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FEBRUARY 17, 2017 12:06 PM

Florida commerce with Cuba totals \$65 million even as governor tries to limit trade expansion



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Cubans executed by Castro regime on display in the European Parliament

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Yachting to Cuba from the United States

BY MIMI WHITEFIELD

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Humanitarian shipments, frozen chicken parts, chocolate bars, empty beer kegs from the U.S. Naval Station at Guantánamo Bay, medicine, even a traveling Bible exhibit.

These items and more have flowed through the state's ports and airports headed to or returning from Cuba even though Gov. Rick Scott doesn't think any Florida port should be doing business with the "Cuban dictatorship."

The governor's statements recently scuttled plans by two Florida ports to sign a cooperation agreement, known as a memorandum of understanding, with the Cuban port administration, and Scott also put wording in his 2017 budget recommendation that would withhold funding for port improvements from ports that expand trade with Cuba.

In a note to a \$176.6 million recommendation for improvements at Florida's seaports, the governor said no state funds can be "allocated to infrastructure projects that result in the expansion of trade with the Cuban dictatorship because of their continued human rights abuses."

Now it's up to Florida legislators to decide whether to leave that wording in the budget when the session convenes March 7.

McKinley Lewis, the governor's deputy communications director, later clarified that the governor's proviso language would only





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apply to the business a port itself might carry out with Cuba — not to port users. It was "directed at the ports, not private companies," he said. "Any private company will have to make their own decisions regarding their partnership or involvement with the Castro dictatorship."

That means a cruise line that leaves from Port Tampa Bay or PortMiami with ports of call in Cuba wouldn't jeopardize state funding for those ports. Neither would a shipment of frozen chickens carried by a Crowley ship from Port Everglades to Mariel, Cuba. But a port signing an MOU with Cuba or agreeing to joint marketing studies would be verboten if Scott's proviso language stays in the budget.

John Kavulich, president of the U.S.-Cuba Business Council, said the budget wording is confusing: "The vagueness of the wording was precisely what Gov. Scott and his staff sought to create uncertainty and, as a result, negatively impact the desire of exporters in the United States to engage in commerce with Cuba."

It's important to note that Florida ports don't actually trade with Cuba. Their private customers do.

"We don't have any authority to tell port users who they can do business with," said Ellen Kennedy, a Port Everglades spokeswoman. "We just have land leases with them. The port is like a shopping mall. We lease the space to tenants but we don't sell the T-shirts."



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Florida commerce with Cuba totals \$65 million even as governor tries to limit trade expansion

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THE PORT IS LIKE A SHOPPING MALL. WE LEASE THE SPACE TO TENANTS BUT WE DONOT SELL THE T-SHIRTS.

Ellen Kennedy, Port Everglades spokeswoman

The U.S. embargo against Cuba limits trade between the United States and the island, but an analysis for the Miami Herald by Datamyne, a trade data company, shows steady traffic between several Florida airports and seaports and Cuba. It totaled almost \$65 million last year.

Humanitarian donations, as well as food and agricultural products and pharmaceuticals and medical supplies can be legally exported to Cuba. So can products exported to support the services of regularly scheduled airlines flying to the island. Also included in the totals are products shipped to and from the Guantánamo Naval base.

For the entire year of 2015, the Datamyne analysis showed that Port Everglades, PortMiami, Miami International Airport, Jacksonville, Port Tampa Bay and Fort Lauderdale-Hollywood International Airport — tallied \$57.2 million worth of exports to Cuba.

But last year, Datamyne found only three Florida seaports — Port Everglades, Miami and Jacksonville — and MIA sent exports to Cuba, and the total fell to \$46.4 million because frozen chicken shipped from Jacksonville plummeted from \$27.2 million to just \$765,606 in 2016.

What did Florida ports send to Cuba in 2016?

The biggest category: frozen chickens and chicken parts. Nearly \$28 million worth headed to Cuba.

Among the U.S. companies that exported to Cuba were AJC International, one of the world's leading poultry marketers; Koch Foods, Intervision Foods, an Atlanta-based company that ships meat and poultry all over the world, and Globex International, a New York supplier of poultry and meat products.

Other products exported to Cuba included \$2.2 million worth of charity and relief donations [although the numbers don't capture products that Cuban Americans personally transport to friends and family in Cuba], more than \$3 million worth of chocolate bars and cocoa preparations, \$4.1 million worth of cookies, and \$1.3 million in medicine in measured doses.

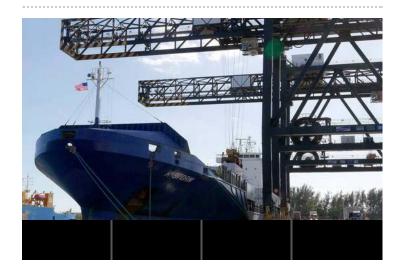
Florida ports sent more than \$1million worth of clothing donations, more than \$730,000 worth of catheters and medical needles, \$402,000 in pharmaceutical donations, and a smattering of other products ranging from bicycle lights, beer, broths/soups and bread to carpets, hand tools, blankets, artists' paints, whiskey and books.

The U.S. embargo against Cuba precludes most true imports from the island. In 2015, those exceptions added up to \$61.95 million worth of goods from Cuba shipped to five Florida ports — Jacksonville, Miami, Port Everglades, Tampa Bay and Fort Pierce, according to a Datamyne analysis of bills of lading.

In 2016, imports from Cuba handled by Florida ports fell to \$18.5 million.

Import shipments

A rule change last year that allows the import of some products and agricultural goods produced by Cuba's self-employed sector could boost imports from Cuba. Last month, two containers of artisan charcoal produced by a private workers cooperative in Cuba arrived at Port Everglades. It was the first true import shipment from Cuba in more than 50 years.



Cargo shipment from Cuba arrives at Port Everglades

The first legal exports from Cuba to the U.S. in more than 50 years arrived at Port Everglades Tuesday. The shipment is small, just two containers of artisanal charcoal, but the importer hopes it will be the harbinger of more trade to come.

José A. Iglesias - Miami Herald

What has been counted as imports from Cuba over the past two years are mostly returned empty containers, furniture and personal belonging being shipped back from the U.S. Embassy in Havana and from Guantánamo and personal cars — 2005 Chevy Tahoe, 2012 Toyota Prius, 2007 Ford Mustang — used to tool around the base that are coming back home with their owners.

But there are more intriguing entries among the imports from Cuba last year: 13 self-inflating life rafts from Guantánamo, troop gear, stage equipment used in the Rolling Stones' Havana concert in March, and the return of a traveling Bible exhibit.

The exhibit from the Museum of the Bible in Oklahoma City went on display from Feb. 6 to March 13 last year at the Catedral de Nuestra Señora de la Asunción in Santiago de Cuba. It focused on the Bible's impact on Cuba's history and featured rare texts and manuscripts, including the first complete Bible in Spanish.

The museum is chaired by Steve Green, president of Hobby Lobby, subject of a landmark Supreme Court case that found corporations controlled by religious families can't be required to cover contraceptives for female workers under the Affordable Care Act.

In partnership with the American Bible Society and the Archbishop of Cuba, the museum also sent 75 artifacts and pieces of art from its collection to Cuba in 2014 for display at the Havana Cathedral.

Some analysts question why the governor's stance on port business applies only to Cuba and not to other Florida trading partners such as China and Venezuela that also have troubling human rights records.

S. Fla airports and seaports

South Florida airports and seaports recorded \$6.7 billion in trade with China last year and it was the region's third most important trading partner. PortMiami also has sister seaport agreements, which are similar to MOUs, with the Port of Xiamen and Shanghai International

Port.

Some say Scott is being short-sighted in trying to discourage legal trade with Cuba.

"I don't like to see a state do what's out of step with the federal government. Whatever federal law says on trade, a port should be able to do," said Lee Sandler, who specializes in Customs and international trade law. "I don't think a state should try to limit opportunities."

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WHATEVER FEDERAL LAW SAYS ON TRADE, A PORT SHOULD BE ABLE TO DO.

Lee Sandler, international trade law expert

Sandler said there are "bona fide sensitivities" in the local community about Cuba, but the bottom line is: "Our ports need to be able to compete."

Scott said he is all for trade — just not with Cuba. "Trade is a significant opportunity for us," Scott said during a recent speech at a Coral Gables meeting of the Association of American Chambers of Commerce in Latin America and the Caribbean. "My job is to figure out how we get more trade."

Other states that are in the thick of competition for cargo don't seem to have a problem exploring business opportunities with Cuba. Since the U.S. rapprochement with Cuba began on Dec. 17, 2014, governors from eight states — Colorado, New York, Arkansas, Texas, Virginia, Missouri, Louisiana and West Virginia — have visited the island.

Cuba already has signed MOUs with the Port of

Virginia, the Alabama State Port Authority and the ports of New Orleans and Lake Charles.

"Ports are a highly competitive business," said Kavulich, "and if a state creates impediments, there are state capitols awaiting opportunities to audition for additional revenue — and the economic impact that a thriving port or ports provide to a state, county, city, and town."

Cuba's port

As Cuba expands its new container port at Mariel and dredges it so it can handle NeoPanamax vessels, the big ships that now transit the expanded Panama Canal, it is trying to set itself up for a future as a trans-shipment port.

As part of that effort, a Cuban business and port delegation recently concluded a 12-day visit to the United States that took it from Port Houston to the Port of Virginia in Norfolk with stops at New Orleans, Port Everglades, the Port of Palm Beach, Washington D.C. and the Port of Tampa Bay.

The Cuban port delegation's recent visit to New Orleans concluded with a dinner with Louisiana Economic Development Secretary Don Pierson and officials from the five deep-water ports on the Lower Mississippi River. "We have an unmatched port system here in Louisiana, and the leaders of those ports continue to prioritize trade with Cuba on many fronts," said Pierson.

Louisiana is the top U.S. exporting state to Cuba and has cumulatively sent more than \$1.4 billion in legal exports to the island. Like Florida, it is a big exporter of frozen poultry.

"We want Louisiana to be first in line to any

new opportunities with Cuba, particularly the import, export and foreign direct investment possibilities that could range into the billions of dollars in the coming years," Gov. John Bel Edwards said when a business delegation from his state visited Havana last October.

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