visited Cuba and promoted North Dakota food products with Cuban government leaders. Lt. Governor Jack Dairymple, Commissioner Johnson and I participated in the US Food Exposition in Havana in September with ten North Dakota companies. That show has resulted in eight sales thus far.

Sixty percent of Cuba's food imports came from the United States forty years ago. Our goal should be to reach that level again. We can with a change in US policy. North Dakota is fortunate in that we are able to provide products such as dry edible beans and pulse crops that are a staple of the Cuban diet. They are "bargain" protein foods and for a poor country with the huge challenge of feeding their people, it gives us great opportunity.

The current policy of "cash only" sales at first blush may seem to be in our best interests.

However, there are some negatives involved. It becomes an inefficient system because that means sales will be small and our suppliers in North Dakota can not sign long term contracts.

Additional inefficiencies occur because our transportation costs are higher than if we had normal

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10/23/03
Date

relations because there is no backhaul. All of this forces Cuba to put the squeeze on our companies on pricing, and it becomes difficult to compete with other countries.

A change in government policy which would lift tourist restrictions would help provide Cuba with more US dollars which would allow them to buy more US products, particularly more value added agricultural products for the food service-hotel trade. Currently our primary market is in the lower cost commodities.

The Commissioner recognizes that when normal trade relations are resumed that it is in our interest to negotiate agreements that do not adversely affect our current industries such as sugar. He believes that can be done, and we must be vigilant as those issues are discussed.

Commissioner Johnson recognizes that with a population of 11 million people, Cuba is not a huge market. But for some of our "minor" crops in North Dakota, it can be a very significant market. North Dakota has positioned itself to be at the front door should normal trade relations resume. We should be leading the effort in trying to change policy. The passage of this resolution works towards that end.

I urge the adoption of the resolution.

I would be happy to respond to any questions.

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10/23/03
Date

6.2 Trade with Cuba — U.S. economic sanctions against Cuba have been relaxed by recent legislation. The change in sanctions may enable U.S. food and agricultural sales to an island that's only 90 miles from Florida. The challenge, however, is that the legislation includes very specific licensing and financial provisions that US exporters must adhere to.

As Cuba's economy responds to increased investment, incomes will increase and in turn cause an increase in food consumption — especially processed food products. An increase in tourism along with the reform of Cuba's economy is expected to increase demand for imported foods even more.

The United States, with its variety of products, does have a trade advantage with Cuba given its close proximity to Florida. NASDA urges the Administration and the various U.S. government agencies to interpret the new law as broadly as possible, especially the financial terms so companies can compete with other countries in the global marketplace.

NASDA urges the Administration and the U.S. Congress to reexamine U.S. policy towards Cuba and lift the current embargo against Cuba.

In the last year over 200 million dollars of agricultural products have been purchased by Cuba from the United States. Cuban government officials indicate that they expect food imports from the United States to total \$250 million in 2003 and to reach \$1.2 billion annually by 2005 or 2006. Forty years ago 60 percent of Cuba's food imports came from the United States. Current U.S. trade policy provides great inefficiencies to both United States farmers and the Cuban government. Third party currency exchanges further compounds trade activity problems. Further, U.S. trade policy to Cuba is inconsistent with trade policy to other countries. Therefore a major change in policy is appropriate.

The U.S. should eliminate the "Cash Only" sales provision of the current law as well as extend trade to other areas besides food and medicine. Laws and regulations related to visa and license requirements should be streamlined to better promote trade activities. Long term contracts should be allowed, which will provide more efficiencies for both parties. We further believe exchange of biotech research would have a benefit to both countries. Importation of Cuban products into the U.S. should be allowed with appropriate safe guards for our domestic markets. Tourism restrictions for both countries should be lifted.

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Deanna Hill
Operator's Signature

10/23/03
Date

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**Testimony of Roger Johnson
Agriculture Commissioner
North Dakota Department of Agriculture
SCR 4007
House Government and Veterans Affairs Committee
Fort Union Room
March 14, 2003**

Chairman Klein and members of the Government and Veterans Affairs Committee. I am Agriculture Commissioner Roger Johnson, and I am here today on behalf in support of Senate Concurrent Resolution 4007.

The US Trade policy towards Cuba is flawed. It is a policy that is not consistent with our country's overall trade policy towards other countries. If it is designed to use food as a weapon, it has failed. Amazingly, the current policy is held in place by the strong support of about 600,000 Cuban Americans living in two counties in south Florida that historically have been able to influence the President and the Congress. If only our 600,000 + North Dakotans could exert such influence!!!

Last month I attended the winter meeting of the National Association of State Departments of Agriculture (NASDA). I offered a policy statement for that group to consider which has the same

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objective as the resolution that is before you and it passed. A copy of that policy statement is attached to my testimony.

Current policy allows for the cash sales of food and medicine to Cuba. Visa and license requirements are burdensome, direct currency exchanges are not possible, and the current system is very inefficient.

North Dakota has been a leader in trading with Cuba. Senator Dorgan has been a leader in Congress in attempting to change policy. Senator Conrad was in Cuba this past month and met with their President. Governor Hoeven visited Cuba last summer and promoted North Dakota food products with Cuban government leaders. Lt. Governor Jack Dalrymple and I participated in the US Food Exposition in Havana in September with ten North Dakota companies. The North Dakota Farm Bureau played a major role in organizing the North Dakota effort at that show. The participation in that show has resulted in eight sales thus far.

In 2002 Cuba traded with 170 countries, buying a total of \$5.575 billion in products. The current major trading partners with Cuba are Spain and Venezuela, each with 13% of total imports, followed by China with 11%, Canada 8% and the Netherlands with 6%. Cuba bought \$252 million dollars of food from the US, making us the 10th largest exporter to Cuba.

Sixty percent of Cuba's food imports came from the United States forty years ago. Our goal should be to reach that level again. We can, with a change in US policy. North Dakota is fortunate in that we are able to provide products such as dry edible beans and pulse crops that are

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a staple of the Cuban diet. They are "bargain" protein foods and for a poor country with the huge challenge of feeding their people, it gives us great opportunity.

The current policy of "cash only" sales at first blush may seem to be in our best interests.

However, there are some negatives involved. It becomes an inefficient system because that means sales will be small and our suppliers in North Dakota can not sign long term contracts.

Additional inefficiencies occur because our transportation costs are higher than if we had normal relations because there is no backhaul. All of this forces Cuba to put the squeeze on our companies on pricing, and it becomes difficult to compete with other countries.

A change in government policy which would lift tourist restrictions would help provide Cuba with more US dollars which would allow them to buy more US products, particularly more value added agricultural products for the food service-hotel trade. Currently our primary market is in the lower cost commodities.

Cuba is a poor country and in order to increase its purchase of US food, it needs to stimulate its economy. Tourism is a natural. The Cubans have been working very hard to become a major tourism attraction, because they know what it can do for their economy. In the last ten years they have created 200,000 new jobs in the tourism industry. Tourism now represents 41% of the income for their balance of payments. In 1990 it was 4%.

You might be interested in where the tourists come from that visit Cuba now. Canada is the leader with 350,000 tourists last year. The Canadians are followed by Germany, Italy, Spain,

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France, England, and Mexico in that order. If US citizens were allowed to travel to Cuba, and did so at the same rate as Canadians, that would mean 3.2 million visitors from the United States.

That is probably very realistic and would have a tremendous impact on their economy.

Contrary to popular belief, there is substantial support in Florida for lifting the travel ban. The Florida cruise ship industry relies on a lot of repeat business, and their customers are looking for new destinations. They would welcome the opportunity to open up the Cuban market.

I recognize that when normal trade relations are resumed that it is in our interest to negotiate agreements that do not adversely affect our current industries such as sugar. I believe that can be done, and we must be vigilant as those issues are discussed.

I recognize that with a population of 11 million people, Cuba is not a huge market. But for some of our "minor" crops in North Dakota, it can be a very significant market. North Dakota has positioned itself to be at the front door should normal trade relations resume. We should be leading the effort in trying to change policy. The passage of this resolution works towards that end.

I urge the adoption of the resolution. I would be happy to respond to any questions.

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**National Association of State Departments of Agriculture Resolution
Passed - February 2003**

Trade with Cuba — U.S. economic sanctions against Cuba have been relaxed by recent legislation. The change in sanctions may enable U.S. food and agricultural sales to an island that's only 90 miles from Florida. The challenge, however, is that the legislation includes very specific licensing and financial provisions that US exporters must adhere to.

As Cuba's economy responds to increased investment, incomes will increase and in turn cause an increase in food consumption - especially processed food products. An increase in tourism along with the reform of Cuba's economy is expected to increase demand for imported foods even more.

The United States, with its variety of products, does have a trade advantage with Cuba given its close proximity to Florida. NASDA urges the Administration and the various U.S. government agencies to interpret the new law as broadly as possible, especially the financial terms so companies can compete with other countries in the global marketplace.

NASDA further urges the Administration and the U.S. Congress to reexamine U.S. policy towards Cuba and lift the current embargo against Cuba.

In 2002, over 200 million dollars of agricultural products have been purchased by Cuba from the United States. Cuban government officials indicate that they expect food imports from the United States to total \$250 million in 2003. Forty years ago 60 percent of Cuba's food imports came from the United States. Current U.S. trade policy provides great inefficiencies to both United States farmers and the Cuban government. Third party currency exchanges further compounds trade activity problems. Further, U.S. trade policy to Cuba is inconsistent with trade policy to other countries. Therefore a major change in policy is appropriate.

The U.S. should eliminate the "Cash Only" sales provision of the current law as well as extend trade to other areas besides food and medicine. Laws and regulations related to visa and license requirements should be streamlined to better promote trade activities. Long term contracts should be allowed, which will provide more efficiencies for both parties. We further believe exchange of biotech research would have a benefit to both countries. Importation of Cuban products into the U.S. should be allowed with appropriate safe guards for our domestic markets. Cuba should be held to the same sanitary/phytosanitary standards as the rest of the world trading community. Tourism restrictions for both countries should be lifted.

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