

United States Senate

WASHINGTON, DC 20510

May 11, 2009

The Honorable Timothy F. Geithner
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

Dear Secretary Geithner:

On April 13, 2009 President Obama announced a series of changes to U.S. policy towards Cuba. In particular, the Administration will ease limits on family travel and cash gifts from the U.S. to Cuba, as well as authorize greater telecommunications links between the U.S. and Cuba. These measures come 47 years after the U.S. trade embargo on Cuba began and follow the easing of restrictions on the sales of medicine and agricultural products in 2000. These new steps could reunite approximately 1.5 million Americans with relatives in Cuba and improve communications between the U.S. and Cuba. As you begin negotiations with the Cuban government to reciprocate these measures, as well as to draft relevant executive orders and regulations, we write to you regarding the opportunities for U.S. small businesses in Cuba.

In particular, it is our understanding that in 2007, according to the International Telecommunications Union, only 11 percent of the population in Cuba subscribes to telephone services and two percent subscribes to cell phone service. According to the same statistics, about 12 percent of Cubans utilize the Internet. With these figures in mind, there appears to be room for significant growth in the Cuban telecommunications industry and, in turn, great opportunities for U.S. businesses. For example, the announced policy changes would authorize U.S. telecommunications providers to establish fiber-optic cable and satellite telecommunications facilities linking the U.S. and Cuba, as well as authorize licenses to enter and operate under roaming service agreements with telecommunications providers in Cuba. If approved by the Cuban government, U.S. companies would benefit from building and operating these fiber-optic connections; while Cuban citizens would see lower-cost telephone and Internet services. Furthermore, with some restrictions, U.S. satellite television and radio providers would be allowed to obtain a license to serve Cuban customers. Lastly, also with some restrictions, residents of the U.S. would be allowed to export communications devices such as mobile phones and computers to Cuba.

As the Administration negotiates with the Cuban government and comes up with new regulations, we would respectfully request your consideration to make U.S. small business interests a priority in these discussions. Small businesses are the engine of the American economy and, now more than ever, deserve a level playing field for new opportunities in Cuba. To assist U.S. small businesses interested in these opportunities, we also request, at the appropriate time, clarification on the following issues:

- Whether U.S. Small Business Administration (SBA) and Export-Import Bank loans would be eligible to be used for authorized small business activities with Cuba

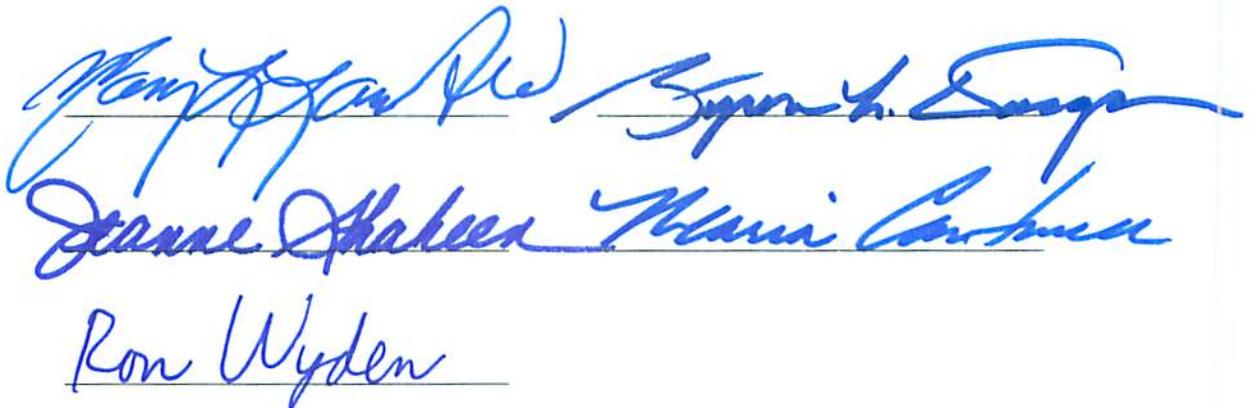
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- The specific roles that Federal agencies such as the Department of Commerce, Export-Import Bank, and SBA could play in promoting U.S. small business exports/activities in Cuba
- Whether the Administration, as provided by the Regulatory Flexibility Act when a trade is likely to have a significant economic impact on a substantial number of small companies in an industry sector, will work with the SBA Office of Advocacy to seek streamlined rules and licensing requirements for U.S. small business activities to Cuba
- Whether the Administration plans to issue an online accessible step-by-step small business guide on doing business with Cuba under the new guidelines; such a document could outline banking procedures, business travel, claims, regulatory licensing, and other relevant issues
- Whether the Administration plans to encourage the Cuban government to support joint ventures between Cuban and U.S. small businesses on these projects

In closing, as referenced above, in 2000 the U.S. made a similar move to ease restrictions on the sale of medicine and agricultural products to Cuba. This allowed for greater humanitarian aid to reach the Cuban people and improved business relationships between the two countries. As a result of these changes, \$438 million in food and agricultural products was shipped from the U.S. to Cuba in 2007 alone. The recently announced changes present additional business opportunities for U.S. companies and another avenue to improve the quality of life for the Cuban people.

Thank you for your attention to this important matter.

Sincerely,


The block contains four handwritten signatures in blue ink. The first signature is a man's name, the second is a woman's name, the third is another woman's name, and the fourth is 'Ron Wyden'.

Cc:

The Honorable Hillary Rodham Clinton, Secretary, U.S. Department of State
The Honorable Gary Locke, Secretary, U.S. Department of Commerce
The Honorable James H. Lambright, Chairman, Export-Import Bank of the U.S.
The Honorable Karen Mills, Administration, U.S. Small Business Administration