



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

<http://finance.senate.gov>

MEMORANDUM

To: Reporters and Editors
Re: Treasury Department decision on sales of U.S. agricultural products to Cuba
Da: Tuesday, Feb. 22, 2005

Sen. Chuck Grassley, chairman of the Committee on Finance, today criticized the announcement of the Department of Treasury that it is mandating a change in payment practices with regard to sales of U.S. agricultural products to Cuba.

The Trade Sanctions Reform and Export Enhancement Act of 2000 permits exports of U.S. agricultural products to Cuba contingent upon “payment of cash in advance.” Treasury today issued a final rule that provides that the term “payment of cash in advance” means payment of cash prior to shipment. Consistent with international practice, however, U.S. exporters of agricultural products over the past three years have customarily received payment at other times in the shipping process, including after the point that goods have reached Cuba. In these cases, exporters have retained title and control of the relevant agricultural products until time of final payment. Grassley’s statement follows.

“I’m very concerned by Treasury’s announcement. Cuba has become an important export market for U.S. farmers in recent years. Treasury’s final rule will likely lead to a reduction in U.S. agricultural exports – including Iowa exports – to Cuba. That seems to run counter to the intent of Congress in passing the Trade Sanctions Reform Act of 2000. I can’t see any legitimate reason for reinterpreting the law this way. I intend to weigh all available options before responding to this final rule.”