

114TH CONGRESS  
1ST SESSION

# H. R. 3687

To modify the prohibition on United States assistance and financing for certain exports to Cuba under the Trade Sanctions Reform and Export Enhancement Act of 2000, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

OCTOBER 6, 2015

Mr. CRAWFORD (for himself, Mr. CONAWAY, and Mr. POE of Texas) introduced the following bill; which was referred to the Committee on Foreign Affairs, and in addition to the Committees on Financial Services and Agriculture, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To modify the prohibition on United States assistance and financing for certain exports to Cuba under the Trade Sanctions Reform and Export Enhancement Act of 2000, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Cuba Agricultural Ex-  
5 ports Act”.

1 **SEC. 2. FINDINGS.**

2 Congress finds the following:

3 (1) The United States has a long history of  
4 providing safe and reliable exports. Close proximity  
5 to Cuba further lends itself to low transportation  
6 costs for United States goods exported to Cuba. The  
7 United States is geographically poised to be a sig-  
8 nificant trading partner in agricultural commodities.  
9 United States and Cuban borders are less than 100  
10 miles apart, meaning lower shipping costs and short-  
11 er transit times compared to our competitors.

12 (2) Cuba imports approximately 80 percent of  
13 its food, with global agricultural exports to Cuba  
14 doubling over the past decade to \$1.9 billion.

15 (3) In 2005, the United States Department of  
16 the Treasury published a final rule narrowing the  
17 definition of “cash in advance” for trading with  
18 Cuba, requiring that cash payments must be made  
19 before United States products leave United States  
20 ports, rather than the more customary payment  
21 upon delivery. United States firms are precluded  
22 from offering credit to ALIMPORT, a state-owned  
23 and state-controlled entity that makes all decisions  
24 regarding United States imports to the Cuban mar-  
25 ket, resulting in declining United States agricultural  
26 exports to Cuba. Notably, rice exports fell from a

1 value of \$64 million in 2004 to essentially \$0 in  
2 2009 and subsequent years. Recent action by the  
3 Administration reverses that change to the definition  
4 of cash in advance, but United States agricultural  
5 exporters are still not permitted to extend credit to  
6 Cuban buyers, a key disadvantage relative to other  
7 exporting nations.

8 (4) Despite these restrictions, the United States  
9 has been the largest exporter of agricultural goods  
10 to Cuba over the last decade. However, the United  
11 States slipped to being the second leading exporter  
12 of agricultural goods to Cuba in 2013 and the third  
13 leading exporter of agricultural goods to Cuba in  
14 2014.

15 (5) While trade opportunities exist, Cuba re-  
16 mains an undemocratic autocracy that oppresses its  
17 own people and restricts freedom.

18 (6) In addition, there is no opportunity for  
19 United States agricultural businesses to trade di-  
20 rectly with the Cuban people and there is no Cuban  
21 market. At present, there is just one opportunity for  
22 United States businesses to trade with Cuba and  
23 that is through ALIMPORT, the state-owned and  
24 state-controlled entity described in paragraph (3).

1           (7) With these cautionary factors in mind, it is  
2           important to provide United States farmers and  
3           ranchers additional opportunities to benefit from  
4           trade with Cuba.

5 **SEC. 3. MODIFICATION OF PROHIBITION ON UNITED**  
6                   **STATES ASSISTANCE AND FINANCING FOR**  
7                   **CERTAIN EXPORTS TO CUBA UNDER THE**  
8                   **TRADE SANCTIONS REFORM AND EXPORT EN-**  
9                   **HANCEMENT ACT OF 2000.**

10           (a) ASSISTANCE FOR EXPORTS TO CUBA.—Section  
11 908 of the Trade Sanctions Reform and Export Enhance-  
12 ment Act of 2000 (22 U.S.C. 7207) is amended—

13           (1) in the section heading, by striking “**AND**  
14           **FINANCING**”;

15           (2) by striking subsection (b);

16           (3) in subsection (a)—

17                   (A) by redesignating paragraphs (2) and  
18                   (3) as subsections (b) and (c), respectively, and  
19                   by moving such subsections, as so redesignated,  
20                   2 ems to the left; and

21                   (B) by adding at the end of subsection (a)  
22                   the following:

23                   “(2) EXCEPTION FOR CERTAIN PROGRAMS.—

24                           “(A) IN GENERAL.—Subject to subpara-  
25                           graph (B), paragraph (1) shall not apply with

1 respect to exports to Cuba under section 202 of  
2 the Agricultural Trade Act of 1978 (7 U.S.C.  
3 5622), section 203 of the Agricultural Trade  
4 Act of 1978 (7 U.S.C. 5623), or section 702 of  
5 the Agricultural Trade Act of 1978 (7 U.S.C.  
6 5722), including any obligation or expenditure  
7 of funds by Federal commodity promotion pro-  
8 grams established in accordance with a com-  
9 modity promotion law, as defined by section  
10 501(a) of the Federal Agriculture Improvement  
11 and Reform Act of 1996 (7 U.S.C. 7401(a)).

12 “(B) RESTRICTION ON CERTAIN RECIPI-  
13 ENTS.—The exception under subparagraph (A)  
14 shall not apply if the recipient of the United  
15 States assistance would be an entity controlled  
16 by the Government of Cuba, including the Rev-  
17 olutionary Armed Forces of Cuba, the Ministry  
18 of the Interior of Cuba, or any subdivision of ei-  
19 ther governmental entity.”;

20 (4) in subsection (b), as so redesignated, by  
21 striking “paragraph (1)” and inserting “subsection  
22 (a)”;

23 (5) in subsection (c), as so redesignated, by  
24 striking “paragraph (1)” and inserting “subsection  
25 (a)(1)”.

1 (b) FINANCING OF SALES OF AGRICULTURAL COM-  
2 MODITIES TO CUBA.—

3 (1) IN GENERAL.—Notwithstanding any other  
4 provision of law (other than section 908 of the  
5 Trade Sanctions Reform and Export Enhancement  
6 Act of 2000 (22 U.S.C. 7207), as amended by sub-  
7 section (a)), a person subject to the jurisdiction of  
8 the United States may provide payment or financing  
9 terms for sales of agricultural commodities to Cuba  
10 or an individual or entity in Cuba.

11 (2) DEFINITIONS.—In this section:

12 (A) AGRICULTURAL COMMODITY.—The  
13 term “agricultural commodity” has the meaning  
14 given the term in section 102 of the Agricul-  
15 tural Trade Act of 1978 (7 U.S.C. 5602).

16 (B) FINANCING.—The term “financing”  
17 includes any loan or extension of credit.

18 (c) EFFECTIVE DATE.—The amendments made by  
19 this section take effect on the date of the enactment of  
20 this Act and apply with respect to exports to Cuba on or  
21 after such date of enactment.

1 **SEC. 4. AUTHORITY OF PERSONS SUBJECT TO THE JURIS-**  
2 **DICTION OF THE UNITED STATES TO INVEST**  
3 **WITH RESPECT TO CERTAIN AGRICULTURAL**  
4 **BUSINESS IN CUBA.**

5 (a) IN GENERAL.—Notwithstanding any other provi-  
6 sion of law, a person subject to the jurisdiction of the  
7 United States may make an investment with respect to  
8 the development of an agricultural business in Cuba if the  
9 Secretary of State and Secretary of Agriculture jointly de-  
10 termine that—

11 (1) the agricultural business is not controlled by  
12 the Government of Cuba, including the Revolu-  
13 tionary Armed Forces of Cuba, the Ministry of the  
14 Interior of Cuba, or any subdivision of either govern-  
15 mental entity; and

16 (2) the agricultural business does not traffic in  
17 property of persons subject to the jurisdiction of the  
18 United States which was confiscated by the Cuban  
19 Government on or after January 1, 1959.

20 (b) DEFINITIONS.—In this section:

21 (1) AGRICULTURAL BUSINESS.—The term “ag-  
22 ricultural business” means any entity involved in the  
23 production, manufacture, or distribution of agricul-  
24 tural products (as such term is defined in section  
25 207 of the Agricultural Marketing Act of 1946 (7  
26 U.S.C. 1626)).

1           (2) CONFISCATED, CUBAN GOVERNMENT, PROP-  
2       ERTY, AND TRAFFIC.—The terms “confiscated”,  
3       “Cuban Government”, “property”, and “traffic”  
4       have the meaning given such terms in section 4 of  
5       the Cuban Liberty and Democratic Solidarity  
6       (LIBERTAD) Act of 1996 (22 U.S.C. 6023).

7           (3) INVESTMENT.—The term “investment”,  
8       with respect to the development of an agricultural  
9       business in Cuba, means—

10           (A) entry into a contract involving the pur-  
11           chase of a share of ownership, including an eq-  
12           uity interest, in the development of the agricul-  
13           tural business;

14           (B) entry into a contract providing for par-  
15           ticipation in royalties, earnings, or profits in  
16           the development of the agricultural business; or

17           (C) entry into, or performance or financing  
18           of, a contract to sell goods, services, or tech-  
19           nology relating to the agricultural business.

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