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United States Senate

COMMITTEE ON FOREIGN RELATIONS

WASHINGTON, DC 20510-6225

May 26, 2014

Mr. Thomas J. Donohue
President and CEO
United States Chamber of Commerce
1615 H St NW
Washington, DC 20062

Dear Mr. Donohue:

I write to express my serious concern about the Chamber of Commerce's trip to Cuba and its efforts to promote and enhance engagement with the Cuban regime, which controls nearly all economic activity in the country.

While the Cuban government may be undertaking cosmetic changes in an attempt to attract badly-needed foreign investment and revive an economy that has suffered from a half-century of chronic mismanagement, I believe it is imperative to detail the frequently hostile operating environment that international business leaders have encountered in Cuba. The case of British businessman Stephen Purvis of Coral Capital is an irrefutable reminder of the ongoing risk faced by foreign businesses working in the country. Although Coral Capital was one of the largest private investors in Cuba – working closely with the Cuban government to renovate the Saratoga Hotel and develop the Bellomonte Country Club – the government eventually turned on Mr. Purvis, accused him of espionage and breaches of financial law, seized all of his assets, and imprisoned him for 16 months prior to his release in July 2013.

It is important to emphasize that Mr. Purvis' misfortune is hardly uncommon. Canadian citizen, Cy Tokmakjian, President and CEO of the Tomakjian Group, has languished in a Cuban prison for nearly three years and still awaits trial. After providing the Cuban government with transportation, mining and construction equipment for several years, Mr. Tokmakjian was jailed in September 2011. The Cuban government seized his personal assets and those of his business, but never formally charged him with any wrongdoing. These examples are a clear indication of the complete lack of protection for foreign investment in Cuba, and should serve as a sharp warning for any company, including any U.S. business group, studying conditions in the country.

Furthermore, I am deeply concerned about the U.S Chamber of Commerce's willingness to seek out a relationship with a regime that is in constant violation of international labor rights. More specifically, the Cuban government's labor and employment practices are in direct violation of International Labor Organization (ILO) conventions on freedom of association, collective bargaining, discrimination, the protection of wages, and the abolition of forced labor. Regrettably, Cuba's recent foreign investment law makes no efforts to bring the country's poor labor conditions into accord with international standards and, therefore, bears a paradoxical implication – it proposes beneficial changes for the state but ultimately ignores the benefits of the people.

Lastly, as codified by Congress, U.S. law stipulates specific conditions before the lifting of commercial and financial sanctions against Cuba can occur. These conditions are contingent upon the unconditional release of political prisoners and the implementation of guarantees for internationally recognized civil, political and economic rights – none of which have been met. In fact, according to the Wall Street Journal 2014 Index of Economic Freedom, Cuba ranks as the world's second most repressive country, just one place above North Korea.

In closing, I would like to reiterate my concerns about the U.S. Chamber of Commerce's trip and the desire to strengthen its relationship with the Government of Cuba – a government that jails foreign business leaders without justification, violates international labor standards, and denies its citizens their basic rights. Such conditions hardly seem an attractive opportunity for any responsible business leader.

Sincerely,



Robert Menendez
Chairman