



# Committee On Finance

Max Baucus, Ranking Member

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## NEWS RELEASE

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For Immediate Release  
Tuesday, February 22, 2005

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### **Baucus Blasts New Ag Trade Restrictions; Will Block Treasury Nominees**

(WASHINGTON, D.C.) U.S. Senator Max Baucus, Ranking Member of the Senate Finance Committee, renewed his vow to block Treasury nominees before the Senate in the wake of a Treasury office ruling today restricting the terms of agricultural trade with Cuba. The new Treasury rule, Baucus has argued, threatens to shut down agricultural trade with the island nation.

“I’m outraged at this attempt by Treasury Department bureaucrats to choke off U.S. agricultural sales to Cuba,” Baucus said. “Congress passed the Trade Sanctions Reform and Export Enhancement Act in 2001 specifically to open Cuba’s market to U.S. agricultural sales. Since that time, U.S. agricultural sales to Cuba has grown to nearly \$800 million, and Cuba has become our 22nd largest export market.”

The new Treasury rule, which will take effect after a thirty-day grace period, requires that U.S. exporters receive payment in advance of shipment of goods to Cuba. Over the past several years U.S. exporters have routinely shipped U.S. food products to Cuba, transferring title and physical control to the Cuban buyers only after receipt of cash payment in full. Senator Baucus has staunchly opposed any ruling that would narrow the current conditions of shipping and payment.

“When I first heard of the proposed change, I threatened to block consideration of significant Treasury nominees,” Baucus said. “Now that the change is made, I promise to be good to my word. I owe it to my Montana agricultural producers – this change means \$15 million directly out of their pockets. I will do everything I can to keep that from happening.”

Earlier this month, Senator Baucus joined with Senator Larry Craig, (R-Idaho), Pat Roberts (R-Kan.), chairman of the Senate Intelligence Committee, and Senator Richard Lugar (R-Ind.), chairman of the Senate Foreign Relations Committee, to introduce legislation that ease restrictions on agricultural sales to Cuba. The bill would turn back the new rules by defining cash-in-advance payment as payment before transfer of title and control of the goods.

The act also includes several other key measures Baucus has championed that would facilitate agricultural trade with Cuba, including: a general license for Americans traveling to Cuba to sell, market, or service agricultural products authorized by Congress and direct banking relations for agriculture trade-related transactions.

Baucus, a long-standing proponent of lifting the travel and trade embargo against Cuba, argues that the 40-year old unilateral sanctions have succeeded only in hurting American businesses.

In December, Baucus joined several hundred Americans at an agricultural trade event in Havana. In 2003, the Senator took a Montana trade delegation to Cuba and walked away with a \$10 million Memorandum of Understanding (MOU) for the Cuban government to purchase Montana products. After completing the first MOU, Baucus signed a second MOU with Cuba for \$15 million.

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