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BAUCUS APPLAUDS CUBA PROVISION IN APPROPRIATIONS BILL

Finance Chairman has History of Fighting for Access to Cuban Market for U.S. Goods

Washington, DC – Senate Finance Committee Chairman Max Baucus (D-Mont.) commended inclusion, in omnibus appropriations legislation passed today by a vote of 57-35, of a provision to remove one of the primary obstacles to access for U.S. agricultural products to Cuba. Senator Baucus introduced legislation in the 110th Congress and again in May, 2009 to lift trade and travel restrictions with Cuba, including today's omnibus provision to help U.S. farmers and ranchers export their products by allowing timely and direct cash payments from Cuban buyers.

"With today's strong action, ranchers and farmers in Montana and across the nation have improved access for their products to one of our closest export markets," Baucus said. **"By allowing cash-based sales of our world-class U.S. goods to Cuba, we restore Congressional intent and make it easier for American producers to export during a critical time for our economy."**

Congress authorized cash-in-advance sales to Cuba in 2000 through the Trade Sanctions Reform and Export Enhancement Act (TSREEA). Under TSREEA, Cuban buyers are able to wire cash payments for U.S. agricultural products after the goods are shipped from a U.S. port, though prior to receiving the title or taking physical control of the goods.

In 2005, the Treasury Department issued a rule requiring payment for goods before they are shipped from a U.S. port. This was found to undermine the cash-based sales allowed under TSREEA by making it more difficult for family farmers and ranchers to sell their products in the Cuban market. Additionally, goods paid for prior to shipment from U.S. ports may be subject to seizure to satisfy unrelated private claims against the Cuban government. Since the 2005 Treasury rule, Cuba has not purchased any U.S. agricultural products on a cash basis.

Research prepared by staff at the independent International Trade Commission indicates removing U.S. export restrictions could increase the annual U.S. share of Cuba's agriculture imports to nearly 65 percent, representing an annual boost of over \$450 million in U.S. agriculture sales.

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