

VIEWPOINT

Business First welcomes letters to the editor

Louisville Business First
455 S. Fourth St., Suite 278,
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EDITORIAL

Let's hear it for ...

LBF ✓ **The local commercial real estate industry:** This week we shine the light on dealmakers whose business is an important economic barometer.

For the third year, Louisville Business First has held its Commercial Real Estate Awards program. A special publication inside this weekly edition has details about 34 commercial real estate transactions and projects that are this year's winners and finalists.

We take a broad look at the industry with nine categories – some that are lease/sale deals and others that are construction projects.

The honorees vary in size and investment. But each one is significant in terms of boosting the Louisville area economy.

For instance, our overall Deal of the Year, Norton Women's and Kosair Children's Hospital, is an ideal example of a commercial real estate project that has a positive impact on the community in many ways.

The hospital initially was an \$89.7 million project that exceeded its initial size and scope to become a \$117.8 million project.

That investment provided a lot of income for the construction and design workers who made the project happen. And now that it is finished, the hospital is employing hundreds of workers who provide care in a state-of-the-art facility.

Congratulations to Norton Healthcare Inc. and kudos to all of our winners and finalists for their efforts to keep our economy thriving.

✓ **GLF's Fast Dozen honorees:** We were not the only ones celebrating business success this week.

On Wednesday, Greater Louisville Inc., the metro chamber of commerce, acknowledged the positive momentum of Louisville area "gazelle" companies by naming the 2015 Fast Dozen.

Combined, these second-stage companies represent more than \$40 million in annual revenue and employ more than 750 workers.

Defined as companies that have increased revenue by 20 percent or more for at least the three past years, the Fast Dozen also must have a minimum of \$1 million in annual revenue.

See a full list of the companies honored in a report on page 9. It's an impressive group of businesses from a variety of industries.

Perhaps the next Humana Inc. or Kindred Healthcare is among them? We can hope.

✓ **The Cards and the Cats:** This week Louisville and Kentucky can do a little chest thumping to show pride in our college basketball programs.

Both the men's and women's college basketball teams from the University of Louisville have made the Sweet 16. So did the University of Kentucky's undefeated men's basketball team.

Yes, it's exciting to cheer our favorite teams on to victory. But let's not forget that March Madness means a lot of money for our region – particularly this year when Louisville hosted early-round games of the NCAA tournament.

If you want to know for sure, ask the owner of a sports bar or the manager of a downtown hotel where thousands of March Madness fans rent rooms last weekend. They have even more reason to say: Go, Cards! And go, Cats! ☑

GUEST COMMENT

U.S. businesses stand to benefit from trade with Cuba

In the debate about re-establishing trade with Cuba, the wrong question frequently is asked.

To many, the question is, "Should we trade with Cuba?" The more accurate question is "Who benefits from trade with Cuba?"

There are two layers to this question, so let me explore each.

The first part is the more surprising and can be captured by rephrasing the question as, "Who in the U.S. is benefiting from trade with Cuba, and why aren't others?"

Most Americans do not realize that the United States carries on an active trade relationship, albeit unilaterally, with Cuba.

According to the U.S. Census Bureau, the United States exported \$25.3 million of goods to Cuba in January 2015.

For all of 2014, the United States exported \$299.1 million of goods to Cuba. There were no imports from Cuba to the United States during either period.

These numbers actually reflect a decrease of U.S. exports from \$359.4 million in 2013 and \$465.5 million in 2012.

Cuba was the 49th largest export market for U.S. goods in 2014 (out of 223 markets), but the 51st in January 2015.

For earlier years, it was the 46th largest market (out of 224) in 2013 and 43rd largest (out of 229) in 2012. In 2008, it was even larger at the 29th largest market out of 228.

Obviously, some producers in the United States are benefiting from exports to Cuba. Who are they?

The answer is simple – farmers were able to get the U.S. Congress to approve exports to Cuba under the Trade Sanctions Reform and Export Enhancement Act (TSREEA) of 2000.

This law reauthorized the direct export on a cash basis of food products, including branded food products as well as agricultural products.

The exports are permitted for any purpose and are not limited for humanitarian purposes. Health care products are authorized under the Cuban Democracy Act of 1992. They are not included in the above totals since many of them are for humanitarian purposes.

My focus is emphasizing exports for commercial purposes.

One is hard pressed to understand an international political reason for allowing U.S. farmers to export to Cuba. Instead, one must turn to a domestic political one.

Farmers are a critical mass in most states throughout the U.S. and have broader political leverage than most U.S. industries that tend to be dispersed and lack critical mass in more



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than a few states.

This is not to begrudge farmers having this opportunity. It is to question why other U.S. industries are not given similar rights to develop sales.

The second part can be summarized by rephrasing the question as, "Who outside the U.S. is benefiting from trade with Cuba, and why aren't those in the U.S.?"

The answer is pretty much everyone is trading with Cuba.

During my visit last week to Cuba along with an American Bar Association delegation, including the President-elect, we met with many non-U.S. foreign investors in Cuba.

One of them, a Canadian, has a fund with more than \$100 million invested in Cuba.

His comment about the United States' embargo of Cuba was that it is not hurting the Cubans since they are obtaining investment and trade from plenty of sources.

In his opinion, the embargo is only hurting U.S. businesses.

To paraphrase the statement above, one is hard pressed to understand an international business reason for denying U.S. businesses access to Cuba, while non-U.S. foreign businesses invest in and trade with Cuba.

Instead, one must turn to a domestic business one.

Businesses that could benefit from releasing the embargo are spread throughout the United States and lack the critical mass that their opponents have.

This is not to begrudge non-U.S. foreign businesses from having their opportunities in Cuba. It is to question why U.S. businesses are not given similar rights to develop sales.

These two parts of the question, "Who benefits from trade with Cuba?" have an increasing importance since December 17, 2014 when U.S. President Barack Obama eased the U.S. embargo against Cuba by allowing more trade and travel between the two countries.

Whether this is the last or only the first of many steps will depend on whether we address the correct question and if we understand the answers. ☑

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