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FISCAL IMPACT REPORT

SPONSOR Garcia, Miguel P. DATE TYPED 3/3/05 HJM 83

SHORT TITLE Resumption of Relations with Cuba SB _____

ANALYST Baca

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	NFI				

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Destination Cuba: www.webcenter.travel.aol.com/travel

SUMMARY

Synopsis of Bill

House Joint Memorial 83 requests the United States Government end the economic embargo against Cubans, eliminate travel restrictions on U.S. citizens, remove Cuba from the list of terrorist nations and resume diplomatic relations with Cuba. HJM83 further request that copies of this memorial be transmitted to the President and Vice-President of the United States, the Secretary of State, the Speaker of the United States House of Representatives, the majority leader of the United States Senate and members of the New Mexico congressional delegation.

Significant Issues

The memorial indicates that restoring normal relations between the United States and Cuba would be beneficial to both countries and provide opportunities to resume trade relations thereby improving economic prospects of both nations. The memorial points out that limited economic activity currently takes place between citizens of the two countries as internet websites provide information for those wishing to visit Cuba along with the location of the "tour Cuba" travel offices in the U.S. (4 in South Carolina 1 in Georgia and 1 in Florida). The return to "normalcy" with Cuba, it is argued, is not only desirable but important for economic and political reasons.

The memorial notes that Cuba is no longer considered a security threat to the U.S., has offered its assistance to the U.S. in its fight against global terrorism, and has friendly relations with its Latin

American and Caribbean neighbors. In addition, the memorial notes, the U.S. has establish normal relations with some its recent former enemies, the governments, respectively of China, Vietnam, Russian and the members of the former Soviet Bloc.

OTHER SUBSTANTIVE ISSUES

Cuba is a nation with a population of 11.3 million persons living in an area slightly smaller than the state of Pennsylvania. The estimated Gross Domestic Product (GDP) was estimated at \$32.13 billion in 2003 (purchasing power parity). The memorial's background information indicates that Cuba imports one billion dollars of food annually, and increasing trade with the U.S. would improve the economic prospects of both nations.

LB/yr