



DEPARTMENT OF THE TREASURY

WASHINGTON, D.C.

SECRETARY OF THE TREASURY

March 5, 2009

Senator Robert Menendez  
United States Senate  
Washington, DC 20510

Senator Bill Nelson  
United States Senate  
Washington, DC 20510

Dear Senators:

I understand that you have concerns with provisions of the Omnibus Appropriations Act, 2009 that would amend Cuba sanctions on travel and agricultural and medical trade. As you know, the Obama Administration had nothing to do with these or any other provisions of that bill.

We are, however, currently reviewing United States policy toward Cuba to determine the best way to foster democratic change in Cuba and improve the lives of the Cuban people. Your views and the views of others on Capitol Hill will be important to that review, and the President remains committed to consulting with you as we consider changes to Cuba policy.

I understand that one of your chief concerns with the Omnibus is Section 622, which would prohibit the Treasury Department from using funds to administer, implement, or enforce the current definition of "cash in advance," which is one of the permissible ways to finance exports to Cuba. Treasury believes that this change likely will have no influence on current financing rules. The term "cash in advance" is in the Trade Sanctions Reform and Export Enhancement Act of 2000 and therefore private parties are and will continue to be statutorily required to comply with those payment terms. Because the bill's language does not modify or negate the statutory requirement in the 2000 Act, exporters will still be required to receive payment in advance of shipment and will not be permitted to export to Cuba on credit other than through third-country banks.

I also understand you are concerned about Section 620. As you know that is a provision that will also be administered by the Department of the Treasury. I can assure you that regulations promulgated pursuant to that provision will seek to ensure that only travel for credible sales of food and medical products is authorized.

Sincerely,

  
Timothy F. Geithner

# United States Senate

WASHINGTON, DC 20510

March 6, 2009

The Honorable Timothy F. Geithner  
Secretary of the Treasury  
Department of the Treasury  
Washington, D.C.

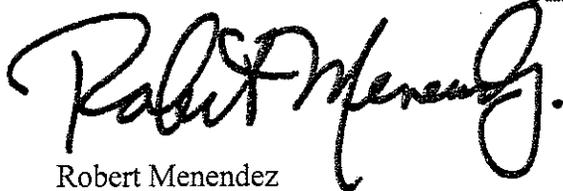
Dear Secretary Geithner:

We appreciate your recent correspondence clarifying the implementation of Sec. 622 of the Omnibus Appropriations Act of 2009. As we discussed last night, we continue to have serious concerns with Section 620. Thank you for your personal commitment that the Department of the Treasury will promulgate regulations pursuant to Section 620 that:

1. Provide a narrow definition of the eligible businesses that may travel to Cuba to sell agricultural and medical products under a general license;
2. Require written notice to the Office of Foreign Assets Control (OFAC) in advance of travel to Cuba outlining the purpose and scope of such travel to Cuba, pursuant to the provisions as defined above;
3. Require a filing upon return of travel to Cuba by travelers outlining activities conducted, including persons with whom they met, the amount of expenses incurred, and the business conducted; and
4. Limit such travelers to the current Department of State *per diem*.

Currently, the Office of Foreign Assets Control (OFAC) pursues significant enforcement with regard to travel regulations relating to Cuba. We would expect that such enforcement would not be diminished in the ultimate enforcement of the regulations outlined above.

Sincerely,



Robert Menendez  
United States Senator



Bill Nelson  
United States Senator

Cc: Rahm Emanuel  
Chief of Staff  
The White House



DEPARTMENT OF THE TREASURY

WASHINGTON, D.C.

SECRETARY OF THE TREASURY

March 9, 2009

The Honorable Bill Nelson  
United States Senate  
Washington, DC 20510

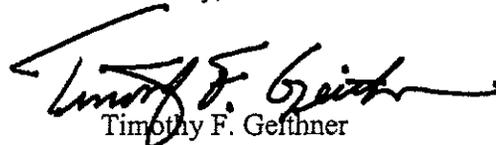
Dear Senator Nelson:

You have expressed concerns to me about provisions of H.R. 1105, the FY 2009 Omnibus Appropriations bill, regarding Cuba sanctions. You have also shared your views regarding Section 620 of the bill, which relates specifically to travel to Cuba for the commercial sales of agricultural and medical goods pursuant to the Trade Sanctions Reform and Export Enhancement Act of 2000.

Section 620 would be administered by the Department of the Treasury. The regulations promulgated pursuant to that provision would provide that the representatives of only a narrow class of businesses would be eligible, under a new general license, to travel to Cuba to market and sell agricultural and medical goods. Any business using the general license would be required to provide both advance written notice outlining the purpose and scope of the planned travel and, upon return, a report outlining the activities conducted, including the persons with whom they met, the expenses incurred, and business conducted in Cuba. All travelers who take advantage of the general license would also have their daily expenses limited to the then-applicable State Department *per diem* rate.

It is my hope that this letter has assisted you in understanding how the Treasury Department would implement Section 620 of H.R. 1105, the FY 2009 Omnibus Appropriations bill. If there is anything that I can do to be of assistance in the future, please do not hesitate to contact me.

Sincerely,



Timothy F. Geithner

cc: The Honorable Robert Menendez