



Committee On Finance

Max Baucus, Ranking Member

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Contact: Anya Landau
202-224-2532

Baucus Threatens Hold on Treasury Nominees Over New Cuba Rules

(WASHINGTON, D.C.) U.S. Senator Max Baucus, ranking member of the Finance Committee, vowed Wednesday to block new Treasury Department confirmations before the Senate if the Department does not back down on proposed new restrictions on agricultural trade with Cuba.

Baucus' warning came after learning that the Treasury Department's Office of Foreign Assets Control (OFAC), which administers the trade and travel sanctions against Cuba, is considering a potential change in U.S. policy toward the island that could significantly impede the sale of food products to the island nation. Since the Trade Sanctions Reform and Export Enhancement Act of 2000 made such sales legal on a cash in advance basis, Cuba has become the United States 21st largest agricultural export market.

"Moving to obstruct lawful trade after three years of it functioning without incident takes this administration's dangerous obsession with Cuba to a whole new level," said Baucus. "I will not sit idly by if the Treasury Department attempts to rewrite legislation Congress intended to facilitate trade with Cuba. I am prepared to hold up the next significant Treasury Department nominee until this gets resolved."

The proposed change in the regulations governing food sales to Cuba would clarify the Treasury Department's interpretation of food sales to Cuba on a 'cash in advance' basis. Since 2001, U.S. businesses have delivered some \$800 million in ag products to the island, receiving payment in advance of delivery. Last week, Treasury, State and Agriculture Department officials met to discuss a proposed clarification of the 'payment in advance' requirement that would require buyers to pay in advance of shipment, a new condition at which Cuba's import agency, Alimport, may balk.

In a November 23rd letter to Treasury Secretary John Snow, Baucus joined Senators Larry Craig (R-ID) and Byron Dorgan (D-ND) in noting that "OFAC's mission is to enforce sanctions in place against Cuba, not to regulate or interfere in lawful commerce between the United States and Cuba." The senators went on to write that, "Since TSRA expressly codified the right of U.S producers to sell food and medicine to Cuba, any attempts by OFAC to inhibit such sales must necessarily be interpreted as a conscious and intentional decision by OFAC to flout the will of Congress."

"Moreover, given that your other, far more important mission is to help root out the international sources of terrorist financing, we must express our outrage and profound

disappointment that you appear to be choosing a course of action that will most likely create an additional burden - and thus a greater drain - on your agency resources. We consider this irresponsible and indefensible," the senators concluded.

Earlier this year, Baucus criticized a Treasury report showing that the equivalent of 21 full-time OFAC employees are allocated to enforcing the Cuba travel ban, while only 16 are allocated to the search for Al-Qaeda's financial sources of support.

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