



Cuba: Issues for the 112th Congress

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Summary

Cuba remains a one-party communist state with a poor record on human rights. The country's political succession in 2006 from the long-ruling Fidel Castro to his brother Raúl was characterized by a remarkable degree of stability. The government of Raúl Castro has implemented limited economic policy changes, including an expansion of self-employment. A party congress held in April 2011 laid out numerous economic goals that, if implemented, could significantly alter Cuba's state-dominated economic model. Few observers expect the government to ease its tight control over the political system. The government has reduced the number of political prisoners over the past several years, including the release of over 125 since 2010 after talks with the Catholic Church, but short-term detentions and harassment have increased significantly.

U.S. Policy

Since the early 1960s, U.S. policy has consisted largely of isolating Cuba through economic sanctions. A second policy component has consisted of support measures for the Cuban people, including U.S.-sponsored broadcasting and support for human rights activists. In light of Fidel Castro's departure as head of government, many observers called for a reexamination of policy. Two broad approaches toward Cuba have been at the center of debate. The first is to maintain the dual-track policy of isolating the Cuban government while providing support to the Cuban people. The second is aimed at changing attitudes in the Cuban government and society through increased engagement. Since taking office, the Obama Administration has lifted restrictions on family travel and remittances, moved to reengage Cuba on several bilateral issues, and eased restrictions on other types of purposeful travel and remittances. The Administration has criticized Cuba's repression of dissidents, but has welcomed the release of political prisoners. The Administration has continued to call for the release of a U.S. government subcontractor Alan Gross, who has been detained since late 2009, and sentenced to 15 years in March 2011.

Legislative Action

Strong interest on Cuba is continuing in the 112th Congress. In the first session, an attempt to roll back the Administration's easing of restrictions on travel and remittances was unsuccessful. Such a provision had been included in the House Appropriations Committee version of the FY2012 Financial Services appropriations bill, H.R. 2434, but was not included in the FY2012 "megabus" appropriations measure (H.R. 2055, P.L. 112-74). Both H.R. 2434 and the Senate version of the bill, S. 1573, also would have continued to clarify the definition of "payment of cash in advance" for U.S. agricultural exports to Cuba during FY2012, but the provision was not included in the "megabus" measure.

In the second session, the Senate approved S.Res. 366 on February 1, 2012, condemning the Cuban government for the death of democracy activist and hunger striker Wilman Villar Mendoza. With regard to Cuba democracy funding, the Senate Appropriations Committee version of the FY2013 foreign aid appropriations measure, S. 3241, would provide \$15 million as the Administration requested, while the House Appropriations Committee version of the bill, H.R. 5857, would provide \$20 million. With regard to Cuba broadcasting, S. 3241 would provide \$23.4 million (\$194,000 less than the Administration's request) while H.R. 5857 would provide \$28.062 million (\$4.468 million more than the request)

Among other legislative initiatives, two would increase sanctions: H.R. 2583, would roll back the easing of travel and remittance restrictions; and H.R. 2831, would attempt to curb frequent travel to Cuba by Cubans who have recently emigrated to the United States. Several initiatives would ease sanctions: H.R. 255 and H.R. 1887 (overall sanctions); H.R. 833 and H.R. 1888 (agricultural exports); and H.R. 380 and H.R. 1886 (travel). Two initiatives, S. 603 and H.R. 1166, would modify a trademark sanction. Seven bills, H.R. 372, S. 405, H.R. 2047, H.R. 3393, H.R. 4310, H.R. 6067, and S. 1836 would take different approaches toward Cuba's offshore oil development. Two bills, S. 476 and H.R. 1317, would discontinue Radio and TV Martí broadcasts.

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Recent Developments

On July 18, 2012, Amnesty International issued an urgent action appeal calling on Cuban authorities to either charge or release three protestors (two members of the Ladies in White human rights group and a husband of one of the women) who have been detained since March 2012 after participating in a peaceful protest. (See “Ladies in White” below.)

On July 2, 2012, Cuba published new regulations that, beginning in September 2012, impose significantly higher duties on imported goods carried or shipped to individuals in Cuba. Many small entrepreneurs that depend on the imported goods could be threatened by the new duties. (See “Growth of the Private Sector” below.)

On June 18, 2012, the Cuban government re-imposed duties on imported food that had been lifted in 2008 after several hurricanes hurt domestic production. The duties could have an impact on the flow of food parcels brought by visiting Cuban Americans. (See “Agricultural Sector Reform” below.)

On June 12, 2012, the U.S. Departments of the Treasury and Justice announced a \$619 million settlement with a Dutch bank, ING, for violating U.S. sanctions against Cuba, Burma, Sudan, Libya, and Iran. The Cuba sanction violations were the most extensive and stemmed from ING’s processing of financial transactions valued at more than \$1.6 billion. (See “Policy Developments in 2012” below.)

On June 7, 2012, the Senate Foreign Relations Committee, Subcommittee on Western Hemisphere, Peace Corps, and Global Narcotics, held a hearing on Cuba’s human rights situation in which Assistant Secretary of State for Western Hemisphere Affairs Roberta Jacobson expressed strong U.S. support for democracy and human rights activists in Cuba and defended the Obama’s Administration policy on travel and remittances (see “Policy Developments in 2012”). The hearing also included three human rights activists testifying from Cuba, one of whom—Jorge Luis García Pérez (also known as Antúnez)—was subsequently arrested and beaten on June 9 and held for five days. Several U.S. Senators strongly condemned Cuba’s action, including Senate Foreign Relations Committee Chairman John Kerry (see “Cuban Government’s Change of Repressive Tactics”).

On May 31, 2012, the House Committee on the Judiciary, Subcommittee on Immigration on Policy Enforcement, held a hearing on H.R. 2831 (Rivera), a bill that would amend the Cuban Adjustment Act of 1966 (P.L. 89-732) by providing that an alien from Cuba would be ineligible for adjustment to permanent resident status if he or she returns to Cuba before becoming a U.S. citizen. The intent of the bill is to curb travel to Cuba by those who have recently emigrated from Cuba. (See “U.S. Restrictions on Travel and Remittances” below.)

On May 24, 2012, the State Department released its 2011 human rights report, which maintained that Cuba’s “principal human rights abuses were: abridgement of the rights of citizens to change their government; government threats, intimidation, mobs, harassment, and detentions to prevent citizens from assembly peacefully; and a significant increase in the number of short-term detentions.” (See “Human Rights” below.)

On May 18, 2012, the Spanish oil company Repsol, which had begun exploratory drilling for oil off of Cuba’s north coast in January 2012, announced that its exploratory well came up dry. On the same day, the House approved its version of the FY2013 National Defense Authorization Act,

H.R. 4310, with a provision that would prohibit the Department of Defense from contracting for the procurement of goods and services with any person that has business operations with a state sponsor of terrorism. The provision was added by voice vote during May 17 House floor consideration of an en bloc amendment. The provision would affect Repsol from partnering with Cuba in oil exploration efforts while at the same time benefiting from DOD contracts. Repsol subsequently announced in late May that it would likely leave Cuba. The Malaysian oil company Petronas began drilling off of Cuba's western coast in late May and is expected to be finished in late July. (See "Cuba's Offshore Oil Development" below.)

On May 17, 2012, the House Foreign Affairs Committee, Subcommittee on the Western Hemisphere, held a hearing entitled "Cuba's Global Network of Terrorism, Intelligence, and Warfare," (available at <http://foreignaffairs.house.gov/hearings/view/?1440>).

On March 26-28, 2012, Pope Benedict XVI visited Cuba, arriving first in Santiago and then traveling to Havana. The last papal visit was 1998 when Pope John Paul II visited the island. (See "March 2012 Visit of Pope Benedict" below.)

On March 7, 2012, the State Department released its 2012 International Narcotics Control Strategy Report, which maintained that "greater communication and cooperation among the U.S., its international partners and Cuba, particularly in the area of real-time tactical information-sharing and improved tactics, techniques and procedures, would likely lead to increased interdictions and disruptions of illegal trafficking." The report maintained that the United States was still reviewing a draft bilateral counternarcotics accord presented by Cuba, and that such an accord, if structured appropriately, "could advance the counternarcotics efforts undertaken by both countries." (See "Anti-Drug Cooperation" below.)

For additional entries, see **Appendix B**.

Introduction

Political and economic developments in Cuba and U.S. policy toward the island nation, located just 90 miles from the United States, have been significant congressional concerns for many years. Since the end of the Cold War, Congress has played an active role in shaping U.S. policy toward Cuba, first with the enactment of the Cuban Democracy Act of 1992 (P.L. 102-484, Title XVII) and then with the Cuban Liberty and Democratic Solidarity Act of 1996 (P.L. 104-114). Both of these measures strengthened U.S. economic sanctions on Cuba that had first been imposed in the early 1960s, but the measures also provided roadmaps for a normalization of relations dependent upon significant political and economic changes in Cuba. A decade ago, Congress modified its sanctions-based policy toward Cuba somewhat when it enacted the Trade Sanctions Reform and Export Enhancement Act of 2000 (P.L. 106-387, Title IX) allowing for U.S. agricultural exports to Cuba that led to the United States becoming a major source for Cuba's food imports.

Over the past decade, much of the debate over U.S. policy in Congress has focused on U.S. sanctions, especially over U.S. restrictions on travel to Cuba. The George W. Bush Administration initially liberalized U.S. family travel to Cuba in 2003, but subsequently tightened restrictions on family and other categories of travel in 2004 because of Cuba's crackdown on political dissidents. In 2009, Congress took legislative action in an appropriations measure (P.L. 111-8) to ease restrictions on family travel and travel for the marketing of agricultural exports, marking the first congressional action easing Cuba sanctions in almost a decade. The Obama Administration took further action in April 2009 by lifting all restrictions on family travel and on cash remittances by family members to their relatives in Cuba and restarting semi-annual migration talks that had been curtailed in 2004. In January 2011, the Administration announced the further easing of restrictions on educational and religious travel to Cuba and on non-family remittances, and it also expanded eligible airports in the United States authorized to serve licensed charter flights to and from Cuba.

This report is divided into three major sections analyzing Cuba's political and economic situation, U.S. policy toward Cuba, and selected issues in U.S.-Cuban relations. The first section on the political and economic situation includes a brief historical background, a discussion of the human rights situation and political prisoners, and an examination of economic policy changes that have occurred to date under Raúl Castro. The second section on U.S. policy provides a broad overview of U.S. policy historically through the George W. Bush Administration and then provides a brief discussion of the broad debate on the direction of U.S. policy toward Cuba. Policy under the Obama Administration is then examined in more detail. The third section analyzes many of the key issues in U.S.-Cuban relations that have been at the forefront of the U.S. policy debate on Cuba and have often been the subject of legislative initiatives. These include U.S. restrictions on travel, remittances, and agricultural exports to Cuba; a sanction that denies protection for certain Cuban trademarks; the status of anti-drug cooperation with Cuba; the status of Cuba's offshore development and implications for disaster response preparedness; terrorism issues, especially in consideration of Cuba remaining on the State Department's state sponsors of terrorism list; U.S. funding for democracy and human rights projects; U.S. government-sponsored broadcasting to Cuba (Radio and TV Martí); and migration issues.

Cuba's Political and Economic Situation

Brief Historical Background¹

Cuba did not become an independent nation until 1902. From its discovery by Columbus in 1492 until the Spanish-American War in 1898, Cuba was a Spanish colony. In the 19th century, the country became a major sugar producer with slaves from Africa arriving in increasing numbers to work the sugar plantations. The drive for independence from Spain grew stronger in the second half of the 19th century, but it only came about after the United States entered the conflict when the USS *Maine* sank in Havana Harbor after an explosion of undetermined origin. In the aftermath of the Spanish-American War, the United States ruled Cuba for four years until Cuba was granted its independence in 1902. Nevertheless, the United States still retained the right to intervene in Cuba to preserve Cuban independence and maintain stability in accordance with the Platt Amendment² that became part of the Cuban Constitution of 1901. The United States subsequently intervened militarily three times between 1906 and 1921 to restore order, but in 1934, the Platt Amendment was repealed.

Cuba's political system as an independent nation was often dominated by authoritarian figures. Gerardo Machado (1925-1933), who served two terms as president, became increasingly dictatorial until he was ousted by the military. A short-lived reformist government gave way to a series of governments that were dominated behind the scenes by military leader Fulgencio Batista until he was elected president in 1940. Batista was voted out of office in 1944 and was followed by two successive presidents in a democratic era that ultimately became characterized by corruption and increasing political violence. Batista seized power in a bloodless coup in 1952 and his rule progressed into a brutal dictatorship. This fueled popular unrest and set the stage for Fidel Castro's rise to power.

Castro led an unsuccessful attack on military barracks in Santiago, Cuba, on July 26, 1953. He was jailed, but subsequently freed and went into exile in Mexico where he formed the 26th of July Movement. Castro returned to Cuba in 1956 with the goal of overthrowing the Batista dictatorship. His revolutionary movement was based in the Sierra Maestra and joined with other resistance groups seeking Batista's ouster. Batista ultimately fled the country on January 1, 1959, leading to more than 45 years of rule under Fidel Castro until he stepped down from power provisionally in July 2006 because of poor health.

While Castro had promised a return to democratic constitutional rule when he first took power, he instead moved to consolidate his rule, repress dissent, and imprison or execute thousands of opponents. Under the new revolutionary government, Castro's supporters gradually displaced members of less radical groups. Castro moved toward close relations with the Soviet Union while

¹ Portions of this background are drawn from U.S. Department of State, "Background Note: Cuba," April 28, 2011. For further background, see *Cuba, A Country Study*, ed. Rex A. Hudson, Federal Research Division, Library of Congress, (Washington, D.C.: U.S. Government Printing Office, 2002); "Country Profile: Cuba," Federal Research Division, Library of Congress, September 2006, available at <http://lcweb2.loc.gov/frd/cs/profiles/Cuba.pdf>; *Cuba, A Short History*, ed. Leslie Bethell (Cambridge University Press, 1993); and Hugh Thomas, *Cuba: The Pursuit of Freedom*, (New York, Harper & Row, Publishers, 1971).

² U.S. Senator Orville Platt introduced an amendment to an army appropriation bill that was approved by both houses and enacted into law in 1901.

relations with the United States deteriorated rapidly as the Cuban government expropriated U.S. properties (see “Background on U.S.-Cuban Relations” below). In April 1961, Castro declared that the Cuban revolution was socialist, and in December 1961, he proclaimed himself to be a Marxist-Leninist. Over the next 30 years, Cuba was a close ally of the Soviet Union and depended on it for significant assistance until the dissolution of the Soviet Union in 1991.

From 1959 until 1976, Castro ruled by decree. In 1976, however, the Cuban government enacted a new Constitution setting forth the Cuban Communist Party (PCC) as the leading force in state and society, with power centered in a Political Bureau headed by Fidel Castro. Cuba’s Constitution also outlined national, provincial, and local governmental structures. Since then, legislative authority has been vested in a National Assembly of People’s Power that meets twice annually for brief periods. When the Assembly is not in session, a Council of State, elected by the Assembly, acts on its behalf. According to Cuba’s Constitution, the president of the Council of State is the country’s head of state and government. Executive power in Cuba is vested in a Council of Ministers, also headed by the country’s head of state and government, that is, the president of the Council of State.

Fidel Castro served as head of state and government through his position as president of the Council of State from 1976 until February 2008. While he had provisionally stepped down from power in July 2006 because of poor health, Fidel still officially retained his position as head of state and government. National Assembly elections were held on January 20, 2008, and Fidel Castro was once again among the candidates elected to the now 614-member legislative body. (As in the past, voters were only offered a single slate of candidates.) On February 24, 2008, the new Assembly was scheduled to select from among its ranks the members of the Council of State and its president. Many observers had speculated that because of his poor health, Fidel would choose not to be reelected as president of the Council of State, which would confirm his official departure from heading the Cuban government. Statements from Castro himself in December 2007 hinted at his potential retirement. That proved true on February 19, 2008, when Fidel announced that he would not accept the position as president of the Council of State, essentially confirming his departure as titular head of the Cuban government.

Political Conditions

After Fidel stepped down from power, Cuba’s political succession from Fidel to Raúl Castro was characterized by a remarkable degree of stability. After two and one half years of provisionally serving as president, Raúl Castro officially became Cuba’s President on February 24, 2008, when Cuba’s legislature selected him as president of the 31-member Council of State.³

For many years, Raúl, as first vice president of the Council of State and the Council of Ministers, had been the officially designated successor and was slated to become head of state with Fidel’s departure. Raúl also had served as Minister of the Revolutionary Armed Forces (FAR) since the beginning of the Cuban revolution. When Fidel stepped down from power in 2006, he signed a proclamation that ceded political power to Raúl on a provisional basis, including the positions of first secretary of the Cuban Communist Party, commander in chief of the FAR, and president of

³ For more on Cuba’s political succession, see CRS Report RS22742, *Cuba’s Political Succession: From Fidel to Raúl Castro*. For background discussion of potential Cuban political scenarios envisioned in the aftermath of Fidel Castro’s stepping down from power in 2006, see CRS Report RL33622, *Cuba’s Future Political Scenarios and U.S. Policy Approaches*.

the Council of State. Despite the change in government in February 2008, Fidel still officially held the title of first secretary of the PCC, although Raúl as provisional first secretary was leading the party. (It was not until the PCC's sixth party congress held in April 2011 that Raúl officially assumed the title of first secretary.)

While it was not a surprise to observers for Raúl to succeed his brother Fidel officially as head of government, the selection of José Ramón Machado Ventura as the Council of State's first vice president in February 2008 was a surprise. (At the same time, Machado became first vice president of the Council of Ministers, and later in April 2011 became PCC second secretary at the sixth party congress.) Born in 1930, Machado is a physician by training and is part of the older generation of so-called *históricos* of the 1959 Cuban revolution along with the Castro brothers (Fidel Castro was born on August 13, 1926, while Raúl Castro was born on June 3, 1931). He has been described as a hard-line communist party ideologue, and reportedly has been a close friend and confidant of Raúl for many years.⁴ Machado's position is significant because it makes him the official successor to Raúl, according to the Cuban Constitution. Many observers had expected that Carlos Lage, one of five other vice presidents on the Council of State, would have been chosen as first vice president. Born in 1951, Lage was responsible for Cuba's economic reforms in the 1990s and represented a younger generation of Cuban leaders.

Several key military officers and confidants of Raúl also became members of the Council of State, increasing the role of the military in the government. General Julio Casas Regueiro, who already was on the Council, became one of its five vice presidents. Most significantly, Casas Regueiro, who had been first vice minister in the FAR, was selected by Raúl as the country's new minister of the FAR, officially replacing Raúl in that position. Casas Regueiro also is chairman of GAESA (Grupo de Administración Empresarial, S.A.), the Cuban military's holding company for its extensive business operations.⁵ (On September 2, 2011, Casas Regueiro died from a heart attack at 75 years of age, and was replaced as minister of the FAR by 70-year old Gen. Leopoldo Cintra Frías, who was serving as first vice minister of the FAR and also was a member of the Council of State.⁶)

In March 2009, Raúl orchestrated a government shake-up that combined four ministries into two and ousted a dozen high-ranking officials, most notably including Foreign Minister Felipe Pérez Roque, Council of Ministers Secretary Carlos Lage, and Minister of Economy and Planning José Luis Rodríguez García. The streamlining combined the portfolios of food and fishing into one ministry and the foreign investment and trade portfolios into another ministry. Changes in the bureaucracy had been anticipated since February 2008 when Raúl Castro vowed to make the government smaller and more efficient, but the ouster of both Felipe Pérez Roque and Carlos Lage, who lost all their government and party positions, caught many observers by surprise. Pérez Roque was replaced by career diplomat Bruno Rodríguez Parrilla, who served for eight years (1995-2003) as Cuba's U.N. Ambassador and most recently as vice foreign minister. Carlos Lage, who most significantly lost his position as a vice president of the Council of State, was replaced by military General José Amado Guerra, who had worked for Raúl Castro as secretary of the FAR.

⁴ Daniel Dombey, Richard Lapper, and Andrew Ward, "A Family Business, Cuban-Americans Look Beyond the Havana Handover," *Financial Times*, February 27, 2008.

⁵ Pablo Bachelet, "New Cuban Leader Adds Military Loyalists to Team," *Miami Herald*, February 25, 2008.

⁶ Domingo Amuchastegui, "Defense Minister Casas Dies; Cintra Frías to Replace Him," *Cuba News*, September 2011.

What was unexpected about the simultaneous ouster of both Pérez Roque and Lage was that they represented different tendencies within Cuba's communist political system. Pérez Roque, a former private secretary to Fidel, was known as a hardliner, while Carlos Lage, who was responsible for Cuba's limited economic reforms in the 1990s, was viewed as a potential economic reformer. Some observers maintain that the ouster of both Pérez Roque and Lage was a move by Raúl to replace so-called Fidelistas with his own supporters. Fidel, however, wrote in one of his reflections in the Cuban press that both officials had been seduced by ambitions for power, and that a majority of the other officials who were replaced by Raúl had not originally been appointed by Fidel.⁷ Along these lines, a number of observers maintain that the ouster of Pérez Roque and Lage had more to do with removing potential contenders for power in a post-Castro Cuba. What appears clear from the government shake-up is that Raúl Castro began putting his mark on the Cuban government bureaucracy. Some observers contend that Raúl was moving forward with his pledge to make the government more efficient. According to this view, ideology did not play a role in the appointments, and several of those brought in as ministers were relatively unknown technocrats.⁸ The new appointments also continued the trend toward bringing more military officials into the government.

While Raúl began implementing some limited economic reform in 2008 (see “**Error! Reference source not found.**” below), there has been no change to his government's tight control over the political system and few observers expect there to be, with the government backed up by a strong security apparatus. Some observers point to the significantly reduced number of political prisoners over the past several years as evidence of a lessening of repression, but while human rights activists have welcomed the change, some maintain that the overall situation has not improved, with the government resorting to short-term detentions and other forms of intimidation.

The Cuban Communist Party's sixth congress was expected to be held at the end of 2009 (the last was held in 1997), but the party postponed it, with Raúl Castro maintaining that additional and extensive preparation was needed for the meeting. Ultimately the party congress was held April 16-19, 2011, concentrating on making changes to Cuba's economic model, but some political changes also occurred at the party congress. As expected, Fidel was officially replaced by Raúl as first secretary of the PCC, and First Vice President José Ramón Machado became the party's second secretary. The party's Political Bureau or Politburo was reduced from 24 to 15 members, with three new members, Marino Murrillo, Minister of Economy Adel Yzquierdo Rodríguez, and the first secretary of the party in Havana, Mercedes Lopez Acea. The party's Central Committee also was reduced from 125 to 115 members, with about 80 of those being new members of the committee.

At the April 2011 party congress, Raúl Castro also proposed two five-year term limits for top positions in the party and in the government, calling for systematic rejuvenation. This change was confirmed by a January 28-29, 2012, PCC national conference (a continuation of the April 2011 party congress, but focusing on PCC internal changes.) Some analysts maintain that enacting term limits ultimately could pave a way for political succession from one generation to another.⁹

⁷ According to Fidel Castro, “The sweetness of power for which they had made no sacrifice awoke in them ambitions that led them to an unworthy role. The external enemy was filled with illusions about them.” See Reflections of Fidel, “Healthy Changes within the Council of Ministers,” from *CubaDebate* as translated by *Granma International*, March 3, 2009.

⁸ Frances Robles, “Cuban Government Undergoes Massive Restructuring,” *Miami Herald*, March 3, 2009.

⁹ Arturo Lopez-Levy, “Change in Post-Fidel Cuba: Political Liberalization, Economic Reform, and Lessons for U.S. Policy,” New America Foundation, May 2011.

Cuba's revolutionary leadership has been criticized for remaining in party and government positions far too long, and for not passing leadership opportunities to a younger generation. Some observers had expected leadership changes to occur at the January 2012 meeting. While this did not occur, the conference approved a resolution by which the PCC Central Committee would be allowed to replace up to 20% of its 115 members within its five-year mandate. Overall, analysts expressed disappointment that the national conference, which reaffirmed the PCC as Cuba's only recognized party, did not offer more significant political reforms.¹⁰ Given the age of Cuba's current leadership, some observers believe that the government could confront significant difficulty if it faced a sudden succession scenario.

Human Rights

Cuba has a poor record on human rights, with the government sharply restricting freedoms of expression, association, assembly, movement, and other basic rights since the early years of the Cuban revolution. Some observers anticipated a relaxation of the government's oppressive tactics in the aftermath of the January 1998 visit of Pope John Paul II, but government attacks against human rights activists and other dissidents continued. While the government has released numerous political prisoners over the past several years—including more 125 since 2010—it has also resorted to thousands of short-term detentions for political reasons and other forms of harassment and intimidation against government critics. At the same time, there appears to have been increased space for public discussion and dialogue on economic and social issues, including in Catholic Church and academic publications. (See the text box on “Human Rights Reporting on Cuba” below for links to reports from Human Rights Watch, the Inter-American Commission on Human Rights, the State Department, Amnesty International, and the Cuban Commission on Human Rights and National Reconciliation.)

Cuba signed two U.N. human rights treaties in 2008: the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social, and Cultural Rights. Some considered this a positive step, while others point out that Cuba has not yet ratified the agreements, and has not taken any significant action to guarantee civil and political freedoms. Human rights activists in Cuba have called on the Cuban government to put into place the legal and political guarantees embodied in the two covenants. In March 2008, the Cuban government did lift the ban on Cubans staying at tourist hotels. Although few Cubans will be able to afford the cost of staying in such hotels, the move was symbolically significant and ended the practices of what critics had dubbed “tourism apartheid.”

While Cuban authorities have continued to stifle dissent and repress freedoms, Cuban pro-democracy and human rights activists continue to call attention to the country's poor human rights record and many have been recognized over the years by the international community for their efforts.

¹⁰ Juan O. Tamayo, “Cuban Communists OK Term Limits for Party and Government Officials,” *Miami Herald*, January 29, 2012, and “Cuba's Communists Meet to Update Party, Not Much Buzz on Street,” *Miami Herald*, January 28, 2012; Patricia Grogg, “Cuba: Party Aims for Efficient, Inclusive Socialism,” *Inter Press Service*, February 1, 2012.

Ladies in White

A human rights group known as the Ladies in White (*Las Damas de Blanco*) was formed in April 2003 by the wives, mothers, daughters, sisters, and aunts of the members of the “group of 75” dissidents arrested a month earlier in Cuba’s human rights crackdown.¹¹ The group conducts peaceful protests calling for the unconditional release of political prisoners. Dressed in white, its members attend Mass each Sunday at St. Rita’s Church in Havana and then walk silently along First Avenue to a nearby park. In April 2008, 10 members of the Ladies in White were physically removed from a park near the Plaza of the Revolution in Havana when they demanded the release of their husbands and the other members of the “group of 75” still imprisoned. The group held protests during the third week of March 2010 to commemorate the March 2003 crackdown. Cuban security forces and government-orchestrated mobs forcefully broke up the protests on March 16 and 17, while protests on other days were subject to verbal abuse by mobs. In April 2010, the Ladies in White were prevented from conducting their weekly protests by government-orchestrated mobs. Through the intercession of Roman Catholic Cardinal Jaime Ortega, the Cuban government ended the harassment in early May 2010 and allowed the Ladies in White to resume their weekly marches.

Nevertheless, the Ladies in White have continued to face harassment. On March 18, 2011, members of the group were subject to “acts of repudiation” by government-orchestrated mobs as they attempted to commemorate the anniversary of the 2003 human rights crackdown. In August 2011, pro-government mobs attacked members of the Ladies in White in the city of Santiago when they attempted to march peacefully.¹² On August 18, 2011, more than 40 members of the Ladies in White in Havana were attacked by a government-orchestrated mob. The group had been attempting to stage a protest to call attention to the recent harassment of their colleagues in Santiago.¹³ In late August 2011, police used tear gas to disrupt a street march in the town of Palma Soriano in Santiago province that was protesting the attacks against the Ladies in White.¹⁴ Amnesty International and the Department of State called for the end of harassment and attacks against the human rights group.¹⁵ In September 2011, pro-government supporters prevented the Ladies in White in Havana from marching to attend Mass on the feast day of the Virgin of Mercy.¹⁶ A founding member and leader of the Ladies in White, Laura Pollán, died unexpectedly in a Havana hospital from respiratory complications on October 14, 2011.

In late November 2011, two human rights activists—Ivonne Malleza Galano and her husband Ignacio Martínez Montejo—were arrested after staging a peaceful protest in Havana, while an onlooker who protested their arrest—Isabel Haydee Álvarez—was also arrested. Malleza Galano was a member of a group supporting the Ladies in White. Amnesty International subsequently adopted all three as prisoners of conscience. After 52 days of being held without charges, all three

¹¹ Two websites with information on the activities of the Ladies in White are available at “<http://www.damasdeblanco.com/>” and “<http://www.damasdeblanco.org/>”

¹² Juan O. Tamayo, “Cuban Human Rights Activists Report Dissident Injured in Crackdown,” *Miami Herald*, August 8, 2011, and “Cuban Dissidents Say Cops Again Beat Women,” *Miami Herald*, August 16, 2011.

¹³ Juan O. Tamayo, “Ladies in White Attacked in Cuba,” *Miami Herald*, August 19, 2011.

¹⁴ Juan O. Tamayo, “Dissidents Say Police Used Tear Gas in Raid, Beat Women,” *Miami Herald*, August 29, 2011.

¹⁵ Amnesty International, “Urgent Action, Women Denied Right to Protest,” September 1, 2011; “Dissidents Detained in Cuba: Rights Group,” *Agence France Presse*, August 30, 2011; “Cuba: The Históricos Vs. The Damas,” *Latin American Weekly Report*, September 22, 2011.

¹⁶ “Gov’t Supporters Harass Cuba’s Ladies in White,” *EFE News Service*, September 25, 2011; “Pro-Regime Mob Takes Aim at Rights Activists in Cuba,” *Agence France Presse*, September 24, 2011.

were released from prison on January 20, 2012 (a day after the death of hunger striker Wilman Villar Mendoza) and were reportedly warned that they would face harsh sentences if they continued their dissident activities.¹⁷

On the weekend of February 18-19, 2012, Cuban Archbishop Dionisio Garcia reportedly helped evacuate 14 members of the Ladies in White who had sought refuge at the El Cobre Basilica in Santiago, Cuba, after the women received messages that would face beatings by the police.¹⁸ In the lead up to the visit of Pope Benedict XVI to Cuba in March 2012, repression against the Ladies in White increased with numerous short-term detentions intended to block the human rights activist from attending planned activities.

In early June 2012, representatives of the Ladies in White held an almost 4 hour meeting with Cardinal Ortega that some observers maintained was an effort to improve relations between the Church and dissidents that have been strained in recent months. Berta Soler, the leader of the Ladies in White, expressed satisfaction with the meeting, and said that she asked the Cardinal to intercede with the government to curb repression against her group.¹⁹

Amnesty International issued an urgent action appeal on July 18, 2012 calling on Cuban authorities to either charge three protestors—Ladies in White Niurka Luque Alvarez and Sonia Garro Alfonso, and Sonia's husband Ramón Alejandro Muñoz González—or release them. All three have been detained since mid-March 2012 after the two women participated in a peaceful commemoration of the anniversary of Cuba's March 2003 human rights crackdown.

Human Rights Reporting on Cuba

Amnesty International (AI), Human Rights in the Republic of Cuba, <http://www.amnesty.org/en/region/cuba>. AI issued a statement on January 20, 2012, maintaining that “the responsibility for Wilman Villar Mendoza’s death in custody lies squarely with the Cuban authorities, who summarily judged and jailed him for exercising his right to freedom of expression” (available at <http://www.amnesty.org/en/news/cuban-authorities-responsible-activists-death-hunger-strike-2012-01-20>).

In March 2012, AI published a report maintaining that “the Cuban government wages a permanent campaign of harassment and short-term detentions of political opponents to stop them from demanding respect for civil and political rights.” The report maintained that that the release of dozens of political prisoners in 2011 “did not herald a change in human rights policy.” It asserted that “the vast majority of those released were forced into exile” while in Cuba the authorities were determined to contain the dissidence and government critics with new tactics.” (Amnesty International, *Routine Repression, Political Short-Term Detentions and Harassment in Cuba*,” available at <http://www.amnesty.org/en/library/asset/AMR25/007/2012/en/647943e7-b4eb-4d39-a5e3-ea061edb651c/amr250072012en.pdf>)

The independent Havana-based **Cuban Commission on Human Rights and National Reconciliation (Comisión Cubana de Derechos Humanos y Reconciliación Nacional, CCDHRN)** reports there were at least 4,123 short-term detentions for political reasons in 2011 (almost double the number of such detentions in 2010), and that the number of short-term detentions in 2012 has increased substantially, with over 3,200 such detentions through May (including 1,158 in March alone surrounding the visit of Pope Benedict XVI). (CCDHRN, “Cuba:

¹⁷ Amnesty International, “Urgent Act, Prisoners of Conscience Freed,” January 23, 2012.

¹⁸ Juan O. Tamayo, “Cuban Archbishop Evacuates Ladies in White from Basilica Amid Fears of Police Beating,” *Miami Herald*, February 20, 2012.

¹⁹ Paul Haven, “Supporters and Detractors of Cuba’s Controversial Cardinal Clash Over His Comments and Role,” *Associated Press*, June 13, 2012; and Juan O. Tamayo, “Cuba’s Ladies in White Say They Trust Cardinal Ortega,” *Miami Herald*, June 7, 2012.

Repression Política Durante Mayo de 2012 y Comentarios a Propósito del Sistema y la Población Carcelaria Existentes,” June 2012, available <http://www.cubanet.org/wp-content/uploads/2012/06/OVERVIEW-COMISION-MAYO-2012.pdf>)

Human Rights Watch, <http://www.hrw.org/en/americas/cuba>. The human rights group maintained in a January 20, 2012, statement that the death of dissident Wilman Villar Mendoza after a 50-day hunger strike highlights ongoing repression in Cuba. In March 2012, the group called for the Cuban government to halt repression aimed at silencing dissent before and during the visit of Pope Benedict XVI. In the group’s 2012 World Report, Human Rights Watch maintained that “Cuba remains the only country in Latin America that represses virtually all forms of political dissent” (available at <http://www.hrw.org/world-report-2012/world-report-2012-cuba>).

The Inter-American Commission on Human Rights maintained in its 2011 annual human rights report, issued in April 2012, that “the restrictions on political rights, on the right to freedom of association, freedom of expression, freedom of thought, the lack of elections, the lack of an independent judicial branch and restrictions on freedom of movement have, over the decades, become permanent fixtures in systematic violations of the human rights of the Cuban people.” (Annual Report of the Inter-American Commission on Human Rights 2011, Cuba section in Chapter IV, April 9, 2012, available at <http://www.oas.org/en/iachr/docs/annual/2011/TOC.asp>)

According to the **State Department’s human rights report for 2011**, issued in May 2012, Cuba’s “principal human rights abuses were: abridgement of the rights of citizens to change their government; government threats, intimidation, mobs, harassment, and detentions to prevent citizens from assembly peacefully; and a significant increase in the number of short-term detentions.” Additional human rights abuses included: beatings, harsh prison conditions, selective prosecution and denial of fair trials, pervasive monitoring of private communications, and severe limitations on freedom of speech and press. (See the report available at http://www.state.gov/j/drl/rls/hrrpt/humanrightsreport/index.htm?dynamic_load_id=186505)

Internet Bloggers

Over the past several years, numerous independent Cuban blogs have been established that are often critical of the Cuban government—all of these are hosted on overseas servers. The Cuban government has responded with its own team of some 1,000 official bloggers to counter the independent bloggers.²⁰

Cuban Internet blogger Yoaní Sánchez has received considerable international attention since late 2007 for her website, *Generación Y*, which includes commentary critical of the Cuban government. (Sánchez’s website is available at <http://www.desdecuba.com/generaciony/>, and has links to numerous other independent Cuban blogs and websites). In May 2008, Sánchez was awarded Spain’s Ortega y Gasset award for digital journalism, but the Cuban government did not provide her with an exit permit (known as a “white card”) allowing her to travel to Spain to accept the award. On November 6, 2009, Sánchez and two other bloggers, Orlando Luis Pardo and Claudia Cadelo, were intercepted by state security agents while walking on a Havana street on their way to participate in a march against violence. Sánchez and Pardo were beaten in the assault. The Department of State issued a statement deploring the assault, and expressed its deep concern to the Cuban government for the incident.

In early February 2012, Sánchez was denied an exit visa by the Cuban government to travel to Brazil to attend a documentary screening on freedom of expression. Sánchez has been denied an exit visa numerous times in the past, highlighting a common practice of the Cuban government in forbidding citizens from leaving Cuba without official permission.

²⁰ Committee to Protect Journalists, “After the Black Spring, Cuba’s New Repression,” July 6, 2011.

Political Prisoners and Death of Hunger Strikers

Overview. The Cuban government conducted a severe crackdown in March 2003 (often referred to as the *Primavera Negra*, or Black Spring) and imprisoned 75 democracy activists, including independent journalists and librarians and leaders of independent labor unions and opposition parties. Until mid-2010, a majority of the “group of 75” political prisoners remained incarcerated, but the Cuban Catholic Church held talks with the Cuban government in July 2010 that ultimately led to the release of all of them by March 2011. Overall, more than 125 political prisoners have been released since mid-2010. Most traveled to exile in Spain, while a dozen remained in Cuba.

In April 2012, the Cuban Commission on Human Rights and National Reconciliation (CCDHRN) reported that there remained at least 50 political prisoners in Cuba sanctioned for political reasons (along with another 15 released on parole); this compares to over 200 political prisoners estimated by the CCHHRN at the beginning of 2010.²¹ As described below, two Cuban political prisoners conducting hunger strikes have died in recent years, Orlando Zapata Tamayo in February 2010 and Wilman Villar Mendoza in January 2012. The Department of State maintains that accurate numbers of political prisoners are difficult to determine because the Cuban government continues to deny prison access to independent monitors who could help determine the size of the political prisoner population.²²

In anticipation of Pope Benedict XVI’s March 2012 visit, the Cuban government released almost 3,000 prisoners in late December 2011, including about 7 political prisoners. In May 2012, the Cuban government maintained that it had released over 10,000 prisoners over the past six months, leaving some 57,000 people incarcerated in the country. The CCDHRN, however, estimates that the actual number of Cubans incarcerated is between 65,000-70,000.²³

Death of Orlando Zapata Tamayo. The death of imprisoned Cuban dissident Orlando Zapata Tamayo on February 23, 2010, after an 83-day hunger strike focused increased U.S. and world attention on the plight of Cuba’s political prisoners. Zapata, who was 42 years old at the time of his death, was arrested on March 20, 2003, while taking part in a hunger strike to demand the release of political prisoner Oscar Biscet. He was a member of the Alternative Republican Movement and the National Civic Resistance Committee. Zapata was not counted among the “group of 75” political prisoners arrested in 2003, but in January 2004, Amnesty International declared that he was a prisoner of conscience. In May 2004, Zapata was sentenced to three years in prison for “disrespect, public disorder, and resistance,” but he was subsequently tried on further charges and was serving a total sentence of 36 years.²⁴

U.S. officials maintained that Zapata’s death highlighted the injustice of Cuba’s holding political prisoners and called for their immediate release.²⁵ President Obama issued a statement on March

²¹ CCDHRN, “Lista Parcial de Sancionados o Procesados por Motivos Políticos en Cuba,” April 25, 2012, available at: <http://cuba.blogspot.com/2012/04/lista-parcial-de-sancionados-o.html>

²² U.S. Department of State, “Country Reports on Human Rights Practices for 2011, Cuba,” May 24, 2012.

²³ CCDHRN, “Cuba: Represion Politica Durante Mayo de 2012 y Comentarios a Proposito del Sistema y la Poblacion Carcelaria Existentes,” June 2012, available <http://www.cubanet.org/wp-content/uploads/2012/06/OVERVIEW-COMISION-MAYO-2012.pdf>

²⁴ Amnesty International, “Death of Cuban Prisoner of Conscience on Hunger Strike Must Herald Change,” February 24, 2010, and “Cuba: Newly Declared Prisoners of Conscience,” January 29, 2004.

²⁵ U.S. Department of State, Philip J. Crowley, Assistant Secretary, Bureau of Public Affairs, “Death of Cuban Dissident Orlando Zapata Tamayo,” February 24, 2010.

24, 2010, expressing deep concern about the human rights situation in Cuba, including the death of Zapata, the repression of the Ladies in White, and increased harassment of those who dare to express support for their fellow Cuban citizens. The President called for the end of repression, the immediate and unconditional release of all political prisoners, and respect for the basic rights of the Cuban people. On March 18, 2010, the Senate approved S.Con.Res. 54 (Nelson, Bill), which recognized Zapata's life and called for a continued focus on the promotion of internationally recognized human rights in Cuba.

Zapata's death also prompted considerable criticism from human rights organizations and other countries. Amnesty International expressed strong criticism of the death of Zapata, which it maintained was an "indictment of the continuing repression of political dissidents in Cuba." It called for Cuba to invite international human rights experts to visit Cuba to verify respect for human rights.²⁶ The European Parliament condemned the death of Zapata and called for the "immediate and unconditional release of political prisoners," and even Spain, which had been lobbying the European Union for a relaxation of its common policy on Cuba, urged the release of Cuban political prisoners. Chile and Costa Rica also criticized Cuba for Zapata's death, and Mexico expressed concern for the health of Cuban dissidents. President Raúl Castro said that he regretted Zapata's death, but he also maintained that no one has been tortured or murdered in Cuba.²⁷

Zapata's death prompted protests by other dissidents, and several dissidents vowed to undertake hunger strikes. Cuban dissident Guillermo Fariñas began a hunger strike on February 24, 2010, calling for the release of 26 political prisoners who were reported to be in ill health. Fariñas had undertaken numerous other hunger strikes over the years, but he developed complications and a blood clot that drove him to near death before he ended the strike on July 8, 2010, when the Cuban government, after talks with the Cuban Catholic Church, announced that it would release 52 political prisoners.

Death of Wilman Villar Mendoza. On January 19, 2012, 31-year old Wilman Villar Mendoza died following a 50-day hunger strike after he was convicted of "contempt" of authority in November 2011 and sentenced to four years in prison. Villar Mendoza had participated in a peaceful demonstration with eight other members of the dissident Cuban Patriotic Union. The Cuban government has attempted to paint Villar Mendoza as a common criminal, but human rights organizations hold the government responsible for the political dissident's death. Amnesty International said that Villar Mendoza's death was a "shocking reminder of the Raúl Castro government's intolerance for dissent."²⁸

A White House statement on Villar Mendoza described the hunger striker as a "young and courageous defender of human rights and fundamental freedoms in Cuba," and maintained that "his senseless death highlights the ongoing repression of the Cuban people and the plight faced by brave individuals standing up for the universal rights of all Cubans."²⁹ On February 1, 2012,

²⁶ Amnesty International, "Death of Cuban Prisoner of Conscience on Hunger Strike Must Herald Change," February 24, 2010.

²⁷ "Cuba: Raúl Castro 'Regrets' Political Prisoner Death, Blames United States," *CubaDebate*, Havana (Open Source Center) February 24, 2010; Tracy Wilkinson, "Castro 'Lamenting' Dissident's Death," *Los Angeles Times*, February 25, 2010; Juan O. Tamayo, "Raúl Castro: Hunger Striker's Death 'Lamentable,'" *Miami Herald*, February 25, 2010.

²⁸ Amnesty International, "Cuban Authorities 'Responsible' for Activist's Death on Hunger Strike," January 20, 2012.

²⁹ White House, Office of the Press Secretary, "Statement of the Press Secretary on the Death of Cuban Activist Wilmar Villar," January 20, 2012.

the Senate approved S.Res. 366 (Menendez), “honoring the life of dissident and democracy activist Wilman Villar Mendoza” and “condemning the Castro regime for the death of Wilman Villar Mendoza.”

Cuban Government's Change of Repressive Tactics

Human right groups across the board maintain that even though the number of long-term political prisoners has declined, Cuba’s human rights situation nevertheless has deteriorated since 2011, with the number of short-term detentions increasing significantly. The Cuban Commission on Human Rights and National Reconciliation (CCDHRN) reports that there were at least 4,123 short-detentions for political reasons in 2011, compared to at least 2,074 in 2010, almost double. In early May 2011, Cuban dissident Juan Wilfredo Soto Garcia died three days after he reportedly was beaten by police, although Cuban authorities maintain that he died of natural causes.³⁰ The press rights groups Committee to Protect Journalists issued a report in early July 2011 detailing continued Cuban government persecution of independent journalists through arbitrary arrests, beatings, and intimidation.³¹

Short-detentions of dissidents for political reasons have increased further in 2012, with over 3,200 such detentions through May, according to the CCDHRN. This included 1,158 detentions in March alone surrounding the visit of Pope Benedict XVI.³²

In March 2012, Amnesty International published a report maintaining that “the Cuban government wages a permanent campaign of harassment and short-term detentions of political opponents to stop them from demanding respect for civil and political rights.” The report maintained that that the release of dozens of political prisoners in 2011 “did not herald a change in human rights policy.” AI asserted that “the vast majority of those released were forced into exile” while in Cuba the authorities were determined to contain the dissidence and government critics with new tactics,” including intimidation, harassment, surveillance, and “acts of repudiation,” or demonstrations by government supporters targeting government critics.³³

On June 7, 2012, the Senate Foreign Relations Committee, Subcommittee on Western Hemisphere, Peace Corps, and Global Narcotics held a hearing on the human rights situation in Cuba, featuring Assistant Secretary of State for Western Hemisphere Affairs Roberta Jacobson along with three human rights activists testifying from Cuba.³⁴ One of the human rights activists testifying from Cuba, Jorge Luis García Pérez (also known as Antúnez), was subsequently arrested and beaten on June 9 by Cuban police in the province of Villa Clara and released five days later. Several U.S. Senators strongly criticized the Cuban government, including Senate

³⁰ Juan O. Tamayo, “Cuba Denies Police Beating of Dissident,” *Miami Herald*, May 10, 2011.

³¹ Karen Phillips, “After the Black Spring, Cuba’s New Repression,” Committee to Protect Journalists, July 6, 2011, available at <http://www.cpj.org/reports/2011/07/after-the-black-spring-cubas-new-repression.php>.

³² CCDHRN, June 2012, op.cit.

³³ Amnesty International, *Routine Repression, Political Short-Term Detentions and Harassment in Cuba*,” available at <http://www.amnesty.org/en/library/asset/AMR25/007/2012/en/647943e7-b4eb-4d39-a5e3-ea061edb651c/amr250072012en.pdf>

³⁴ Testimony and webcast of the hearing is available at http://www.foreign.senate.gov/hearings/the-path-to-freedom_countering-repression-and-strengthening-civil-society-in-cuba

Foreign Relations Committee Chairman John F. Kerry, who condemned “any efforts to intimidate Mr. Pérez or any other Cuban citizen into silence.”³⁵

March 2012 Visit of Pope Benedict³⁶

Pope Benedict XVI visited Cuba from March 26-28, 2012, the first papal visit since the visit of Pope John Paul II in 1998. The Pope’s visit coincided with the 400th anniversary of Our Lady of Charity (La Virgen de Caridad del Cobre), the patron saint of Cuba. After a trip to Mexico, the pontiff’s visit to Cuba began in the eastern city of Santiago, where he celebrated mass in the Plaza of the Revolution, and visited the shrine of Our Lady of Charity in the town of El Cobre outside Santiago. The Pope then traveled to Havana, where he celebrated an outdoor mass in the Plaza of the Revolution and also met with church and Cuban government officials. While the purpose of the Pope’s visit was pastoral (some 60 to 70% of Cubans are Catholic), the trip also highlighted the increased social and political profile of the Catholic Church in Cuba and its efforts in recent years to influence the Cuban government.

Cuba’s Catholic Church became more openly critical of the Cuban government in 1993 when Cuban bishops issued a pastoral letter opposing limitations on freedom, excessive surveillance by state security, and imprisonment and harassment of dissidents. For many observers, the bishops’ statement reflected a new era in which the Church would be more openly critical of the government. Pope John Paul elevated Archbishop of Havana Jaime Ortega to the position of Cardinal in 1994, which raised the profile of the Church in Cuba. Since then, Ortega has been widely commended for reinvigorating the Cuban Catholic Church—the role of Caritas Cuban, the Church’s social assistance agency, has expanded throughout Cuba under Ortega. In late 2010, the Catholic Church opened up its first seminary in Cuba in more than 50 years. Cuban bishops have not refrained from speaking out on the need for change in Cuba, and Church publications—such as *Palabra Nueva* (New Word) and *Espacio Laical* (Space for Laity)—have become a way for the Church to broaden the debate in Cuba on social and economic problems facing the country.³⁷

Beginning in 2010, the Cuban Catholic Church under Cardinal Ortega took on a prominent role in engaging with the Cuba government over political prisoners—this led to the release of more than 125 prisoners, with the majority going to Spain. In anticipation of Pope Benedict’s visit, as noted above, the Cuban government pardoned almost 3,000 prisoners in late December 2011, although only seven were reported to be political prisoners.³⁸

During his March 2012 trip to Cuba, Pope Benedict urged Cubans during his homily in Santiago “to build a renewed and open society, a better society, one more worthy of humanity, and which better reflects the goodness of God.”³⁹ In Havana, the Pope invoked 19th century Cuban priest

³⁵ Senate Committee on Foreign Relations, “Kerry Responds to Beating of Cuban Dissidents After Testifying to Foreign Relations Committee,” Press Release, June 12, 2012.

³⁶ More extensive analysis from CRS is available in the following Congressional Distribution Memorandum: *Cuban Catholic Church and March 26-28, 2012 Visit of Pope Benedict XVI*, which is available upon request from the author, Mark Sullivan (ext. 7-7689; msullivan@crs.loc.gov). The memorandum prepared before the Pope’s visit, provides more background on the Catholic Church in Cuba, the Vatican’s interaction with the Cuban government, and a discussion of the potential implications of the Pope’s visit.

³⁷ See the website of *Palabra Nueva*, available at <http://www.palabranueva.net/>, and the website of *Espacio Laical*, available at <http://espaciolaical.org/>

³⁸ “2,991 Inmates Benefit from Cuba’s Pardons,” *Agence France Presse*, December 28, 2011.

³⁹ “Full Text of Pope Benedict XVI’s Homily in Santiago de Cuba,” *Miami Herald*, March 26, 2012.

Father Felix Varela (a candidate for sainthood) as someone who offers a “path to a true social transformation...to form virtuous men and women in order to forge a worthy and free nation..” Emphasizing reconciliation, the Pope asserted that “Cuba and the world need change, but this will occur only if each one is in a position to seek the truth and chooses the way of love, sowing reconciliation and fraternity.”⁴⁰ At the end of his visit, in reference to U.S. economic sanctions, the Pope criticized “restrictive economic measures, imposed from outside the country,” as an unfair burden to the Cuban people.⁴¹

Some Cuban dissidents, as well as some in the Cuban American community, criticized the Pope for not more forcefully confronting the Cuban government during his visit. The Pope did not meet with any dissidents or human rights activists during his visit or speak out about the increased government harassment surrounding his visit. As a result, some in the dissident community felt the Church lost credibility a result of the Pope’s visit. Other dissidents, however, emphasize the record of the Cuban Catholic Church in supporting political prisoners and their families and for the support provided to the Ladies in White. They point to the Church’s role in opening space for increased public dialogue, including criticism of the government, on economic and social issues, through Church publications.

Cardinal Jaime Ortega also has received criticism from some dissidents and Cuban Americans for not more openly confronting the government. In particular, he was criticized for remarks in April 2012 at Harvard University in which he defended the government’s eviction of 13 dissidents occupying a Havana church who were demanding a papal audience. Ortega described the protestors as “former delinquents” with “no culture,” words that brought strong criticism from dissidents in Cuba as well as Cuban Americans.⁴² Most surprising, however, was the criticism of the Cardinal in an editorial by the Director of the Office of Cuban Broadcasting that oversees Radio and TV Martí, Carlos García-Pérez, who referred to the Cardinal in an editorial as a “lackey” of the Cuban government.⁴³ (The strong language in the editorial by a U.S. government official raised considerable criticism itself, including from some Members of Congress, who called for the Administration to reject the comments against Ortega.⁴⁴) Defenders of Cardinal Ortega maintain that while he made some unfortunate statements at Harvard, that he has a strong record of support for political prisoners and creating a space for dialogue and debate in Cuba.⁴⁵

Looking ahead, given that the Catholic Church is Cuba’s largest independent civil society group, it is likely that it will continue to have a significant voice as Cuba confronts economic and political change in the years ahead.

⁴⁰ “Full Text of Pope Benedict’s XVI’s Homily in Havana,” *Miami Herald*, March 28, 2012.

⁴¹ “Full Text of Pope Benedict XVI’s Farewell Speech at Jose Martí Airport,” *Miami Herald*, March 28, 2012.

⁴² Juan Carlos Chávez, “Opposition Members Take Exception to Remarks at Harvard by Cardinal Jaime Ortega Alamino, Archbishop of Havana,” *Miami Herald*, April 26, 2012.

⁴³ William Booth, “U.S. Broadcaster Call Archbishop a Castro “Lackey,”” *Washington Post*, May 6, 2012. The editorial no longer appears on the website of Radio/TV Martí, but is available at <http://porcubaparacuba.blogspot.com/2012/05/editorial-de-radio-y-tv-marti-acerca.html>

⁴⁴ See a letter to Secretary of State Hillary Rodham Clinton, a member of the Broadcasting Board of Governors, from five Members of Congress, May 8, 2012, available at: <http://www.democracyinamericas.org/pdfs/ortegaletter.pdf>

⁴⁵ See for example, Jorge Domínguez, “The Church in Cuba and the Work of Cardinal Ortega,” *Espacio Laical* (reproduced in *Progreso Weekly*), June 20, 2012; and Fulton A. Armstrong, “A Failure to Communicate, Why is the Obama Administration Using Its Radio Station to Attack the Catholic Church?” *Foreign Policy*, June 1, 2012.

Economic Conditions and Reform Efforts

Cuba's economy is largely state-controlled, with the government owning most means of production and employing over 80% of the labor force. Key sectors of the economy that generate foreign exchange include the export of professional services (largely medical personnel to Venezuela); tourism, which has grown significantly since the mid-1990s, with 2.53 million tourists visiting Cuba in 2010; nickel and cobalt mining, with the Canadian mining company Sherritt International involved in a joint investment project; and a biotechnology and pharmaceutical sector that supplies the domestic healthcare system and has fostered a significant export industry. Remittances from relatives living abroad, especially from the United States, have also become a significant source of hard currency, with more than \$1 billion sent to Cuba annually in remittances from families living abroad. The once-dominant sugar industry has declined significantly over the past 20 years; in 1990, Cuba produced 8.4 million tons of sugar while in 2012 it produced just 1.4 million tons.⁴⁶

After the collapse of the former Soviet Union, Russian financial assistance to Cuba practically ended, and as a result, Cuba experienced severe economic deterioration from 1989 to 1993, with estimates of economic decline ranging from 35% to 50%. Since then, however, there has been considerable improvement. From 1994 to 2000, as Cuba moved forward with some limited market-oriented economic reforms, economic growth averaged 3.7% annually.

Economic growth was especially strong in the 2004–2008 period (see **Figure 2**) registering an impressive 11.2% in 2005 (despite widespread damage caused by Hurricanes Dennis and Wilma), 12.1% in 2006, and 7.3% in 2007 before slowing to 4.1% in 2008.⁴⁷ The economy benefitted from the growth of the tourism, nickel, and oil sectors, and support from Venezuela and China in terms of investment commitments and credit lines. Cuba also benefits from a preferential oil agreement with Venezuela, which provides Cuba with more than 90,000 barrels of oil a day.

Cuba's economic growth subsequently slowed to 1.4% in 2009, an estimated 2.4% and 2.7% in 2010 and 2011 respectively, and the forecast for 2012 is for 3.3% growth.⁴⁸ The global financial crisis had a negative effect on the Cuban economy because of lower world prices for nickel and a reduction in tourism from Canada and Europe. Cuba was also still recovering from the devastation wrought by Hurricanes Gustav and Ike in 2008, particularly in the agricultural sector. As a result of the economic downturn, the government announced austerity measures that included energy rationing and cutbacks in transportation and some food programs. In 2012, while revenue from tourism increased in the first quarter of the year, economic conditions in Europe could restrain further increases, while lower nickel prices also could put a damper on economic growth.

Over the years, Cuba has expressed pride for the nation's accomplishments in health and education. According to the U.N. Development Program's 2011 *Human Development Report*, life

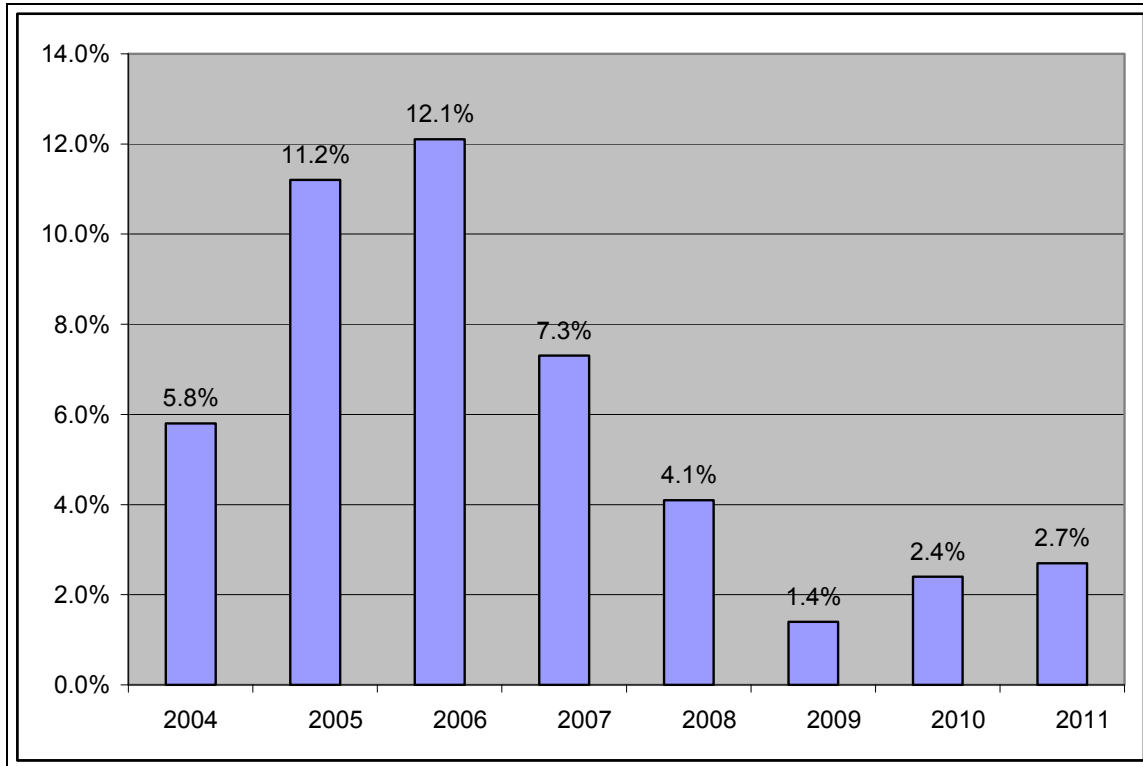
⁴⁶ Information and statistics were drawn from several sources: U.S. Department of State, "Background Note: Cuba," April 28, 2011; Economist Intelligence Unit, "Cuba Country Profile," 2008, and "Cuba Country Report," March 2011; Oficina Nacional de Estadísticas, "Anuario Estadístico de Cuba, 2010"; Marc Frank, "Cuban Sugar Harvest Shows Limits of Reforms," *Reuters News*, May 31, 2012; and "Factbox: Cubans Get Ready for Private Sector Expansion," *Reuters News*, September 23, 2010.

⁴⁷ "Cuba Country Report," *Economist Intelligence Unit (EIU)*, January 2011.

⁴⁸ "Cuba Country Report," *EIU*, July 2012.

expectancy in Cuba in 2011 was 79.1 years and adult literacy was estimated at almost 100%. In terms of its per capita income level, the World Bank estimates that Cuba's per capita income level is in the upper-middle-income range (between \$3,946 and \$12,195), higher than nine other countries in the Americas.⁴⁹

Figure 2. Cuba: Real GDP Growth (percentage), 2004-2011



Note: 2010 and 2011 growth rates are estimates.

Source: "Cuba Country Report," *Economist Intelligence Unit*, January 2009 and July 2012.

Reform Efforts in the 1990s

When Cuba's economic slide began in 1989, the government showed little willingness to adopt any significant market-oriented economic reforms, but in 1993, faced with unprecedented economic decline, Cuba began to change policy direction and implemented a number of policy measures. Beginning in 1993, Cubans were allowed to own and use U.S. dollars and to shop at dollar-only shops previously limited to tourists and diplomats. Self-employment was authorized in more than 100 occupations in 1993, most in the service sector, and by 1996 more than 200,000 Cubans had become small entrepreneurs.⁵⁰

In 1993, the government divided large state farms into smaller, more autonomous, agricultural cooperatives (Basic Units of Cooperative Production, UBPCs). It opened agricultural markets in 1994, where farmers could sell part of their produce on the open market, and it also permitted

⁴⁹ World Bank, *World Development Report 2011*, October 2011, p. 354.

⁵⁰ Philip Peters, *A Viewer's Guide to Cuba's Economic Reform*, Lexington Institute, May 2012, p. 12.

artisan markets for the sale of handicrafts. In 1995, the government allowed private food catering, including home restaurants (*paladares*), in effect legalizing activities that were already taking place, and approved a new foreign investment law that allows fully owned investments by foreigners in all sectors of the economy with the exception of defense, health, and education. In 1996, it authorized the establishment of free trade zones with tariff reductions typical of such zones. In 1997, the government enacted legislation to reform the banking system and established a new Central Bank (BCC) to operate as an autonomous and independent entity.

After Cuba began to recover from its economic decline in the early 2000s, however, the government began to backtrack on some of its reform efforts. Regulations and new taxes made it extremely difficult for many of the nation's self-employed, with the result that the number of small entrepreneurs declined to about 150,000. Some home restaurants were forced to close because of the new regulations. In 2004, the Cuban government limited the use of dollars by state companies for any services or products not considered part of their core business.

Reform Efforts Under Raúl Castro

When Raúl Castro assumed provisional power in July 2006, there was some expectation that the government would be more open to economic policy changes, and a debate about potential economic reforms reemerged in Cuba. On July 26, 2007, in a speech commemorating Cuba's revolutionary anniversary, Raúl Castro acknowledged that Cuban salaries were insufficient to satisfy needs, and maintained that structural changes were necessary in order to increase efficiency and production. In the aftermath of the speech, Cuban public expectations for economic reform increased as thousands of officially sanctioned meetings were held in workplaces and local PCC branches around the country where Cubans were encouraged to air their views and discuss the future direction of the country. Complaints focused on low salaries and housing and transportation problems, and some participants advocated legalization of more private businesses.⁵¹

After Raúl Castro officially assumed the presidency in 2008, his government announced a series of economic changes. In his first speech as president in February 2008, Raúl promised to make the government smaller and more efficient, to review the potential revaluation of the Cuban peso, and to eliminate excessive bans and regulations that curb productivity.⁵² In March, the government announced that it would lift restrictions on the sales of consumer products such as computers, microwaves, and DVD and video players as well as on the use of cell phones.

The government also announced that it would begin revamping the state's wage system by removing the limit that a state worker can earn. This was an effort to boost productivity and to deal with one of Cuba's major economic problems: how to raise wages to a level where basic human needs can be satisfied. The promised revamp of the wage system, however, has been delayed. The problem of low wages in Cuba is closely related to another major economic challenge in Cuba: how to unify the two official currencies circulating in the country—the Cuban convertible peso (CUC) and the Cuban peso, which trade at 24 to 1 CUC. Most people are paid in Cuban pesos, and the average monthly wage in Cuba is about 448 pesos (about \$19 U.S.).

⁵¹ Frances Robles, "Cubans Urged to Vent Views," *Miami Herald*, October 2, 2007.

⁵² "Cuba: Full Text of Raúl Castro's National Assembly Address," *Cubavisión*, Havana (as translated by Open Source Center) February 24, 2008.

dollars⁵³), but for increasing amounts of consumer goods, convertible pesos are used. Cubans with access to foreign remittances or who work in jobs that give them access to convertible pesos are far better off than those Cubans who do not have such access.

In March 2011, President Castro tasked outgoing Minister of Economy and Planning Marino Murillo (replaced by Vice Minister Adel Yzquierdo Rodriguez) with the job of overseeing the implementation of the country's economic reforms. Some press reports have referred to Murillo as the country's new economic czar. Murillo has been in charge of coordinating the economic policy committee for the party congress, and as vice president of the Council of Ministers, he will continue to oversee the Ministry of Economy and Planning and other economic agencies. Murillo reportedly is a key member of Raúl Castro's inner circle.⁵⁴

As noted above, Cuba's Communist Party held its sixth congress from April 16-19, 2011, focusing on making changes to Cuba's economic model. Some 1,000 party delegates analyzed and debated the Draft Guidelines for Social and Economic Policy (*Proyecto de Lineamientos de la Política Económica y Social*) that were issued in November 2010.⁵⁵ The guidelines are an expansive list of economic goals or aspirations, rather than a plan of action. As originally set forth in November, the guidelines numbered 291, but as approved at the party congress, the guidelines consist of 313 goals or objectives.⁵⁶

While the guidelines do not have any reference with regard to sequencing or how the objectives may be implemented, they include some potentially significant economic reforms that, if realized, could significantly alter Cuba's state-dominated economic model. These include the liquidation of state enterprises with sustained financial losses (#17), advancement toward the unification of Cuba's two currencies (#55), the gradual development of a tax system as an efficient means to distribute income (#60), creation of special development zones for foreign investment (#102), expansion of the non-state sector as an alternative means of employment (#168), and an orderly and gradual elimination of the ration system (#174). Some economic analysts maintain that the proposed changes set forth in the guidelines are too limited and too late to deal with the severity of Cuba's difficult economic situation.⁵⁷

Cuba's National Assembly approved the guidelines in a legislative session held in early August 2011. Among other government actions taken during the second half of 2011, the government permitted the sale of cars beginning in October and the sale of homes in November. A new

⁵³ U.S. Department of State, "Country Reports on Human Rights Practices 2011, Cuba," May 24, 2012.

⁵⁴ "Cuba's Murillo Made New Economic Tzar," *LatinNews Daily*, March 28, 2011.

⁵⁵ A full-text version of the Guidelines in English is available at <http://www.walterlippmann.com/pcc-draft-economic-and-social-policy-guidelines-2010.html>.

⁵⁶ *Lineamientos de la Política Económica y Social Del Partido y la Revolución*, VI Congreso del Partido Comunista de Cuba, approved April 18, 2011, available at <http://thecubaneconomy.com/wp-content/uploads/2011/05/Lineamientos-de-la-Pol%C3%ADtica-econ%C3%B3mica-y-Social-del-Partido-y-la-Revoluci%C3%B3n-Aprobado-el-18-de-abril-de-2011.-VI-Congreso-del-PCC.pdf>. In addition, the Cuban Communist Party published a report comparing the original 291 guidelines to the final 313 guidelines and how they changed. See *Información Sobre el Resultado del Debate de los Lineamientos de la Política Económica y Social Del Partido y la Revolución*, VI Congreso del Partido Comunista de Cuba, May 2011, available at http://www.cubadebate.cu/wp-content/uploads/2011/05/tabloide_debate_lineamientos.pdf

⁵⁷ Espinosa Chepe, op. cit.

program began in December 2011 whereby Cubans will be able to take out small peso loans from state banks, and will allow small businesses to open commercial bank accounts.⁵⁸

Agricultural Sector Reform

A significant reform effort under Raúl Castro has focused on the agricultural sector, a vital issue because Cuba reportedly imports some two-thirds of its food needs.⁵⁹ In an effort to boost food production, the government began in 2008 to give farmers more discretion over how to use their land and what supplies to buy. The government also began a program of turning idle land into productive use through a land grant program, whereby private farmers and cooperatives can apply for land. Under the program, the government reportedly has granted some 200,000 leases as of May 2012.⁶⁰ The government is expected to submit an additional reform to the National Assembly in July 2012 that would extend the maximum amount of land available to a private farmer, increase the maximum time period of the lease, and allow homes to be built on the land.⁶¹

Despite the government's agricultural reform efforts, food production was significantly below targets in 2010 and 2011, with the non-sugar agriculture sector contracting some 2.5% in 2010. While production reportedly increased 8.7% in 2011, it remained below 2005 levels.⁶² Food prices also rose some 20% in 2011 because of reduced imports and stagnating farm production.⁶³ During the first quarter of 2012, there was improvement in the production of some non-sugar agricultural crops, such as coffee, rice, and beans, although there were declines in the production of animal products.⁶⁴

Problems in the agricultural sector focus on an entrenched system whereby farmers depend on the state for fuel, pesticides, fertilizers and other resources in exchange for 70%-80% of what they produce. The government's inability to provide enough resources to farmers has hampered production, and its domination of the distribution process has hampered the delivery of products to market.⁶⁵ In March 2011, the government began granting micro credits to new farmers in an effort to increase lagging food production, although the program reportedly is not extensive enough to have an effect on production.

On June 18, 2012, the Cuban government re-imposed duties on imported food that had been lifted in 2008 after several hurricanes hurt domestic production. While over the long-term, the re-imposition of the tax could stimulate domestic production, in the short to medium-term, the tax could effect the flow of food parcels brought by visiting Cuban Americans. It could also effect the hundreds of private restaurants and caterers that have sprung up over the past two years.

⁵⁸ Mimi Whitefield, "Cuba Stacks Up the Building Blocks of a New Economy," *Miami Herald*, January 1, 2012; "Loans for Capitalism and Jobs for the Boys," *Latin American Caribbean & Central America Report*, December 2011.

⁵⁹ Helen Popper, "Cuban Farm Reforms Sow Seeds of Enterprise," *Reuters News*, December 17, 2009.

⁶⁰ Jeff Franks, "Factbox, Key Political Risks to Watch in Cuba," *Reuters News*, May 8, 2012.

⁶¹ "Cuba Country Report," *EIU*, June 2012.

⁶² Marc Frank, "Cuba Reports Food Output up 8.7% in 2011," *Reuters News*, February 16, 2012.

⁶³ Marc Frank, "Cuba Reports Big Increase in Food Prices," *Reuters News*, January 31, 2012.

⁶⁴ "Cuba Country Report," *EIU*, June 2012.

⁶⁵ Marc Frank, "Havana Food Production Plummets Despite Reforms," *Reuters News*, March 3, 2010.

With regard to the sugar sector, in the fall of 2011, the government eliminated its Ministry of Sugar, and turned the industry into a state-run holding company incorporating 26 subsidiary companies. Cuba's once dominant sugar sector produced some 8 million tons of sugar annually, but only produced 1.2 million tons in 2011 and 1.4 million tons for the 2012 harvest. While the 2012 harvest was an improvement over the 2011 harvest, it was still below expectations. Analysts maintain that the sugar industry continues to be plagued by such problems of weak incentives, not enough decentralization, and a lack of capital and investment.⁶⁶

Growth of the Private Sector

In September 2010, the Cuban government announced a series of potentially significant reforms designed to reduce the public sector and increase private enterprise. The government announced that by the end of March 2011 it would identify half a million state workers who would be laid off, with most expected to find work in the expanding private sector. The layoffs reportedly would affect all public sector employees, including in the public service and state-owned enterprises. Over the next five years, a total of 1.2 million state employees would be cut (out of about 4.3 million state workers).⁶⁷ The government also announced an expansion of self-employment, identifying 178 categories of work allowed with 83 of those allowing small businesses to hire non-family members.⁶⁸ The self-employment categories cover a wide range of employment from "carpenters, gardeners, artisans, and animal trainers to small businesses such as home-based bed and breakfasts, rental property, restaurants, pizzerias, and snack shops."⁶⁹ New tax provisions would generate income for the government and include a new sales tax and social security tax.

The Cuban government's implementation of layoffs in the state sector has lagged considerably, so much so that President Castro acknowledged in February 2011 that more time was needed to meet the government's initial goal of laying off half a million state employees. State payrolls were reportedly cut by 140,000 in 2011, and will be cut by 110,000 more in 2012.⁷⁰

The number of self-employed rose to more than 380,000 Cubans as of June 2012.⁷¹ This compares to just over 157,000 self-employed at the end of 2010.⁷² Some economic analysts, however, contend that the new categories of self-employment are too limited and still include considerable restrictions and taxes designed to impede the growth of small businesses.⁷³ In May 2011, the government announced new plans to cut taxes and lift other restrictions in order to stimulate the private sector, while in December 2011, the government announced that more retail

⁶⁶ Marc Frank, "Cuban Sugar Harvest Shows Limits of Reforms," *Reuters News*, May 31, 2012.

⁶⁷ "Cuba Country Report," *EIU*, October 2010.

⁶⁸ Juan O. Tamayo, "Cuba Unveils Plan to Overcome Its Economic Crisis," *Miami Herald*, September 25, 2010.

⁶⁹ Marc Frank, "Raúl Castro's Shock Therapy for Cuban Economy," *ABC News*, November 8, 2010.

⁷⁰ Philip Peters, *A Viewer's Guide to Cuba's Economic Reform*, Lexington Institute, May 2012, p. 26.

⁷¹ "Cuba's Private Sector Continues to Expand Under Economic Reform," *Xinhua News Agency*, July 2, 2012.

⁷² "Cuba Issues More Than 113,000 Self-Employment Licenses," *EFE News Service*, March 4, 2011.

⁷³ See for example: Oscar Espinosa Chepe, *Cambios en Cuba: Pocos, Limitados y Tardios*, Havana Cuba, February 2011, available at <http://reconciliacioncubana.files.wordpress.com/2011/03/cambios-en-cuba.pdf>; and Archibald R.M. Ritter, "Raúl Castro's New Economic Strategy: Context, Viability and Prospects," presentation at the Inter-American Dialogue, Washington, D.C., March 11, 2011, available at <http://www.thedialogue.org/page.cfm?pageID=32&pubID=2603&s>

services (such as appliance and watch repair and locksmith and carpentry shops) would be open to the private sector beginning in 2012.⁷⁴

In 2012, Cuba has been experimenting in several provinces with private sector contracting for services (landscaping, construction, food, and other services) from state companies. Looking to extend this nation-wide, the government is expected to submit a reform bill to the National Assembly in July 2012 that will allow for the establishment non-agricultural cooperatives that can take over some services now provided by state-owned enterprises.⁷⁵ This could involve the conversion of some small state enterprises to cooperatives or even the startup of new cooperatives. Such an action could spur the development of small and medium size businesses and expand the private sector.⁷⁶

To date, Cuba's efforts to create a burgeoning private sector and reduce its bloated public sector has been slower than expected and has not stimulated economic growth. The government has the goal of moving from a state-dominated to a mixed economy. According to a top government and party official, Esteban Lazo Hernández, Cuba wants to move about half of its economic activity from the state sector to the non-state sector over the next 4 to 5 years, with the private sector eventually accounting for about 40-45% of gross domestic product.⁷⁷

In mid-2012, however, the government began taking actions that could hurt the country's emerging private sector and call into question the government's overall commitment to the development of private sector activity. As noted above, in mid-June 2012, the government re-imposed taxes on imported food, which could affect private restaurants and caterers depending on imported food. On July 2, 2012, the Cuban government quietly published regulations announcing that, beginning in September 2012, significantly higher duties would be imposed on other imported goods carried or shipped to individuals in Cuba. The new duties amount to about \$10 a kilogram or more for goods, significantly higher than the current rate of about \$0.50 a kilogram.⁷⁸ Many small entrepreneurs that depend on the imported goods could be threatened by the new duties, and many Cubans are reportedly angered by the government's action.⁷⁹

For Additional Reading on the Cuban Economy

Association for the Study of the Cuban Economy, Annual Proceedings, available at: <http://www.ascecuba.org/publications/proceedings/>

The Cuban Economy, La Economía Cubana, website maintained by Arch Ritter, from Carlton University, Ottawa, Canada, available at: <http://thecubaneconomy.com/profile/>

Philip Peters, "**A Viewer's Guide to Cuba's Economic Reform**," Lexington Institute, May 2012, available at:

⁷⁴ "Cuba Cuts Taxes to Spur Private-Sector Growth," *Reuters*, May 27, 2011; Marc Frank, "Cuba Makes More Reforms to Retail Sector," *Reuters News*, December 26, 2011.

⁷⁵ "Cuba Country Report," *EIU*, June 2012.

⁷⁶ Philip Peters, *A Viewer's Guide to Cuba's Economic Reform*, Lexington Institute, May 2012, pp. 16-17.

⁷⁷ Marc Frank, "Cuba Plans Massive Shift to "Non-state" Sector," *Reuters*, April 23, 2012.

⁷⁸ Andrea Rodriguez, "Cuba Sharply Hikes Tax on Imported Goods in Blow to Small Business Owners, Other Islanders," *Associated Press*, July 17, 2012. The changes were announced in Cuba's *Gaceta Oficial* (Official Gazette) on July 2, 2012.

⁷⁹ Marc Frank, "Big Increase in Customs Fees Angers Many Cubans," *Washington Post*, July 20, 2012.

<http://www.lexingtoninstitute.org/library/resources/documents/Cuba/ResearchProducts/ViewersGuide.pdf>

Rafael Romeu, “**Cuba: Reform Continues,**” in *Latin American Economic Perspectives, All Together Now: The Challenge of Regional Integration*, Latin American Initiative at Brookings, April 2012, available on pp. 60-68 in the following pdf: http://www.brookings.edu/~media/research/files/reports/2012/4/latin%20america%20perspectives/04_latin_america_economic_perspectives.pdf

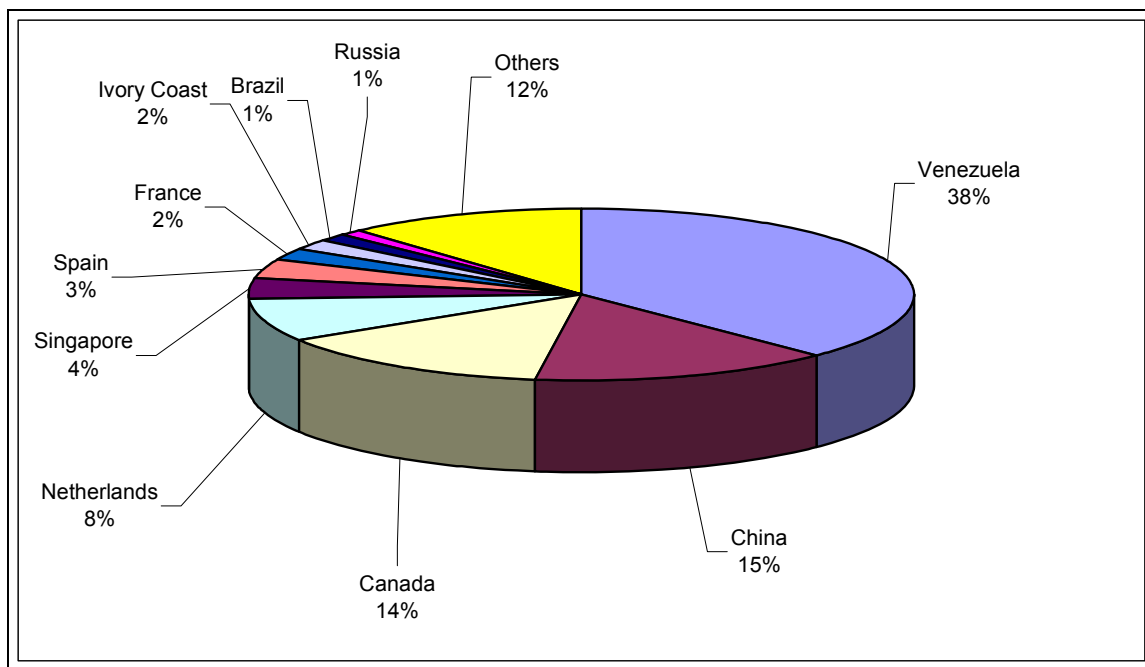
Revista Temas (Havana), links to the Cuban journal’s articles on Economy and Politics, in Spanish available at: <http://www.temas.cult.cu/catalejo.php>

Oficina Nacional de Estadísticas, Cuba, (Cuba’s official economic statistics) available at: <http://www.one.cu/>

Cuba’s Foreign Relations

During the Cold War, Cuba had extensive relations with and support from the Soviet Union, with billions of dollars in annual subsidies to sustain the Cuban economy. This subsidy system helped fund an activist foreign policy and support for guerrilla movements and revolutionary governments abroad in Latin America and Africa. With an end to the Cold War, the dissolution of the Soviet Union, and the loss of Soviet financial support, Cuba was forced to abandon its revolutionary activities abroad.

Figure 3. Cuban Exports by Country of Destination, 2010



Source: Created by CRS based on information from República de Cuba, Oficina Nacional de Estadísticas, Anuario Estadístico de Cuba 2010, http://www.one.cu/aec2010/esp/08_tabla_cuadro.htm.

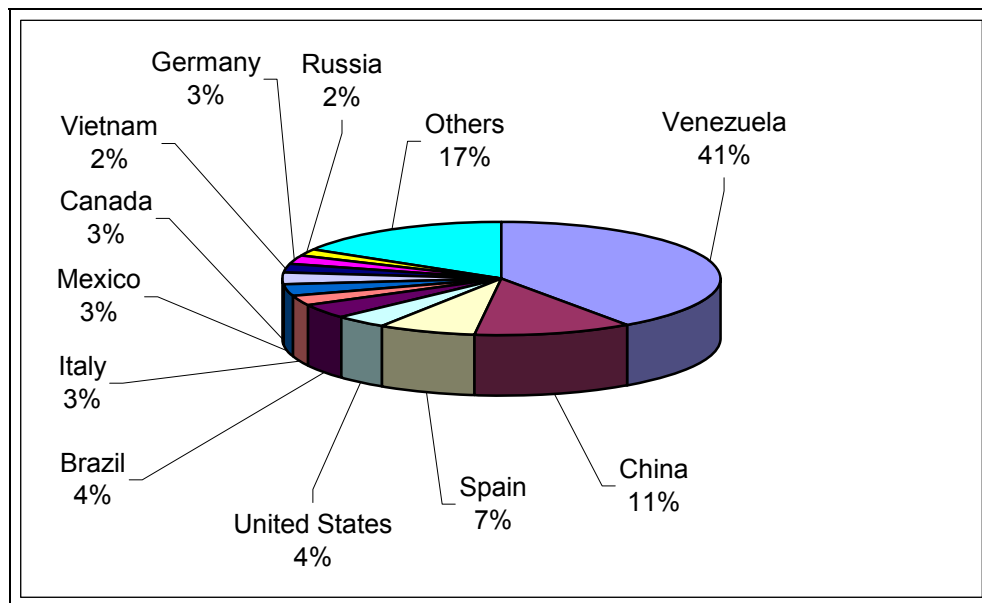
As its economy reeled from the loss of Soviet support, Cuba was forced to open up its economy and economic relations with countries worldwide, and developed significant trade and investment linkages with Canada, Spain, other European countries, and China. In recent years, Venezuela—under populist President Hugo Chávez—has become a significant source of support for subsidized oil imports and investment for Cuba. In 2010, Cuba’s leading trading partners in terms of Cuban exports were Venezuela, China, Canada, and the Netherlands (see **Figure 3**), while the

leading sources of Cuba's imports were Venezuela, China, Spain, Brazil, and the United States (see **Figure 4**).

Relations with Russia, which had diminished significantly in the aftermath of the Cold War, were strengthened with the November 2008 visit of Russian President Dmitry Medvedev to Havana, the visit of several Russian warships to Cuba in December 2008, and Raúl Castro's visit to Russia in January 2009. Castro visited Russia again from July 10-13, 2012, with the goal reportedly to increase and diversify trade and investment. While trade relations between the two countries are not significant, two Russian energy companies are involved in oil exploration in Cuba. Gazprom is in partnership with the Malaysian state oil company Petronas and currently conducting deepwater oil drilling off of Cuba's western coast, while the Russian oil company Zarubezhneft is scheduled to begin drilling in Cuban coastal waters (not deepwater) south of The Bahamas' Andros Island in November 2012 (also see "Cuba's Offshore Oil Development" below).

Relations with China have also increased in recent years. Chinese President Hu Jintao visited Cuba in November 2008, signing a dozen agreements, while Chinese Vice President Xi Jinping visited Cuba in June 2011. During the Xi Jinping visit, China signed a letter of intent to invest in upgrading a Cuban oil refinery in Cienfuegos. In July 2012, President Castro visited Cuba on a four-day visit beginning July 4; the two countries reportedly signed eight cooperation agreements and talks reportedly focused on trade and investment issues. (After China, Castro visited Vietnam on a four-day trip. The two countries have long had good relations, and some observers speculate that Cuba looks to Vietnam for potential lessons in implementing economic reforms.)

Figure 4. Cuban Imports by Country of Origin, 2010



Source: Created by CRS based on information from República de Cuba, Oficina Nacional de Estadísticas, Anuario Estadístico de Cuba 2010, http://www.one.cu/aec2010/esp/08_tabla_cuadro.htm.

With El Salvador's restoration of relations with Cuba in June 2009, all Latin American nations now have official diplomatic relations with Cuba. Cuba has increasingly become more engaged in Latin America beyond the already close relations with Venezuela. Brazilian President Luiz Inácio Lula da Silva visited Cuba twice in 2008 while President Dilma Rouseff visited in January 2012. Cuba is a member of the Bolivarian Alliance for the Americas, (ALBA), a Venezuelan-led

integration and cooperation scheme founded in 2004. Cuba became a full member of the Rio Group of Latin American and Caribbean nations in November 2008, and a member of the succeeding Community of Latin American and Caribbean States (CELAC) that was officially established in December 2011 to boost regional cooperation and cooperation.

Cuba expressed interest in attending the sixth Summit of the Americas in April 2012 in Cartagena, Colombia, but ultimately was not invited to attend. The United States and Canada expressed opposition to Cuba's participation. Previous summits have been limited to the hemisphere's 34 democratically elected leaders, and the OAS (which Cuba does not participate in) has played a key role in summit implementation and follow-up activities. Several Latin American nations have vowed not to attend the next Summit of the Americas to be held in Panama in 2015 unless Cuba is allowed to participate.

Cuba was excluded from participation in the OAS in 1962 because of its identification with Marxism-Leninism, but in early June 2009, the OAS overturned the 1962 resolution in a move that could eventually lead to Cuba's reentry into the regional organization in accordance with the practices, purposes, and principles of the OAS. While the Cuban government welcomed the OAS vote to overturn the 1962 resolution, it asserted that it would not return to the OAS. (For further background, see a section on "Cuba and the OAS" in CRS Report R40193, *Cuba: Issues for the 111th Congress*, by Mark P. Sullivan.)

Cuba is an active participant in international forums, including the United Nations and the controversial United Nations Human Rights Council. Since 1991, the U.N. General Assembly has approved a resolution each year criticizing the U.S. economic embargo and urging the United States to lift it. Cuba also has received support over the years from the United Nations Development Programme (UNDP) and the United Nations Educational, Scientific, and Cultural Organization (UNESCO), both of which have offices in Havana. Cuba was a founding member of the World Trade Organization, but it is not a member of the International Monetary Fund, the World Bank, or the Inter-American Development Bank. Cuba hosted the 14th summit of the Non-aligned Movement (NAM) in 2006, and held the Secretary Generalship of the NAM until its July 2009 summit in Egypt.

U.S. Policy Toward Cuba

Background on U.S.-Cuban Relations⁸⁰

In the early 1960s, U.S.-Cuban relations deteriorated sharply when Fidel Castro began to build a repressive communist dictatorship and moved his country toward close relations with the Soviet Union. The often tense and hostile nature of the U.S.-Cuban relationship is illustrated by such events and actions as U.S. covert operations to overthrow the Castro government culminating in the ill-fated April 1961 Bay of Pigs invasion; the October 1962 missile crisis in which the United States confronted the Soviet Union over its attempt to place offensive nuclear missiles in Cuba; Cuban support for guerrilla insurgencies and military support for revolutionary governments in Africa and the Western Hemisphere; the 1980 exodus of around 125,000 Cubans to the United

⁸⁰ For further background on U.S. policy, see some of the archived CRS reports on Cuba listed in **Appendix C** of this report, including CRS Report RL30386, *Cuba-U.S. Relations: Chronology of Key Events 1959-1999*.

States in the so-called Mariel boatlift; the 1994 exodus of more than 30,000 Cubans who were interdicted and housed at U.S. facilities in Guantanamo and Panama; and the February 1996 shootdown by Cuban fighter jets of two U.S. civilian planes operated by the Cuban American group Brothers to the Rescue, which resulted in the death of four U.S. crew members.

Since the early 1960s, U.S. policy toward Cuba has consisted largely of isolating the island nation through comprehensive economic sanctions, including an embargo on trade and financial transactions. The Cuban Assets Control Regulations (CACR), first issued by the Treasury Department in July 1963, lay out a comprehensive set of economic sanctions against Cuba, including a prohibition on most financial transactions with Cuba and a freeze of Cuban government assets in the United States. The CACR have been amended many times over the years to reflect changes in policy, and remain in force today.

These sanctions were made stronger with the Cuban Democracy Act (CDA) of 1992 (P.L. 102-484, Title XVII) and with the Cuban Liberty and Democratic Solidarity Act of 1996 (P.L. 104-114), the latter often referred to as the Helms/Burton legislation. The CDA prohibits U.S. subsidiaries from engaging in trade with Cuba and prohibits entry into the United States for any sea-borne vessel to load or unload freight if it has been involved in trade with Cuba within the previous 180 days. The Cuban Liberty and Democratic Solidarity Act, enacted in the aftermath of Cuba's shooting down of two U.S. civilian planes in February 1996, combines a variety of measures to increase pressure on Cuba and provides for a plan to assist Cuba once it begins the transition to democracy. Most significantly, the law codified the Cuban embargo, including all restrictions under the CACR. This provision is especially noteworthy because of its long-lasting effect on U.S. policy options toward Cuba. The executive branch is circumscribed in lifting or substantially loosening the economic embargo without congressional concurrence until certain democratic conditions are met, although the CACR includes licensing authority that provides the executive branch with some administrative flexibility (e.g., travel-related restrictions in the CACR have been eased and tightened on numerous occasions). Another significant sanction in the law is a provision in Title III that holds any person or government that traffics in U.S. property confiscated by the Cuban government liable for monetary damages in U.S. federal court. Acting under provisions of the law, however, Presidents Clinton, Bush, and now Obama have suspended the implementation of Title III at six-month intervals.

In addition to sanctions, another component of U.S. policy, a so-called second track, consists of support measures for the Cuban people. This includes U.S. private humanitarian donations, medical exports to Cuba under the terms of the Cuban Democracy Act of 1992, U.S. government support for democracy-building efforts, and U.S.-sponsored radio and television broadcasting to Cuba. In addition, the 106th Congress approved the Trade Sanctions Reform and Export Enhancement Act of 2000 (P.L. 106-387, Title IX) that allows for agricultural exports to Cuba, albeit with restrictions on financing such exports. This led to the United States becoming one of Cuba's largest suppliers of agricultural products.

Clinton Administration's Easing of Sanctions

The Clinton Administration made several changes to U.S. policy in the aftermath of Pope John Paul II's 1998 visit to Cuba, which were intended to bolster U.S. support for the Cuban people. These included the resumption of direct flights to Cuba (which had been curtailed after the February 1996 shootdown of two U.S. civilian planes), the resumption of cash remittances by U.S. nationals and residents for the support of close relatives in Cuba (which had been curtailed

in August 1994 in response to the migration crisis with Cuba), and the streamlining of procedures for the commercial sale of medicines and medical supplies and equipment to Cuba.

In January 1999, President Clinton announced several additional measures to support the Cuban people. These included a broadening of cash remittances to Cuba, so that all U.S. residents (not just those with close relatives in Cuba) could send remittances to Cuba; an expansion of direct passenger charter flights to Cuba from additional U.S. cities other than Miami (direct flights later in the year began from Los Angeles and New York); and an expansion of people-to-people contact by loosening restrictions on travel to Cuba for certain categories of travelers, such as professional researchers and those involved in a wide range of educational, religious, and sports activities.

Bush Administration's Tightening of Sanctions

The George W. Bush Administration essentially continued the two-track U.S. policy of isolating Cuba through economic sanctions while supporting the Cuban people through a variety of measures. However, within this policy framework, the Administration emphasized stronger enforcement of economic sanctions and further tightened restrictions on travel, remittances, and humanitarian gift parcels to Cuba. The Administration established an interagency Commission for Assistance to a Free Cuba in late 2003 tasked with identifying means to help the Cuban people bring about an expeditious end of the dictatorship” and to consider “the requirements for United States assistance to a post-dictatorship Cuba.”⁸¹ In issuing its first report in May 2004, the Commission made recommendations to tighten restrictions on family visits and other categories of travel and on private humanitarian assistance in the form of remittances and gift parcels.⁸² The Administration subsequently issued these tightened restrictions in June 2004, while in February 2005, it tightened restrictions on payment terms for U.S. agricultural exports to Cuba. The Commission issued a second and final report in July 2006 that made recommendations to hasten political change in Cuba toward a democratic transition and led to a substantial increase in U.S. funding to support democracy and human rights efforts in Cuba.

The Bush Administration continued to emphasize a continuation of the sanctions-based approach toward Cuba pending political change in Cuba. When Raúl Castro officially became head of state in February 2008, then-Secretary of State Condoleezza Rice issued a statement urging “the Cuban government to begin a process of peaceful, democratic change by releasing all political prisoners, respecting human rights, and creating a clear pathway towards free and fair elections.”⁸³ In remarks on Cuba policy in March 2008, President Bush maintained that in order to improve U.S.-Cuban relations, “what needs to change is not the United States; what needs to change is Cuba.” The President asserted that Cuba “must release all political prisoners ... have respect for human rights in word and deed, and pave the way for free and fair elections.”⁸⁴

⁸¹ U.S. Department of State, “Commission for Assistance to a Free Cuba,” White House Fact Sheet, December 8, 2003.

⁸² See the Commission’s May 2004 report, available at: http://pdf.usaid.gov/pdf_docs/PCAAB192.pdf

⁸³ U.S. Department of State, Secretary of State Condoleezza Rice, “Statement on Cuba’s Transition,” February 24, 2008.

⁸⁴ White House, “President Bush Delivers Remarks on Cuba,” March 7, 2008.

Debate on the Direction of U.S. Policy

Over the years, although U.S. policymakers have agreed on the overall objectives of U.S. policy toward Cuba—to help bring democracy and respect for human rights to the island—there have been several schools of thought about how to achieve those objectives. Some have advocated a policy of keeping maximum pressure on the Cuban government until reforms are enacted, while continuing efforts to support the Cuban people. Others argue for an approach, sometimes referred to as constructive engagement, that would lift some U.S. sanctions that they believe are hurting the Cuban people, and move toward engaging Cuba in dialogue. Still others call for a swift normalization of U.S.-Cuban relations by lifting the U.S. embargo. Legislative initiatives introduced over the past decade have reflected these three policy approaches.

Over the past decade, there have been efforts in Congress to ease U.S. sanctions, with, one or both houses at times approving amendments to appropriations measures that would have eased U.S. sanctions on Cuba. Until 2009, these provisions were stripped out of final enacted measures, in part because of presidential veto threats. In March 2009, as noted above, Congress took action to ease some restrictions on travel to Cuba, marking the first time that Congress has eased Cuba sanctions since the approval of the Trade Sanctions Reform and Export Enhancement Act of 2000.

In light of Fidel Castro's departure as head of government, many observers called for a reexamination of U.S. policy toward Cuba. In this new context, two broad policy approaches have been advanced to contend with political change in Cuba: a status-quo approach that maintains the U.S. dual-track policy of isolating the Cuban government while providing support to the Cuban people; and an approach aimed at influencing the attitudes of the Cuban government and Cuban society through increased contact and engagement.

In general, those who advocate easing U.S. sanctions on Cuba make several policy arguments. They assert that if the United States moderated its policy toward Cuba—through increased travel, trade, and diplomatic dialogue—then the seeds of reform would be planted, which would stimulate and strengthen forces for peaceful change on the island. They stress the importance to the United States of avoiding violent change in Cuba, with the prospect of a mass exodus to the United States and the potential of involving the United States in a civil war scenario. They argue that since the demise of Cuba's communist government does not appear imminent, even without Fidel Castro at the helm, the United States should espouse a more pragmatic approach in trying to bring about change in Cuba. Supporters of changing policy also point to broad international support for lifting the U.S. embargo, to the missed opportunities for U.S. businesses because of the unilateral nature of the embargo, and to the increased suffering of the Cuban people because of the embargo. Proponents of change also argue that the United States should be consistent in its policies with the world's few remaining communist governments, including China and Vietnam, and also maintain that moderating policy will help advance human rights.

On the other side, opponents of changing U.S. policy maintain that the current two-track policy of isolating Cuba, but reaching out to the Cuban people through measures of support, is the best means for realizing political change in Cuba. They point out that the Cuban Liberty and Democratic Solidarity Act of 1996 sets forth the steps that Cuba needs to take in order for the United States to normalize relations. They argue that softening U.S. policy at this time without concrete Cuban reforms would boost the Castro government, politically and economically, and facilitate the survival of the communist regime. Opponents of softening U.S. policy argue that the United States should stay the course in its commitment to democracy and human rights in Cuba,

and that sustained sanctions can work. Opponents of loosening U.S. sanctions further argue that Cuba's failed economic policies, not the U.S. embargo, are the causes of Cuba's difficult living conditions.

Obama Administration Policy

Overview

Since taking office, the Obama Administration has lifted restrictions on travel and remittance to Cuba for Cuban Americans, moved to reengage Cuba on migration and other bilateral issues, and in January 2011 announced further steps to ease restrictions on purposeful travel and non-family remittances. At the same time, the Administration has continued other embargo restrictions on trade and financial transactions. The Administration also has continued to express significant concern about the human rights situation in Cuba, although it welcomed the Cuban government's release of political prisoners. Since December 2009, a key impediment to improved relations has been Cuba's detention of U.S. Agency for International Development (USAID) subcontractor Alan Gross, who was ultimately convicted on March 12, 2011, and sentenced to 15 years in prison. While the United States and Cuba are cooperating on such issues as antidrug efforts and, through multilateral channels, on disaster preparedness and cooperation in the event of an oil spill, improvement of relations in other areas will likely be stymied until Alan Gross is released from prison.

Policy Developments in 2009

During the 2008 electoral campaign, President Obama had pledged to lift restrictions on family travel to Cuba as well as restrictions on Cuban Americans sending remittances to Cuba. At the same time, he also pledged to maintain the embargo as a source of leverage to bring about change in Cuba. However, Obama also asserted that if the Cuban government takes significant steps toward democracy, beginning with the freeing of all political prisoners, then the United States would take steps to normalize relations and ease the embargo. He also maintained that, after careful preparation, his Administration would pursue direct diplomacy with Cuba without preconditions, but only when there is an opportunity to advance U.S. interests and advance the cause of freedom for the Cuban people.⁸⁵

In April 2009, just before the fifth Summit of the Americas in Trinidad and Tobago, the Obama Administration announced several significant measures to ease U.S. sanctions on Cuba. The President announced that all restrictions on family travel and on remittances to family members in Cuba would be lifted. This superseded the action taken by Congress in March that had essentially reverted family travel restrictions to as they were in 2004 before they were tightened. The Administration also announced that measures would be taken to increase telecommunications links with Cuba and to expand the scope of eligible humanitarian donations through gift parcels.⁸⁶ At the Summit of the Americas, President Obama maintained that "the United States seeks a new beginning with Cuba." While recognizing that it will take time to "overcome decades of

⁸⁵ "Remarks of Senator Barack Obama, Renewing U.S. Leadership in the Americas," May 23, 2008, and "Renewing U.S. Leadership in the Americas," Factsheet, June 6, 2008, BarackObama.com.

⁸⁶ White House, "Fact Sheet: Reaching Out to the Cuban People," April 13, 2009.

mistrust,” the President said “there are critical steps we can take toward a new day.” He stated that he was prepared to have his Administration “engage with the Cuban government on a wide range of issues—from drugs, migration, and economic issues, to human rights, free speech, and democratic reform.”⁸⁷ The President maintained that he was “not interested in talking just for the sake of talking,” but said he believed that U.S.-Cuban relations could move in a new direction.

In the aftermath of the Summit, there appeared to be some momentum toward improved relations. In June 2009, the State Department turned off the electronic billboard at the U.S. Interests Section in Havana that had been had been set up in 2006 and had featured news and pro-democracy messages that irked the Cuban government. Earlier in the year, the Cuban government had taken down anti-U.S. billboards around the U.S. mission. In July 2009, Cuba and the United States also restarted the semi-annual migration talks that had been suspended by the United States in 2004. To date, four rounds of talks have been held and have included issues beyond migration issues (For more details, see “Migration Talks” below.) In September 2009, the United States and Cuba held talks in Havana on resuming direct mail service between the two countries that included discussion on issues related to the transportation, quality, and security of mail service.⁸⁸

Relations took a turn for the worse in late 2009, however, when Alan Gross, an American subcontractor working on USAID-funded Cuba democracy projects in Cuba, was arrested in Havana in early December.

Policy Developments in 2010

As Cuba’s human rights situation deteriorated during the first half of 2010, the Obama Administration expressed significant concern. In the semi-annual migration talks in February, U.S. officials urged Cuban officials to provide imprisoned hunger striker Orlando Zapata Tamayo with all necessary medical care. After Zapata’s death, U.S. officials called attention to the more than 200 political prisoners held by Cuba and called for their immediate release.⁸⁹ As noted above, President Obama issued a statement on March 24, 2010, expressing deep concern about the human rights situation in Cuba, including the death of Zapata, and the repression of the Ladies in White. He asserted that these events underscore that “Cuban authorities continue to respond to the aspirations of the Cuban people with a clenched fist.” The President called for the end of repression, the immediate and unconditional release of all political prisoners, and respect for the basic rights of the Cuban people. The President noted that he has taken steps during the year to reach out to the Cuban people and to signal his desire to seek a new era in relations with the government of Cuba. He asserted that he remains “committed to supporting the simple desire of

⁸⁷ White House, “Remarks by the President At the Summit of the Americas Opening Ceremony,” April 17, 2009.

⁸⁸ Since the early 1960s, mail to and from Cuba has arrived via third countries, which results in extensive delays in mail between the two countries. The Cuban Democracy Act of 1992 (P.L. 102-484, Title XVII, Section 1705(f)) has a provision requiring the U.S. Postal Service to take necessary actions to provide direct mail service to and from Cuba, including, in the absence of common carrier service between the 2 countries, the use of charter service providers. Past U.S. attempts to negotiate such service were rejected by Cuba, reportedly because Cuba wanted the issue to be part of a larger normalization of commercial air traffic. Both the Clinton and Bush Administrations had called for negotiations to restore direct mail service.

⁸⁹ U.S. Department of State, Philip J. Crowley, Assistant Secretary, Bureau of Public Affairs, “Death of Cuban Dissident Orlando Zapata Tamayo,” February 24, 2010.

the Cuban people to freely determine their future and to enjoy the rights and freedoms that define the Americas, and that should be universal to all human beings.”⁹⁰

In response to the Cuban Catholic Church’s July 7, 2010, announcement that the remaining 52 political prisoners of the “group of 75” originally arrested in March 2003 would be released, Secretary of State Clinton said that it was “a positive sign” and that the United States welcomed it.⁹¹ A subsequent State Department statement maintained that “this is a positive development that we hope will represent a step towards increased respect for human rights and fundamental freedoms in Cuba.”⁹²

During the year, Members of Congress raised significant concern about Mr. Gross’s continued detention. State Department officials continued to raise the issue with Cuban government, and on the one year anniversary of his December 2009 incarceration, the State Department maintained that his continued detention was “a major impediment to advancing the dialogue between our two countries.”⁹³

Policy Developments in 2011

On January 14, 2011, the White House announced new measures to ease travel restrictions further and allow all Americans to send remittances to Cuba. According to the White House statement, the measures will (1) increase purposeful travel to Cuba related to religious, educational, and journalistic activities; (2) allow any U.S. person to send remittances to non-family members in Cuba and make it easier for religious institutions to send remittances for religious activities; and (3) allow all U.S. international airports to provide services to licensed charter flights to and from Cuba. In most respects, these new measures appear to be similar to policies that were undertaken by the Clinton Administration in 1999, but were subsequently curtailed by the Bush Administration in 2003 and 2004.

In March 2011, after Alan Gross was convicted and sentenced to 15 years in prison, Secretary of State Clinton called for Gross to be released, at the very least, on humanitarian terms.⁹⁴ Upon Cuba’s release of the last of “group of 75” political prisoners in late March, the State Department maintained that the release was a “step in the direction,” but also urged “the Cuban government to release all remaining political prisoners and allow them to choose whether to remain in Cuba.”⁹⁵

According to Secretary of State Clinton in May 2011, the Obama Administration believes “that the best way to advance fundamental rights in Cubais to support exchanges and constructive relationships,” and “that’s why we have eased our restrictions on travel and remittances to Cuba.” The Secretary maintained that more could be done if there were evidence that there was an

⁹⁰ White House, “Statement by the President on the Human Rights Situation in Cuba,” March 24, 2010.

⁹¹ “Secretary of State Clinton Holds Media Availability with Jordan Foreign Minister Nasser Judeh,” *CQ Newsmaker Transcripts*, July 8, 2010.

⁹² U.S. Department of State, “Release of Cuban Political Prisoners,” Press Statement, July 13, 2010.

⁹³ U.S. Department of State, “One Year Continued Incarceration of Alan Gross,” Philip J. Crowley, Assistant Secretary Bureau of Public Affairs, December 3, 2010.

⁹⁴ U.S. Department of State, Secretary of State Hillary Rodham Clinton, Interview with Jose Diaz-Balart of Telemundo, March 18, 2011.

⁹⁵ U.S. Department of State, “Cuba Releases Last Two Political Prisoners from 2003 Black Spring Crackdown,” Press Statement, March 25, 2011.

opportunity to do so from the Cuban side “because we want to foster these deeper connections and we want to work for the time when Cuba will enjoy its own transition to democracy.”⁹⁶

In response to questions on Cuba at a September 28, 2011 public forum, President Obama maintained that his Administration has not yet seen “the kind of genuine spirit of transformation inside of Cuba that would justify us eliminating the embargo.” The President said his Administration has tried “to send a signal that we are open to a new relationship with Cuba if the Cuban government starts taking the proper steps to open up its own country and . . . provide the space and the respect for human rights that would allow the Cuban people to determine their own destiny.” He maintained that “if we see positive movement we will respond in a positive way.”⁹⁷

The Obama Administration continued to express concern about the human rights situation in Cuba as well as the imprisonment of Alan Gross. In December 2011, as reports of increased Cuban government repression against human rights and democracy activists, the State Department issued a statement calling “for an immediate end to the harassment and violence against Cuban citizens who are peaceful critics of the government.”⁹⁸ On the two-year anniversary of the incarceration of Alan Gross in early December 2011, the State Department again called for his release, while just before Christmas the State Department expressed deep disappointment that the Cuban government did not include Gross among the 2,900 prisoners released on humanitarian grounds.⁹⁹

Policy Developments in 2012

President Obama issued a statement in the aftermath of the January 19, 2012 death of Cuban hunger striker Wilman Villar Mendoza, maintaining that “Villar’s senseless death highlights the ongoing repression of the Cuban people and the plight faced by brave individuals standing up for the universal rights of all Cubans.”¹⁰⁰

In its March 2012 International Narcotics Control Strategy Report, the State Department generally lauded Cuba’s antidrug efforts. It stated that the United States was still reviewing a draft bilateral counternarcotics accord presented by Cuba, and that such an accord, if structured appropriately, “could advance the counternarcotics efforts undertaken by both countries.” (See “Anti-Drug Cooperation” below.)

The State Department released its 2011 human rights report on May 24, 2012, in which it reported on a significant increase in the number of short-term detentions in Cuba, along with other numerous human rights abuses. (See “Human Rights” below.)

⁹⁶ U.S. Department of State, Secretary of State Hillary Rodham Clinton, “Remarks at the 41st Washington Conference on the Americas,” May 11, 2011.

⁹⁷ White House, Office of the Press Secretary, “Remarks by the President in an “Open For Questions” Roundtable,” September 28, 2011, available at <http://www.whitehouse.gov/the-press-office/2011/09/28/remarks-president-open-questions-roundtable>; Also see “U.S. Cuba Seek Improved Relations, But Stumbling Blocks Remain,” *Miami Herald*, September 28, 2011.

⁹⁸ U.S. Department of State, “The Cuban Government Should Respect Human Rights Week Activities,” December 14, 2011.

⁹⁹ U.S. Department of State, Press Statements, “Two-Year Mark of the Continued Incarceration of Alan Gross,” December 2, 2011, and “Cuban Prisoner Release Announcement,” December 24, 2011.

¹⁰⁰ White House, Office of the Press Secretary, “Statement of the Press Secretary on the Death of Cuban Activist Wilmar Villar,” January 20, 2012.

In June 7, 2012 congressional testimony, Assistant Secretary of State for Western Hemisphere Affairs Roberta Jacobson set forth a clear-cut description of U.S. policy toward Cuba in which she expressed strong U.S. support for democracy and human rights activists in Cuba and defended the Obama's Administration policy on travel and remittances.¹⁰¹ The Assistant Secretary asserted that "the Obama Administration's priority is to empower Cubans to freely determine their own future." She maintained that "the most effective tool we have for doing that is building connections between the Cuban and American people, in order to give Cubans the support and tools they need to move forward independent of their government." The Assistant Secretary maintained that "the Administration's travel, remittance and people-to-people policies are helping Cubans by providing alternative sources of information, taking advantage of emerging opportunities for self-employment and private property, and strengthening civil society." In support of U.S. funding for democracy and human rights in Cuba, she contended that U.S. policy "recognizes the importance of engaging with the pro-democracy and human rights activists who have been working for years to expand the political and civil rights of all Cubans."

With regard to the human rights situation in Cuba, Jacobson lauded the release of dozens of political prisoners, but maintained that their release "did not effect a fundamental change in the Cuban government's poor record on human rights." She asserted that the Cuban government has continued to punish political dissent, increasingly using repeated, short-term, arbitrary detentions to prevent citizens from assembling peacefully and freely expressing their opinions." Jacobson also highlighted the continued imprisonment of Alan Gross, and vowed that the Administration would continue to seek his immediate release.

On June 12, 2012, the Treasury Department's Office of Foreign Assets Control and the U.S. Department of Justice announced a \$619 million settlement with a Dutch bank, ING, for violating U.S. sanctions against Cuba, Burma, Sudan, Libya, and Iran. The Cuba sanction violations were the most extensive and stemmed from ING's processing of over 20,000 financial transactions involving Cuba valued at more than \$1.6 billion between October 2002 and July 2007. The fine was the largest ever imposed for these type of sanction violations.¹⁰²

Issues in U.S.-Cuban Relations

U.S. Restrictions on Travel and Remittances

Restrictions on travel to Cuba have been a key and often contentious component of U.S. efforts to isolate the communist government of Fidel Castro for much of the past 40 years. Over time there have been numerous changes to the restrictions and for five years, from 1977 until 1982, there were no restrictions on travel. Restrictions on travel and remittances to Cuba are part of the CACR, the overall embargo regulations administered by the Treasury Department's Office of Foreign Assets Control (OFAC).

¹⁰¹ Testimony of Roberta S. Jacobson, Assistant Secretary of State for Western Hemisphere Affairs, Senate Foreign Relations Committee, Subcommittee on Western Hemisphere, Peace Corps, and Global Narcotics, at a hearing entitled "The Path to Freedom: Countering Repression and Strengthening Civil Society," June 7, 2012, available at: <http://www.state.gov/p/wha/rls/rm/2012/191935.htm>

¹⁰² U.S. Department of the Treasury, Press Center, "U.S. Treasury Department Announces \$619 Million Settlement with ING Bank, N.V.," June 12, 2012; and U.S. Department of Justice, Office of Public Affairs, "ING Bank N.V. Agrees to Forfeit \$619 Million for Illegal Transactions with Cuban and Iranian Entities," June 12, 2012.

Under the Bush Administration, enforcement of U.S. restrictions on Cuba travel increased, and restrictions on travel and on private remittances to Cuba were tightened. In March 2003, the Administration eliminated travel for people-to-people educational exchanges unrelated to academic course work. In June 2004, the Administration significantly restricted travel, especially family travel, and the provision of private humanitarian assistance to Cuba in the form of remittances and gift parcels.

Under the Obama Administration, Congress took action in March 2009 easing restrictions on family travel and on travel related to U.S. agricultural and medical sales to Cuba (FY2009 omnibus appropriations measure, P.L. 111-8, Sections 620 and 621 of Division D). As implemented by the Treasury Department, family travel was allowed once every 12 months to visit a close relative for an unlimited length of stay. The definition of “close relative” was expanded to mean any individual related to the traveler by blood, marriage, or adoption who is no more than three generations removed from that person. Travel related to the marketing and sale of agricultural and medical goods to Cuba was allowed pursuant to a general license. (Note: For a general license, there is no need to obtain specific permission from OFAC, while a specific license requires application and review by OFAC on a case by case basis.)

In April 2009, the Obama Administration went even further when it announced several significant measures to ease U.S. sanctions on Cuba. Fulfilling a campaign pledge, President Obama announced that all restrictions on family travel and on remittances to family members in Cuba would be lifted. This significantly superseded the action taken by Congress in March 2009 that had essentially reverted family travel restrictions to as they had been before they were tightened in 2004. Under the new policy announced by the Administration, limitations on the frequency and duration of family visits and the 44-pound limitation on accompanied baggage were removed. Family travelers are now able spend the same as allowed for other travelers (provided it does not exceed the Department of State’s per diem rate allowance for Havana, currently \$166 per day). With regard to family remittances, the previous limitation of no more than \$300 per quarter was removed with no restriction on the amount or frequency of the remittances. Authorized travelers are once again authorized to carry up to \$3,000 in remittances.¹⁰³ Regulations for the above policy changes were issued by the Treasury and Commerce Departments on September 3, 2009.

In January 2011, the Obama Administration made a series of changes further easing restrictions on travel and remittances to Cuba. On January 11, the White House announced that President Obama had directed the Secretaries of State, Treasury, and Homeland Security to make changes to regulations and policies “in order to continue efforts to reach out to the Cuban people in support of their desire to freely determine their country’s future.”¹⁰⁴ The policy changes were subsequently enacted through modifications to existing regulations of the Departments of Treasury and Homeland Security published in the *Federal Register* on January 28, 2011.¹⁰⁵

The January 2011 measures:

¹⁰³ White House, “Fact Sheet: Reaching Out to the Cuban People,” April 13, 2009.

¹⁰⁴ White House, Office of the Press Secretary, “Reaching Out to the Cuban People,” January 14, 2011, available at <http://www.whitehouse.gov/the-press-office/2011/01/14/reaching-out-cuban-people>

¹⁰⁵ Department of the Treasury, “Cuban Assets Control Regulations,” Vol. 76, No. 19 *Federal Register* 5072-5078, January 28, 2011; Department of Homeland Security, “Airports of Entry or Departure for Flights to and from Cuba,” Vol. 76, No. 19 *Federal Register* 5058-5061, January 28, 2011.

- (1) increased purposeful travel to Cuba related to religious, educational, and journalistic activities (general licenses are now authorized for certain types of educational and religious travel; people-to-people travel exchanges are authorized via a specific license);
- (2) allowed any U.S. person to send remittances to non-family members in Cuba and make it easier for religious institutions to send remittances for religious activities (general licenses are now authorized for both); and
- (3) allowed all U.S. international airports to become eligible to provide services to licensed charter flights to and from Cuba.

In most respects, these new measures were similar to policies that were undertaken by the Clinton Administration in 1999, but were subsequently curtailed by the Bush Administration in 2003 and 2004. An exception is the expansion of airports to service licensed flights to and from Cuba. While the new travel regulations immediately went into effect for those categories of travel falling under a general license category, OFAC delayed processing applications for new travel categories requiring a specific license (such as people-to-people exchanges) until it updated and issued guidelines.¹⁰⁶ These ultimately were issued in April 2011: *Comprehensive Guidelines for License Applications to Engage in Travel-related Transactions Involving Cuba*.¹⁰⁷

By early July 2011, OFAC confirmed that it had approved the first licenses for U.S. people-to-people organizations to bring U.S. visitors to Cuba, and the first such trips began in August 2011.¹⁰⁸ On July 25, 2011, however, prior to the trips beginning, OFAC issued an advisory maintaining that misstatements in the media had suggested that U.S. policy allows for virtually unrestricted group travel to Cuba, and reaffirmed that travel conducted by people-to-people travel groups licensed for travel to Cuba must “certify that all participants will have a full-time schedule of educational exchange activities that will result in meaningful interaction between the travelers and individuals in Cuba.” The advisory stated that authorized activities by people-to-people groups are not “tourist activities,” and pointed out that the Trade Sanctions Reform and Export Enhancement Act of 2000 prohibits OFAC from licensing transactions for tourist activities.¹⁰⁹

In March 2012, OFAC published an announcement regarding advertising for people-to-people travel, noting that all advertisements must state the name of the licensed organization conducting the travel and that the organization must use the name under which their OFAC travel was licensed unless the group requests and receives a license amendment from OFAC to use an alternative name. The announcement also stated that advertising that appeared to suggest that the people-to-people trips were focused on activities that travelers may undertake off hours (after their daily full-time schedule of people-to-people activities) may give an incorrect impression and prompt OFAC to contact the licensed organization and conduct an investigation. It maintained

¹⁰⁶ CRS correspondence with the Treasury Department, March 17, 2011.

¹⁰⁷ Subsequently revised in May 2012, and available at http://www.treasury.gov/resource-center/sanctions/Programs/Documents/cuba_tr_app.pdf

¹⁰⁸ Peter Orsi, “U.S. Licensing Travel Operators to Start Up Legal Cuba Trips, Treasury Department Says,” *Associated Press*, July 1, 2011; Mimi Whitefield, “People-to-People Tours to Cuba Take Off Thursday,” *Miami Herald*, August 10, 2011; and Jeff Franks, “Purposeful Cuba Trips Resume,” *Chicago Tribune*, August 18, 2011.

¹⁰⁹ U.S. Department of the Treasury, OFAC, “Cuba Travel Advisory,” July 25, 2011, available at http://www.treasury.gov/resource-center/sanctions/Programs/Documents/cuba_trav_adv.pdf

that people-to-people organizations that failed to meet requirements of their licenses may have their licenses revoked or be issued a civil penalty up to \$65,000 per violation.¹¹⁰

In May 2012, the Treasury Department tightening its restrictions on people-to-people travel by making changes to its license guidelines. The revised guidelines call for an organization applying for a people-to-people license to describe how the travel “would enhance contact with the Cuban people, and/or support civil society in Cuba, and/or promote the Cuban people’s independence from Cuban authorities.” The revised guidelines also require applicants to certify that the predominant portion of activities engaged in will not be with prohibited Cuban government or Cuban Communist Party officials (as defined in 31 CFR 515.337 and 31 CFR 515.337) and that such meetings with these officials that do occur need to advance purposeful travel by enhancing contact with the Cuban people, supporting civil society, or promoting independence from Cuban authorities.¹¹¹

To date, the Department of Homeland Security, U.S. Customs and Border Protection (CBP), has announced its approval of 12 additional airports eligible to provide passenger air service between the United States and Cuba, bringing the total number of airports approved to 15. The newly authorized airports are Atlanta, Baltimore-Washington (BWI), Chicago O’Hare, Dallas-Fort Worth, Fort Lauderdale-Hollywood, Houston, New Orleans, Oakland (CA), Pittsburgh, Southwest Florida International Airport (Fort Myers), San Juan (Puerto Rico), and Tampa.¹¹²

Major arguments made for lifting the Cuba travel ban altogether are that it abridges the rights of ordinary Americans to travel; it hinders efforts to influence conditions in Cuba and may be aiding Castro by helping restrict the flow of information; and Americans can travel to other countries with communist or authoritarian governments. Major arguments in opposition to lifting the Cuba travel ban are that more American travel would support Castro’s rule by providing his government with potentially millions of dollars in hard currency; that there are legal provisions allowing travel to Cuba for humanitarian purposes that are used by thousands of Americans each year; and that the President should be free to restrict travel for foreign policy reasons.

Legislative Proposals Regarding Travel and Remittances

In the 112th Congress, interest on the issue of Cuba travel and remittances is continuing, with legislation introduced to roll back some of the easing of restrictions and some bills introduced to further ease travel restrictions or lift them altogether.

FAA Reauthorization. During consideration of the FAA reauthorization bill, S. 223, in February 2011, an amendment was submitted, but never considered, **S.Amdt. 61** (Rubio), that would have prohibited an expansion of flights to locations in countries that are listed on the Department of State list of states that sponsor international terrorism (which includes Cuba).

¹¹⁰ U.S. Department of Treasury, OFAC, “Advertising Educational Exchange Travel to Cuba for People-to-People Contact,” available at http://www.treasury.gov/resource-center/sanctions/Programs/Pages/cuba_ppl_notice.aspx

¹¹¹ U.S. Department of the Treasury, OFAC, “Comprehensive Guidelines for License Applications to Engage in Travel-Related Transactions Involving Cuba,” Revised May 10, 2012, available at http://www.treasury.gov/resource-center/sanctions/Programs/Documents/cuba_tr_app.pdf

¹¹² U.S. Department of Homeland Security, Customs and Border Protection, “Approved U.S. Ports of Entry for Flights to and from Cuba,” June 21, 2011.

FY2012 Financial Services and General Government Appropriations. The House Appropriations Committee version of the FY2012 Financial Services and General Government Appropriations bill, **H.R. 2434** (Section 901), introduced July 7, 2011, would have rolled back President Obama’s easing of restrictions on remittances and family travel. (The Senate Appropriations Committee version of the measure, S. 1573, did not contain a similar provision.) Specifically, the provision in H.R. 2434 would have repealed any amendments to certain sections of the Cuban Assets Control Regulations (CACR)¹¹³ relating to family travel (31 CFR 515.560(a)(1) and 31 CFR 515.561), carrying remittances to Cuba (31 CFR 515.560(c)(4)(i)), and sending remittances to Cuba (31 CFR 515.570). According to the provision, such regulations would be restored and carried out as in effect on January 19, 2009, “notwithstanding any guidelines, opinions, letters, Presidential directives, or agency practices relating to such regulations issued or carried out after such date.” The intent of the provision appears to have been to ensure that these specific regulations remained as they were in effect on January 19, 2009.

The provision would have rolled back President Obama’s easing of restrictions on family travel and family remittances in 2009 and his easing of restrictions on remittances for non-family members and religious institutions in 2011. Pursuant to the provision: family travel would have been limited to once every three years for a period of up to 14 days to visit immediate family members only, and would have required a specific license from OFAC; licensed travelers would have been allowed to carry just \$300 in remittances compared to the \$3,000 currently allowed; family remittances would have been limited to \$300 per quarter compared to no limits today; non-family remittances restored by the Obama Administration in 2011, up to \$500 per quarter, would not have been allowed; and the general license for remittances to religious organizations would have been eliminated, although such remittances would have been permitted via specific license on a case-by-case basis.¹¹⁴

The White House’s Statement of Administration Policy on H.R. 2434, issued July 13, 2011, stated that the Administration opposed Section 901 because it would reverse the President’s policy on family travel and remittances, and that the President’s senior advisors would recommend a veto if the bill contained the provision. According to the statement, Section 901 “would undo the President’s efforts to increase contact between divided Cuban families, undermine the enhancement of the Cuban people’s economic independence and support for private sector activity in Cuba that come from increased remittances from family members, and therefore isolate the Cuban people and make them more dependent on Cuban authorities.”¹¹⁵

In December 2011, a legislative battle ensued over the potential inclusion of a Cuba provision from Section 901 of H.R. 2434 in the Consolidated Appropriations Act, FY2012, **H.R. 2055**, a “megabus” bill that combined nine full-year appropriations measures, including the FY2012 Financial Services and General Government bill. Ultimately, congressional leaders agreed not to include the Cuba provision in the “megabus bill,” and also decline to include a second provision in the bill that would have continued to clarify, for the third year in a row, the definition of “payment of cash in advance” for U.S. agricultural and medical exports to Cuba so that the payment would be due upon delivery in Cuba as opposed to being due before the goods left U.S.

¹¹³ The CACR are found at 31 CFR Part 515.

¹¹⁴ For activities authorized under a general license, there is no need to obtain special permission from OFAC, while for those activities requiring a specific license, OFAC reviews applications on a case-by-case basis.

¹¹⁵ Executive Office of the President, Office of Management and Budget, Statement of Administration Policy, H.R. 2434—Financial Services and General Government Appropriations Act, 2012, July 13, 2011.

ports. The White House reportedly had exerted pressure not to include the Cuba provision that would have rolled back the Administration's easing of restrictions on travel and remittances. Dropping the "payment of cash in advance" provision appears to have been a political tradeoff made to compensate for the travel rollback provision being dropped.

FY2012 Foreign Relations Authorization Act. In additional action, on July 21, 2011, the House Committee on Foreign Affairs marked up **H.R. 2583**, the FY2012 Foreign Relations Authorization Act, with a provision (Section 1126 of the reported bill) that would require the President to fully enforce all U.S. regulations on travel to Cuba as in effect on January 19, 2009, and impose the corresponding penalties against individuals determined to be in violation of such regulations. The provision was added by a Rivera amendment, approved 36-6, that had the intent of reinstating tighter travel restrictions as they existed under the Bush Administration in January 2009.

Amendments to the Cuban Adjustment Act. Two additional measures introduced in August 2011 would amend the Cuban Adjustment Act of 1966 (CAA, P.L. 89-732) in order to curb travel to Cuba by Cubans who have recently emigrated to the United States. Introduced on August 1, 2011, **H.R. 2771** (Rivera), would amend the CAA to increase to five years the period during which a Cuban national must be physically present in the United States in order to qualify for adjustment of status to that of a permanent resident. The legislation also would provide that an alien shall be ineligible for adjustment to permanent resident status if the alien returns to Cuba after admission or parole into the United States before becoming a U.S. citizen. **H.R. 2831** (Rivera), introduced August 30, 2011, would also provide that an alien from Cuba shall be ineligible for adjustment to permanent resident status under the CAA if he or she returns to Cuba before becoming a U.S. citizen; the House Committee on the Judiciary, Subcommittee on Immigration on Policy Enforcement, held a hearing on the bill on May 31, 2012 (available at: http://judiciary.house.gov/hearings/Hearings%202012/hear_05312012_3.html).

Initiatives To Ease Restrictions on Travel and Remittances. In contrast to measures aimed at rolling back the Obama Administration's policy, several initiatives have been introduced in the 112th Congress that would lift travel restrictions. **H.R. 1886** would prohibit restrictions on travel to Cuba. **H.R. 1888**, in addition to removing some restrictions on the export of U.S. agricultural products to Cuba, would also prohibit Cuba travel restrictions. Two initiatives that would lift the overall Cuba embargo, **H.R. 255** and **H.R. 1887**, also would lift restrictions on travel and remittances to Cuba. **H.R. 380** would prohibit the Treasury Department from making any funds to implement, administer, or enforce regulations requiring specific licenses for travel-related transactions directly related to educational activities in Cuba.

(For additional information, see CRS Report RL31139, *Cuba: U.S. Restrictions on Travel and Remittances*, by Mark P. Sullivan.)

U.S. Agricultural Exports and Sanctions

U.S. commercial agricultural exports to Cuba have been allowed for several years, but with numerous restrictions and licensing requirements. The 106th Congress passed the Trade Sanctions Reform and Export Enhancement Act of 2000 or TSRA (P.L. 106-387, Title IX) that allows for one-year export licenses for selling agricultural commodities to Cuba, although no U.S. government assistance, foreign assistance, export assistance, credits, or credit guarantees are available to finance such exports. TSRA also denies exporters access to U.S. private commercial financing or credit; all transactions must be conducted in cash in advance or with financing from

third countries. TSRA reiterates the existing ban on importing goods from Cuba but authorizes travel to Cuba, under a specific license, to conduct business related to the newly allowed agricultural sales.

From 2002 through 2010, the United States was the largest supplier of food and agricultural products to Cuba, although the level of U.S. exports declined annually over the past three years (2009-2011) and in 2011 Brazil's agricultural exports to Cuba superseded those of the United States.¹¹⁶ Cuba has purchased over \$4.1 billion in products from the United States since 2001. U.S. exports to Cuba rose from about \$7 million in 2001 to \$404 million in 2004 and to a high of \$712 million in 2008, far higher than in previous years, in part because of the rise in food prices and because of Cuba's increased food needs in the aftermath of several hurricanes and tropical storms that severely damaged the country's agricultural sector.

Beginning in 2009, however, U.S. exports to Cuba declined considerably, amounting to \$533 million in 2009 (25% lower than 2008), and \$368 million in 2010 (a 31% drop from 2009). In 2011, U.S. exports to Cuba declined to \$363 million, just a 1.23% drop from 2010.¹¹⁷ Among the reasons for the decline, analysts cite Cuba's shortage of hard currency, credits and other arrangements offered by other governments, overall financial support provided by Venezuela.¹¹⁸ (See **Figure 5**.)

To date in 2012, the level of U.S. agricultural exports to Cuba has increased. In the first quarter of the year, U.S. exports to Cuba amounted to \$165 million, a 77% increase from the same period in 2011. Leading U.S. exports were corn and poultry.

In February 2005, OFAC amended the Cuba embargo regulations to clarify that TSRA's term of "payment of cash in advance" means that the payment must be received by the seller or the seller's agent prior to the shipment of the goods from the port at which they are loaded. U.S. agricultural exporters and some Members of Congress strongly objected that the action constituted a new sanction that violated the intent of TSRA and could jeopardize millions of dollars in U.S. agricultural sales to Cuba. OFAC Director Robert Werner maintained that the clarification "conforms to the common understanding of the term in international trade."¹¹⁹ Facing congressional pressure, on July 29, 2005, OFAC clarified that, for "payment of cash in advance" for the commercial sale of U.S. agricultural exports to Cuba, vessels can leave U.S. ports as soon as a foreign bank confirms receipt of payment from Cuba. OFAC's action was aimed at ensuring that the goods would not be vulnerable to seizure for unrelated claims while still at the U.S. port. Supporters of overturning OFAC's February 22, 2005, amendment, such as the American Farm Bureau Federation, reportedly were pleased by the clarification but indicated that they would still work to overturn the February 2005 rule.¹²⁰

¹¹⁶ Global Trade Atlas, derived by looking at reporting partners exports to Cuba.

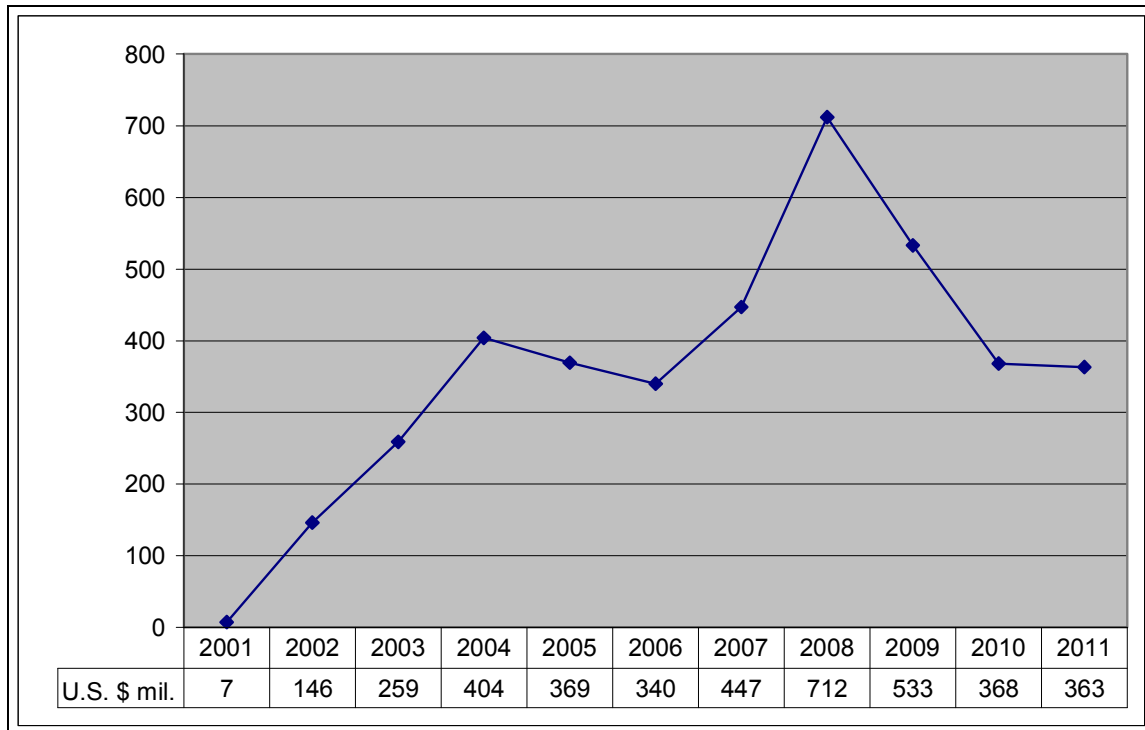
¹¹⁷ Department of Commerce statistics, as presented by Global Trade Atlas.

¹¹⁸ Juan Tamayo, "Big Drop in U.S. Agricultural Sales to Cuba," *Miami Herald*, July 29, 2010; Marc Frank, "U.S. Food Sales to Cuba Continued Decline in 2011," *Reuters News*, February 22, 2012; U.S.-Cuba Trade and Economic Council, Inc. "Economic Eye on Cuba," June 2012.

¹¹⁹ U.S. Department of the Treasury, Testimony of Robert Werner, Director, OFAC, before the House Committee on Agriculture, March 16, 2005.

¹²⁰ Christopher S. Rugaber, "Treasury Clarifies Cuba Farm Export Rule, and Baucus Relents on Nominees," *International Trade Reporter*, August 4, 2005.

Figure 5. U.S. Exports to Cuba, 2001-2011
(U.S. \$ millions)



Source: Adapted by CRS from the Global Trade Atlas, which uses Department of Commerce Statistics.

In December 2009, Congress took action in the FY2010 omnibus appropriations measure (P.L. 111-117) to define, during FY2010, “payment of cash in advance” as payment before the transfer of title to, and control of, the exported items to the Cuban purchaser. This overturned OFAC’s February 2005 clarification that payment had to be received before vessels could leave U.S. ports. The Administration issued regulations implementing this provision in early March 2010. The regulations maintained that the definition applied to items delivered by September 30, 2010, or delivered pursuant to a contract entered into by September 30, 2010, and shipped within 12 months of the signing of the contract.¹²¹

While the 111th Congress did not complete action on the FY2011 Financial Services and General Government Appropriations measure, it approved a series of short-term continuing resolutions and then in April 2011 ultimately approved a full-year measure (P.L. 112-10) under conditions provided in enacted FY2010 appropriations measures. This continued the “payment of cash in advance” provision through FY2011. Several additional legislative initiatives introduced in the 111th Congress would have permanently made this change, but no action was completed on these measures. H.R. 4645 (Peterson), reported out of the House Agriculture Committee in June 2010, in addition to addressing travel restrictions, would have permanently changed the definition of “payment of cash in advance” and would have allowed direct transfers between U.S. and Cuban financial institutions for payment for products sold to Cuba under TSRA.

¹²¹ *Federal Register*, March 10, 2010, pp. 10996-10997.

Legislative Proposals Regarding Agricultural Exports to Cuba

In the first session of the 112th Congress, both the House Appropriations Committee-approved and Senate Appropriations Committee-approved versions of the FY2012 Financial Services and General Government Appropriations measure, H.R. 2434 and S. 1573 respectively, had a provision (Section 618 of the House bill and Section 620 of the Senate bill) that would have continued to clarify the definition of “payment of cash in advance” during FY2012 for U.S. agricultural and medical sales to Cuba.

The Senate bill, S. 1573, had another Cuba provision (Section 624) related to payment for U.S. exports to Cuba. The provision would have prohibited restrictions on direct transfers from a Cuban financial institution to a U.S. financial institution in payment for licensed agricultural and medical exports to Cuba. The provision was added during the Senate Appropriations Committee’s markup on September 15, 2011, when the committee approved an amendment offered by Senator Jerry Moran by a vote of 20-10. During debate on the direct transfers provision, supporters argued that restrictions on direct transfers have made U.S. agricultural sales more costly and complicated for U.S. businesses, while opponents maintained that the United States should not open up such direct financial linkages while Cuba is on the State Department’s list of states sponsoring international terrorism.¹²²

Ultimately none of the Cuba provisions related to financing for U.S. agricultural exports to Cuba were included in the Consolidated Appropriations Act, FY2012, H.R. 2055 (P.L. 112-74), a “megabus” bill that included the FY2012 Financial Services and General Government bill. As discussed above, dropping the provisions appear to have been a tradeoff to compensate for not including a provision that would have rolled back the Obama Administration’s lifting of some restrictions on travel and remittances to Cuba.

In the second session of the 112th Congress, no Cuba provisions related to U.S. exports to Cuba are expected in either the House or Senate versions of the FY2013 Financial Services and General Government Appropriations bills, H.R. 6020 and S. 3301 respectively; both measures were reported out of committee without any Cuba policy provisions. Senator Jerry Moran indicated during an Appropriations Subcommittee markup of the Senate bill in June 2012 that he was “taking a hiatus” from advocating an easing of restrictions on financing for payments for U.S. agricultural exports to Cuba “until Cuba deals with the detention of Alan Gross,” the USAID subcontractor imprisoned in Cuba since late 2009. Senator Moran expressed hope that his action would “put pressure on Cuba to release” Gross.¹²³ (Also see “December 2009 Imprisonment of Alan Gross” below.)

Two other introduced bills in the 112th Congress, H.R. 833 (Conaway) and H.R. 1888 (Rangel), would permanently change the definition of “payment of cash in advance” for export sales to Cuba under TSRA and would also allow direct transfers between Cuban and U.S. financial institutions for payment for products sold to Cuba under TSRA. No action has been taken on these measures.

¹²² Charlene Carter, “Financial Services Spending Bill Advanced by Senate Panel,” *CQ Markup & Vote Coverage*, September 15, 2011.

¹²³ Juan O. Tamayo, “Senators Who Favor More Trade with Cuba Plan Halt Advocacy to Push for Alan Gross Release,” *Miami Herald*, June 19, 2012; and Ben Weyl, “Lawmakers Pledge Not to Fight This Year Over Trade With Cuba,” *CQ Today*, July 9, 2012.

In general, some groups favor further easing restrictions on agricultural exports to Cuba. U.S. agribusiness companies that support the removal of restrictions on agricultural exports to Cuba believe that U.S. farmers are missing out on a market so close to the United States. Some exporters want to change U.S. restrictions so that they can sell agriculture and farm equipment to Cuba.¹²⁴ Agricultural exporters who support the lifting of the prohibition on financing contend that allowing such financing would help smaller U.S. companies increase their exports to Cuba more rapidly.¹²⁵ On July 19, 2007, the U.S. International Trade Commission issued a report, requested by the Senate Committee on Finance, concluding that the U.S. share of Cuba's agricultural, fish, and forest imports would rise from one-third to between one-half and two-thirds if trade restrictions were lifted. (See the full report available at http://www.usitc.gov/ext_relations/news_release/2007/er0719ee1.htm.)

Opponents of further easing restrictions on agricultural exports to Cuba maintain that U.S. policy does not deny such sales to Cuba, as evidenced by the large amount of sales since 2001. Moreover, according to the State Department, since the Cuban Democracy Act was enacted in 1992, the United States has licensed billions of dollars in private humanitarian donations. Opponents further argue that easing pressure on the Cuban government would in effect be lending support and extending the duration of the Castro regime. They maintain that the United States should remain steadfast in its opposition to any easing of pressure on Cuba that could prolong the Castro regime and its repressive policies. Some agricultural producers that export to Cuba support continuation of the prohibition on financing for agricultural exports to Cuba because it ensures that they will be paid.

Trademark Sanction¹²⁶

For over a decade, the United States has imposed a sanction that denies protection for trademarks connected with businesses confiscated from their owners by the Cuban government. A provision in the FY1999 omnibus appropriations measure (Section 211 of Division A, Title II, P.L. 105-277, signed into law October 21, 1998) prevents the United States from accepting payment for trademark registrations and renewals from Cuban or foreign nationals that were used in connection with a business or assets in Cuba that were confiscated, unless the original owner of the trademark has consented. The provision prohibits U.S. courts from recognizing such trademarks without the consent of the original owner. The measure was enacted because of a dispute between the French spirits company, Pernod Ricard, and the Bermuda-based Bacardi Ltd. Pernod Ricard entered into a joint venture in 1993 with the Cuban government to produce and export Havana Club rum. Bacardi maintains that it holds the right to the Havana Club name because in 1995 it entered into an agreement for the Havana Club trademark with the Arechabala family, who had originally produced the rum until its assets and property were confiscated by the Cuban government in 1960. Although Pernod Ricard cannot market Havana Club in the United States because of the trade embargo, it wants to protect its future distribution rights should the embargo be lifted.

¹²⁴ "Ag Groups Split Over Trade With Cuba," *Congress Daily AM*, National Journal, February 11, 2003.

¹²⁵ "Farm Equipment Exports Likely to Face Tough Opposition from White House, Congress," *Cuba Trader*, Vol. III, No. 7, February 17, 2003.

¹²⁶ For background information, see archived CRS Report RS21764, *Restricting Trademark Rights of Cubans: WTO Decision and Congressional Response*, by Margaret Mikyung Lee, March 9, 2004.

The European Union initiated World Trade Organization dispute settlement proceedings in June 2000, maintaining that the U.S. law violates the Agreement on Trade-Related Aspects of Intellectual Property (TRIPS). In January 2002, the WTO ultimately found that the trademark sanction violated WTO provisions on national treatment and most-favored-nation obligations in the TRIPS Agreement.

On March 28, 2002, the United States agreed that it would come into compliance with the WTO ruling through legislative action by January 3, 2003.¹²⁷ That deadline was extended several times since no legislative action had been taken to bring Section 211 into compliance with the WTO ruling. On July 1, 2005, however, in an EU-U.S. bilateral agreement, the EU agreed that it would not request authorization to retaliate at that time, but reserved the right to do so at a future date, and the United States agreed not to block a future EU request.¹²⁸ On August 3, 2006, the U.S. Patent and Trademark Office announced that Cuba's Havana Club trademark registration was "cancelled/expired," a week after OFAC had denied a Cuban government company the license that it needed to renew the registration of the trademark.¹²⁹ On March 29, 2011, the U.S. Court of Appeals of the District of Columbia upheld the decision to deny the renewal of the trademark,¹³⁰ while in May 2012, the U.S. Supreme Court declined to hear the case, effectively letting stand the denial to renew the trademark.¹³¹

Bacardi began marketing Havana Club rum in the United States in 2006 in limited quantities in Florida, and Pernod Ricard filed suit that the representation of the origin of the rum was misleading. In April 2010, a U.S. District Court in Delaware ruled in Bacardi's favor that the labeling was not misleading, and this was reaffirmed by a U.S. Court of Appeals on August 4, 2011.¹³²

In Congress, two different approaches have been advocated to bring Section 211 into compliance with the WTO ruling. Some want a narrow fix in which Section 211 would be amended so that it also applies to U.S. companies instead of being limited to foreign companies. Advocates of this approach argue that it would affirm that the United States "will not give effect to a claim or right to U.S. property if that claim is based on a foreign compensation."¹³³ Others want Section 211 repealed altogether. They argue that the law endangers over 5,000 trademarks of over 500 U.S. companies registered in Cuba.¹³⁴

¹²⁷ "U.S., EU Agree on Deadline for Complying with Section 211 WTO Finding," *Inside U.S. Trade*, April 12, 2002.

¹²⁸ World Trade Organization (WTO), "United States—Section 211 Omnibus Appropriations Act of 1998, Understanding between the European Communities and the United States," WT/DC176/16, July 1, 2005; WTO, Dispute Settlement Body, "Minutes of Meeting, Held in the Centre William Rappard on 20 July 2005," WT/DSB/M/194, August 26, 2005; and "Japan, EU Suspend WTO Retaliation Against U.S. in Two Cases," *Inside U.S. Trade*, July 15, 2005;

¹²⁹ "PTO Cancels Cuban 'Havana Club' Mark; Bacardi Set to Sell Rum Under Same Mark," *International Trade Daily*, August 10, 2006.

¹³⁰ "Pernod Ricard: Havana Club International Encouraged by Dissenting Opinion of Judge Silberman Will Seek Rehearing by Full Court of Appeals," *Business Wire*, March 29, 2011.

¹³¹ "Supreme Court Rejects Havana Club Cert Petition," *International Trade Reporter*, May 14, 2012.

¹³² Anandashankar Mazumdar, "Court Rejects Claim that 'Havana Club' Ruling Erred in Discounting Survey Evidence," *International Trade Reporter*, August 18, 2011.

¹³³ Brian Lehman, testimony before the Senate Committee on the Judiciary, hearing on "An Examination of Section 211 of the Omnibus Appropriations Act of 1998," July 13, 2004.

¹³⁴ "USA-Engage Joins Cuba Fight," *Cuba Trader*, April 1, 2002.

The House Committee on the Judiciary held a March 3, 2010, hearing on the “Domestic and International Trademark Implications of HAVANA CLUB and Section 211 of the Omnibus Appropriations Act of 2009.” (See http://judiciary.house.gov/hearings/hear_100303.html.)

Several legislative initiatives were introduced during the 111th Congress reflecting these two approaches to bring Section 211 into compliance with the WTO ruling, but no action was taken on these measures. In the 112th Congress, two bills have been introduced, S. 603 (Nelson, Bill) and H.R. 1166 (Issa), that would apply the narrow fix so that the sanction applies to all nationals, while three broader bills that would lift U.S. sanctions on Cuba—H.R. 255 (Serrano), H.R. 1887 (Rangel), and H.R. 1888 (Rangel)—each includes a provision repealing Section 211. The July 2005 EU-U.S. bilateral agreement, in which the EU agreed not to retaliate against the United States, but reserved the right to do so at a later date, has reduced pressure on Congress to take action to comply with the WTO ruling.

Anti-Drug Cooperation

Cuba is not a major producer or consumer of illicit drugs, but its extensive shoreline and geographic location make it susceptible to narcotics smuggling operations. Drugs that enter the Cuban market are largely the result of onshore wash-ups from smuggling by high-speed boats moving drugs from Jamaica to the Bahamas, Haiti, and the United States or by small aircraft from clandestine airfields in Jamaica. For a number of years, Cuban officials have expressed concerns over the use of their waters and airspace for drug transit and about increased domestic drug use. The Cuban government has taken a number of measures to deal with the drug problem, including legislation to stiffen penalties for traffickers, increased training for counternarcotics personnel, and cooperation with a number of countries on anti-drug efforts.

According to the State Department’s 2012 *International Narcotics Control Strategy Report (INCSR)*, issued March 7, 2012, Cuba has a number of anti-drug-related agreements in place with other countries, including 39 judicial agreements regarding judicial proceedings and extradition, 32 bilateral counterdrug agreements, and two memoranda of understanding. Since 1999, Cuba’s Operation Hatchet has focused on maritime and air interdiction and the recovery of narcotics washed up on Cuban shores. As reported in the *INCSR*, Cuba interdicted 9.01 metric tons of illegal narcotics in 2011 (including 8.3 metric tons from wash-ups). Since 2003, Cuba has aggressively pursued an internal enforcement and investigation program against its incipient drug market with an effective nationwide drug prevention and awareness campaign, Operation Popular Shield.

Over the years, there have been varying levels of U.S.-Cuban cooperation on anti-drug efforts. In 1996, Cuban authorities cooperated with the United States in the seizure of 6.6 tons of cocaine aboard the Miami-bound *Limerick*, a Honduran-flag ship. Cuba turned over the cocaine to the United States and cooperated fully in the investigation and subsequent prosecution of two defendants in the case in the United States. Cooperation has increased since 1999 when U.S. and Cuban officials met in Havana to discuss ways of improving anti-drug cooperation. Cuba accepted an upgrading of the communications link between the Cuban Border Guard and the U.S. Coast Guard as well as the stationing of a U.S. Coast Guard Drug Interdiction Specialist (DIS) at the U.S. Interests Section in Havana. The Coast Guard official was posted to the U.S. Interests Section in September 2000, and since that time, coordination has increased.

In the 2012 *INCSR*, the State Department reported that Cuba maintained a significant level of anti-drug cooperation with the United States in 2011. The Coast Guard shares tactical

information related to narcotics trafficking on a case by case basis, and responds to Cuban information on vessels transiting through Cuban territorial seas suspected of smuggling. Bilateral cooperation led to multiple at-sea interdictions in 2011. The Cuban Border Guard reported 45 real-time reports of “go-fast” narcotics trafficking events in 2011 to the U.S. Coast Guard, and its e-mail and phone notifications have increased in quality, according to the *INCSR*, occasionally including photographs of suspected vessels involved in narcotics trafficking.

Cuba maintains that it wants to cooperate with the United States to combat drug trafficking, and on various occasions has called for a bilateral anti-drug cooperation agreement with the United States.¹³⁵ In the 2011 *INCSR* (issued in March 2011) the State Department acknowledged that Cuba had presented the U.S. government with a draft bilateral accord for counternarcotics cooperation that is still under review. According to the State Department in the *INCSR*: “Structured appropriately, such an accord could advance the counternarcotics efforts undertaken by both countries.” The report maintained that greater cooperation among the United States, Cuba, and its international partners—especially in the area of real-time tactical information-sharing and improved tactics, techniques, and procedures—would likely lead to increased interdictions and disruptions of illegal trafficking. These positive U.S. statements regarding a potential bilateral anti-drug cooperation agreement and greater multilateral cooperation in the region with Cuba were reiterated in the 2012 *INCSR*.

At a February 1, 2012, hearing before the Senate Caucus on International Narcotics Control on U.S.-Caribbean security cooperation, co-chair Senate Dianne Feinstein stated that “this limited cooperation we do have between our Coast Guard and Cuban authorities has been very useful, and I hope we can find ways to increase our counternarcotics cooperation with Cuba.”¹³⁶

Cuba’s Offshore Oil Development¹³⁷

Cuba is moving toward potential development of its offshore oil resources. While the country has proven oil reserves of just 0.1 billion barrels, the U.S. Geological Survey estimates that offshore reserves in the North Cuba Basin could contain an additional 4.6 billion barrels of undiscovered technically recoverable crude oil.

The Spanish oil company Repsol, in a consortium with Norway’s Statoil and India’s Oil and Natural Gas Corporation, began offshore exploratory drilling in late January 2012. On May 18, 2012, however, Repsol announced that its exploratory well came up dry, and the company subsequently announced in late May that it would likely leave Cuba.

Currently, exploratory drilling is being conducted by the Malaysian company Petronas in cooperation with the Russian company Gazprom in a block off the coast of western Cuba; drilling

¹³⁵ On March 12, 2002, Cuba’s Ministry of Foreign Affairs and the Cuban Interests Section in Washington delivered three diplomatic notes to the U.S. Interests Section in Havana and the State Department in Washington proposing agreements on drug interdiction, terrorism, and migration issues. See “Statement from the Ministry of Foreign Affairs: Prominent Drug Trafficker Arrested in our Country,” Information Office, Cuban Interests Section, March 17, 2002; “Cuba Offers to Sign Anti-Drug Pact,” *Miami Herald*, April 8, 2006.

¹³⁶ “Senate Caucus on International Narcotics Control Holds Hearing on Drug-Related Violence in the Caribbean and U.S. Security Assistance Through the Caribbean Basin Security Initiative,” *CQ Congressional Transcripts*, February 1, 2012.

¹³⁷ For background information, see CRS Report R41522, *Cuba’s Offshore Oil Development: Background and U.S. Policy Considerations*, by Mark P. Sullivan.

began in late May 2012 and is scheduled to be completed in July. After that, the oil rig known as the Sarabeo-9 (owned by an Italian oil services provider, Saipem, a subsidiary of the Italian oil company ENI) will reportedly be used by the Venezuelan oil company, PdVSA, to drill an exploratory well off the coast of western Cuba. Cuba has three additional offshore projects with foreign oil companies—PetroVietnam, Sonangol (Angola), and ONGC (India). (In addition, a Russian company, Zarubezhneft, has plans to drill its first exploratory well in a north coastal block (not deepwater) east of Havana south in November 2012.) If oil is found, some experts estimate that it would take at least three to five years before production would begin. While it is unclear whether offshore oil production could result in Cuba becoming a net oil exporter, it could reduce Cuba's current dependence on Venezuela for oil supplies.

In the aftermath of the Deepwater Horizon oil spill in the Gulf of Mexico, some Members of Congress and others expressed concern about Cuba's development of its deepwater petroleum reserves so close to the United States. They are concerned about oil spill risks and about the status of disaster preparedness and coordination with the United States in the event of an oil spill. Dealing with these challenges is made more difficult because of the longstanding poor state of relations between Cuba and the United States. If an oil spill did occur in the waters northwest of Cuba, currents in the Florida Straits could carry the oil to U.S. waters and coastal areas in Florida, although a number of factors would determine the potential environmental impact. If significant amounts of oil did reach U.S. waters, marine and coastal resources in southern Florida could be at risk.

The final report of the National Commission on the BP Deepwater Horizon Oil Spill and Offshore Drilling, issued in January 2011, maintained that since Mexico already drills in the Gulf of Mexico and Cuba has expressed an interest in deepwater drilling in the Gulf of Mexico, that it is in the U.S. national interest to negotiate with these countries to agree on a common, rigorous set of standards, a system of regulatory oversight, and operator adherence to an effective safety culture, along with protocols to cooperate on containment and response strategies in case of a spill.¹³⁸

With regard to disaster response coordination, while the United States and Cuba are not parties to a bilateral agreement on oil spills, both countries are signatories to multilateral agreements that commit the two parties to prepare for and cooperate on potential oil spills. Under the auspices of the International Maritime Organization (IMO), the United States and Cuba have participated in several regional meetings (Mexico in November 2011; Bahamas in December 2011; Curacao in February 2012; and Jamaica in April 2012) regarding oil spill prevention, preparedness, and response that has allowed information sharing among nations, including the United States and Cuba. Future meetings are planned for September and December 2012.

U.S. oil spill mitigation companies can be licensed by the Treasury and Commerce Departments to provide support and equipment in the event of an oil spill. One such example is a Florida-based company, Clean Caribbean & Americas, which has had licenses to be involved in Cuba since 2001. In addition, the U.S. Coast Guard has obtained licenses from Treasury and Commerce that allow it "to broadly engage in preparedness and response activities, and positions" the agency "to direct an immediate response in the event of a catastrophic oil spill."¹³⁹ Some energy and policy

¹³⁸ National Commission on the BP Deepwater Horizon Oil Spill and Offshore Drilling, *Deepwater, The Gulf Oil Disaster and the Future of Offshore Drilling*, Report to the President, p. 254 and p. 300. See the full text of the report at http://www.oilspillcommission.gov/sites/default/files/documents/DEEPWATER_ReporttothePresident_FINAL.pdf

¹³⁹ U.S. Congress, House Committee on Transportation and Infrastructure, Subcommittee on Coast Guard and Maritime (continued...)

analysts, however, have called for the Administration to ease regulatory restrictions on private companies for the transfer of U.S. equipment and personnel to Cuba needed to prevent and combat a spill if it occurs.

Interest in Cuba's offshore oil development has continued in the 112th Congress, with interest focused on a potential oil spill, and attempts to sanction foreign companies investing in or supporting Cuba's oil development. To date, seven legislative initiatives have been introduced that take different approaches:

- H.R. 372 (Buchanan), introduced January 20, 2011, would amend the Outer Continental Shelf Lands Act to authorize the Secretary of the Interior to deny leases and permits to persons who engage in activities with the government of any foreign country that is subject to any U.S. government sanction or embargo. The intent of the legislation is to sanction companies involved in Cuba's oil development, although the scope of the legislation is much broader and could effect other oil companies, including U.S. companies, not involved in Cuba.
- S. 405 (Nelson, Bill), introduced February 17, 2011, would require a company that is conducting oil or gas operations off the coasts of Cuba to submit an oil response plan for their Cuba operations and demonstrate sufficient resources to respond to a worst case scenario oil spill if the company wanted to lease drilling rights in the United States. The bill would also require the Secretary of the Interior to carry out an oil spill risk analysis and planning process for the development and implementation of oil spill response plans for nondomestic oil spills in the Gulf of Mexico. The Secretary of the Interior would be required, among other things, to include recommendations for Congress on a joint contingency plan with the countries of Mexico, Cuba, and the Bahamas to ensure an adequate response to oil spills located in the eastern Gulf of Mexico.
- H.R. 2047 (Ros-Lehtinen), introduced May 26, 2011, would impose visa restrictions on foreign nationals and economic sanctions on companies that help facilitate the development of Cuba's offshore petroleum resources. The bill would exclude from the United States aliens who invest \$1 million or more that contributes to the enhancement of the ability of Cuba to develop its offshore oil resources. It would also require the imposition of sanctions (two or more from a menu of listed sanctions) if the President determined that a person had made an investment of \$1 million on or after January 10, 2005, that contributed to Cuba's offshore oil development. The language of H.R. 2047 was also included in Section 105 of H.R. 6067 (Ros-Lehtinen), introduced June 29, 2012.
- Both H.R. 3393 (Rivera) and S. 1836 (Menendez), introduced respectively on November 7 and 9, 2011, would amend the Oil Pollution Act of 1990 to clarify that the Act applies to oil spills by foreign offshore units that occur in water beyond the exclusive economic zone of the United States.

(...continued)

Transportation, *Offshore Drilling in Cuba and the Bahamas: The U.S. Coast Guard's Oil Spill Readiness and Response Planning*, 112th Cong., 2nd sess., January 30, 2012, 112-70 (Washington: GPO, 2012). Testimony of Rear Admiral William Baumgartner, Commander, Seventh District, and Rear Admiral Cari Thomas, Director of Policy Response, U.S. Coast Guard, available at: <http://republicans.transportation.house.gov/Media/file/TestimonyCGMT/2012-01-30-BaumgartnerThomas.pdf>

- The House version of the FY2013 National Defense Authorization Act, H.R. 4310 (McKeon), approved May 18, 2012, has a provision (Section 803) that would prohibit the Department of Defense (DOD) from contracting for the procurement of goods and services with any person that has business operations with a state sponsor of terrorism. The provision was added to the bill by voice vote during House floor consideration of an en bloc amendment, H.Amdt. 1119 (McKeon), that included Amendment No. 94 (Rivera), which became Section 803 of the bill. According to the sponsor, the amendment would affect Repsol from partnering with Cuba in oil exploration efforts while at the same time benefiting from DOD contracts.

Three congressional oversight hearings have been held in the 112th Congress on the issue of Cuba's offshore oil development and the implications for the United States. On October 18, 2011, the Senate Energy and Natural Resources Committee hearing held a hearing on Outer Continental Oil Spill Response Capabilities featuring officials from the U.S. Coast Guard, the Department of the Interior, and private witnesses.¹⁴⁰ On November 2, 2011, the House Natural Resources Committee, Subcommittee on Energy and Mineral Resources, held a hearing that also featured Coast Guard and Department of the Interior officials and private witnesses.¹⁴¹ On January 30, 2012, the House Committee on Transportation and Infrastructure, Subcommittee on Coast Guard and Maritime Transportation, held a field hearing on the issue in Miami, Florida, featuring testimony from the Coast Guard, Department of the Interior, and the state of Florida.¹⁴²

Terrorism Issues¹⁴³

Cuba was added to the State Department's list of states sponsoring international terrorism in 1982 (pursuant to section 6(j) of the Export Administration Act of 1979) because of its alleged ties to international terrorism and support for terrorist groups in Latin America, and it has remained on the list since that time. Cuba had a long history of supporting revolutionary movements and governments in Latin America and Africa, but in 1992, Fidel Castro said that his country's support for insurgents abroad was a thing of the past. Cuba's change in policy was in large part due to the breakup of the Soviet Union, which resulted in the loss of billions of dollars in annual subsidies to Cuba, and led to substantial Cuban economic decline.

Critics of retaining Cuba on the terrorism list maintain that it is a holdover from the Cold War. They argue that domestic political considerations keep Cuba on the terrorism list and maintain that Cuba's presence on the list diverts U.S. attention from struggles against serious terrorist threats. Those who support keeping Cuba on the terrorism list argue that there is ample evidence

¹⁴⁰ For testimony from the October 18, 2011 hearing, see the website of the Senate Committee on Energy and Natural Resources, available at <http://energy.senate.gov/public/index.cfm/hearings-and-business-meetings?ID=f37547ef-039b-373a-dc68-113595376178>.

¹⁴¹ For testimony, see the website of the November 2, 2011, hearing of the House Natural Resources Committee, Energy and Mineral Resources Subcommittee, available at <http://naturalresources.house.gov/Calendar/EventSingle.aspx?EventID=260052>.

¹⁴² U.S. Congress, House Committee on Transportation and Infrastructure, Subcommittee on Coast Guard and Maritime Transportation, *Offshore Drilling in Cuba and the Bahamas: The U.S. Coast Guard's Oil Spill Readiness and Response Planning*, 112th Cong., 2nd sess., January 30, 2012, 112-70 (Washington: GPO, 2012). Testimony available at <http://transportation.house.gov/hearings/hearingdetail.aspx?NewsID=1500>.

¹⁴³ For background information, see CRS Report RL32251, *Cuba and the State Sponsors of Terrorism List*, by Mark P. Sullivan.

that Cuba supports terrorism. They point to the government's history of supporting terrorist acts and armed insurgencies in Latin America and Africa. They point to the government's continued hosting of members of foreign terrorist organizations and U.S. fugitives from justice.

The State Department's *Country Reports on Terrorism 2010* report (issued August 18, 2011) maintained that the Cuban government "maintained a public stance against terrorism and terrorist financing, but there was no evidence that it had severed ties with elements from the Revolutionary Armed Forces of Colombia (FARC) and recent media reports indicate some current and former members of the Basque Fatherland and Liberty (ETA) continue to reside in Cuba." The report further stated that "available information suggested that the Cuban government maintained limited contact with FARC members, but there was no evidence of direct financial or ongoing material support." It maintained that Cuba allowed Spanish police to travel to Cuba to confirm the presence of suspected ETA members. As in previous years, the report maintained that Cuba continued to denounce U.S. counterterrorism efforts worldwide.

The 2010 terrorism report also maintained that Cuba has been used as a transit point by third-country nationals to enter the United States illegally, and that Cuba was aware of the concerns posed by such threats and took action to investigate third country migrant smuggling and related criminal activities. The report noted that the Cuban government allowed representatives of the U.S. Transportation Security Administration to conduct a series of airport security visits throughout the country in November 2010.

Both the President and Congress have powers to take a country off the state sponsors of terrorism list. As set forth in Section 6(j) of the Export Administration Act, a country's retention on the list may be rescinded in two ways. The first option is for the President to submit a report to Congress certifying that there has been a fundamental change in the leadership and policies of the government and that the government is not supporting acts of international terrorism and is providing assurances that it will not support such acts in the future. The second option is for the President to submit a report to Congress, at least 45 days in advance justifying the rescission and certifying that the government has not provided any support for international terrorism during the preceding six-months, and has provided assurances that it will not support such acts in the future. If Congress disagrees with the President's decision to remove a country from the list, it could seek to block the rescission through legislation.

Congress also has the power on its own to remove a country from the terrorism list. For example, legislation introduced on Cuba in the 111th Congress, H.R. 2272 (Rush), included a provision that would have rescinded the Secretary of State's determination that Cuba "has repeatedly provided support for acts of international terrorism."

Cuba has been the target of various terrorist incidents over the years. In 1976, a Cuban plane was bombed, killing 73 people. In 1997, there were almost a dozen bombings in the tourist sector in Havana in which an Italian businessman was killed and several others were injured. Two Salvadorans were convicted and sentenced to death for the bombings in March 1999 (although the sentences were commuted in 2010 to 30 years in prison), and three Guatemalans were sentenced to prison terms ranging from 10 to 15 years in January 2002 for plans to conduct bombings in 1998. Cuban officials maintain that Cuban exiles funded the bombings.

In November 2000, four anti-Castro activists were arrested in Panama for a plot to kill Fidel Castro. One of the accused, Luis Posada Carriles, is also alleged to be involved in the 1976 Cuban airline bombing and the series of bombings in Havana in 1997 noted above.¹⁴⁴ The four stood trial in March 2004 and were sentenced on weapons charges to prison terms ranging from seven to eight years. In late August 2004, Panamanian President Mireya Moscoso pardoned the four men before the end of her presidential term. Three of the men are U.S. citizens and traveled to Florida, where they received strong support from some in the Cuban American community, while Posada reportedly traveled to another country.

Posada entered the United States illegally in 2005. In subsequent removal proceedings, an immigration judge found that Posada could not be removed to Cuba or Venezuela because of concerns that he would face torture, and he was thereafter permitted to remain in the United States pending such time as he could be transferred to a different country. Posada subsequently applied for naturalization to become a U.S. citizen. This application was denied, and criminal charges were brought against him for allegedly false statements made in his naturalization application and interview. Although a federal district court dismissed the indictment in 2007, its ruling was reversed by an appellate court in 2008. In April 2009, the United States filed a superseding indictment, which included additional criminal charges based on allegedly false statements made by Posada in immigration removal proceedings concerning his involvement in the 1997 Havana bombings. His trial originally was set to begin in August 2009, but was rescheduled three times until it finally began in January 2011.¹⁴⁵ Ultimately, Posada was acquitted of the perjury charges in April 2011, an action that was strongly criticized by Cuban officials.

On July 7, 2010, Venezuelan authorities extradited to Cuba an alleged Posada associate, Salvadoran citizen Francisco Chávez Abarca, who was charged with involvement in one of the 1997 bombings in Havana.¹⁴⁶ Chávez Abarca had been imprisoned from 2005 to 2007 in El Salvador for running a car theft ring, but charges ultimately were dropped, reportedly because of a botched investigation, and he was set free. On July 1, 2010, he was arrested in Venezuela upon entering the country and allegedly confessed to plans to organize protests in Venezuela around the time of the country's legislative elections in September 2010.¹⁴⁷ In late September 2010, the Cuban government released Chávez Abarca's video confessions and reenactment of the bombings, as well as his alleged association with Luis Posada, in a public information campaign featured in the Cuban media as well as abroad. According to Chávez Abarca, Posada recruited him in El Salvador for the Cuba bombings, and paid him \$2,000 for each bomb that went off. Only one of the bombs that Chávez Abarca planted actually detonated, on April 12, 2007, in the bathroom of a disco at the Melia Cohiba hotel in Havana. In late December 2010, Chávez Abarca was sentenced to 30 years in prison for his role in the bombings.

¹⁴⁴ Frances Robles, "An Old Foe of Castro Looks Back on His Fight," *Miami Herald*, September 4, 2003.

¹⁴⁵ For additional information, see "Background on Luis Posada Carriles," CRS Congressional Distribution Memorandum, December 8, 2010, prepared by Mark P. Sullivan, Specialist in Latin American Affairs, and Michael John Garcia, Legislative Attorney. Available from the authors.

¹⁴⁶ Christopher Toothaker, "Venezuela Extradites Suspected Terrorist to Cuba to Face Bombing Charges," *AP Newswire*, July 7, 2010.

¹⁴⁷ Frances Robles, "Mystery Man in Terror Plots Points at Miami Exiles," *Miami Herald*, October 18, 2010.

U.S. Funding to Support Democracy and Human Rights

Since 1996, the United States has provided assistance—through the U.S. Agency for International Development (USAID), the State Department, and the National Endowment for Democracy (NED)—to increase the flow of information on democracy, human rights, and free enterprise to Cuba. USAID’s Cuba program has supported a variety of U.S.-based non-governmental organizations with the goals of promoting a rapid, peaceful transition to democracy, helping develop civil society, and building solidarity with Cuba’s human rights activists.¹⁴⁸

These efforts are largely funded through Economic Support Funds (ESF) in the annual foreign operations appropriations bill. From FY2001-FY2012, Congress appropriated almost \$197 million in funding for Cuba democracy efforts. This included \$45.3 million for FY2008, and \$20 million in each fiscal year from FY2009 through FY2012. The Administration’s FY2013 request is for \$15 million. Generally, as provided in appropriations measures, ESF has to be obligated within two years. (For a brief description of USAID’s Cuba program along with a listing of current USAID grantees, see: <http://www.usaid.gov/where-we-work/latin-american-and-caribbean/cuba/our-work>)

FY2010. Congress fully funded the Administration’s \$20 million FY2010 ESF request for Cuba democracy programs in the conference report (H.Rept. 111-366) to the Consolidated Appropriations Act, 2010 (H.R. 3288/P.L. 111-117). According to the State Department’s *FY2010 Congressional Budget Justification for Foreign Operations*, U.S. assistance programs focus on providing humanitarian assistance to victims of repression, strengthening civil society, weakening the information blockade, and helping Cubans to create space for dialogue about democratic change and reconciliation. Both House-passed H.R. 3081 and Senate Appropriations Committee-reported S. 1434, the FY2010 State Department, Foreign Operations, and Related Programs Appropriations Act, recommended full funding of the Administration’s \$20 million request.

In April 2011, Senate Foreign Relations Committee Chairman John Kerry placed a hold on the funding. He maintained that he would oppose the spending until a full review of the programs was complete and contended that there was no evidence that programs are helping the Cuban people.¹⁴⁹ Senator Patrick Leahy, Chairman of the Senate Appropriations Committee’s Subcommittee on the Department of State, Foreign Operations, and Related Programs, also reportedly placed a hold on the assistance. By early August 2011, however, both holds had been lifted.¹⁵⁰

FY2011. The Administration again requested \$20 million in ESF for FY2011 to support democracy and human rights projects. According to the Administration’s request, the assistance focuses on providing humanitarian assistance to prisoners of conscience and their families, strengthening civil society, supporting issue-based civic action movements and coalitions, and promoting fundamental freedoms, especially freedom of expression and freedom of the press. The Senate version of the State Department and Foreign Operations appropriations measure, S. 3676,

¹⁴⁸See USAID’s Cuba program website: http://www.usaid.gov/locations/latin_america_caribbean/country/cuba/.

¹⁴⁹ Senate Foreign Relations Committee, Press Room, Chairman’s Press, “Chairman Kerry Delays Additional Spending on “Democracy Promotion” Programs in Cuba,” April 1, 2011.

¹⁵⁰ Juan O. Tamayo, “Leahy Lifts Hold on Democracy Funds for Cuba,” *Miami Herald*, August 3, 2011; Donna Cassata, “Democratic Lawmaker, State Department End Impasse Over Money for Cuba Democracy Program,” *Associated Press*, August 2, 2011.

reported by the Senate Appropriations Committee on July 29, 2010 (S.Rept. 111-237), would have provided that \$2 million of the ESF appropriated for Cuba be transferred and merged with funds for the National Endowment for Democracy for democracy programs in Cuba. Congress did not complete action on FY2011 appropriations until April 2011 when it approved a full-year appropriations measure (P.L. 112-10). In August 2011, the Administration made known its FY2011 foreign aid allocations by country, which included the full \$20 million for Cuba democracy assistance that had been requested.

As notified to Congress in April 2012, of the \$20 million, USAID will administer \$8.9 million, the State Department's Bureau of Western Hemisphere Affairs will administer \$1.6 million, and the State Department's Bureau of Democracy, Human Rights, and Labor (DRL) will administer \$9.5 million, of which \$4 million will be transferred to the National Endowment for Democracy. In terms of programs for the \$20 million, \$12.43 million will be used for democracy, civil society and media programs; \$4.7 million will be used to support human rights initiatives; and \$2.87 million will be used for program support.

FY2012. The Administration once again requested \$20 million in ESF for FY2012 with the promotion of democratic principles the core goal of assistance, and Congress supported the full amount in the conference report to the FY2012 Consolidated Appropriations Act (H.Rept. 112-331 to H.R. 2055, P.L. 112-74). The budget request stated that there is an increased effort to manage programs more transparently, focus efforts on Cuba, and widen the scope of the civic groups receiving supports. According to the Administration's request, U.S. assistance aims to strengthen a range of independent elements of Cuban civil society, including associations and labor groups, marginalized groups, youth, legal associations, and women's networks. The programs are designed to increase the capacity for community involvement of civil society organizations and networking among the groups. The program also supports Cuban efforts to document human rights violations, provides humanitarian assistance to political prisoners and their families, and builds leadership skills of civil society leaders. Finally, the budget request maintains that U.S. assistance also supports the dissemination of information regarding market economies and economic rights.

The Senate Appropriations Committee-reported version of the FY2012 Department of State, Foreign Operations, and Related Programs Appropriations bill, S. 1601 (S.Rept. 112-85) would have provided \$15 million in ESF for Cuba (\$5 million less than the request), including humanitarian and democracy assistance, support for economic reform, private sector initiatives, and human rights. In its report to the bill, the committee maintained that it expected that funds would be made available, and programs carried out, in a transparent manner. The committee also would have directed that the USAID Administrator provide regular updates to the committee on the number of Cubans who receive assistance and the types of assistance. In contrast to the Senate bill, a draft House Appropriations Committee bill and report (marked up by the Subcommittee on State, Foreign Operations, and Relations Programs on July 27, 2011) would have recommended \$20 million in ESF for Cuba (the full Administration's request), and would have directed that the funds be used only for democracy-building, and not for business promotion, economic reform, social development or other purposes expressly authorized by Section 109(a) of the Cuban Liberty and Democratic Solidarity Act of 1996 (P.L. 104-114). (See the draft committee report, available at <http://appropriations.house.gov/UploadedFiles/FY12-SFOPSCombinedReport-CSBA.pdf>.)

FY2013. For FY2013, the Administration requested \$15 million for human rights and democracy programs for Cuba. According to the request, "U.S. assistance will continue to support human

rights and civil society initiatives that promote basic freedoms, particularly freedom of expression. Programs will continue to provide humanitarian assistance to prisoners of conscience and their families, as well as strengthen independent Cuban civil society, and promote the flow of uncensored information to, from, and within the island.”¹⁵¹

The Senate Appropriations Committee-reported version of the FY2013 State Department, Foreign Operations, and Related Programs Appropriations Act, S. 3241 (S.Rept. 112-172) would provide \$15 million in ESF for Cuba (the same as the Administration’s request), including “for humanitarian assistance, support for economic reform, private sector initiatives, democracy, and human rights.” In contrast, the House Appropriations Committee-reported version of the bill, H.R. 5857 (H.Rept. 112-94) would provide \$20 million in ESF (\$5 million more than the Administration’s request), but would transfer and merge the aid with funds available to the National Endowment for Democracy “to promote democracy and strengthen civil society in Cuba.” The report to the House bill maintains that assistance “shall not be used for business promotion, economic reform, social development, or other purposes not expressly authorized by section 109(a)” of the Cuban Liberty and Democratic Solidarity Act (P.L. 104-114). Both the Senate and House bills would continue the long-standing prohibition on direct funding assistance to the government Cuba, and would require that any assistance to Cuba be provided through the regular notification procedures of the Committees on Appropriations.

National Endowment for Democracy. Until FY2008, NED’s democratization assistance for Cuba had been funded largely through the annual Commerce, Justice, and State (CJS) appropriations measure, but is now funded through the State Department, Foreign Operations and Related Agencies appropriations measure. According to NED, its Cuba funding in recent years has been as follows: \$1.4 million in FY2008 for 11 projects; \$1.5 million in FY2009 for 10 projects; and \$2.4 million in FY2010 for 15 projects.

In FY2010, NED funded the following organizations for its Cuba projects: Afro-Cuban Alliance Inc.; Asociación Encuentro de la Cultura Cubana; Center for a Free Cuba; Centro para la Apertura y el Desarrollo de América Latina; Clovek V Tisni, o.p.s. (People in Need, PIN), a Czech NGO; Committee for Free Trade Unionism (CFTU); Cuban Democratic Directorate (Directorio); CubNet News Inc.; Disidente Universal de Puerto Rico; Evangelical Christian Humanitarian Outreach for Cuba (ECHOcuba); Grupo Internacional para la Responsabilidad Social Corporativa en Cuba (GIRSCC); Instituto Político para La Libertad Perú (IPL); International Republican Institute (IRI); National Democratic Institute for International Affairs (NDI); and People in Peril Association CVO (PIPA), a Slovakian NGO.¹⁵²

As noted above, for FY2011, the State Department notified Congress in April 2012 that \$4 million in ESF (of the \$20 million appropriated by Congress for Cuba programs) would be transferred to the National Endowment for Democracy, almost doubling the amount of NED funding for Cuba programs compared to FY2010. The funds are to be used for grants to 1) support independent, democratic civil society activists on the island; 2) cultivate the analytical capacity of existing civil society actors; and 3) promote greater knowledge of and adherence to international norms regarding political, civic and fundamental human rights.

¹⁵¹ U.S. Department of State, *Congressional Budget Justification for Foreign Operations, FY2013, Annex: Regional Perspectives*, April 3, 2012, p. 768.

¹⁵² See more on the projects available from NED’s website at <http://www.ned.org/publications/annual-reports/2010-annual-report/latin-america-and-caribbean/cuba>

In addition, as noted above, the House Appropriations Committee-reported version of the FY2013 foreign aid appropriations measure, H.R. 5857 (H.Rept. 112-94) would appropriate \$20 million in ESF for Cuba democracy funding, but would transfer and merge the aid with funds available to the NED. Such an amount would be greater than the \$14.19 million that NED proposed to spend on program activity in the entire Latin America/Caribbean region for FY2013.

Oversight of U.S. Democracy Assistance to Cuba

In November 2006, the Government Accountability Office (GAO) issued a report examining U.S. democracy assistance for Cuba from 1996 to 2005, and concluded that the U.S. program had significant problems and needed better management and oversight. According to GAO, internal controls, for both the awarding of Cuba program grants and oversight of grantees, “do not provide adequate assurance that the funds are being used properly and that grantees are in compliance with applicable law and regulations.”¹⁵³ Investigative news reports on the program maintained that high shipping costs and lax oversight had diminished its effectiveness.¹⁵⁴

GAO issued a second report examining USAID’s Cuba democracy program in November 2008.¹⁵⁵ The report lauded the steps that USAID had taken since 2006 to address problems with its Cuba program and improve oversight of the assistance. These included awarding all grants competitively since 2006, hiring more staff for the program office since January 2008, and contracting for financial services in April 2008 to enhance oversight of grantees. The GAO report also noted that USAID had worked to strengthen program oversight through pre-award and follow-up reviews, improving grantee internal controls and implementation plans, and providing guidance and monitoring about permitted types of assistance and cost sharing.

The GAO report also maintained, however, that USAID had not staffed the Cuba program to the level needed for effective grant oversight. GAO also noted the difficulty of assessing USAID’s action to improve its Cuba program because most of its actions to improve the program were only taken recently. Procurement reviews completed in August 2008 by the new financial services contractor identified internal control, financial management, and procurement weaknesses at three grantees. GAO recommended that USAID (1) ensure that its Cuba program office is staffed at the level that is needed to fully implement planned monitoring activities; and (2) periodically assess the Cuba program’s overall efforts to address and reduce grantee risks, especially regarding internal controls, procurement practices, expenditures, and compliance with laws and regulations.

In April 2011, Senate Foreign Relations Committee Chairman John Kerry said that he had asked GAO to undertake another investigation of the Cuba program regarding its legal basis and effectiveness.¹⁵⁶

¹⁵³ U.S. Government Accountability Office, U.S. Democracy Assistance for Cuba Needs Better Management and Oversight, GAO-07-147, November 2006.

¹⁵⁴ Oscar Corral, “Federal Program to Help Democracy in Cuba Falls Short of Mark,” *Miami Herald*, November 14, 2006, and “Is U.S. Aid Reaching Castro Foes?” *Miami Herald*, November 15, 2006.

¹⁵⁵ U.S. Government Accountability Office, *Foreign Assistance: Continued Efforts Needed to Strengthen USAID’s Oversight of U.S. Democracy Assistance for Cuba*, GAO-09-165, November 2008.

¹⁵⁶ Senate Foreign Relations Committee, Press Room, Chairman’s Press, “Chairman Kerry Delays Additional Spending on “Democracy Promotion” Programs in Cuba,” April 1, 2011.

December 2009 Imprisonment of Alan Gross

On December 4, 2009, Cuban authorities arrested an American subcontractor, Alan Gross, working for Development Alternatives Inc. (DAI), a Bethesda-based company that had received a contract from USAID to help support Cuban civil society organizations. Gross was arrested at Jose Martí International Airport in Havana when he was planning to leave the country. He reportedly was distributing communications equipment (including satellite phone equipment) to Jewish organizations in Cuba.

The head of Cuba's National Assembly, Ricardo Alarcon, asserted in January 2010, that the contractor was working for American intelligence, but U.S. officials strongly denied the accusation.¹⁵⁷ A State Department spokesman maintained that the contractor "is not associated with our intelligence services" and noted that "Cuba has a history of mischaracterizing what Americans and NGOs in Cuba are doing."¹⁵⁸ According to a statement by DAI, "the detained subcontractor was not working for any intelligence service ... he was working with a peaceful, non-dissident civic group—a religious and cultural group recognized by the Cuban government—to improve its ability to communicate with its members across the island and overseas."¹⁵⁹

Numerous U.S. officials have raised the issue of Alan Gross's detention with the Cuban government, including at the semi-annual bilateral migration talks, and have called for his release. In March 2010, some 40 House Members called for Mr. Gross's release in a letter to the Cuban government, warning that improved relations between the United States and Cuba would not be possible until he is released.¹⁶⁰ The letter maintained that Mr. Gross's work in Cuba with the Jewish community "emanated from his desire to make a positive impact for others of faith on the island." A number of other Members and Senators have also called for Mr. Gross's immediate release. In June 2010, Secretary of State Clinton met with family members of Mr. Gross, and issued a statement expressing deep concern about his welfare. The Secretary maintained that Gross's continued detention "is harming U.S.-Cuba relations," and that his release would be viewed favorably.¹⁶¹ In September 2010, then-Assistant Secretary of State for Western Hemisphere Affairs Arturo Valenzuela met with Cuban Foreign Minister Bruno Rodriguez in New York to encourage the release of Mr. Gross.¹⁶²

In early December 2010, on the one-year anniversary of Mr. Gross's detention, the State Department again issued a statement calling for his release, and maintaining that "the continued detention of Alan Gross is a major impediment to advancing the dialogue between our two countries."¹⁶³ At the fourth round of migration talks held on January 12, 2011, in Havana, the U.S.

¹⁵⁷ William Booth, "Contractor is U.S. Secret Agent, Cuban Legislator Says," *Washington Post*, January 7, 2010.

¹⁵⁸ "State Department Holds Regular News Briefing," *CQ Newsmaker Transcripts*, January 7, 2010.

¹⁵⁹ Frances Robles, "U.S. Says Contractor Arrested in Cuba is No Spy," *Miami Herald*, January 8, 2010; and Development Alternatives Inc. "Updated Statement from DAI President and CEO Dr. James Boomgard Regarding Detainee in Cuba," January 7, 2010.

¹⁶⁰ "Congressmen urge Cuba to Release Jailed U.S. Aid Worker Who Helped Jewish Community," *States News Service*, March 24, 2010.

¹⁶¹ U.S. Department of State, Secretary of State Hillary Rodham Clinton, "Continued Incarceration of Alan Gross," June 17, 2010.

¹⁶² U.S. Department of State, Daily Press Briefing, October 18, 2010; and Juan O. Tamayo, "Cuba, U.S. Talk on Jailed American," *Miami Herald*, October 19, 2010.

¹⁶³ U.S. Department of State, "One Year Continued Incarceration of Alan Gross," Philip J. Crowley, Assistant Secretary Bureau of Public Affairs, December 3, 2010.

delegation again raised the issue and called for Mr. Gross's immediate release. The head of the U.S. team at the talks, Principal Deputy Assistant Secretary of State for Western Hemisphere Roberta Jacobson, subsequently met with Gross on January 13. Subsequent press reports maintained that a senior State Department official was "cautiously optimistic" that Gross would be released.¹⁶⁴

On February 4, 2011, a Cuban court in Havana officially charged Gross with "actions against the independence and territorial integrity of the state" pursuant to Article 91 of Cuba's Penal Code, and the prosecution asked for a 20-year sentence. The two-day trial began on March 4, and on March 12, Gross was convicted and sentenced to 15 years in prison. Gross's lawyer had asked for the Cuban government to release Gross as a humanitarian gesture, maintaining that his health continues to deteriorate and noting that his elderly mother was recently diagnosed with lung cancer, and his daughter was recovering from cancer treatment.¹⁶⁵

The State Department issued a statement deploring the ruling, and calling on the Cuban government to immediately and unconditionally release him.¹⁶⁶ Secretary of State Clinton maintained that Gross should be released, at the very least, on humanitarian terms, and expressed hope that the Cuban government would do that.¹⁶⁷ In March 2011, former U.S. President Jimmy Carter visited with Gross during a visit to Cuba. A private U.S. delegation visiting Cuba met with Gross in early June 2011, reporting that Gross had lost some 95 pounds according to his own estimation and that while he was in good spirits he is anxious to come home and does not want to be forgotten.¹⁶⁸

Cuba's Supreme Court heard arguments for Gross's appeal on July 22, 2011, but the court rejected the appeal on August 5, 2011. An Administration statement called on the Cuban government to release Gross "immediately and unconditionally to allow him to return to his family and bring an end the long ordeal that began well over a year ago."¹⁶⁹ In early September 2011, former New Mexico Governor Bill Richardson traveled to Cuba in an effort to seek the release of Gross, but was unsuccessful. In a subsequent *New York Times* interview, Cuban Foreign Minister Bruno Rodriguez reportedly suggested that Cuba and the United States could resolve the Gross case "from a humanitarian point of view and on the basis of reciprocity."¹⁷⁰

On the second anniversary of Gross's imprisonment in December 2011, 72 House Members from both parties sent a letter to the Cuban Interests Section in Washington, DC, expressing hope that the Cuban government would release Mr. Gross "on humanitarian grounds immediately." The letter also stated that "Mr. Gross's continued incarceration is viewed by Members of Congress, regardless of their political views on Cuba, as a major setback in bilateral relations," and that "it is unlikely any further positive steps can or will be taken by the Obama Administration or this

¹⁶⁴ Esteban Israel, "U.S. Hopeful Citizen Held in Cuba to be Tried, Freed," *Reuters News*, January 13, 2011.

¹⁶⁵ Juan Tamayo, "Gross Trial Opens in Cuba with 'Vigorous' Defense," *Miami Herald*, March 4, 2011.

¹⁶⁶ U.S. Department of State, "Statement on Sentencing of Alan Gross," March 12, 2011.

¹⁶⁷ U.S. Department of State, Secretary of State Hillary Rodham Clinton, Interview with Jose Diaz-Balart of Telemundo, March 18, 2011.

¹⁶⁸ Peter Orsi, "U.S. Delegation Meets with American Jailed in Cuba," *Associated Press*, June 9, 2011.

¹⁶⁹ White House, Office of the Press Secretary, "Statement from National Security Council Spokesman Tommy Vietor on Alan Gross," August 5, 2011.

¹⁷⁰ Randal C. Archibold, "Cuban Minister Leaves a Door Open to American's Release," *New York Times*, September 24, 2011.

Congress as long as Mr. Gross remains in a Cuban jail.”¹⁷¹ As noted above, the State Department again called for Gross’s release on the second anniversary of his imprisonment, and also expressed deep disappointment in late December 2011 that the Cuban government did not include Gross among the 2,900 prisoners released on humanitarian grounds.¹⁷²

In February 2012, investigative press reporting by the *Associated Press* detailed the various trips undertaken by Alan Gross to Cuba and the equipment that he brought into the country, including a specialized mobile phone chip that reportedly would make it virtually impossible to track satellite phone transmissions.¹⁷³ For some observers, the investigative report raises questions about the nature of USAID-supported democracy programs, including whether the agency should be involved in such secretive work that could pose dangers to those implementing such programs. Others stress that it is important for the agency to be able to support democracy programs even in hostile countries.¹⁷⁴

In April 2012, there had been some hope that Cuba would positively respond to a humanitarian request by Alan Gross to visit his elderly sick mother in the United States for a period of two weeks, but this did not occur. In contrast, a U.S. federal judge in Florida granted René González, one of the “Cuban five” spies the right to visit his dying brother in Cuba for two weeks. Cuba is now explicitly linking the release of Alan Gross to the release of the “Cuban five,” while the United States rejects the linkage, maintaining there is no equivalence between the cases.¹⁷⁵ (For more on the “Cuban five,” see “Cuban Spies in the United States” below).

Radio and TV Marti

U.S.-government sponsored radio and television broadcasting to Cuba—Radio and TV Martí—began in 1985 and 1990 respectively. According to the *Broadcasting Board of Governors (BBG) FY2013 Budget Request*, Radio and TV Martí “inform and engage the people of Cuba by providing a reliable and credible source of news and information.” The BBG’s Office of Cuba Broadcasting “uses a mix of media, including shortwave, medium wave, direct-to-home satellite, flash drives, and DVDs to help reach audiences in Cuba.”¹⁷⁶

Until October 1999, U.S.-government funded international broadcasting programs had been a primary function of the United States Information Agency (USIA). When USIA was abolished and its functions were merged into the Department of State at the beginning of FY2000, the BBG became an independent agency that included such entities as the Voice of America (VOA), Radio

¹⁷¹ Office of Representative Chris Van Hollen, “Van Hollen Leads Bipartisan Congressional Letter Urging Release of Alan Gross,” Press Release, December 1, 2011, available at <http://vanhollen.house.gov/News/DocumentSingle.aspx?DocumentID=270870>

¹⁷² U.S. Department of State, Press Statements, “Two-Year Mark of the Continued Incarceration of Alan Gross,” December 2, 2011, and “Cuban Prisoner Release Announcement,” December 24, 2011.

¹⁷³ Desmond Butler, “AP Impact; Trip Reports Reveal Jailed American Subcontractor’s USAID Internet Efforts in Cuba,” *AP Newswire*, February 13, 2012.

¹⁷⁴ “American’s Arrest in Cuba Could Have Impact,” *NPR Weekend, All Things Considered*, February 12, 2012; and “Imprisoned American in Cuba Renews Debate on Whether U.S. Agency’s Tactics Are Too Sensitive,” *AP Newswire*, February 12, 2011.

¹⁷⁵ U.S. Department of State, Daily Press Briefing, May 11, 2012, available at: <http://www.state.gov/r/pa/prs/dpb/2012/05/189753.htm>

¹⁷⁶ See the full text of the Broadcasting Board of Governors FY2013 budget request, available at <http://www.bbg.gov/wp-content/media/2012/02/FY-2013-BBG-Congressional-Budget-Request-FINAL-2-9-12-Small.pdf>

Free Europe/Radio Liberty (RFE/RL), Radio Free Asia, and the Office of Cuba Broadcasting (OCB), which manages Radio and TV Martí. OCB is headquartered in Miami, FL. Legislation in the 104th Congress (P.L. 104-134) required the relocation of OCB from Washington, DC, to south Florida. The move began in 1996 and was completed in 1998.

Radio Martí broadcasts on short and medium wave (AM) channels for 24 hours six days per week, and for 18 hours one day per week utilizing transmission facilities in Marathon, FL, and Greenville, NC, according to the BBG. It also transmits to Cuba 24 hours daily through Hispasat satellite television and the internet.

TV Martí programming has been broadcast through multiple transmission methods over the years. From its beginning in 1990 until July 2005, it was broadcast via an aerostat (blimp) from facilities in Cudjoe Key, Florida for four and one-half hours daily, but the aerostat was destroyed by Hurricane Dennis. From mid-2004 until 2006, TV Martí programming was transmitted for several hours once a week via an airborne platform known as Commando Solo operated by the Department of Defense utilizing a C-130 aircraft. In August 2006, OCB began to use contracted private aircraft to transmit pre-recorded TV Martí broadcasts six days weekly, and by late October 2006 the OCB inaugurated an aircraft-broadcasting platform known as AeroMartí with the capability of transmitting live broadcasts. OCB currently uses two privately contracted airplanes for AeroMartí to transmit broadcasts two and one-half hours for five days weekly. Broadcasts are also transmitted via the internet and satellite television.

In September 2011, the BBG awarded a contract to a Maryland firm to design and operate a text messaging system that can distribute up to 24,000 messages per week from OCB broadcasters to mobile phone users in Cuba, including the use of techniques to circumvent censorship.¹⁷⁷ (Cuba has complained that the system would be able to flood Cuban cellular telephone users in open violation of Cuban laws and international agreements.¹⁷⁸)

Funding for Cuba Broadcasting

From FY1984 through FY2011, about \$668 million was spent for broadcasting to Cuba. In recent years, funding amounted to \$29.630 million in FY2010, \$28.416 million in FY2011, and an estimated \$28.062 million in FY2012. The FY2013 request is for \$23.594 million.

FY2011. The BBG requested \$29.179 million for Cuba broadcasting in FY2011, about \$1 million less than that appropriated in FY2010. The Senate version of the State Department and Foreign Operations appropriations measure, S. 3676, reported by the Senate Appropriations Committee on July 29, 2010 (S.Rept. 111-237), recommended \$28.789 million for broadcasting to Cuba (\$390,000 less than the request of \$29.179 million). In the report to the bill, the committee also stated that it did not support closing the Greenville Station in North Carolina that transmits the Cuba broadcasts, expanding TV Martí's transmission on DirecTV, or expanding and renovating the TV Martí studio until the Broadcasting Board of Governors submits a multi-year strategic plan for broadcasting to Cuba. Congress did not complete final action on FY2011 appropriations

¹⁷⁷ See information on the BBG contract available, awarded September 23, 2011, by the BBG at https://www.fbo.gov/index?s=opportunity&mode=form&id=98ec01c39584ddd3631450c952eb2eea&tab=core&_cview=1

¹⁷⁸ Juan Tamayo, "Radio/TV Martí Sending News to Cuban Cells," *Miami Herald*, October 3, 2011; "EEUU Financia Software Para Invasión a Cuba de Span a Través de Celulares," *Cubadebate*, October 2, 2011.

until April 2011 when it approved a full-year appropriations measure (P.L. 112-10). According to the BBG, enacted actual FY2011 funding for Cuba broadcasting amounted to \$28.416 million.

FY2012. The Administration requested \$28.475 million for Cuba broadcasting in FY2012. The Senate Appropriations Committee version of the FY2012 State Department, Foreign Operations, and Related Programs Appropriations measure, S. 1601 (S.Rept. 112-85), recommended \$28.181 million in funding for Cuba broadcasting, \$294,000 less than the request. In contrast, a draft House Appropriations Committee report and bill (marked up by the House Appropriations Committee's Subcommittee on State, Foreign Operations, and Related Programs on July 27, 2011) recommended \$30.175 million for Cuba broadcasting, \$1.7 million more than the request. (See the draft committee report, available at <http://appropriations.house.gov/UploadedFiles/FY12-SFOPSCombinedReport-CSBA.pdf>.) In final FY2012 appropriations action in the FY2012 Consolidated Appropriations Act (H.R. 2055, P.L. 112-74), Congress approved full funding of the Administration's \$28.475 million request for broadcasting to Cuba. The BBG's estimate for FY2012 funding is \$28.062 million.

FY2013. The Administration requested \$23.594 million for Cuba broadcasting in FY2013, almost \$4.5 million lower than FY2012 funding. According to the BBG's budget request, program reductions are possible because of OCB's planned streamlining in the planning and execution of news coverage and reliance on additional technical support from the BBG's International Broadcasting Bureau.

The Senate Appropriations Committee-reported FY2013 State Department, Foreign Operations, and Related Programs Appropriations Act, S. 3241 (S.Rept. 112-172), would provide \$23.4 million (\$194,000 less than the Administration's request), while the House Appropriations Committee-reported bill, H.R. 5857 (H.Rept. 112-494), would provide \$28.062 million (\$4.468 million more than the Administration's request and the same amount provided in FY2012).

Additional Legislation in the 112th Congress. Aside from annual spending bills, two bills were introduced in the 112th Congress, S. 476 (Pryor) and H.R. 1317 (McCollum), that would discontinue Radio and TV Martí broadcasts to Cuba by repealing the original authorization legislation for both programs, the Radio Broadcasting to Cuba Act and the Television Broadcasting to Cuba Act. In addition, during House consideration of H.R. 1, the FY2011 Full-Year Continuing Appropriations Act, two Cuba-related amendments were submitted—Amendment No. 51 (McCollum) and Amendment No. 369 (Flake), both printed in the *Congressional Record* on February 14, 2011—that would have eliminated funding for Radio and TV Martí, but the amendments were never considered.

Controversies

Both Radio and TV Martí have at times been the focus of controversies, including questions about adherence to broadcast standards. There have been various attempts over the years to cut funding for the programs, especially for TV Martí, which has not had much of an audience because of Cuban jamming efforts. In December 2006, press reports alleged significant problems in the OCB's operations, with claims of cronyism, patronage, and bias in its coverage.¹⁷⁹ In February 2007, the former director of TV Martí programming pled guilty in U.S. federal court to

¹⁷⁹ Oscar Corral, "Radio, TV Martí Face Another Government Audit," *Miami Herald*, December 18, 2006, and "Problems Dog Broadcaster," *Miami Herald*, December 19, 2006.

receiving more than \$100,000 in kickbacks over a three-year period from a vendor receiving OCB contracts.¹⁸⁰

Over the years, there have been various government studies and audits of the OCB, including investigations by the GAO, by a 1994 congressionally established Advisory Panel on Radio and TV Martí, by the State Department Office Inspector General (OIG) in 1999, and by the combined State Department/BBG Office Inspector General in 2003 and 2007.¹⁸¹

In July 2008, GAO issued a report that criticized OCB's practices in awarding two contracts to Radio Mambí and TV Azteca as lacking discipline required to ensure transparency and accountability. According to GAO, the approach for awarding the Radio Mambí and TV Azteca contracts did not reflect sound business practices.¹⁸²

In January 2009, GAO issued a report asserting that the best available research suggests that Radio and TV Martí's audience is small, and cited telephone surveys since 2003 showing that less than 2% of respondents reported tuning in to Radio or TV Martí during the past week. With regard to TV Martí viewership, according to the report, all of the IBB's telephone surveys since 2003 show that less than 1% of respondents said that they had watched TV Martí during the past week. According to the GAO report, the IBB surveys show that there was no increase in reported TV Martí viewership following the beginning of AeroMartí and DirecTV satellite broadcasting in 2006. The GAO report also cited concerns with adherence to relevant domestic laws and international standards, including the domestic dissemination of OCB programming, inappropriate advertisements during OCB programming, and TV Martí's interference with Cuban broadcasts.¹⁸³ GAO testified on its report in a hearing held by the House Subcommittee on International Organizations, Human Rights, and Oversight of the Committee on Foreign Affairs on June 17, 2009.

In April 2010, the Senate Foreign Relations Committee majority issued a staff report that concluded that Radio and TV Martí "continue to fail in their efforts to influence Cuban society, politics, and policy." The report cited problems with adherence to broadcast standards, audience size, and Cuban government jamming. Among its recommendations, the report called for the IBB

¹⁸⁰ Jay Weaver, "TV Martí Executive Admits Taking Kickbacks," *Miami Herald*, February 14, 2007.

¹⁸¹ See the following reports and audits: U.S. General Accounting Office (GAO), *Broadcasts to Cuba, TV Martí Surveys are Flawed*, GAO/NSIAD-90-252, August 1990; U.S. GAO, *TV Martí, Costs and Compliance with Broadcast Standards and International Agreements*, GAO/NSIAD-92-199, May 1992; U.S. GAO, Letter to Hon. Howard L. Berman and Hon. John F. Kerry regarding Radio Martí broadcast standards, GAO/NSIAD-93-126R, February 17, 1993; Advisory Panel on Radio and TV Martí, *Report of the Advisory Panel on Radio and TV Martí*, Three Volumes, March 1994; U.S. GAO, *Radio Martí, Program Review Processes Need Strengthening*, GAO/NSIAD-94-265, September 1994; U.S. GAO, *U.S. Information Agency, Issues Related to Reinvention Planning in the Office of Cuba Broadcasting*, GAO/NSIAD-96-110, May 1996; U.S. Department of State, Office of the Inspector General, *Review of Policies and Procedures for Ensuring that Radio Martí Broadcasts Adhere to Applicable Requirements*, 99-IB-010, June 1999; U.S. Department of State and the Broadcasting Board of Governors, Office of Inspector General, *Review of the Effectiveness and Implementation of Office of Cuba Broadcasting's New Program Initiatives*, Report No. IBO-A-03-01, January 2003, and *Report of Inspection, Office of Cuba Broadcasting*, Report No. ISP-IB 07-35, June 2007.

¹⁸² U.S. Government Accountability Office, "Broadcasting to Cuba, Weaknesses in Contracting Practices Reduced Visibility into Selected Award Decisions," GAO-08-764, July 2008.

¹⁸³ U.S. Government Accountability Office, *Broadcasting to Cuba, Actions Are Needed to Improve Strategy and Operations*, GAO-09-127, January 2009.

to move the Office of Cuba Broadcasting back to Washington and integrate it fully into the Voice of America.¹⁸⁴

In December 2011, GAO issued a report examining the extent to which the BBG's strategic plan for broadcasting required by the conference report to the FY2010 Consolidated Appropriations measure (H.Rept. 111-366 to H.R. 3288/P.L. 111-117) met the requirements established in the legislation. As described in the conference report, the BBG strategic plan was required to include (1) an analysis of the current situation in Cuba and an allocation of resources consistent with the relative priority of broadcasting to Cuba as determined by the annual Language Service Review and other factors, including input from the Secretary of State on the relative U.S. interest of broadcasting to Cuba; (2) the estimated audience sizes in Cuba for Radio and TV Martí and the sources and relative reliability of the data on which such estimates are based; (3) the annual operating cost (and total cost over the life of the contract) of any and all types of TV transmission and the effectiveness of each in increasing such audience size; (4) the principal obstacles to increasing such audience size; (5) an analysis of other options for disseminating news and information to Cuba, including DVDs, the Internet, and cell phones and other handheld electronic devices and a report on the cost effectiveness of each; and (6) an analysis of the program efficiencies and effectiveness that can be achieved through shared resources and cost saving opportunities in radio and television production between Radio and TV Martí and the Voice of America.

GAO found that the BBG's strategic plan lacked key information. Of the six requirements set forth in the conference report, the GAO found that the BBG's strategic plan fully addressed item (4) regarding the principal obstacles to increasing audience size, but only partially addressed the other five items called for by Congress. The GAO report stated that while the BBG faces challenges obtaining some of the information, such as audience size, it can develop and provide more information to assist Congress, including an analysis of the cost savings opportunities of sharing resources between Radio and TV Martí and the Voice of America's Latin America Division.¹⁸⁵

Another controversy that occurred in early May 2012 involved an editorial by OCB Director Carlos García-Pérez in which he strongly criticized Cuban Cardinal Jaime Ortega and referred to the Cardinal as a "lackey" of the Cuban government.¹⁸⁶ As noted above (see "March 2012 Visit of Pope Benedict"), the strong language was criticized by several Members of Congress, who called for the Administration to reject the comments against Cardinal Ortega.¹⁸⁷

¹⁸⁴ U.S. Congress, Senate Committee on Foreign Relations, *Cuba: Immediate Action Is Needed To Ensure the Survivability of Radio and TV Martí*, committee print, 111th Cong., 2nd sess., April 29, 2010, S.Prt. 111-46 (Washington: GPO, 2010).

¹⁸⁵ U.S. Government Accountability Office, *Broadcasting Board of Governors Should Provide Additional Information to Congress Regarding Broadcasting to Cuba*, December 13, 2011, available at <http://www.gao.gov/assets/590/586869.pdf>

¹⁸⁶ William Booth, "U.S. Broadcaster Call Archbishop a Castro "Lackey," Washington Post, May 6, 2012. The editorial no longer appears on the website of Radio/TV Martí, but is available at <http://porcubaparacuba.blogspot.com/2012/05/editorial-de-radio-y-tv-marti-acerca.html>

¹⁸⁷ See a letter to Secretary of State Hillary Rodham Clinton, a member of the Broadcasting Board of Governors, from five Members of Congress, May 8, 2012, available at: <http://www.democracyinamericas.org/pdfs/ortegaletter.pdf>

The editorial raises significant questions about the editorial policy of OCB as well as OCB's adherence to broadcast standards.¹⁸⁸ BBG's Director of Communications and External Affairs Lynne Weil maintains that such "editorials, unless otherwise stated, represent the views of the broadcasters only and not necessarily those of the U.S. government."¹⁸⁹ Yet such a controversial editorial authored by the director of OCB could easily lead one to conclude that the views articulated were those of the U.S. government. Questions for U.S. policymakers to consider include the following: What exactly is the editorial policy of OCB and who should be presenting the editorials? Should OCB be required to follow editorial guidelines similar to the those of the Voice of America, where editorials express the policies of the U.S. government? Should OCB be presenting editorials that take sides in controversial debates occurring within the Cuban dissident community?

Migration Issues¹⁹⁰

1994 and 1995 Migration Accords

Cuba and the United States reached two migration accords in 1994 and 1995 designed to stem the mass exodus of Cubans attempting to reach the United States by boat. On the minds of U.S. policymakers was the 1980 Mariel boatlift in which 125,000 Cubans fled to the United States with the approval of Cuban officials. In response to Fidel Castro's threat to unleash another Mariel, U.S. officials reiterated U.S. resolve not to allow another exodus. Amid escalating numbers of fleeing Cubans, on August 19, 1994, President Clinton abruptly changed U.S. migration policy, under which Cubans attempting to flee their homeland were allowed into the United States, and announced that the U.S. Coast Guard and Navy would take Cubans rescued at sea to the U.S. naval base at Guantanamo Bay, Cuba. Despite the change in policy, Cubans continued fleeing in large numbers.

As a result, in early September 1994, Cuba and the United States began talks that culminated in a September 9, 1994, bilateral agreement to stem the flow of Cubans fleeing to the United States by boat. In the agreement, the United States and Cuba agreed to facilitate safe, legal, and orderly Cuban migration to the United States, consistent with a 1984 migration agreement. The United States agreed to ensure that total legal Cuban migration to the United States would be a minimum of 20,000 each year, not including immediate relatives of U.S. citizens. In a change of policy, the United States agreed to discontinue the practice of granting parole to all Cuban migrants who reach the United States, while Cuba agreed to take measures to prevent unsafe departures from Cuba.

In May 1995, the United States reached another accord with Cuba under which the United States would parole the more than 30,000 Cubans housed at Guantanamo into the United States, but would intercept future Cuban migrants attempting to enter the United States by sea and would

¹⁸⁸ Authorization legislation establishing both Radio and TV Martí require broadcasting to Cuba to be in accordance with all Voice of America standards to ensure the broadcast of programs which are objective, accurate, balanced, and which present a variety of views (Section 3(b) of P.L. 98-111, as amended, and Section 243(b) of P.L. 101-246, as amended).

¹⁸⁹ William Booth, "U.S. Broadcaster Call Archbishop a Castro "Lackey," Washington Post, May 6, 2012.

¹⁹⁰ For additional background on migration issues through mid-2009, see CRS Report R40566, *Cuban Migration to the United States: Policy and Trends*, by Ruth Ellen Wasem.

return them to Cuba. The two countries would cooperate jointly in the effort. Both countries also pledged to ensure that no action would be taken against those migrants returned to Cuba as a consequence of their attempt to immigrate illegally. On January 31, 1996, the Department of Defense announced that the last of some 32,000 Cubans intercepted at sea and housed at Guantanamo had left the U.S. Naval Station, most having been paroled into the United States.

Coast Guard Interdictions

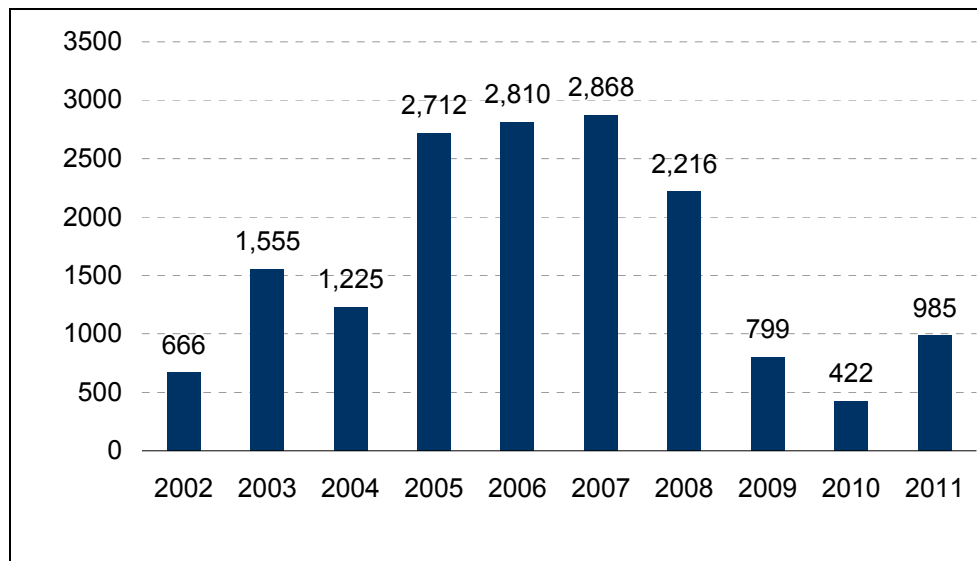
Since the 1995 migration accord, the U.S. Coast Guard has interdicted thousands of Cubans at sea and returned them to their country, while those deemed at risk for persecution have been transferred to Guantanamo and then found asylum in a third country or eventually the United States. Those Cubans who reach shore are allowed to apply for permanent resident status in one year, pursuant to the Cuban Adjustment Act of 1966 (P.L. 89-732). In short, most interdictions, even in U.S. coastal waters, result in a return to Cuba, while those Cubans who touch shore are allowed to stay in the United States. This so-called “wet foot/dry foot” policy has been criticized by some as encouraging Cubans to risk their lives in order to make it to the United States and as encouraging alien smuggling. Others maintain that U.S. policy should welcome those migrants fleeing communist Cuba whether or not they are able to make it to land.

In recent years, the number of Cubans interdicted at sea by the U.S. Coast Guard rose from 666 in FY2002 to a high of 2,868 in FY2007. In the three subsequent years, maritime interdictions declined significantly to 422 by FY2010 (see **Figure 6**). Major reasons for the decline were reported to include the U.S. economic downturn, more efficient coastal patrolling, and more aggressive prosecution of migrant smugglers.¹⁹¹ In FY2011, however, the number increased to 985, with some observers speculating that the easing of U.S. economic crisis made it easier for the payment of fees to migrant smugglers and others suggesting that the Cuban government could be turning a blind eye to some of the illegal migration.¹⁹² The upward trend has continued in FY2012, with 1,041 Cubans interdicted by the Coast Guard and returned to Cuba as of mid-July 2012, exceeding the number interdicted in all of FY2011.¹⁹³

¹⁹¹ Alfonso Chardy and Juan Tamayo, “Exodus of Cubans Slowing,” *Miami Herald*, October 6, 2010.

¹⁹² Alfonso Chardy and Juan O. Tamayo, “Illegal Cuban Migration, After Years of Decline, Is Up Again,” *Miami Herald*, *Miami Herald*, October 8, 2011.

¹⁹³ U.S. Coast Guard, Alien Migrant Interdiction, Coast Guard Office of Law Enforcement, “Total Interdictions, Fiscal Year 1982 to Present,” February 21, 2012.

Figure 6. Maritime Interdiction of Cubans, FY2002-FY2011

Source: CRS presentation of United States Coast Guard data. United States Coast Guard, Alien Migrant Interdiction, “Coast Guard Migrant Interdictions—Fiscal Year 1982-Present,” February 21, 2012; current statistics available at <http://www.uscg.mil/hq/cg5/cg531/AMIO/FlowStats/FY.asp>.

U.S. prosecution against migrant smugglers in Florida has increased in recent years with numerous convictions. There have been several violent incidents in which Cuban migrants have brandished weapons or in which Coast Guard officials have used force to prevent Cubans from reaching shore. In late December 2007, a Coast Guard official in Florida called on the local Cuban American community to denounce the smuggling and stop financing the trips that are leading to more deaths at sea.¹⁹⁴ In July 2010, three Cuban nationals (two living in Florida and one in Mexico) were charged in a U.S. federal court in Tampa with conspiracy, kidnapping, and extortion involving the abduction of Cuban migrants in Mexico.¹⁹⁵ The Cuban government also has taken forceful action, including prison sentences of up to three years against those engaging in alien smuggling.

Arrivals of Unauthorized Cubans to the United States

Despite the U.S. Coast Guard’s maritime interdiction program, thousands of unauthorized Cubans reach the United States each year, either by boat or at land ports of entry. U.S. Border Patrol apprehensions (largely coastal Florida) of unauthorized Cubans were 959 in FY2011, 712 in FY2010, and 910 in FY2009. These statistics are significantly lower than the FY2005-FY2008 period when Border Patrol apprehensions of Cubans averaged over 3,700 each year.¹⁹⁶

Arrival of unauthorized Cubans at U.S. ports of entry—the majority from Mexico—amounted to around 6,000 each year from FY2009-FY2011, although that figure reportedly has been rising in

¹⁹⁴ Laura Morales, “Exiles Urged to Stem Tide of Cubans,” *Miami Herald*, December 29, 2007.

¹⁹⁵ Alfonso Chardy, “Cubans from Miami Charged in Migrant-Abduction Case,” *Miami Herald*, July 10, 2010.

¹⁹⁶ U.S. Department of Homeland Security, Office of Immigration Statistics, “Apprehensions by the U.S. Border Patrol: 2005-2010,” July 2011.

FY2012.¹⁹⁷ Comparatively, however, the statistics are much lower than the average of almost 11,000 Cubans arriving at ports of entry annually from FY2005-FY2008.¹⁹⁸ In October 2008, Mexico and Cuba negotiated a migration accord in an attempt to curb the irregular flow of migrants through Mexico.¹⁹⁹ The agreement calls for Mexico to accept all unauthorized immigrants detained by Mexican authorities.

Legislative Initiatives Regarding Cuban Migration

In the 112th Congress, two legislative initiatives have been introduced, H.R. 2771 and H.R. 2831 (Rivera), that would amend the Cuban Adjustment Act of 1966 with the objective of curbing travel to Cuba by Cubans who have recently emigrated to the United States. H.R. 2771 would amend the CAA to increase to five years the period during which a Cuban national must be physically present in the United States in order to qualify for adjustment of status to that of a permanent resident. The legislation also would provide that an alien shall be ineligible for adjustment to permanent resident status if the alien returns to Cuba after admission or parole into the United States before becoming a U.S. citizen. H.R. 2831 would also provide that an alien from Cuba shall be ineligible for adjustment to permanent resident status under the CAA if he or she returns to Cuba before becoming a U.S. citizen. The House Committee on the Judiciary, Subcommittee on Immigration on Policy Enforcement, held a hearing on H.R. 2831 on May 31, 2012. (Also see discussion above on “U.S. Restrictions on Travel and Remittances”.)

Migration Talks

Semi-annual U.S.-Cuban talks alternating between Cuba and the United States had been held regularly on the implementation of the 1994 and 1995 migration accords until they were suspended after the State Department cancelled the 20th round of talks scheduled for January 2004. At the time, the State Department maintained that Cuba refused to discuss five issues identified by the United States: (1) Cuba’s issuance of exit permits for all qualified migrants; (2) Cuba’s cooperation in holding a new registration for an immigrant lottery; (3) the need for a deeper Cuban port used by the U.S. Coast Guard for the repatriation of Cubans interdicted at sea; (4) Cuba’s responsibility to permit U.S. diplomats to travel to monitor returned migrants; and (5) Cuba’s obligation to accept the return of Cuban nationals determined to be inadmissible to the United States.²⁰⁰ In response to the cancellation of the talks, Cuban officials maintained that the U.S. decision was irresponsible and that Cuba was prepared to discuss all of the issues raised by the United States.²⁰¹

Under the Obama Administration, Cuba and the United States agreed to restart the biannual migration talks (in addition to talks on direct mail service), and since mid-2009, there have been four rounds of talks. For the first three rounds, Principal Deputy Assistant Secretary of State for Western Hemisphere Affairs Craig Kelly headed the U.S. team while Deputy Foreign Minister Dagoberto Rodriguez led the Cuba team. The first round was held on July 14, 2009, in New York

¹⁹⁷ Juan O. Tamayo, “Record Number of Cubans Try to Enter U.S.,” *Miami Herald*, June 18, 2012.

¹⁹⁸ See CRS Report R40566, *Cuban Migration to the United States: Policy and Trends*, by Ruth Ellen Wasem, p. 12.

¹⁹⁹ Diego Cevallos, “Migration: More and More Cubans Entering U.S. Through Mexico,” *Inter Press Service News Agency*, June 17, 2008.

²⁰⁰ U.S. Department of State. State Department Regular Briefing, Richard Boucher. January 7, 2004.

²⁰¹ “Migration Talks Cancelled,” *Miami Herald*, January 8, 2004.

City. The State Department outlined its four objectives in the talks: ensuring that the U.S. Interests Section in Havana is able to operate effectively; gaining access to a deep-water port for the safe return of Cuban migrants picked up at sea; ensuring that U.S. diplomats are able to monitor the welfare of those Cubans who are sent back to the island; and gaining Cuban government acceptance of Cubans who are excluded from the United States because they have committed crimes.²⁰² Cuba reportedly proposed a new immigration agreement and more effective cooperation to combat alien smuggling, and also made known its opposition to the so-called “wet foot/dry foot policy.”²⁰³

The second round of talks was held on February 19, 2010, in Havana. According to the Department of State, “engaging in these talks underscores our interest in pursuing constructive discussions with the government of Cuba to advance U.S. interests of mutual concern.” It maintained that the United States views the talks “as an avenue to achieve practical, positive results that contribute to the full implementation of the [Migration] Accords and to the safety of citizens of both countries.”²⁰⁴ Cuba’s Ministry of Foreign Affairs maintained that the meeting took place in an atmosphere of respect and included discussion of some aspects of a new draft migration accord proposed by Cuba at the in the July 2009 round of talks.²⁰⁵ Cuba also reportedly raised the issue of improving and expanding the Cuban Interests Section in Washington. During the talks, U.S. officials urged Cuban officials to provide political prisoner Orlando Zapata Tamayo all necessary medical care, and also raised the case of USAID subcontractor Alan Gross detained in Cuba since early December 2009 and called for his release.

The third round of talks was held on June 18, 2010, in Washington, DC. In addition to migration issues, the U.S. team separately raised the case of Alan Gross and called for his immediate release. A day before the meeting, Secretary of State Clinton met with family members of Alan Gross and issued a statement expressing deep concern about his welfare and poor health and maintaining that his “continued detention ... is harming U.S.-Cuba relations.”²⁰⁶

A fourth round of migration talks took place in Havana on January 12, 2011, with the U.S. side led by Principal Deputy Assistant Secretary of State for Western Hemisphere Roberta Jacobson and the Cuban side again led by Deputy Foreign Minister Dagoberto Rodríguez. The State Department maintained that the talks were productive, covering a broad range of topics of mutual interest, including the importance of continued U.S. commitment to promote safe, legal, and orderly migration.²⁰⁷ The Cuban delegation maintained the meeting recognized the significant reduction in risky illegal departures from Cuba because of efforts by both countries to deal with migrant smuggling and illegal migration. Dagoberto Rodríguez maintained that “it was a fruitful exchange aimed at moving on to the establishment of more effective mechanisms of cooperation

²⁰² William Gibson, “U.S. to Cuba: Take Back Criminals,” *South Florida Sun-Sentinel*, July 15, 2009. Pursuant to a 1984 agreement, Cuba agreed to accept 2,746 convicted Cuban criminals. Many have been deported since then, but there are reportedly more than 600 remaining to be deported. See Alfonso Chardy, “Some Non-Mariel Cubans Can Be Deported,” *Miami Herald*, June 29, 2011.

²⁰³ “Migration Talks with Cuba Put Off to February,” *Washington Post*, December 4, 2009.

²⁰⁴ U.S. Department of State, “Cuba Migration Talks,” February 19, 2010.

²⁰⁵ “Statement by the Cuban Ministry of Foreign Affairs,” *IPR Strategic Information Database*, February 22, 2010.

²⁰⁶ U.S. Department of State, Secretary of State Hillary Rodham Clinton, “Continued Incarceration of Alan Gross,” June 17, 2010.

²⁰⁷ U.S. Department of State, “Cuba Migration Talks,” Press Statement, January 12, 2011, and “Daily Press Briefing,” January 13, 2011.

to combat illegal migrant smuggling.”²⁰⁸ The U.S. delegation again raised the issue of the continued detention of Alan Gross and called for his immediate release. Roberta Jacobson subsequently met with Gross on January 13.

Cuban Spies in the United States

Over the past decade, a number of individuals, including three U.S. government officials, have been convicted in the United States on charges involving spying for Cuba. Most recently in June 2009, the FBI arrested a retired State Department employee and his wife, Walter Kendall Myers and Gwendolyn Steingraber Myers, for spying for Cuba for three decades. The two were accused of acting as agents of the Cuban government and of passing classified information to the Cuban government. In November 2009, the Myerses pled guilty to the spying charges, and in July 2010 Kendall Myers was sentenced to life in prison while Gwendolyn Myers was sentenced to 81 months.²⁰⁹

In May 2003, the Bush Administration ordered the expulsion of 14 Cuban diplomats (seven from New York and seven from Washington, DC), maintaining that they were involved in monitoring and surveillance activities.²¹⁰

On September 21, 2001, Defense Intelligence Agency (DIA) analyst Ana Montes was arrested on charges of spying for the Cuban government. Montes reportedly supplied Cuba with classified information about U.S. military exercises and other sensitive operations.²¹¹ Montes ultimately pled guilty to spying for the Cuban government for 16 years, during which she divulged the names of four U.S. government intelligence agents working in Cuba and information about a “special access program” related to U.S. national defense. She was sentenced in October 2002 to 25 years in prison in exchange for her cooperation with prosecutors as part of a plea bargain. In response to the espionage case, the State Department ordered the expulsion of four Cuban diplomats (two from Cuba’s U.N. Mission in New York and two from the Cuban Interests Section in Washington, DC) in November 2002.

In June 2001, five members of the so-called “Wasp Network” who were originally arrested in September 1998 were convicted on espionage charges by a U.S. Federal Court in Miami. Sentences handed down for the so-called “Cuban five” in December 2001 ranged from 15 years to life in prison for three of the five. (In addition to the five, a married couple in the “Wasp Network” was sentenced in January 2002 to prison terms of seven years and three and one-half years for their participation in the spy network.) The group of five Cuban intelligence agents—Gerardo Hernández, Ramón Labañino, Antonio Guerrero, Fernando González, and René González—penetrated Cuban exile groups and tried to infiltrate U.S. military bases. The Cuban government vowed to work for the return of the “Cuban five” who have been dubbed “Heroes of the Republic” by Cuba’s National Assembly. In December 2008, Cuban President Raúl Castro

²⁰⁸ Cuban Interest Section, “Press Release Issued by the Cuban Delegation to the Round of Migration Talks Between Cuba and the United States,” Havana, January 12, 2011.

²⁰⁹ Del Quentin Wilber, “Former U.S. Official, Wife Admit to 30 Years of Spying for Cuba,” *Washington Post*, November 21, 2009; and Spencer S. Hsu, “Man Who Spied for Cuba Gets Life,” *Washington Post*, July 18, 2010.

²¹⁰ “U.S. Orders Expulsion of 14 Cuban Diplomats,” *Dow Jones International News*, May 13, 2003; Juan O. Tamayo, “Names of 7 Expelled Cuban Spies Revealed,” *Miami Herald*, September 21, 2011.

²¹¹ Bill Miller and Walter Pincus, “Defense Analyst Accused of Spying for Cuba,” Woman Passed Classified Information on Military Exercises, FBI Says,” *Washington Post*, September 22, 2001.

offered to exchange some imprisoned Cuban political dissidents for the “Cuban five,” an offer that was rejected by the State Department, which maintained that the dissidents should be released immediately without any conditions.²¹²

In June 2009, the U.S. Supreme Court chose not to hear an appeal of the case of the “Cuban five” in which their lawyers were asking for a new trial outside Miami before an unbiased jury. However, later in 2009, sentences for three of the five were reduced: Antonio Guerrero had his life sentence reduced to almost 22 years; Ramón Labañino had his life sentence reduced to 30 years; and Fernando González had his 19-year sentence reduced to 18 years.²¹³ Gerardo Hernández, convicted of murder conspiracy for his role in the 1996 Brothers to the Rescue shootdown, is serving two life sentences. Finally, René González, who received a 15-year sentence, was released from prison in early October 2011, but still has to serve three years of probation; a judge has ruled that he must serve it in the United States. Cuba had asked for González to be returned to Cuba upon his release from prison so that he could be reunited with his wife and family for humanitarian reasons. In late March 2012, González was allowed by a federal judge in Florida to visit his dying brother in Cuba for a period of two weeks, after which he returned to the United States.

Legislative Initiatives in the 112th Congress

Enacted Measures

P.L. 112-10 (H.R. 1473). Department of Defense and Full-Year Continuing Appropriations Act, 2011. Continues funding in FY2011 for Cuba broadcasting (Radio and TV Martí) and Cuba democracy programs. Continues provision in the Consolidated Appropriations Act, 2010 (P.L. 111-117), including a continuation during FY2011 of the clarifying provision regarding “payment of cash in advance” for licensed agricultural and medical exports to Cuba. Both Senate and House passed the bill on April 14, 2011; President signed into law April 15, 2011.

P.L. 112-74 (H.R. 2055). Consolidated Appropriations Act, 2012. The bill was originally introduced as the FY2012 Military Construction, Veterans Affairs, and Related Agencies Appropriations bill in May 2011, and subsequently approved by the House and Senate, respectively, in June and July 2011. On December 15, 2011, the bill became the vehicle for a FY2012 “megabus” appropriations measure, the Consolidated Appropriations Act, 2012, that combined nine full-year appropriations bills. The conference report for the bill (H.Rept. 112-331) was filed on December 15, 2011, and approved by the House and Senate on December 16 and 17, 2011, respectively. The President signed the measure into law on December 23, 2011.

As enacted, the measure continues funding for Cuba broadcasting and Cuba democracy funding. The conference report to the bill provides full funding for the Administration’s request of \$28.475 million for Cuba broadcasting, and supports the Administration’s request for \$20 million in ESF for Cuba democracy and human rights funding.

²¹² Marco Sibaja, “Raul Castro Offers To Free Dissidents in Exchange for Alleged Cuban Spies Jailed in U.S.,” *Associated Press Newswires*, December 18, 2008.

²¹³ Ian Urbina, “Judge Reduces Sentence for One of Cuban Five,” *New York Times*, October 14, 2009; and Jay Weaver, “Cuban Spy’s Life Sentence Reduced to 30 Years,” *Miami Herald*, December 9, 2009.

Before the approval of the measure, a legislative battle ensued over the potential inclusion of two Cuba provisions. The first had been in the House Appropriations Committee-approved version of the FY2012 Financial Services Appropriations bill, H.R. 2434, and would have rolled back to January 2009 the Obama Administration's actions easing restrictions on remittances and on family travel. The second provision also had been in H.R. 2434, as well as in the Senate Appropriations Committee-approved version of the FY2012 Financial Services Appropriations bill, S. 1573, and would have continued to clarify—for the third year in a row—the definition of “payment of cash in advance” for U.S. agricultural and medical exports to Cuba so that the payment would be due upon delivery in Cuba as opposed to being due before the goods left U.S. ports. (The text of these two Cuba provisions were also included in Division C, Section 632 and Section 634, of H.R. 3671, a “mebagus” appropriations bill introduced by House Republicans on December 14, 2011.)

Ultimately congressional leaders agreed to not include the two Cuba provisions in H.R. 2055. The White House reportedly had exerted strong pressure not to include the Cuba provision that would have rolled back the Administration's easing of restrictions on travel and remittances. Dropping the second provision on the definition of “payment of cash in advance” for U.S. agricultural and medical products appears to have been a political tradeoff made to compensate for the travel rollback provision being dropped.

S.Res. 366 (Menendez). Honors the life of dissident and democracy activist Wilman Villar Mendoza and condemns the Castro regime for the death of Wilman Villar Mendoza. Introduced February 1, 2012; Senate passed by Unanimous Consent February 1, 2012.

Additional Initiatives

H.R. 1 (Rogers). Full-Year Continuing Appropriations Act, 2011. House passed February 19, 2011. Two Cuba-related amendments submitted—Amendment No. 51 (McCollum) and Amendment No. 369 (Flake), both printed in the *Congressional Record* on February 14, 2011—would have eliminated funding for Radio and TV Marti, but were never considered.

H.R. 255 (Serrano). Cuba Reconciliation Act. Would lift the trade embargo on Cuba. Introduced January 7, 2011; referred to Committees on Foreign Affairs, Ways and Means, Energy and Commerce, Financial Services, Judiciary, Oversight and Government Reform, and Agriculture.

H.R. 256 (Serrano). Baseball Diplomacy Act. Would waive certain prohibitions with respect to nationals of Cuba coming to the United States to play organized professional baseball. Introduced January 7, 2011; referred to Committees on Foreign Affairs and Judiciary.

H.R. 372 (Buchanan). Would amend the Outer Continental Shelf Act to authorize the Secretary of the Interior to deny leases and permits to persons who engage in activities with the government of any foreign country that is subject to any sanction or an embargo established by the U.S. government. Introduced January 20, 2011; referred to the Committee on Natural Resources.

H.R. 380 (Lee). Pursuit of International Education (PIE) Act of 2011. Would provide that no funds made available to the Department of the Treasury may be used to implement, administer, or enforce regulations to require specific licenses for travel-related transactions directly related to educational activities in Cuba. Introduced January 20, 2011; referred to the Committee on Foreign Affairs.

H.R. 833 (Conaway). Agricultural Export Enhancement Act of 2011. Would remove obstacles to legal sales of U.S. agricultural commodities to Cuba, as authorized by the Trade Sanctions Reform and Export Enhancement Act of 2000. Section 2 would define the term “payment of cash in advance” under TSRA as “the payment by the purchaser of an agricultural commodity or product and the receipt of such payment by the seller” prior to the transfer of title and the release of control of such commodity or product to the purchaser. Section 3 would authorize direct transfers between Cuban and U.S. financial institutions for product sales under TSRA. Introduced February 28, 2011; referred to the Committees on Financial Services, Foreign Affairs, and Agriculture.

H.R. 1317 (McCollum). Stop Wasting Taxpayer Money on Cuba Broadcasting Act. Would repeal the Radio Broadcasting to Cuba Act (22 USC 1465 et seq.) and the Television Broadcasting to Cuba Act (22 USC 1465aa et seq.). Introduced April 1, 2011; referred to the Committee on Foreign Affairs.

H.R. 1886 (Rangel). Export Freedom to Cuba Act. Would prohibit restrictions on travel to Cuba. Introduced May 12, 2011; referred to the House Foreign Affairs Committee.

H.R. 1887 (Rangel). Free Trade with Cuba Act. Would lift the trade embargo by repealing and amending certain laws. Introduced May 12, 2011; referred to the Committee on Foreign Affairs, and in addition to the Committees on Ways and Means, Energy and Commerce, the Judiciary, Financial Services, Oversight and Government Reform, and Agriculture.

H.R. 1888 (Rangel). Promoting American Agricultural and Medical Exports to Cuba Act of 2011. Would facilitate the export of U.S. agricultural products to Cuba, remove impediments to the export of medical devices and medicines to Cuba, and prohibit restrictions on travel to Cuba. Introduced May 12, 2011; referred to Committee on Foreign Affairs, and in addition to the Committees on Ways and Means, the Judiciary, Agriculture, and Financial Services.

H.R. 2047 (Ros-Lehtinen). Caribbean Coral Reef Protection Act of 2011. Amends the Cuban Liberty and Democratic Solidarity Act to exclude from the United States aliens who invest \$1 million or more that contributes to the enhancement of the ability of Cuba to develop petroleum resources located off its coast. Would also require the imposition of sanctions if the President determined that a person had invested \$1 million or more in any 12-month period since January 10, 2005, that contributes to the enhancement of the ability of Cuba to develop petroleum resources off its coast. Introduced May 26, 2011; referred to Committee on the Judiciary, and in addition to the Committees on Foreign Affairs, Financial Services, and Oversight and Government Reform.

H.R. 2434 (Emerson)/S. 1573 (Durbin). FY2012 Financial Services and General Government Appropriations. H.R. 2434 introduced July 7, 2011, and reported by the House Appropriations Committee (H.Rept. 112-136). S. 1573 introduced September 15, 2011, and reported by the Senate Appropriations Committee (S.Rept. 112-79). Both bills had a provision (Section 618 of H.R. 2434 and Section 620 of S. 1573) that would have continued to clarify the definition of “payment of cash in advance” for U.S. agricultural and medical sales to Cuba to “be interpreted as payment before the transfer of title to, and control of, the exported items to the Cuban purchaser.” The Senate bill had another Cuba provision (Section 624) that would have prohibited restrictions on direct transfers from a Cuban financial institution to a U.S. financial institution in payment for licensed agricultural and medical exports to Cuba. The House bill had another Cuba provision (Section 901) that would have repealed any amendments to certain sections of the

Cuban Assets Control Regulations relating to family travel (31 CFR 515.560(a)(1) and 31 CFR 515.561), carrying remittances to Cuba (31 CFR 515.560(c)(4)(i)), and sending remittances to Cuba (31 CFR 515.570) made since January 2009. The provision would have rolled back President Obama's easing of restrictions on family travel and remittances in 2009 and the President's easing of restrictions on remittances for non-family members and religious institutions in 2011.

None of the Cuba provision in H.R. 2434 or S. 1573 were included in the FY2012 "megabus" appropriations measure, P.L. 112-74 (H.R. 2055), described above. In November 2011, an attempt to include the Senate version of the Financial Services appropriations measure, S. 1573, in a "minibus" with two other full-year appropriations measures and a short-term continuing resolution failed in part because of disagreement over the Cuba provision that would have allowed direct transfers from a Cuban financial institution to a U.S. financial institution to pay for U.S. agricultural and medical exports to Cuba.

H.R. 2583 (Ros-Lehtinen). FY2012 Foreign Relations Authorization Act. Introduced July 19, 2011; reported by House Committee on Foreign Affairs (H.Rept. 112-223) July 23, 2011. Section 1126 would require the President to fully enforce all U.S. regulations as in effect on January 19, 2009, on travel to Cuba, and impose the corresponding penalties against individuals determined to be in violation of such regulations. The provision became part of the bill during the committee's markup on July 21, 2011, when the committee approved (36-6) an amendment offered by Representative Rivera. (The Rivera amendment was a second degree amendment to an amendment offered by Representative Meeks that was subsequently was approved by voice vote.) The intent of the Rivera amendment was to reinstate travel restrictions as they existed under the Bush Administration in January 2009.

H.R. 2771 (Rivera). Would amend the Cuban Adjustment Act of 1966 (P.L. 89-732) to increase to five years the period during which a Cuban national must be physically present in the United States in order to qualify for adjustment of status to that of a permanent resident. Would also provide that an alien shall be ineligible for adjustment to permanent resident status if the alien returns to Cuba after admission or parole into the United States. Introduced August 1, 2011; referred to House Committee on the Judiciary.

H.R. 2831 (Rivera). Would amend the Cuban Adjustment Act of 1966 (P.L. 89-732) to make an alien ineligible for adjustment under the act if the aliens returns to Cuba after admission or parole into the United States. Requires the Secretary of Homeland Security to rescind the status of an alien who obtained adjustment of status if the alien returns to Cuba before being becoming a U.S. citizen. Introduced August 30, 2011; referred to the Committee on the Judiciary. Subcommittee on Immigration Policy and Enforcement held hearing May 31, 2012 (testimony and webcast available at: http://judiciary.house.gov/hearings/Hearings%202012/hear_05312012_3.html).

H.R. 4135 (Flake). Western Hemisphere Energy Security Act of 2012. Would permit U.S. companies to participate in the exploration of hydrocarbon resources from any portion of foreign maritime exclusive economic zone that is contiguous to the exclusive economic zone of the United States. Would allow for related travel under a general license authority. Introduced March 5, 2012; referred to Committee on Foreign Affairs.

H.R. 4310 (McKeon)/S. 3254 (Levin). National Defense Authorization Act for FY2013. H.R. 4310 introduced March 29, 2012; House passed (299-120) May 18, 2012. As approved, Section 803 would prohibit the Department of Defense from contracting for the procurement of goods and

services with any person that has business operations with a state sponsor of terrorism. The provision was added to the bill by voice vote during May 17, 2012 House floor consideration. H.Amdt. 1119 (McKeon), an en bloc amendment considering of several amendments, including Amendment No. 94 (Rivera), which became Section 803 of the bill. S. 3254, introduced June 4, 2012, does not have a similar provision.

H.R. 5857 (Granger)/S. 3241(Leahy). FY2013 State Department, Foreign Operations, and Related Programs Appropriations Act, 2013. H.R. 5857 introduced and reported (H.Rept. 112-494) May 25 by the House Committee on Appropriations. S. 3241 introduced and reported (S.Rept. 112-172) by the Senate Committee on Appropriations May 24, 2012.

Both bills would continue the long-standing prohibition on direct funding assistance to the government Cuba, and would require that any assistance to Cuba be provided through the regular notification procedures of the Committees on Appropriations.

The House bill would provide \$20 million in ESF (\$5 million more than the Administration's request), but would transfer and merge the aid with funds available to the National Endowment for Democracy to promote democracy and strengthen civil society in Cuba. The Senate bill would provide \$15 million in ESF for Cuba (the same as the Administration's request), including for humanitarian assistance, support for economic reform, private sector initiatives, democracy, and human rights.

With regard to Cuba broadcasting, the House bill would provide \$28.062 million (\$4.468 million more than the Administration's request and the same amount provided in FY2012), while the Senate bill would provide \$23.4 million (\$194,000 less than the Administration's request).

H.R. 6067 (Ros-Lehtinen). Western Hemisphere Security Cooperation Act of 2012. Introduced June 29, 2012; referred to Committees on Foreign Affairs, Judiciary, Financial Services, and Oversight and Government Reform. Includes numerous provisions on Cuba, including: Section 104, which would require notifications relating to travel by Cuban government officials within or to the United States; Section 105, which would impose visa restrictions and economic sanctions on those involved in facilitating the development of Cuba's offshore petroleum resources (similar to language of H.R. 2047 described above); and Section 201, which would impose restrictions on nuclear cooperation with countries assisting the nuclear program of Venezuela or Cuba;

H.Res. 226 (King). Would call for the immediate extradition or rendering to the United States of convicted felon William Morales and all other fugitives from justice who are receiving safe harbor in Cuba in order to escape prosecution or confinement for criminal offenses committed in the United States. Introduced April 14, 2011; referred to Committee on Foreign Affairs.

H.Res. 536 (Diaz-Balart). Would condemn the murder of Wilman Villar Mendoza and honor his sacrifice in the cause of freedom for the Cuban people. Introduced February 2, 2012; referred to Committee on Foreign Affairs.

S. 223 (Rockefeller). FAA Air Transportation Modernization and Safety Improvement Act. Senate approved February 17, 2011. S.Amdt. 61 (**Rubio**), submitted February 10, 2011, but never considered, would have prohibited an expansion of flights to locations in countries that are state sponsors of terrorism.

S. 405 (Nelson, Bill). Gulf Stream Protection Act of 2011. Section 2 of the bill would require that if a company that is conducting oil or gas operations off the coasts of Cuba wants to lease drilling rights in the United States, then the company would have to submit an oil response plan for their Cuba operations and would have to demonstrate sufficient financial and other resources to respond to a worst case scenario oil spill in Cuban waters that would affect the waters of the United States. Section 3 of the bill would require the Secretary of the Interior, within 180 days of the enactment of the bill, to carry out an oil spill risk analysis and planning process for the development and implementation of oil spill response plans for nondomestic oil spills in the Gulf of Mexico. The Secretary of the Interior would be required, among other things, to consult with the Secretary of State and, to the maximum extent practicable, include recommendations for Congress on a joint contingency plan with the countries of Mexico, Cuba, and the Bahamas to ensure an adequate response to oil spills located in the eastern Gulf of Mexico. Introduced February 17, 2011; referred to the Committee on Energy and Natural Resources.

S. 476 (Pryor). Broadcast Savings Act. Would discontinue Radio and TV Martí broadcasts to Cuba by repealing the Radio Broadcasting to Cuba Act and the Television Broadcasting to Cuba Act. Introduced March 3, 2011; referred to the Committee on Foreign Relations.

S. 603 (Nelson, FL)/H.R. 1166 (Issa). Similar, but not identical bills, would modify the prohibition by U.S. courts of certain rights relating to certain marks, trade names, or commercial names. S. 603 introduced March 16, 2011; referred to the Committee on the Judiciary. H.R. 1166 introduced March 17, 2011; referred to the Committee on the Judiciary.

S. 1601 (Leahy). FY2012 Department of State, Foreign Operations, and Related Programs Appropriations. Introduced September 22, 2011; reported by the Senate Appropriations Committee (S.Rept. 112-85). As reported by the committee, the bill would have provided that \$15 million in ESF may be provided for Cuba, including humanitarian and democracy assistance, support for economic reform, private sector initiatives, and human rights. In its report to the bill, the committee maintained that it expected that funds would be made available, and programs carried out, in a transparent manner. The committee also directed that the USAID Administrator provide regular updates to the committee on the number of Cubans who receive assistance and the types of assistance. In the report to the bill, the committee recommended \$28.181 million in funding for Cuba broadcasting, \$294,000 less than the Administration's request.

A draft House Appropriations Committee report and bill (marked up by the Subcommittee on State, Foreign Operations, and Related Programs on July 27, 2011) would have recommended \$20 million in ESF for Cuba, and would have directed that the funds be used only for democracy-building, and not for business promotion, economic reform, social development or other purposes expressly authorized by Section 109(a) of the Cuban Liberty and Democratic Solidarity Act of 1996 (P.L. 104-114). The draft report would also have recommended \$30.175 million for Cuba broadcasting, \$1.7 million more than the Administration's request. (See the draft committee report, available at <http://appropriations.house.gov/UploadedFiles/FY12-SFOPSCombinedReport-CSBA.pdf>.)

Ultimately, in the Consolidated Appropriations Act, 2012, (P.L. 112-74; H.Rept. 112-331) described above, Congress fully funded the Administration's FY2012 request of \$28.475 million for Cuba broadcasting and supported the Administration request of \$20 million in ESF for Cuba democracy funding.

S.Res. 140 (Rubio). Would commemorate the 50th anniversary of the Bay of Pigs operation and commend members of Assault Brigade 2506. Introduced April 12, 2011; referred to Committee on Foreign Relations.

S.Res. 342 (Rubio). Would honor the life and legacy of Laura Pollan, a founder of the “Ladies in White” human right group in Cuba. Introduced December 1, 2011; reported by the Committee on Foreign Relations February 14, 2014.

Appendix A. Selected Executive Branch Reports and Web Pages

Background Note, Cuba, State Department

Date: November 7, 2011

Full Text: <http://www.state.gov/outofdate/bgn/cuba/191090.htm>

U.S. Relations with Cuba, Fact Sheet, State Department

Date: June 21, 2012

Full Text: <http://www.state.gov/r/pa/ei/bgn/2886.htm>

Congressional Budget Justification for Foreign Operations FY2013, Annex: Regional Perspectives (pp. 768-769 of pdf), State Department

Date: April 3, 2012

Full Text: <http://www.state.gov/documents/organization/185015.pdf>

Country Reports on Human Rights Practices 2011, Cuba, State Department

Date: May 24, 2012

Full Text:

http://www.state.gov/j/drl/rls/hrrpt/humanrightsreport/index.htm?dynamic_load_id=186505

Country Reports on Terrorism 2010 (State Sponsors of Terrorism chapter), State Department

Date: August 18, 2011

Full Text: <http://www.state.gov/g/ct/rls/crt/2010/170260.htm>

Cuba Country Page, State Department

Full Text: <http://www.state.gov/p/wha/ci/cu/>

Cuba Country Page, U.S. Agency for International Development

Full Text: <http://www.usaid.gov/where-we-work/latin-american-and-caribbean/cuba/our-work>

Cuba Sanctions, Treasury Department

Full Text: <http://www.treasury.gov/resource-center/sanctions/Programs/pages/cuba.aspx>

Cuba: What You Need to Know About U.S. Sanctions Against Cuba, Treasury Department, Office of Foreign Assets Control

Date: January 24, 2012

Full Text: <http://www.treasury.gov/resource-center/sanctions/Programs/Documents/cuba.pdf>

International Religious Freedom Report, July—December 2010, Cuba, State Department

Date: September 13, 2011

Full Text: http://www.state.gov/g/drl/rls/irf/2010_5/168209.htm

International Narcotics Control Strategy Report 2012, Vol. I, Cuba (pp. 185-187), State Department

Date: March 2012

Full Text: <http://www.state.gov/documents/organization/187109.pdf>

Trafficking in Persons Report 2012 (Cuba, pp. 133-134 of pdf), State Department

Date: June 19, 2012

Full Text: <http://www.state.gov/documents/organization/192594.pdf>

Appendix B. Earlier Developments in 2012 and 2011

On February 22, 2012, Cuban police detained dissidents in Havana and in the eastern provinces of Guantánamo, Holguín, and Santiago de Cuba to disrupt any demonstrations to commemorate the two-year anniversary of the death of hunger striker Orlando Zapata Tamayo on February 23.

On February 9, 2012, the nongovernmental Cuban Commission on Human Rights and National Reconciliation reported that there were at least 631 short-term detentions for political reasons in January 2012 while there were at least 4,123 such detentions in 2011, almost double the number in 2010. (See the report available at <http://www.cubanet.org/wp-content/uploads/2012/02/OVERVIEW-ENERO-2012.pdf>.)

On February 1, 2012, the Senate passed S.Res. 366 by Unanimous Consent, “honoring the life of dissident and democracy activist Wilman Villar Mendoza and condemning the Castro regime of the death of Wilman Villar Mendoza.” The 31-year old died on January 19, 2012, following a 50-day hunger strike after he was convicted of “contempt” of authority in November 2011 and sentenced to four years in prison after participating in a peaceful demonstration.

On January 31, 2012, the Spanish oil company Repsol began exploratory drilling off of Cuba’s northern coast about 50 miles northwest of Havana (See “Cuba’s Offshore Oil Development” below.)

On January 30, 2012, the House Committee on Transportation and Infrastructure, Subcommittee on Coast Guard and Maritime Transportation, held a Florida field hearing on the issue of offshore drilling in Cuba and the Bahamas that examined oil spill readiness and response planning.

On January 28-29, 2012, the Cuban Communist Party held a national conference focusing on internal party changes. The party confirmed two 5-year term limits for top positions in the party and government, although analysts expressed disappointment that more significant reforms were not addressed.

On December 13, 2011, the Government Accountability Office issued a report on Cuba broadcasting that stated that a congressionally mandated strategic plan by the Broadcasting Board of Governors lacked key information, with five of six components required by Congress only partially addressed (the report is available at <http://www.gao.gov/assets/590/586869.pdf>).

On November 2, 2011, the House Natural Resources Committee, Subcommittee on Energy and Mineral Resources, held a hearing examining offshore drilling by Cuba and the Bahamas. (See <http://naturalresources.house.gov/Calendar/EventSingle.aspx?EventID=260052>.)

On October 18, 2011, the Senate Energy and Natural Resources Committee hearing held a hearing on the status of response capabilities and readiness for oil spills in foreign waters adjacent to U.S. waters. (See <http://energy.senate.gov/public/index.cfm/hearings-and-business-meetings?ID=f37547ef-039b-373a-dc68-113595376178>.)

On October 7, 2011, René González, one of the so-called “Cuban five” convicted in U.S. court for involvement in spying, was released from prison after serving 13 years of a 15-year sentence. González will still need to serve three years of probation, and a judge has ruled that he must serve it in the United States.

On September 28, 2011, in response to questions at a roundtable discussion, President Obama indicated that his Administration has tried “to send a signal that we are open to a new relationship with Cuba if the Cuban government starts taking the proper steps to open up its own country and ... provide the space and the respect for human rights that would allow the Cuban people to determine their own destiny.” (See the President’s remarks, available at <http://www.whitehouse.gov/the-press-office/2011/09/28/remarks-president-open-questions-roundtable>.)

On August 18, 2011, more than 40 members of the Ladies in White human rights group in Havana were attacked by a government-orchestrated mob. The group had been attempting to stage a protest to call attention to the recent harassment of their colleagues in the city of Santiago in eastern Cuba. On September 24, pro-government supporters prevented the Ladies in White from marching to Mass on the feast day of the Virgin of Mercy.

On August 18, 2011, the State Department issued its 2010 Country Reports on Terrorism. The section on Cuba maintained that the government “maintained a public stance against terrorism and terrorist financing, but there was no evidence that it had severed ties with elements from the Revolutionary Armed Forces of Colombia (FARC) and recent media reports indicate some current and former members of the Basque Fatherland and Liberty (ETA) continue to reside in Cuba.” (See the report, available at <http://www.state.gov/j/ct/rls/crt/2010/index.htm>.)

On August 5, 2011, Cuba’s Supreme Court rejected the appeal of Alan Gross, the USAID subcontractor imprisoned in Cuba since late 2009 and convicted in March 2011 for “actions against the independence and territorial integrity of the state” and sentenced to 15 years in prison. A White House Statement called for his immediate and unconditional release.

On July 21, 2011, during its markup of H.R. 2583, the FY2012 Foreign Relations Authorization Act, the House Committee on Foreign Affairs approved (36-6) a Rivera amendment that would require the President to fully enforce all U.S. regulations on travel to Cuba as in effect on January 19, 2009, and impose the corresponding penalties against individuals determined to be in violation of such regulations. The intent of the amendment was to reinstate tighter travel restrictions as they existed under the Bush Administration in January 2009.

On July 13, 2011, the White House’s Statement of Administration Policy on H.R. 2434, the FY2012 Financial Services and General Government Appropriations bill, stated that the Administration opposes Section 901 because it would reverse the President’s policy on family travel and remittances, and that the President’s senior advisors would recommend a veto if the bill contained the provision.

On July 13, 2011, more than 40 Cuban dissidents issued a document dubbed the “People’s Path,” that advocates for a peaceful transition toward a democratic system and for an assembly to rewrite the constitution.

On June 24, 2011, during markup of the House FY2012 Financial Services and General Government Appropriations bill (subsequently introduced as H.R. 2434), the House Appropriations Committee approved an amendment by voice vote that would repeal amendments to the Cuba embargo regulations made since January 19, 2009, regarding family travel, carrying remittances to Cuba, and sending remittances to Cuba. The provision, which became Section 901 of the bill, would roll back President Obama’s easing of restrictions on family travel and

remittances in 2009 and his easing of restrictions on remittances for non-family members and religious institutions in 2011.

From April 16-19, 2011, the Cuban Communist Party held its sixth party congress, focusing on making changes to Cuba's economic model.

On April 8, 2011, the State Department issued its 2010 human rights reports on countries worldwide. The report documented continued significant human rights abuses, including harassment, beatings, and threats against political opponents by government-organized mobs and state security officials; harsh and life-threatening prison conditions; arbitrary detention of human rights advocates and members of independent organizations; selective prosecution and denial of fair trial; pervasive monitoring of private conversations; and severe limitations on freedom of speech and press. (See the full State Department human rights report on Cuba, available at <http://www.state.gov/g/drl/rls/hrrpt/2010/wha/154501.htm>.)

On March 30, 2011, former President Jimmy Carter completed a three-day trip to Cuba, where he had meetings with President Castro, Catholic Cardinal Jaime Ortega, and several human rights activists. He also visited imprisoned U.S. government subcontractor Alan Gross.

On March 23, 2011, the Cuban government released the last two of the "group of 75" political prisoners who were incarcerated in March 2003 in a severe crackdown on political dissidents. Overall, more than 125 political prisoners have been released since mid-2010.

On March 12, 2011, a Cuban court convicted and sentenced USAID subcontractor Alan Gross to 15 years in prison for "actions against the independence and territorial integrity of the state." Gross has been imprisoned since December 2009 when he was arrested after distributing communications equipment to Jewish organizations in Cuba.

On March 3, 2011, the State Department issued its 2011 *International Narcotics Control Strategy Report* (INCSR), which maintained that the United States was reviewing a draft bilateral accord for counternarcotics cooperation that Cuba had presented. The report maintained that such an accord, if structured appropriately, "could advance the counternarcotics efforts undertaken by both countries."

On January 28, 2011, the Departments of Homeland Security and Treasury published changes to their Cuba regulations in the *Federal Register* (pp. 5058-5061 and pp. 5072-5078) designed to increase purposeful travel to Cuba (including people-to-people exchanges), allow any U.S. person to send remittances to non-family members in Cuba, and allow all U.S. international airports to apply to provide licensed charter flights to and from Cuba. The Treasury Department has not yet finalized guidelines for the new regulations so that applications for travel requiring specific licenses are not yet being processed.

Appendix C. CRS and GAO Reports

Active CRS Reports Discussing Cuba

CRS Report RL31139, *Cuba: U.S. Restrictions on Travel and Remittances*, by Mark P. Sullivan.

CRS Report R40566, *Cuban Migration to the United States: Policy and Trends*, by Ruth Ellen Wasem.

CRS Report R41522, *Cuba's Offshore Oil Development: Background and U.S. Policy Considerations*, by Mark P. Sullivan.

CRS Report R40139, *Closing the Guantanamo Detention Center: Legal Issues*, by Michael John Garcia et al..

CRS Report R40754, *Guantanamo Detention Center: Legislative Activity in the 111th Congress*, by Michael John Garcia.

CRS Report R42008, *Financial Services and General Government: FY2012 Appropriations*, coordinated by Garrett Hatch.

CRS Report R41340, *Financial Services and General Government (FSGG): FY2011 Appropriations*, coordinated by Garrett Hatch.

CRS Report R40801, *Financial Services and General Government (FSGG): FY2010 Appropriations*, coordinated by Garrett Hatch.

CRS Report RL34523, *Financial Services and General Government (FSGG): FY2009 Appropriations*, coordinated by Garrett Hatch.

CRS Report RL33200, *Trafficking in Persons in Latin America and the Caribbean*, by Clare Ribando Seelke.

CRS Report RL32014, *WTO Dispute Settlement: Status of U.S. Compliance in Pending Cases*, by Jeanne J. Grimmett.

Archived CRS Reports

CRS Report RS20450, *The Case of Elian Gonzalez: Legal Basics*, by Larry M. Eig.

CRS Report RL33622, *Cuba's Future Political Scenarios and U.S. Policy Approaches*, by Mark P. Sullivan.

CRS Report RS22742, *Cuba's Political Succession: From Fidel to Raúl Castro*, by Mark P. Sullivan.

CRS Report RL32251, *Cuba and the State Sponsors of Terrorism List*, by Mark P. Sullivan.

CRS Report R40193, *Cuba: Issues for the 111th Congress*, by Mark P. Sullivan.

CRS Report RL33819, *Cuba: Issues for the 110th Congress*, by Mark P. Sullivan.

CRS Report RL32730, *Cuba: Issues for the 109th Congress*, by Mark P. Sullivan.

CRS Report RL31740, *Cuba: Issues for the 108th Congress*, by Mark P. Sullivan.

CRS Report RL30806, *Cuba: Issues for the 107th Congress*, by Mark P. Sullivan and Maureen Taft-Morales.

CRS Report RL30628, *Cuba: Issues and Legislation In the 106th Congress*, by Mark P. Sullivan and Maureen Taft-Morales.

CRS Report RL30386, *Cuba-U.S. Relations: Chronology of Key Events 1959-1999*, by Mark P. Sullivan.

CRS Report RL33499, *Exempting Food and Agriculture Products from U.S. Economic Sanctions: Status and Implementation*, by Remy Jurenas.

CRS Report RS22094, *Lawsuits Against State Supporters of Terrorism: An Overview*, by Jennifer K. Elsea.

CRS Report RL31258, *Suits Against Terrorist States by Victims of Terrorism*, by Jennifer K. Elsea.

CRS Report 94-636, *Radio and Television Broadcasting to Cuba: Background and Issues Through 1994*, by Susan B. Epstein and Mark P. Sullivan.

CRS Report RS21764, *Restricting Trademark Rights of Cubans: WTO Decision and Congressional Response*, by Margaret Mikyung Lee.

Selected GAO Reports

Broadcasting Board of Governors Should Provide Additional Information to Congress Regarding Broadcasting to Cuba, December 13, 2011, <http://www.gao.gov/assets/590/586869.pdf>.

Broadcasting to Cuba: Actions are Needed to Improve Strategy and Operations, U.S. Government Accountability Office, January 2009, <http://www.gao.gov/new.items/d09127.pdf>.

Broadcasting to Cuba: Observations Regarding TV Marti's Strategy and Operations, Statement of Jess T. Ford, Director International Affairs and Trade before the Subcommittee on International Organizations, Human Rights, and Oversight, House Committee on Foreign Affairs, U.S. Government Accountability Office, June 17, 2009, <http://www.gao.gov/new.items/d09758t.pdf>.

Foreign Assistance: Continued Efforts Needed to Strengthen USAID's Oversight of U.S. Democracy Assistance for Cuba, U.S. Government Accountability Office, November 2008, <http://www.gao.gov/new.items/d09165.pdf>.

Foreign Assistance: U.S. Democracy Assistance for Cuba Needs Better Management and Oversight, U.S. Government Accountability Office, November 2006, <http://www.gao.gov/new.items/d07147.pdf>.

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