



For Immediate Release
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BAUCUS PUSHES TO INCREASE AGRICULTURAL AND MEDICAL EXPORTS TO CUBA

Finance Chairman Leads 23 Senators in Urging President Obama to Remove Obstacles to American Food and Medicine Sales to Cuba

Washington, DC – Senate Finance Committee Chairman Max Baucus (D-Mont.) today urged President Obama to remove obstacles to U.S. agricultural and medical exports to Cuba. In a letter signed by Baucus and 23 other Democratic and Republican Senators, Baucus also advocated for lifting the current travel ban, allowing U.S. citizens and legal residents to travel to Cuba.

“Opening Cuba to our exports means jobs here at home and money in the pockets of ranchers and farmers across America. Our ranchers and farmers deserve the opportunity to sell their high-quality products, including Montana’s world-class wheat and barley, to one of our nearest markets,” said Baucus. **“Strengthening business ties between the American and Cuban people will improve both of our countries’ economic well-being.”**

Baucus has long been a fierce advocate for making it easier for U.S. ranchers and farmers to sell their high-quality products to Cuba by easing restrictions on travel to and payment from Cuba. Last year, as well as during previous Congresses, Baucus introduced the Promoting American Agricultural and Medical Exports to Cuba Act (S. 1089) to ease restrictions on travel to and trade with Cuba.

A recent study by Texas A&M University estimates that lifting the travel ban and addressing payment terms for U.S. exports to Cuba – without extending credit – would increase U.S. agriculture exports by more than \$360 million annually, generating 6,000 jobs and a \$1 billion boost to the U.S. economy.

Baucus was joined on the letter by Patrick Leahy (D-Vt.), Chris Dodd (D-Conn.), Jeff Bingaman (D-N.M.), John Kerry (D-Mass.), Tom Harkin (D-Iowa), Kent Conrad (D-N.D.), Byron Dorgan (D-N.D.), Patty Murray (D-Wash.), Ron Wyden (D-Ore.), Pat Roberts (R-Kan.), Tim Johnson (D-S.D.), Mary Landrieu (D-La.), Mike Enzi (R-Wyo.), Mike Crapo (R-Idaho), Blanche Lincoln (D-Ark.), Tom Carper (D-Del.), Debbie Stabenow (D-Mich.), Maria Cantwell (D-Wash.), Ben Nelson (D-Neb.), Mark Pryor (D-Ark.), Jim Webb (D-Va.), Claire McCaskill (D-Mo.) and Amy Klobuchar (D-Minn.).

The full text of the letter follows below.

September 28, 2010

President Barack Obama
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear Mr. President,

We write to express our support for the regulatory changes that your administration is considering to increase people-to-people exchanges between the United States and Cuba. These exchanges could have a profound impact on both of our nations, building relationships and goodwill between our societies. But we also encourage you to implement further reforms to strengthen ties between the American and Cuban people and improve their economic well-being.

Specifically, we urge you to direct the Treasury Department to use its regulatory authority to remove two serious obstacles to food and medicine sales to Cuba. Congress enacted legislation in 2000 authorizing the sale of food and medicine to Cuba by payment of cash in advance or third-country bank letters of credit. For several years, U.S. exporters were able to make such cash-based sales, receiving payment after the goods shipped from U.S. ports and before transferring title and control to the Cuban buyers. In 2005, however, the Treasury Department adopted a new and more restrictive rule that required U.S. exporters to receive cash payment before the goods were shipped from the United States, which effectively ended all cash-based food sales to the island. We strongly urge repeal of this rule and reinstatement of a rule that is consistent with the cash-in-advance requirement and the intent of Congress to expand food sales.

We also urge you to direct the Treasury Department to lift the requirement that cash payment for U.S. food and medicine sold to Cuba be routed through third-country banks. This requirement, which is not mandated by the legislation, delays and increases the cost of these transactions. Moreover, the Treasury Department does not impose this requirement on licensed U.S. telecommunications and travel service providers, which may transact business directly. The Treasury Department should allow licensed U.S. agricultural exporters to do the same.

We recognize that other steps to increase food sales to Cuba require legislative action. Most importantly, lifting the travel ban would boost demand for U.S. foodstuffs in Cuba and, as the Cubans' incomes grow, would help recapture and increase the cash-based trade that we have lost to foreign competitors who offer the Cubans credit. In fact, a Texas A&M University study estimates that lifting the travel ban and addressing payment terms for U.S. exports to Cuba – without extending credit – would increase U.S. agriculture exports by more than \$360 million annually, generating 6,000 jobs and a \$1 billion boost to the U.S. economy.

There is broad support in Congress for taking these measures to reduce barriers on trade and travel with Cuba. We would welcome your support for these efforts. If we work together to increase U.S. food exports, and allow our citizens to travel freely to Cuba, we can establish and strengthen ties that benefit the American and the Cuban people.

Sincerely,

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