

# CRS Report for Congress

## Cuba: U.S. Restrictions on Travel and Remittances

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## Summary

Restrictions on travel to Cuba have been a key and often contentious component in 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 to Cuba. Under the Bush Administration, enforcement of U.S. restrictions on Cuba travel has increased, and restrictions on travel and on private remittances to Cuba have been tightened. In March 2003, the Administration eliminated travel for people-to-people educational exchanges unrelated to academic coursework. In June 2004, the Administration further restricted family and educational travel, eliminated the category of fully-hosted travel, and restricted remittances so that they could only be sent to the remitter's immediate family. In 2005, the Administration further restricted religious travel to Cuba by changing licensing guidelines for such travel.

In the second session of the 110<sup>th</sup> Congress, there were provisions easing Cuba travel restrictions in several versions of House and Senate appropriations bills, but none of these were included in the FY2009 continuing resolution. The draft House Appropriations Committee version of the FY2009 Financial Services and General Government Appropriations bill would have allowed family travel once a year (instead of the current restriction of once every three years) to visit aunts, uncles, nieces, nephews, and first cousins in addition to immediate family. The Senate Appropriations Committee version of the bill, S. 3260, had different provisions easing restrictions on family travel and travel related to the sale of agricultural and medical goods. The Senate Appropriations Committee version of the FY2009 agriculture appropriations bill, S. 3289, also would have eased travel restrictions for the sale of agricultural and medical goods.

Several other initiatives in the 110<sup>th</sup> Congress would ease Cuba travel restrictions. H.R. 654 (Rangel), S. 721 (Enzi), and Section 254 of S. 554 (Dorgan) would prohibit the President from regulating or prohibiting travel to Cuba or any of the transactions incident to travel. Two bills that would lift overall economic sanctions — H.R. 217 (Serrano) and H.R. 624 (Rangel) — would lift travel restrictions. H.R. 177 (Lee) would ease restrictions on educational travel to Cuba. H.R. 757 (Delahunt) would lift restrictions on family travel and remittances for family members in Cuba. H.R. 1026 (Moran, Jerry), which would facilitate U.S. agricultural sales to Cuba, would also provide for general license authority for travel-related transactions related to such sales. H.R. 2819 (Rangel) and S. 1673 (Baucus), which would ease restrictions on U.S. agricultural and medical exports to Cuba, would also lift restrictions on travel to Cuba. In the aftermath of Hurricanes Gustav and Ike, several initiatives would temporarily ease restrictions on travel, remittances, humanitarian gift parcels, and the sale of relief supplies to Cuba: H.R. 6913 (Flake), H.R. 6962 (Dodd), and S.Amdt. 5581 (Dodd) to S. 3001.

For additional information on Cuba, see CRS Report RL33819, *Cuba: Issues for the 110<sup>th</sup> Congress*.

## Contents

Most Recent Developments .....	1
Background to Travel Restrictions .....	4
Chronology of Cuba Travel Restrictions .....	4
Current Permissible Travel to Cuba .....	8
Current Restrictions on Remittances .....	11
Reaction to the June 2004 Tightening of Travel and Remittance Restrictions ..	12
Estimates of U.S. Travelers to Cuba .....	14
OFAC Review of Travel and Carrier Service Providers .....	15
Enforcement of Cuba Travel Restrictions .....	16
Civil Penalties .....	18
GAO Report on Enforcement of Cuba Sanctions .....	19
Arguments for Lifting Cuba Travel Restrictions .....	19
Arguments for Maintaining Cuba Travel Restrictions .....	21
Legislative Initiatives in the 110 <sup>th</sup> Congress .....	22
Legislative Initiatives in the Aftermath of 2008 Hurricanes .....	23
Legislative Initiatives in the 109 <sup>th</sup> Congress .....	23
First Session Action .....	24
Second Session Action .....	24
Additional Initiatives in the 109 <sup>th</sup> Congress .....	25
Legislative Initiatives in the 108 <sup>th</sup> Congress .....	26
First Session Action .....	26
Second Session Action .....	27
Additional Initiatives in the 108 <sup>th</sup> Congress .....	28
Legislative Initiatives in the 107 <sup>th</sup> Congress .....	29
First Session Action .....	29
Second Session Action .....	29
Additional Legislative Initiatives in the 107 <sup>th</sup> Congress .....	31
Legislative Initiatives in the 106 <sup>th</sup> Congress .....	32

# Cuba: U.S. Restrictions on Travel and Remittances

## Most Recent Developments

On September 18, 2008, the House Foreign Affairs Committee's Subcommittee on International Organizations, Human Rights, and Oversight held a hearing on U.S. restrictions on Cuban-American travel to Cuba.

From mid-August through September 10, 2008, four major storms (Hurricanes Gustav and Ike, and Tropical Storms Hanna and Fay) caused widespread damage throughout Cuba. The two hurricanes caused most of the damage. In the aftermath of the hurricanes, a number of observers, including some Members of Congress, called for the temporary relaxation of restrictions on family travel and remittances as well as on the provision of gift parcels to Cuba. On September 5, 2008, Chairman of the House Foreign Affairs Committee Howard Berman asked President Bush to suspend for 90 days restrictions on family visits, remittances, and gift parcels. Several legislative initiatives were introduced that would temporarily ease U.S. embargo restrictions in these areas: S.Amdt. 5581 (Dodd) to S. 3001, H.R. 6913 (Flake), and H.R. 6962 (Delahunt). (See "Legislative Initiatives in the Aftermath of 2008 Hurricanes" below.)

On August 28, 2008, a U.S. Federal district judge in Miami struck down a 2006 Florida state law that prohibited Florida state colleges from using state and nonstate funds for travel to countries on the State Department's state sponsors of terrorism list, which includes Cuba.

On July 21, 2008, the Senate Appropriations Committee reported its version of the FY2009 Agriculture Appropriations bill, S. 3289 (S.Rept. 110-426), with a provision that would ease restrictions on travel to Cuba for the sale of agricultural and medical goods. It would allow for a general license for such travel instead of a specific license that requires permission from the Treasury Department. The measure had been approved by the Committee on July 17, 2008.

On July 14, 2008, the Senate Appropriations Committee reported its version of the FY2009 Financial Services and General Government Appropriations bill, S. 3260 (S.Rept. 110-417), which includes provisions easing restrictions on family travel and on travel to Cuba relating to the commercial sale of agricultural and medical goods. With regard to family travel, the bill would provide that no funds may be used to administer, implement, or enforce the Administration's June 2004 tightening of restrictions related to travel to visit relatives in Cuba. With regard to travel for agricultural or medical sales, the bill would allow for a general license for such travel instead of a specific license that requires permission from the Treasury Department.

On June 30, 2008, a group of south Florida travel agencies specializing in travel to Cuba filed suit in U.S. federal court in Miami challenging a recent Florida state law related to Cuba travel. That law requires travel agencies that sell trips to countries on the State Department's list of state sponsors of terrorism (currently Cuba, Iran, Syria, Sudan, and North Korea, which could be removed this summer) to pay annual fees up to \$2,500 and to post up to a \$250,000 bond required for the agencies to operate in Florida.

On June 25, 2008, the House Appropriations Committee approved its version of the FY2009 Financial Services and General Government Appropriations bill that includes provisions easing restrictions on family travel and U.S. agricultural exports to Cuba. The bill would liberalize family travel to Cuba by allowing for such travel once a year (instead of the current restriction of once every three years) and by allowing such travel to visit aunts, uncles, nieces, nephews, and first cousins. The House Appropriations Subcommittee on Financial Services and General Government had approved the measure on June 17.

On March 5, 2008, Cuban Americans living in Vermont filed a complaint in U.S. federal court in Burlington, Vermont, that U.S. restrictions on family travel to Cuba violate their civil rights. Affiliates of the American Civil Liberties Union of Florida, Massachusetts, and Vermont filed a brief in support of the complaint on May 16, 2008.

On December 17, 2007, the joint explanatory statement on H.R. 2764, the FY2008 Consolidated Appropriations Act, dropped provisions that would have eased restrictions on travel to Cuba for the marketing and sale of agricultural and medical goods that had been included in the Senate Appropriations Committee-reported versions of the FY2008 Financial Services and General Government appropriations bill, H.R. 2829, and the FY2008 agriculture appropriations bill, S. 1859.

On December 11, 2007, the Senate Finance Committee held a hearing on the issue of "Promoting American Agricultural and Medical Exports to Cuba" and a related bill, S. 1673 (Baucus), that contains a provision that would lift restrictions on travel to Cuba.

On November 30, 2007, the Government Accountability Office (GAO) issued a report on U.S. enforcement of the Cuba embargo. The report recommended: 1) that the Secretary of Homeland Security direct Customs and Border Protection (CBP) to re-evaluate whether the level of resources dedicated to inspecting passengers from Cuba at the Miami International Airport effectively balances its responsibility for enforcing the Cuba embargo with its responsibilities for keeping terrorists, criminals, and inadmissible aliens out of the country; and 2) that the Treasury Department direct the Office of Foreign Assets Control to reassess the allocation of resources for investigating and penalizing violations of the Cuba embargo with respect to the 20 other sanctions programs it administers. (See the full report available at [<http://www.gao.gov/docsearch/abstract.php?rptno=GAO-08-80>].)

On July 24, 2007, the Senate Appropriations Committee report its version of the FY2008 Agriculture appropriations bill, S. 1859 (S.Rept. 110-134), which includes

a provision, in Section 741, that would authorize travel to Cuba under a general license for the sale and marketing of U.S. agricultural and medical goods.

On July 19, 2007, the U.S. International Trade Commission issued a report, requested by the Senate Committee on Finance, which maintained that lifting travel restrictions would result in travel by U.S. citizens to Cuba rising to between 550,000 and 1 million. See the full report available at [[http://www.usitc.gov/publications/abstract\\_3932.htm](http://www.usitc.gov/publications/abstract_3932.htm)]

On July 13, 2007, the Senate Appropriations Committee reported its version of the FY2008 Financial Services and General Government Appropriations Act, H.R. 2829 (S.Rept. 110-129), which contains a provision in Section 620 that would allow for travel to Cuba under a general license for the marketing and sale of agricultural and medical goods. Another provision in Section 619 of the bill would clarify the definition of “payment of cash in advance” in order to ease restrictions on U.S. agricultural exports to Cuba.

On February 22, 2007, the U.S. Attorney’s Office in Miami filed criminal charges against two individuals for conspiracy to violate Cuba travel regulations. One of the defendants was also charged with making false statements to obtain a license for religious travel to Cuba.

On February 2, 2007, a federal judge upheld a Florida law prohibiting state colleges from using public or private resources for travel to Cuba or other countries listed by the State Department as a state sponsor of terrorism. The American Civil Liberties Union had filed the court challenge on behalf of Florida International University faculty members.

On October 10, 2006, the U.S. government established an inter-agency Cuban Sanctions Enforcement Task Force, chaired by the U.S. Attorney for the Southern District of Florida, with support from the FBI, and the Treasury, Homeland Security, and Commerce Departments. The primary goals of the task force are the investigation of Cuba embargo violations and enforcement through federal criminal prosecutions.

On June 22, 2006, the Senate Appropriations Committee reported its version of the FY2007 Agriculture appropriations bill, H.R. 5384 (S.Rept. 109-266), which contained a provision (Section 755) liberalizing travel to Cuba related to the sale of agricultural and medical goods. Final action on the measure was not taken before the end of the 109<sup>th</sup> Congress.

On June 14, 2006, the House rejected two amendments to the FY2007 Transportation/Treasury appropriation bill, H.R. 5576, that would have eased Cuba travel restrictions: H.Amdt 1050 (Rangel) would have eased overall Cuba embargo restrictions, and H.Amdt. 1051 (Lee) would have eased educational travel restrictions.

On June 13, 2006, a group of some 450 scholars known as the Emergency Coalition to Defend Educational Travel (ECDDET) filed suit in U.S. federal court in

Washington against the Treasury Department, maintaining that the Cuba travel restrictions violate academic freedom.

On May 30, 2006, Florida Governor Jeb Bush signed into law a bill that prohibits state colleges from using public or private money or resources on any aspect of organizing or supporting travel to a country designated by the Department of State as a state sponsor of terrorism, which currently consists of Cuba, Iran, North Korea, Sudan, and Syria.

## Background to Travel Restrictions

Since the United States imposed a comprehensive trade embargo against Cuba in the early 1960s, there have been numerous policy changes to restrictions on travel to Cuba. The embargo regulations do not ban travel itself, but place restrictions on any financial transactions related to travel to Cuba, which effectively result in a travel ban. Accordingly, from 1963 until 1977, travel to Cuba was effectively banned under the Cuban Assets Control Regulations (CACR) issued by the Treasury Department's Office of Foreign Assets Control (OFAC) to implement the embargo. In 1977, the Carter Administration made changes to the regulations that essentially lifted the travel ban. In 1982, the Reagan Administration made other changes to the CACR that once again restricted travel to Cuba, but allowed for travel-related transactions by certain categories of travelers. Under the Clinton Administration, there were several changes to the Treasury Department regulations, with some at first tightening the restrictions, and others later loosening the restrictions.

Under the Bush Administration, the travel regulations have been tightened significantly, with additional restrictions on family visits, educational travel, and travel for those involved in amateur and semi-professional international sports federation competitions. In addition, the categories of fully-hosted travel and people to people educational exchanges unrelated to academic coursework have been eliminated as permissible travel to Cuba. The Bush Administration has also cracked down on those traveling to Cuba illegally, has further restricted religious travel by changing licensing guidelines for such travel, and has suspended the licenses of several travel service providers in Florida for license violations. The regulations that remain in place today are less restrictive than those in place from 1963 to 1977, but more restrictive than those in place from 1977-1982 when the travel ban was essentially lifted.

## Chronology of Cuba Travel Restrictions

**1960** — In the first trade restrictions on Cuba after the rise to power of Fidel Castro, President Eisenhower placed most U.S. exports to Cuba under validated license controls, except for nonsubsidized food, medicines, and medical supplies. The action did not include restrictions on travel.

**1962/1963** — In February 1962, President Kennedy imposed a trade embargo on Cuba because of the Castro regime's ties to the Soviet Union. Pursuant to the President's directive, the Department of the Treasury's Office of Foreign Assets

Control (OFAC) issued the Cuban Import Regulations. On July 9, 1963, OFAC issued a more comprehensive set of prohibitions, the Cuban Assets Control Regulations, which effectively banned travel by prohibiting any transactions with Cuba.

**1977** — In March, the Carter Administration announced the lifting of restrictions on U.S. travel to Cuba that had been in place since the early 1960s. The Carter Administration lifted the travel ban by issuing a general license for travel-related transactions for those visiting Cuba. Direct flights were also allowed.

**1982** — In April, the Reagan Administration reimposed restrictions on travel to Cuba, although it allowed for certain categories of travel, including travel by U.S. government officials, employees of news or film making organizations, persons engaging in professional research, or persons visiting their close relatives. It did not allow for ordinary tourist or business travel that had been allowed since the Carter Administration's 1977 action.

**1984** — On June 28, the Supreme Court, in a 5-4 decision in the case of *Regan v. Wald*, rejected a challenge to the ban on travel to Cuba and asserted the executive branch's right to impose travel restrictions for national security reasons.

**1993** — The Clinton Administration, in June 1993, slightly amended restrictions on U.S. travel to Cuba. Two additional categories of travel were allowed: travel to Cuba "for clearly defined educational or religious activities"; and travel "for activities of recognized human rights organizations." In both categories, travelers were required to apply for a specific license from OFAC.

**1994** — In August, President Clinton announced several measures against the Cuban government in response to an escalation in the number of Cubans fleeing to the United States. Among these measures, the Administration tightened travel restrictions by prohibiting family visits under a general license, and allowing specific licenses for family visits only "when extreme hardship is demonstrated in cases involving extreme humanitarian need" such as terminal illness or severe medical emergency. Such visits required a specific license from OFAC. In addition, professional researchers were required to apply for a specific license, whereas since 1982 they had been able to travel freely under a general license. (*Federal Register*, August 30, 1994, pp. 44884-44886.)

**1995** — In October, President Clinton announced measures to ease some U.S. restrictions on travel and other activities with Cuba, with the overall objective of promoting democracy and the free flow of ideas. The new measures included authorizing general licenses for transactions relating to travel to Cuba for Cuban Americans making yearly visits to close relatives in "circumstances that demonstrate extreme humanitarian need." This reversed the August 1994 action that required specific licenses. However, those traveling for this purpose more than once in a 12-month period would need to apply to OFAC for a specific license. In addition, the new measures allowed for specific licenses for free-lance journalists traveling to Cuba. (*Federal Register*, October 20, 1995, pp. 54194-54198.)



**1996** — On February 26, following the shootdown of two U.S. civilian planes two days earlier by Cuban fighter jets, President Clinton took several measures against Cuba, including the indefinite suspension of charter flights between Cuba and the United States. Qualified licensed travelers could go to Cuba, provided their flights were routed through third countries.

**1998** — On March 20, following Pope John Paul II's January trip to Cuba, President Clinton announced several changes in U.S. policy toward Cuba, including the resumption of licensing for direct charter flights to Cuba. On July 2, OFAC issued licenses to nine air charter companies to provide direct passenger flights from Miami International Airport to Havana's Jose Marti Airport.

**1999** — On January 5, President Clinton announced several measures to support the Cuban people that were intended to augment changes implemented in March 1998. Among the measures introduced was the expansion of direct passenger charter flights from additional U.S. cities other than Miami. In August, the State Department announced that direct flights to Cuba would be allowed from New York and Los Angeles. In addition, President Clinton also announced in January 1999 that measures would be taken to increase people-to-people exchanges. As a result, on May 13, 1999, OFAC issued a number of changes to the Cuba embargo regulations that effectively loosened restrictions on certain categories of travelers to Cuba. Travel for professional research became possible under a general license, and travel for a wide range of educational, religious, sports competition, and other activities became possible with specific licenses authorized by OFAC on a case-by-case basis. In addition, those traveling to Cuba to visit a close family member under either a general or specific license only needed to "demonstrate humanitarian need," as opposed to "extreme humanitarian need" that had been required since 1995. (*Federal Register*, May 13, 1999, pp. 25808-25820.)

**2000** — In October, Congress approved and the President signed the Trade Sanctions Reform and Export Enhancement Act of 2000 (Title IX of P.L. 106-387), which included a provision that prohibited travel-related transactions for "tourist activities," which as set forth in Section 910(b)(2) of the act are defined as any activity not authorized or referenced in the existing travel regulations (31 CFR 515.560, paragraphs (1) through (12)). The congressional action appeared to circumscribe the authority of the OFAC to issue specific travel licenses on a case-by-case basis that do not fit neatly within the categories of travel already allowed by the regulations.

**2001** — On July 12, 2001, OFAC published regulations pursuant to the provisions of the Trade Sanctions and Export Enhancement Act of 2000 (Title IX of P.L. 106-387) that prohibited travel-related transactions for "tourist activities." (*Federal Register*, July 12, 2001, pp. 36683-36688.) On July 13, 2001, President Bush announced that he had asked the Treasury Department to enhance and expand the capabilities of OFAC to prevent, among other things, "unlicensed and excessive travel."

**2003** — On January 29, 2003, OFAC published proposed enforcement guidelines (as an appendix to 31 CFR Part 501) for all its economic sanctions programs and additional guidelines (as an appendix to 31 CFR Part 515) for the Cuba

sanctions program. The general guidelines provide a procedural framework for OFAC's enforcement of economic sanctions, while the Cuba specific guidelines consists of penalties for different embargo violations. (*Federal Register*, January 29, 2003, pp. 4422-4429.)

On March 24, 2003, OFAC announced that the Cuba travel regulations were being amended to ease travel to Cuba for those visiting close relatives. (*Federal Register*, March 24, 2003, pp. 14141-14148.) Travel is now permitted to visit relatives to within three degrees of relationship of the traveler and is not restricted to travel in circumstances of humanitarian need. The new regulations also increased the amount a traveler may carry, up to \$3,000 (compared to \$300 previously), although the limit of \$300 per quarter destined for each household remains. Finally, the regulations were tightened for certain types of educational travel. People-to-people educational exchanges unrelated to academic coursework are no longer allowed. Some groups have lauded the restriction of these educational exchanges because they believe they have become an opportunity for unrestricted travel; others criticize the Administration's decision to restrict the second largest category of travel to Cuba in which ordinary people have been able to travel and exchange with their counterparts on the island.

On October 10, 2003, President Bush instructed the Department of Homeland Security, as part of a broader initiative on Cuba, to increase inspections of travelers and shipments to and from Cuba in order to more strictly enforce the trade and travel embargo.

**2004** — On February 26, 2004, President Bush ordered the Department of Homeland Security to expand its policing of the waters between Florida and Cuba with the objective of stopping pleasure boating traffic. (*Federal Register*, March 1, 2004, pp. 9315 - 9517.)

On June 16, 2004, OFAC published changes to the CACR implementing the President's directives to implement certain recommendations of the Commission for Assistance to a Free Cuba. The new regulations tightened travel restrictions in several ways. Fully-hosted travel was eliminated as a legal category of permissible travel. Family visits were restricted to one trip every three years under a specific license to visit only immediate family (grandparents, grandchildren, parents, siblings, spouses, and children) for a period not to exceed 14 days. The daily amount of money that family visitors can spend while in Cuba was reduced from the State Department per diem rate (currently \$179) to \$50. Specific licenses for visiting non-Cuban nationals in Cuba (such as a student) are now limited to when the family member visited is in "exigent circumstances." The general license for amateur or semi-professional athletic teams to travel to Cuba to engage in sports competitions was eliminated; such travel now requires a specific license. (*Federal Register*, June 16, 2004, pp. 33768-33774)

Specific licenses for educational activities were further restricted in several ways: the institutional licenses are restricted to undergraduate and graduate institutions, while the category of educational exchanges sponsored by secondary schools was eliminated; the duration of institutional licenses was shortened from two to one year; three types of licensed educational activities — structural education

programs in Cuba offered as part of a course at the licensed institution, formal courses of study offered at a Cuban academic institution; and teaching at a Cuban academic institution — are required to be no shorter than 10 weeks.

The new regulations also further restricted sending cash remittances to Cuba. Quarterly remittances of \$300 may still be sent, but are now restricted to members of the remitter's immediate family and may not be remitted to certain government officials and certain members of the Cuban Communist Party. The regulations were also changed to reduce the amount of remittances that authorized travelers may carry to Cuba, from \$3000 to \$300. This reversed OFAC's March 2003 changes to the regulations that had increased the amount that authorized travelers could carry to \$3000.

On June 22, 2004, the Department of Commerce's Bureau of Industry and Security (BIS) published regulations related to the recommendations of the Commission for Assistance to a Free Cuba. The new regulations placed new limits on gift parcels sent to Cuba and personal baggage of travelers going to Cuba. Gift parcels may no longer contain items such as seeds, clothing, personal hygiene items, veterinary medicines and supplies, fishing equipment and supplies, and soap-making equipment. Baggage is now limited to 44 pounds. (*Federal Register*, pp. 34565-34567)

On July 8, 2004, the U.S. Coast Guard published regulations requiring U.S. vessels less than 100 meters to have a Coast Guard permit to enter Cuban territorial waters. (*Federal Register*, pp. 41367-41374)

**2005** — On March 31, 2005, OFAC made changes to its guidelines for license applications related to religious travel. Specific licenses issued under CFR 515.566(b) for religious organizations now only authorize up to 25 individuals to travel to Cuba no more than once per calendar quarter. The specific licenses under this section will not be valid for more than one year. (OFAC, *Comprehensive Guidelines for License Applications to Engage in Travel-related Transactions Involving Cuba*, Revised September 2004, p. 40, the relevant paragraph was updated March 31, 2005).

## Current Permissible Travel to Cuba

The travel regulations can be found at 31CFR 515.560, which references other sections of the Cuban Assets Control Regulations for travel-related transaction licensing criteria. (For an overview of the Treasury Department regulations on travel to Cuba, see OFAC's website [<http://www.treas.gov/offices/enforcement/ofac/>]). At present, certain categories of travelers may travel to Cuba under a *general* license, which means that there is no need to obtain special permission from OFAC. In addition, a wide variety of travelers engaging in family visits, and educational, religious, humanitarian, and other activities may be eligible for *specific* licenses. Applications for *specific* licenses are reviewed and granted by OFAC on a case by case basis. Some specific licenses may authorize multiple trips to Cuba over an extended period of time.

The general license categories include the following:

- Officials of the U.S. government, foreign governments, and certain intergovernmental organizations traveling on official business (31 CFR 515.562);
- Persons regularly employed as journalists by a news reporting organization or by persons regularly employed as supporting broadcast or technical personnel (31 CFR 515.563); and
- Full-time professionals conducting professional research in their areas (provided that the research is of a noncommercial, academic nature, that the research comprises a full work schedule in Cuba, and that the research has a substantial likelihood of public dissemination) or attending professional meetings or conferences in Cuba organized by an international professional organization, institution, or association that regularly sponsors meetings or conferences in other countries (31 CFR 515.564).

The specific license categories include the following:

- Persons visiting a member of their immediate family (spouse, child, grandchild, parent, grandparent, or sibling) who is a national of Cuba for a period not to exceed 14 days and once in a three-year period (31 CFR 515.561);
- Persons visiting an immediate family member who is not a national of Cuba and is in exigent circumstances, provided the person being visited is in Cuba pursuant to OFAC authorization, the exigency has been reported to the U.S. Interests Section in Havana, and the license would support the mission of the U.S. Interests Section (31 CFR 515.561);
- Free-lance journalists (31 CFR 515.563);
- Professional researchers undertaking research or attending professional meetings who do not qualify for a general license (31 CFR 515.564);
- Specific institutional licenses (up to one year) for students and full-time employees of undergraduate or graduate degree-granting academic institutions to participate in educational activities. These activities include participation in a structured educational program in Cuba as part of a course offered at the licensed institution (not less than 10 weeks); noncommercial academic research in Cuba specifically related to Cuba for the purpose of obtaining a graduate degree; participation in a formal course of study at a Cuban institution (not less than 10 weeks) provided it will be accepted for credit toward the student's undergraduate or graduate degree at the licensed U.S. institution; teaching at a Cuban academic institution

(not less than 10 weeks); and sponsorship of a Cuban scholar to teach or engage in other scholarly activity at the licensed institution. (CFR 515.565);

- U.S. religious organizations, for its members undertaking religious activities in Cuba (31 CFR 515.566); [Note: According to OFAC, specific licenses under 515.566(a), which does not limit the number of travelers or the frequency of trips, are for smaller religious organizations, such as individual churches and congregational units; larger religious organizations, such as national associations of churches, may now obtain a license under 515.566(b), which, according to revised March 2005 licensing guidelines “will only authorize up to twenty-five (25) individuals to travel to Cuba per trip and will permit no more than one trip per calendar quarter.”<sup>1</sup>]
- Amateur or semi-professional athletes participating in competitions, provided that the competition is held under the auspices of the international sports federation for the relevant sport, that U.S. participants are selected by the U.S. federation for the relevant sport, and that the competition is open for attendance, and in relevant situations, for the Cuban public. Those involved in public performances, athletic and other competitions, and exhibitions, provided that the event is open for attendance, and in relevant situations, participation by the Cuban public, and that all profits are donated to an independent nongovernmental organization in Cuba or a U.S.-based charity (31 CFR 515.567);
- Those traveling for activities in support of the Cuban people, such as activities of recognized human rights organizations, activities designed to promote a rapid, peaceful transition to democracy, and activities intended to strengthen civil society (31 CFR 515.574);
- Those involved in humanitarian projects in Cuba, such as medical and health-related projects, construction projects, intended to benefit legitimately independent civil society groups, environmental projects, projects involving non-formal educational training, within Cuba or off island, on topics including civil education, journalism, advocacy and organizing, adult literacy and vocational skills, community-based grass roots projects, projects suitable to the development of small-scale enterprise, projects related to agricultural and rural development that promote independent activity, and projects involving the donation of goods to meet basic human needs (31 CFR 515.575);

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<sup>1</sup> U.S. Department of the Treasury, Office of Foreign Assets Control, “Comprehensive Guidelines for License Applications to Engage in Travel-Related Transactions Involving Cuba,” September 2004 (although the guidelines note that these limits on religious travel were added on March 31, 2005).

- Those involved in activities of private foundations or research or education institutes that have an established interest in international relations to collect information related to Cuba for noncommercial purposes (31 CFR 515.576);
- Those involved in the importation, exportation, or transmission of informational materials (31CFR 515.545); and
- Those involved in activities related to marketing, sales negotiation, accompanied delivery, or servicing of exports to Cuba authorized by the Department of Commerce or such activities allowed by U.S.-owned or controlled foreign firms (31CFR 515.533 and 31 CFR 515.559).

## Current Restrictions on Remittances

U.S. cash remittances to Cuba account for an estimated \$400-\$800 million per year, according to the 2004 report of the Commission for Assistance to a Free Cuba, although the report also noted that some estimates were as high as \$1 billion annually.<sup>2</sup> According to a November 2007 GAO report, no reliable data exist for cash remitted directly or indirectly from the United States to Cuba although it maintained that data from several sources showed that worldwide remittances to Cuba amounted to between \$900 million and \$1 billion.<sup>3</sup>

Restrictions on such remittances are regulated by the Cuban Assets Control Regulations (CACR) and have changed over time. Pursuant to OFAC's June 16, 2004, amendments to the CACR, a total of \$300 per quarter may be sent to nationals of Cuba who are members of the remitter's immediate family (spouse, child, grandchild, parent, grandparent, or sibling) (CFR 515.570). Remittances to certain officials of the Cuban government and certain members of the Cuban Communist Party are not allowed. Up to \$300 in remittances may be carried by an authorized traveler to Cuba (CFR 515.560(c)(4)).

Prior to OFAC's June 16, 2004, changes to the CACR, remittances were not restricted to members of the remitter's immediate family but could be sent to any household in Cuba, provided the household did not include a senior-level Cuban government official or senior-level Communist Party official. Authorized travelers also could carry up to \$3,000 in cash remittances.

An additional tightening of remittance policy is that the general OFAC license authorizing banks to send individual remittances to Cuba is eliminated. Banks now need to be specifically licensed by OFAC in order to become a remittance-forwarding

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<sup>2</sup> Commission for Assistance to a Free Cuba, Report to the President, May 2004. p. 34.

<sup>3</sup> U.S. Government Accountability Office, *Economic Sanctions: Agencies Face Competing Priorities in Enforcing the U.S. Embargo on Cuba*, GAO-08-80, November 30, 2007, p. 34.

service provider. OFAC is responsible for regulating 103 licensed remittance-forwarding service providers.<sup>4</sup>

## Reaction to the June 2004 Tightening of Travel and Remittance Restrictions

There was mixed reaction to the Bush Administration's June 2004 tightening of Cuba travel and remittance restrictions, including within the Cuban American community. The President maintained that such restrictions would "prevent the regime from exploiting hard currency of tourists and remittances to Cubans to prop up their repressive regime."<sup>5</sup> Supporters of the tightened restrictions argued that both educational and family travel to Cuba had become fronts for tourist travel. Tightening up on such travel, they argued, would deny the regime with dollars that help maintain its repressive control. (According to the Commission for Assistance for a Free Cuba, some 125,000 family visits to Cuba in 2003 resulted in about \$96 million in hard currency for the government.<sup>6</sup>) Another argument made by some supporters of the tightened restrictions is that the limiting of family travel to once every three years helps ensure that such travel is limited to family emergencies. Along these lines, some argue that limiting family travel makes travelers more sensitive to political repression on the island and highlight that Cuban Americans are political refugees, not economic immigrants. Some supporters of the additional remittance restrictions argue that the Bush Administration demonstrated a continuation of the compassionate policy of supporting the Cuban people by not cutting the level of remittances allowed, \$300 per quarter. They emphasize that the Administration only took action to ensure that the remittances would be restricted to immediate family members and not benefit certain members of the Cuban government and Cuban Communist Party.

Opponents of the tightened travel and remittance restrictions make a number of policy arguments. They maintain the restrictions are anti-family and threaten the basic principle of family reunification. Some in the Cuban American community argue that the policy of restricting family visits is inhumane and will only result in more suffering for Cuban families. They especially oppose the additional restrictions that do not allow travel to visit cousins, aunts, uncles, and more-distant relatives. Another argument opposing restrictions on travel and private remittances is that the steps will have no effect on reducing repression in Cuba or weakening the government's instruments of repression. Opponents of the tightened restrictions maintain that the new restrictions are opposed by several prominent Cuban dissidents, including Oswaldo Paya of the Varela Project and Elizardo Sanchez of the Cuban Commission for Human Rights and National Reconciliation. Miriam Leiva, one of the founders of the Ladies in White human rights group maintains that the

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<sup>4</sup> U.S. Department of the Treasury, Office of Foreign Assets Control, *List of Authorized Providers of Air, Travel, and Remittance Forwarding Services to Cuba*, May 5, 2008.

<sup>5</sup> President George W. Bush, "Remarks After Meeting with the Commission for Assistance for a Free Cuba," U.S. Department of State, May 6, 2004.

<sup>6</sup> Commission for Assistance to a Free Cuba, Report to the President, May 2004. p. 37.

policy punishes dissidents and their families; she compared the U.S. restrictions to the situation faced by Cubans, who cannot travel without permission from the Cuban government.<sup>7</sup> Former political prisoner Oscar Espinosa Chepe, released from prison in December 2004, called the U.S. policy “absurd,” maintaining that “what we need is to create space for dialogue.”<sup>8</sup>

There were also concerns that the new restrictions were drafted without considering the full consequences of their implementation. For example, the elimination of the category of fully-hosted travel raised concerns about the status of some 70 U.S. students receiving full scholarships at the Latin American School of Medicine in Havana. The school has more than 3,000 students from 23 countries and consists of a six-month pre-med program and a six-year medical school program. Members of the Congressional Black Caucus, who were instrumental in the establishment of the scholarship program for U.S. students, expressed concern that the students may be forced to abandon their medical education because of the new OFAC regulations. As a result of these concerns, OFAC ultimately licensed the medical students in August 2004 to continue their studies and engage in travel-related transactions.

In the aftermath of the Administration’s tightening of travel restrictions, there has been increasing opposition to the policy and several groups have been established opposing the Administration’s actions. A group known as ENCASA, the Emergency Network of Cuban American Scholars and Artists for Change in Cuba Policy, launched a media campaign in 2006 opposing the travel restrictions.<sup>9</sup> In June 2006, another group of some 450 scholars known as the Emergency Coalition to Defend Educational Travel (ECDET) filed suit in U.S. federal court in Washington against the Treasury Department, maintaining that travel restrictions violate academic freedom.<sup>10</sup>

With regard to family travel, a group in Miami, the Association of Christian Women in Defense of the Cuban Family, has organized several protests against the tightened family travel restrictions.<sup>11</sup> In March 2008, Cuban Americans living in Vermont filed a complaint in U.S. federal court in Burlington, Vermont, that U.S. restrictions on family travel to Cuba violate their civil rights. Affiliates of the American Civil Liberties Union of Florida, Massachusetts, and Vermont subsequently filed a brief in support of the complaint. Human Rights Watch maintains that the U.S. travel policies inflict harm on Cuban families and undermine

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<sup>7</sup> Miriam Leiva, “Whose Country Is It, Anyway?” May 24, 2004, *Salon.com*; and “Why Deal with North Korea and Not Cuba,” *Miami Herald*, March 1, 2008.

<sup>8</sup> David Adams, “Dissidents Say It’s Time to Open Talks,” *St Petersburg Times*, December 18, 2006.

<sup>9</sup> Oscar Corral, “Scholars, Artists Rip Embargo,” *Miami Herald*, April 26, 2006.

<sup>10</sup> “Cuba’s Campus Attrition,” *CQ Weekly*, July 24, 2006; also see ECDET’s website available at [<http://www.ecdet.org/>]

<sup>11</sup> Laura Morales, “Protesters Call for Family-Friendly Cuban Travel,” *Miami Herald*, August 27, 2006.



the freedom of movement of hundreds of thousands of Cuban Americans.<sup>12</sup> In a 2005 report, Human Rights Watch cited numerous cases of family hardships after the tightened family travel restrictions went into effect, including the inability to visit children, sick or dying parents, or to attend funerals.<sup>13</sup>

## Estimates of U.S. Travelers to Cuba

Estimates of U.S. citizens traveling to Cuba vary considerably as reported by U.S. and Cuban government sources. According to a November 2007 GAO report, U.S. and Cuban government data on U.S. travel to Cuba are incomplete and cover different populations, and as a result there are no reliable estimates of total U.S. travel to Cuba.<sup>14</sup> Nevertheless, travel service providers maintain that the elimination of the people-to-people trips in 2003 and significant restrictions on family travel in 2004 have significantly reduced the number of Americans visiting Cuba.

In terms of U.S. figures, the inter-agency Commission for Assistance to a Free Cuba estimated in May 2004 that some 160,000-200,000 legal and illegal travelers visited Cuba from the United States annually over the past decade. According to the Commission, the largest category of legal travel consisted of Cuban Americans visiting their families, amounting to 125,000 out of a total of 160,000 Americans visiting Cuba in 2003.<sup>15</sup> In July 2007, the U.S. International Trade Commission (ITC) issued a report examining the effect of U.S. restrictions on travel (as well as restrictions on U.S. agricultural sales). As a baseline, the ITC report estimated that about 171,000 American traveled to Cuba in 2005 (a figure considerably higher than Cuban government estimates cited below). The ITC concluded that lifting travel restrictions would result in travel by U.S. citizens to Cuba rising to between 550,000 and 1 million.<sup>16</sup>

Cuban officials maintain that overall U.S. travel to Cuba has dropped considerably over the past four years because of the tightening of U.S. travel restrictions, from 200,859 Americans in 2003, to 108,172 in 2004, 101,000 in 2005 and 96,000 in 2006. This reflects a decline of over 52% in U.S. travelers to Cuba from 2003 to 2006. Looking at the number of Cuban Americans traveling to Cuba,

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<sup>12</sup> Human Rights Watch, *World Report 2008*, January 2008.

<sup>13</sup> Human Rights Watch, *Families Torn Apart, The High Cost of U.S. and Cuban Travel Restrictions*, October 2005.

<sup>14</sup> U.S. Government Accountability Office, *Economic Sanctions: Agencies Face Competing Priorities in Enforcing the U.S. Embargo on Cuba*, GAO-08-80, November 30, 2007, p. 31.

<sup>15</sup> Commission for Assistance to a Free Cuba, *Report to the President*, May 2004, pp. 28 and 36.

<sup>16</sup> U.S. International Trade Commission, *U.S. Agricultural Sales to Cuba: Certain Economic Effects of U.S. Restrictions*, USITC Publication 3932, July 2007. See the text of the report at [[http://www.usitc.gov/publications/abstract\\_3932.htm](http://www.usitc.gov/publications/abstract_3932.htm)]

the Cuban government estimates that 115,050 visited Cuba in 2003, 57,145 in 2004, 62,000 in 2005, and 59,000 in 2006.<sup>17</sup>

## OFAC Review of Travel and Carrier Service Providers

OFAC is responsible for regulating the activities of 193 licensed travel and carrier service providers (travel agencies, tour operators, and airline companies) around the country, almost two-thirds of which are concentrated in Florida.<sup>18</sup> The licensed service providers must keep records for each transaction, including transactions between service providers. The record keeping must include details about individual travelers and their circumstances sufficient to allow identification and verification that the transactions comply with the Cuban Assets Control Regulations (CACR) implemented by OFAC. Individuals traveling to Cuba under the authorization of OFAC must maintain records of all travel transactions for five years [pursuant to 31 CFR Parts 501.601 and 501.602].

The CACR spells out the requirements for travel service providers (TSP) and carrier service providers (CSP) to put procedures in place to establish that each customer is in full compliance with the regulations.<sup>19</sup> The regulations require such providers to demonstrate that they require each customer to attest, in a signed statement, to his or her qualification for authorized travel. The statement must provide facts supporting the customer's belief that he or she qualifies for travel to Cuba according to the categories of travel set forth in the CACR.

As part of the compliance process, licensed travel agencies must provide details about travelers to the air carriers prior to the air carriers accepting a reservation or selling a seat on a flight. This information consists of the passenger's full name, mother's maiden name, address, date of birth, passport number and country of issuance, airport of departure from the United States, and whether travel is under a general or specific license. The licensed air carrier in turn must provide detailed information to OFAC in Washington by electronic mail 48 to 72 hours prior to departure of the flight. This consists of (1) the information provided by the travel

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<sup>17</sup> Vanessa Arrington, "Number of Americans Traveling to Cuba Drops Amid Tougher U.S. Stance, Cuban Government Says," *Associated Press*, September 28, 2005; Gary Marx, "Tougher U.S. Policy Curtails Aid to Cubans," *Chicago Tribune*, October 10, 2005; Vanessa Arrington, "Cuban Official: Embargo Losses Are More than \$4 Billion," *Associated Press*, October 3, 2006; and information provided to CRS by the Cuba Interests Section, Washington, DC, October 4, 2007.

<sup>18</sup> OFAC also regulates the activities of companies that forward remittances to Cuban according to the restrictions set forth in the Cuban Assets Control Regulations. Most companies that forward remittances are also travel service providers. See U.S. Department of the Treasury, Office of Foreign Assets Control, *List of Authorized Providers of Air, Travel, and Remittance Forwarding Services to Cuba*, May 5, 2008.

<sup>19</sup> 31 CFR 515.572. In addition, OFAC has a circular outlining responsibilities of travel and carrier service providers for Cuba travel. See U.S. Department of the Treasury, Office of Foreign Assets Control, *Circular 2006, Travel, Carrier and Remittance Forwarding Service Provider Program*, March 2006.

service provider (TSP) on each authorized traveler; (2) U.S. departure and return dates; and (3) the name of the TSP who arranged for the travel. Generally what happens is that travelers fill out a travel affidavit with the TSP providing the information, including what type of license they are traveling under, and the TSP then provides information to the carrier service provider before a reservation is actually made.

Passengers on direct flights to Cuba need to fill out an OFAC Outbound Declaration Card (entitled *Travel to Cuba*). Carrier Service Providers are required to ensure that every passenger receives one of the cards as part of the check-in procedure at the ticket counter assigned to the charter. CSPs must collect the completed and signed cards before the passenger boards the plane, and must make the completed cards available to the U.S. Customs Service inspector at the departure gate for review. If no inspector is present or if the inspector returns the cards to the CSP, then the cards must be forwarded to the OFAC-Miami office.

In January 2006, OFAC suspended a South Florida travel agency, La Estrella de Cuba, from booking travel to Cuba. The agency reportedly was one of the largest licensed travel agencies, booking some 300 to 500 passengers monthly to Cuba. According to a Treasury Department spokesman, OFAC had plans to conduct 25 on-site audits in 2006 at agencies that do business with Cuba.<sup>20</sup> In addition to La Estrella de Cuba, OFAC suspended the service activities of several other companies in 2006, including Baby Envios Travel, Fortuna Travel Services, Cubatur Express, La Perla del Caribe, Summit Jet Corporation, Adventure Tours & Travel, Art Quest International, Super Travel Services, Caribbean Air Service, Discovery Travel, and Cuba Familia Envios.<sup>21</sup>

## Enforcement of Cuba Travel Restrictions

Enforcement of U.S. restrictions on Cuba travel has increased considerably under the Bush Administration. The major agencies involved in enforcing the travel restrictions include the Treasury Department's OFAC, which in addition to licensing travelers and licensing and monitoring travel-service providers, also investigates suspected travel violations and imposes civil fines; the Department of Homeland Security's Customs and Border Protection (CBP), which inspects passengers to and from Cuba and screens passengers on other international flights for compliance with U.S. travel restrictions; and the Department of Justice, which prosecutes criminal violations of the Cuba embargo.

President Bush announced in July 2001 that he had asked the Treasury Department to enhance and expand the enforcement capabilities of the Office of

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<sup>20</sup> Oscar Corral, "Cuba Travel Curtailed Further," *Miami Herald*, January 27, 2006.

<sup>21</sup> Wilfredo Cancio Isla, "Aprietan las restricciones para los viajes a Cuba," *El Nuevo Herald* (Miami), April 28, 2006, and "Cierran en Miami otra agencia de viajes a Cuba," *El Nuevo Herald*, June 6, 2006; U.S. Department of the Treasury, Office of Foreign Assets Control, *List of Authorized Providers of Air, Travel, and Remittance Forwarding Services to Cuba*, November 29, 2006.

Foreign Assets Control. The President noted the importance of upholding and enforcing the law in order to prevent, among other things, “unlicensed and excessive travel” and to ensure that humanitarian and cultural exchanges actually reach pro-democracy activists in Cuba.<sup>22</sup> On October 10, 2003, President Bush instructed the Department of Homeland Security to enforce the trade and travel embargo more strictly. As a result, the CBP’s inspections of passengers traveling to and from Cuba were stepped up.

In 2004, the Bush Administration moved to tighten enforcement of Cuba travel restrictions in several ways. In February and March 2004, OFAC identified 11 companies in Cuba, Argentina, the Bahamas, Canada, Chile, the Netherlands, and England (10 travel companies and one gift forwarder), blocked their assets under U.S. jurisdiction, and prohibited any transactions with these companies.<sup>23</sup> On February 26, 2004, President Bush ordered the Department of Homeland Security to expand its policing of the waters between Florida and Cuba with the objective of stopping pleasure boating traffic.<sup>24</sup> In early May 2004, the President endorsed the recommendations of Commission for Assistance to Free Cuba. These included increased inspections of travelers and shipments to Cuba and an increase in both maritime surface patrols and air sorties in the region by law enforcement agencies in order to locate and prosecute pleasure boaters who travel to Cuba illegally.

Beginning in 2005, the Bush Administration tightened restrictions on religious travel to Cuba, not by making changes to the CACR, but by changing the guidelines for specific license applications for religious travel. According to OFAC, after restrictions on family travel were tightened in June 2004, it noticed an increase in the improper use of licenses by large religious organizations, which solicited participation in trips to Cuba beyond their own organizations. As a result, OFAC implemented a new policy of more tightly restricting the licenses of larger national religious organizations. Previously these organizations were licensed under Section 515.566(a) of the CACR without restriction on the number of travelers or the frequency of trips. Under the new policy, larger religious organizations are now required to obtain a license under the more restrictive Section 515.566(b) of the CACR, which as of March 31, 2005, limits trips to four per year (one per quarter), each of which are limited to 25 individuals. Smaller religious organizations, such as individual churches and congregational units, may continue to apply for a specific license under Section 515.566(a), which does not limit the number of travelers or trips under the license.

More than 100 Members of Congress sent a letter to the Treasury Department in March 2006 questioning OFAC’s actions that further restricted religious travel to

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<sup>22</sup> White House, “Statement by President Bush on Cuba: Toward a Democratic Cuba,” July 13, 2001.

<sup>23</sup> U.S. Department of State, International Information Programs, Washington File, “Treasury Dept. Identifies 10 Entities for Cuban Embargo Violations,” February 9, 2004, and “U.S. Continues Crackdown on Illegal Travel to Cuba,” March 18, 2004.

<sup>24</sup> Presidential Proclamation 7757 of February 26, 2004, *Federal Register*, March 1, 2004, p. 9515; Carol Rosenberg, “New Rule Restricts American Boaters from Sailing to Island,” *Miami Herald*, February 27, 2004.

Cuba. Church groups such as Church World Service, the National Council on Churches, American Baptist Churches USA, the Alliance for Baptists, and the Presbyterian Church have expressed strong opposition to the new restrictions.<sup>25</sup> Visits by members of Catholics and Jewish organizations have also diminished because of the tightened restrictions.<sup>26</sup>

There were further indications in 2006 of the Administration's strict enforcement of travel restrictions. Press reports in January indicated that OFAC sent letters to some 200 travelers from two U.S. groups — Pastors for Peace (which organizes caravans of aid from the United States to Cuba via Mexico) and the Venceremos Brigade — both of which have long organized trips to Cuba in defiance of U.S. sanctions.<sup>27</sup> Moreover, as described above, OFAC suspended the licenses of several companies providing travel and remittances services. In October 2006, the U.S. government established an inter-agency Cuban Sanctions Enforcement Task Force, chaired by the U.S. Attorney for the Southern District of Florida, with support from the FBI, and the Treasury, Homeland Security, and Commerce Departments. The primary goals of the task force are the investigation of Cuba embargo violations and enforcement through federal criminal prosecutions.

## Civil Penalties

Beginning in April 2003, OFAC began making available a regular listing of civil penalties enforcement information for its sanctions programs, including violations of the Cuba travel regulations.<sup>28</sup> According to a Treasury Department spokesman, the information was being made available to make the process more transparent to the public. Under the Trading with the Enemy Act, the Secretary of the Treasury may impose civil fines up to \$55,000 per violation of the Cuban Assets Control Regulations. According to OFAC, typical individual penalties range from \$3,000 to \$7,500, but the majority of cases are settled for less.<sup>29</sup> Penalties against companies are generally much larger.

Since April 2003, enforcement actions for the Cuba travel regulations have included penalties against the following companies: Metso Minerals, Zim American Israeli Shipping Company, Playboy Enterprises, Omega World Travel, Mr. Travel, Havanatur & Travel Service, American Airlines, Cuba Paquetes, MRP Group Inc., Air Jamaica, Trek Tours (Rhode Island), Premiere Travel of Ohio, Hialeah Gardens

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<sup>25</sup> Adelle M. Banks, "Restrictions on Religious Travel to Cuba Questioned," *Religion News Service*, March 7, 2006.

<sup>26</sup> Oscar Corral, "Religious Groups Feel Cut Off from Cuba," *Miami Herald*, February 14, 2007.

<sup>27</sup> Pablo Bachelet, "U.S. Gets Tougher on Groups Defying Cuba Travel Rules," *Miami Herald*, January 12, 2006; Meghan Clyne, "Bush Enforcing Cuba Embargo in New Push," *New York Sun*, January 12, 2006.

<sup>28</sup> See OFAC's website for information on civil enforcement actions: [<http://www.treas.gov/offices/enforcement/ofac/civpen/>].

<sup>29</sup> "Hearing of the Senate Foreign Relations Committee: Challenges for U.S. Policy Toward Cuba," Federal News Service, October 2, 2003.

Immigration Agency, Only Believe Ministries (Ohio), the Salvation Army (Texas Division), Beau Rivage Resorts Inc. (Mississippi), E & J Gallo Winery (California), the Four Oaks Foundation (New York), Pioneer Valley Travel (Massachusetts), the International Bicycle Fund (Washington state), Augsburg College (Minnesota), the U.S./Cuba Labor Exchange (Michigan), Coda International Tours Inc. (Florida), Travelocity.com (Texas), American Express Company (Mexico), Lakes Community Credit Union (Michigan), Sonida International (New York), Journey Corporation Travel Management (New York), and RMO Inc. (Colorado). A number of other companies have received penalties for violating other aspects of the Cuba embargo regulations.

In addition, the listing shows that numerous individuals have had civil penalties assessed or reached informal settlements for alleged violations of various restrictions under the Cuban Assets Control Regulations. Since 2004, according to the information provided on OFAC's website, almost 900 individuals either have been assessed a penalty or reached an informal settlement for violations of the Cuba regulations (not just travel-related restrictions) with more than \$1.1 million in penalties. The number of individuals penalized by OFAC fell considerably in 2006 and 2007. A total of 290 individuals were penalized in 2004, 579 in 2005, and just 21 in 2006. In 2007, 17 individuals were penalized by OFAC for violating the Cuba embargo regulations, the majority for the purchase of Cuban cigars over the Internet. For 2008, OFAC has reported that 21 individuals have been penalized as of June, again with the majority for the purchase of Cuban cigars.

## **GAO Report on Enforcement of Cuba Sanctions<sup>30</sup>**

In late November 2007, the GAO issued a report on U.S. enforcement of the Cuba embargo. The report called into question whether U.S. efforts to enforce the Cuba embargo were having a detrimental effect on CBP's ability to carry out its primary mission of keeping terrorists, criminals and inadmissible aliens out of the country, and on OFAC's ability to administer more than 20 other sanctions programs. As such, the report recommended: 1) that the Secretary of Homeland Security direct CBP to re-evaluate its level of resources dedicated to inspecting passengers from Cuba at the Miami International Airport; and 2) that the Treasury Department direct the OFAC to reassess the allocation of resources for investigating and penalizing violations of the Cuba embargo with respect to its administration of other sanctions programs.

## **Arguments for Lifting Cuba Travel Restrictions**

Those who argue in favor of lifting restrictions on travel to Cuba contend that the travel ban hinders U.S. efforts to influence political and economic conditions in Cuba. Supporters of a change in Cuba travel policy argue that U.S. support for

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<sup>30</sup> U.S. Government Accountability Office, *Economic Sanctions: Agencies Face Competing Priorities in Enforcing the U.S. Embargo on Cuba*, GAO-08-80, November 30, 2007. A copy of the report is available at [<http://www.gao.gov/docsearch/abstract.php?rptno=GAO-08-80>]

democracy in Latin America has been augmented by person-to-person contact and exchanges. The exception to democracy in the region is Cuba, where the United States continues to maintain a policy of isolation. They argue that the best way to realize change in Cuba is to lift restrictions, allowing a flood of U.S. citizens to travel and engage in conversations with average Cubans. They point to the influence of person-to-person contact in Russia and Eastern European nations which they argue ultimately helped lead to the fall of communism in the Soviet bloc. They maintain that restricting travel by ordinary Americans prevents interaction and information exchanges with ordinary Cubans, exchanges that can help break down the Cuban government's tight control and manipulation of news; that the current travel ban actually supports the Cuban government in its efforts to restrict information provided to the Cuban people; and that it in effect supports Castro's totalitarian control over Cuba.

A second argument made by those who want to lift travel restrictions is that the ban abridges the rights of ordinary Americans to travel. They argue that the U.S. government should not be requiring Cuban Americans to apply for a license to travel more than once a year to visit sick or dying family members. They contend that such restrictions on the right to travel subvert the first amendment right of free speech.

Those in favor of lifting the travel ban also argue that U.S. citizens can travel to other communist or authoritarian governments around the world, such as the People's Republic of China, Vietnam, Burma, and Iran. They point out that Americans could travel to the Soviet Union before its breakup. Supporters of changing travel policy toward Cuba argue that their proposals would still allow the President to prohibit such travel in times of war or armed hostilities, or if there were imminent danger to the health or safety of Americans. They argue that these conditions do not exist with regard to Cuba, and point to a May 1998 Defense Intelligence Agency report that concluded that "Cuba does not pose a significant military threat to the U.S. or to other countries in the region."<sup>31</sup>

Those arguing for lifting travel restrictions also point to human rights activists in Cuba who themselves argue for the lifting of such sanctions. According to the prominent Cuban human rights activist Elizardo Sanchez: "The more Americans on the streets of Cuban cities, the better for the cause of a more open society in Cuba."<sup>32</sup>

Supporters of lifting the travel ban maintain that such a move would not lift the underlying U.S. embargo on trade and financial transactions with Cuba. They point to the 1977-82 period when the travel ban was essentially lifted, but the overall embargo remained in place.

Finally, some supporters of lifting the travel restrictions argue that the U.S. economy would benefit from increased demand for air and cruise travel, which reportedly would expand U.S. economic output. According to a report prepared for the Center for International Policy, a policy group that advocates lifting the embargo,

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<sup>31</sup> Defense Intelligence Agency. Report on Cuban Threat to U.S. National Security. May 6, 1998.

<sup>32</sup> Congressional Record, July 25, 2001, p. H4599.

U.S. economic output would expand by \$1.18 - \$1.61 billion, with the creation of between 16,888 and 23,020 jobs if travel restrictions were lifted.<sup>33</sup>

## Arguments for Maintaining Cuba Travel Restrictions

Those favoring the continuation of current restrictions on travel to Cuba point out that there are already significant provisions in U.S. law permitting Americans to travel there for legitimate reasons that support the Cuban people and not the Cuban government. They point out that thousands of Americans travel to Cuba legally under the various provisions of the Cuban embargo regulations, many of whom are Cuban Americans visiting family members. Other categories of travel allowed include students, journalists, researchers, artists, musicians, and athletes.

A second argument made for maintaining current restrictions on travel to Cuba is that lifting the travel ban entirely will open the floodgates to American tourist travel that will support Castro's rule by providing his government with millions in tourist receipts. Advocates of restricting travel oppose any loosening that could prolong the Castro regime by propping it up with increased income. In contrast to those supporting tourist travel, they believe that continued travel restrictions will help influence Cuba's policy. They argue that since the collapse of the Soviet Union and the loss of Soviet subsidies to Cuba, the travel and embargo regulations have contributed to Castro's decision to cut the military's size and budget by half since 1989 and to introduce limited economic reforms. Lifting travel restrictions, they argue, would eliminate the U.S. leverage on Cuba to enact further reforms.

Those favoring the maintenance of current travel restrictions argue that the reality of the human rights situation dispels the notion that American tourists would be engaging in exchanges with ordinary Cubans. They maintain that the thousands of European, Canadian, and other tourists who travel to Cuba each year largely stay in tourist hotels that are off limits to most Cubans and thus have no discernable effect on the human rights situation in Cuba.

Some opposed to lifting travel restrictions argue that there should be tourist travel as long as Cuba provides refuge to violent criminals who have escaped U.S. justice. The State Department maintains that more than 70 fugitives from U.S. justice are hiding out in Cuba, including convicted murderer Joanne Chesimard, who killed a New Jersey state trooper in 1973.

Finally, many opponents of legislation to lift the Cuba travel restrictions argue that the authority to impose such restrictions is an important foreign policy tool for the President. They point out that the President has the authority to restrict travel when it is in the national security or foreign policy interests of the United States, and has utilized that policy tool when needed. They point to past instances of restricting

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<sup>33</sup> *The Impact on the U.S. Economy of Lifting Restrictions on Travel to Cuba*, The Brattle Group, Washington, D.C. Prepared by Dorothy Robyn, James D. Reitzes, and Bryan Church. July 15, 2002.



travel to Libya, Vietnam, and North Korea. With regard to Cuba, they point to the 1984 Supreme Court decision in the case of *Regan v. Wald* that upheld restrictions on travel to Cuba imposed by the Reagan Administration.

## Legislative Initiatives in the 110<sup>th</sup> Congress

In the first session of the 110<sup>th</sup> Congress, two Senate Appropriations Committee reported- versions of appropriations bills had provisions that would have eased restrictions on travel to Cuba for the marketing and sale of agricultural and medical goods, but ultimately these provisions were not included in the FY2008 Consolidated Appropriations Act (P.L. 110-161). The Senate version of the FY2008 Financial Services and General Government appropriations bill, reported July 19, 2007, H.R. 2829, had a provision in Section 620 that would ease such travel restrictions, while the Senate version of the FY2008 Agriculture appropriations bill, S. 1859, reported July 24, 2007, had such a provision in Section 741.

In the second session, several versions of House and Senate appropriations bills had provisions easing Cuba travel restrictions and other Cuba sanctions, but none of these were included in the FY2009 continuing resolution. The House Appropriations Committee approved its version of the Financial Services and General Government Appropriations bill for FY2009 on June 25, 2008, which contains provisions in Title VI that would have eased restrictions on the sale of U.S. agricultural exports to Cuba and on family travel to Cuba. With regard to family travel, Section 622 would have allowed for such travel once a year (instead of the current restriction of once every three years), while Section 623 would have expanded such travel by a person to visit an aunt, uncle, niece, nephew, or first cousin (instead of the current restriction limiting such travel to visit a spouse, child, grandchild, parent, grandparent, or sibling).

On July 14, 2008, the Senate Appropriations Committee reported its version of the FY2009 Financial Services and General Government Appropriations bill, S. 3260 (S.Rept. 110-417), which included provisions easing restrictions on family travel and on travel to Cuba relating to the commercial sale of agricultural and medical goods. With regard to family travel, Section 620 would have provided that no funds could be used to administer, implement, or enforce the Administration's June 2004 tightening of restrictions related to travel to visit relatives in Cuba. With regard to travel for agricultural or medical sales, Section 619 would have allowed for a general license for such travel instead of a specific license that requires permission from the Treasury Department.

On July 21, 2008, the Senate Appropriations Committee reported its version of the FY2009 Agriculture Appropriations bill, S. 3289 (S.Rept. 110-426), with a provision in Section 737 that would have eased restrictions on travel to Cuba for the sale of agricultural and medical goods. The provision would have allowed for a general license for such travel instead of a specific license that requires permission from the Treasury Department. The measure had been approved by the Committee on July 17, 2008.

A number of other initiatives introduced in the 110<sup>th</sup> Congress would have eased Cuba travel restrictions. H.R. 654 (Rangel), S. 721 (Enzi), and Section 254 of S. 554 (Dorgan) would prohibit the President from regulating or prohibiting travel to Cuba or any of the transactions incident to travel. Two bills that would lift overall economic sanctions — H.R. 217 (Serrano) and H.R. 624 (Rangel) — would also lift travel restrictions. H.R. 177 (Lee) would ease restrictions on educational travel to Cuba. H.R. 757 (Delahunt) would lift restrictions on family travel and the provision of remittances for family members in Cuba. H.R. 1026 (Moran, Jerry), which would facilitate the sale of U.S. agricultural products to Cuba, includes a provision that would provide for general license authority for travel-related transactions for people involved in agricultural sales and marketing activities or in the transportation of such sales. H.R. 2819 (Rangel) and S. 1673 (Baucus), which would ease restrictions on U.S. agricultural and medical exports to Cuba, would also lift restrictions on travel to Cuba. The Senate Committee on Finance held a hearing on S. 1673 on December 11, 2007.

## **Legislative Initiatives in the Aftermath of 2008 Hurricanes**

In the aftermath of the Hurricanes Guatav and Ike that struck Cuba in late August and early September 2008, several legislative initiatives were introduced that would temporarily ease U.S. embargo restrictions in several areas, including restrictions on family travel, remittances, the provision of gift parcels, and the sale of relief supplies to Cuba. On September 15, 2008, Senator Dodd offered S.Amdt. 5581 to the Department of Defense authorization bill (S. 3001) that would have, for a 180-day period: allowed unrestricted family travel; eased restrictions on remittances by removing the limit and allowing any American to send remittances to Cuba; expanded the list of allowable items that may be included in gift parcels; and allowed for unrestricted U.S. cash sales of food, medicines, and relief supplies to Cuba. The amendment was not considered, and therefore not part of the final bill.

In the House, two legislative initiatives were introduced. On September 16, 2008, Representative Flake introduced H.R. 6913, which would prohibit any funds from going to the Department of Commerce to implement, administer, or enforce tightened restrictions on the contents of gift parcels to Cuba that were introduced in June 2004. On September 18, 2008, Representative Delahunt introduced H.R. 6962, the Humanitarian Relief to Cuba Act, which would for a 180-day period: allow unrestricted family travel; ease restrictions on remittances by removing the limit and allowing any American to send remittances to Cuba; and expand the list of allowable items that may be included in gift parcels.

## **Legislative Initiatives in the 109<sup>th</sup> Congress**

In the 109<sup>th</sup> Congress, several amendments to FY2006 and FY2007 appropriations bills that would have eased Cuba travel restrictions in various ways and restrictions on sending gift parcels to Cuba were defeated. Several bills were introduced that would have lifted or eased restrictions on travel and the provision of remittance to Cuba, but no action was taken on these measures.

## First Session Action

On June 30, 2005, the House rejected three amendments easing Cuba sanctions to H.R. 3058, the FY2006 Transportation, Treasury, Housing and Urban Development, Judiciary, District of Columbia, and Independent Agencies Appropriations Act. The amendments failed during House floor consideration: H.Amdt. 420 (Davis) on family travel, by a vote of 208-211; H.Amdt. 422 (Lee) on educational travel, by a vote of 187-233; and H.Amdt. 424 (Rangel) on the overall embargo, by a vote of 169-250. An additional amendment on religious travel, H.Amdt. 421 (Flake), was withdrawn, and an amendment on family travel by members of the U.S. military, H.Amdt. 419 (Flake), was ruled out of order for constituting legislation in an appropriations bill. The introduction of H.Amdt. 419 was prompted by the case of a U.S. military member who served in Iraq, Sgt. Carlos Lazo, who was prohibited from visiting his two sons in Cuba because he last visited there in 2003.

During June 29, 2005, Senate consideration of H.R. 2361, the FY2006 Interior, Environment, and Related Agencies Appropriations Act, the Senate rejected (60-35; a two-thirds majority vote was required) a motion to suspend the rules with respect to S.Amdt. 1059 (Dorgan), which would have allowed travel to Cuba under a general license for the purpose of visiting a member of the person's immediate family for humanitarian reasons. The amendment was then ruled out of order. Its introduction had also been prompted by the case of Sgt. Carlos Lazo who wants to visit his sons in Cuba, one of whom was gravely sick.

On June 15, 2005, the House rejected (210-216) H.Amdt. 270 (Flake) to H.R. 2862, the FY2006 Science, State, Justice, Commerce, and Related Agencies Appropriations Act. The amendment would have prohibited the use of funds to implement, administer, or enforce June 2004 tightened restrictions on sending gift parcels to Cuba. H.Amdt. 269 (McDermott), which would have prohibited the use of funds in the bill to prosecute any individual for travel to Cuba, was offered but subsequently withdrawn.

During April 6, 2005, Senate floor consideration of the FY2006 and FY2007 Foreign Affairs Authorization Act, S. 600, the Senate considered S.Amdt. 281 (Baucus) and a second-degree amendment, S.Amdt. 282 (Craig) that would have facilitated the sale of U.S. agricultural products to Cuba. The language of the amendments consisted of the provisions of S. 328 (Craig), the Agricultural Export Facilitation Act of 2005, which included a provision for a general license for travel transactions related to the marketing and sale of agricultural products, as opposed to the current requirement of a specific license for such travel transactions. Neither action on the amendments nor on S. 600 was completed.

## Second Session Action

On June 14, 2006, the House rejected two amendments to the FY2007 Transportation/Treasury appropriation bill, H.R. 5576, that would have eased Cuba travel restrictions. H.Amdt. 1050 (Rangel), rejected by a vote of 183-245, would have prohibited funds from being used to implement the overall economic embargo

of Cuba. H.Amdt. 1051 (Lee), rejected by a vote of 187-236, would have prohibited funds from being used to implement the Administration's June 2004 tightening of restrictions on educational travel to Cuba. An additional Cuba amendment, H.Amdt. 1032 (Flake), would have prohibited the use of funds to amend regulations relating to travel for religious activities in Cuba; it was withdrawn from consideration.

In other action, on June 22, 2006, the Senate Appropriations Committee reported its version of the FY2007 Agriculture appropriations bill, H.R. 5384 (S.Rept. 109-266), which contained a provision (Section 755) liberalizing travel to Cuba related to the sale of agricultural and medical goods. The provision would have provided for such travel under a general license, instead of under a specific license as currently allowed, issued on a case-by-case basis by the Treasury Department. Final action on the appropriations measure was not completed by the end of the 109<sup>th</sup> Congress. Similar Senate provisions in FY2004 and FY2005 agricultural appropriations bills were stripped out of the final enacted measures.

### **Additional Initiatives in the 109<sup>th</sup> Congress**

A number of other legislative initiatives were introduced in the 109<sup>th</sup> Congress that would have eased restrictions on travel and remittances to Cuba. Two bills — S. 894 (Enzi) and H.R. 1814 (Flake) — would have specifically lifted overall restrictions on travel to Cuba. H.R. 2617 (Davis) would have prohibited any additional restrictions on per diem allowances, family visits to Cuba, remittances, and accompanied baggage beyond those that were in effect on June 15, 2004. H.R. 3064 (Lee) would have prohibited the use of funds available to the Department of the Treasury to implement regulations from June 2004 that tightened restrictions on travel to Cuba for educational activities. H.Con.Res. 206 (Serrano), introduced in the aftermath of Hurricane Dennis that struck Cuba in July 2005 (causing 16 deaths and significant damage), would have expressed the sense of Congress that the President should temporarily suspend restrictions on remittances, gift parcels, and family travel to Cuba to allow Cuban-Americans to assist their relatives.

Two bills — H.R. 208 (Serrano) and H.R. 579 (Paul) — would have lifted the overall embargo on trade and financial transactions with Cuba, including restrictions on travel and remittances to Cuba.

Finally, two identical bills dealing with easing restrictions on exporting agricultural commodities to Cuba — H.R. 719 (Moran of Kansas) and S. 328 (Craig) — included provisions that would have provided for a general license for travel transactions related to the marketing and sale of agricultural products, as opposed to the current requirement of a specific license for such travel transactions.

## Legislative Initiatives in the 108<sup>th</sup> Congress<sup>34</sup>

In the 108<sup>th</sup> Congress, several FY2004 and FY2005 appropriations bills had provisions that would have eased Cuba travel restrictions in various ways, but ultimately these provisions were not included in final appropriations measures. The Administration had threatened to veto legislation if it contained provisions weakening Cuba sanctions. In addition, several bills in the 108<sup>th</sup> Congress were introduced that specifically would have lifted or eased restrictions on travel to Cuba, but no action was taken on these measures.

### First Session Action

Since action on FY2003 Treasury Department appropriations was not completed before the end of the 107<sup>th</sup> Congress, the 108<sup>th</sup> Congress faced early action on it and other unfinished FY2003 appropriations measures. The final version of the FY2003 omnibus appropriations measure, H.J.Res. 2 (P.L. 108-7), which included Treasury Department appropriations, did not include provisions affecting restrictions on travel to Cuba. The White House had threatened to veto the measure if it contained provisions weakening the embargo. While the Senate version did not include the Senate Appropriations Committee provision from the 107<sup>th</sup> Congress that would have eased travel restrictions by prohibiting any funding for enforcing the Cuba travel regulations, it did include a provision (contained in Division J, Section 124) that would have expedited action on travel applications for travel by OFAC within 90 days of receipt. Ultimately, however, the Senate provision was dropped in the conference report (H.Rept. 108-10) on the omnibus measure.

Both the House and Senate versions of the FY2004 Transportation-Treasury appropriations bill, H.R. 2989, had nearly identical provisions that would have prevented funds from being used to administer or enforce restrictions on travel or travel-related transactions. But the provisions were dropped in the conference report to the FY2004 Consolidated Appropriations Act, P.L. 108-199 (H.R. 2673, H.Rept. 108-401, filed November 25, 2003), which incorporated seven regular appropriations acts, including Transportation-Treasury appropriations. The conference also dropped two Cuba provisions from the House version of H.R. 2989 that would have eased restrictions on remittances and on people-to-people educational exchanges. The White House again threatened to veto any legislation that would weaken economic sanctions against Cuba.

The House provisions had been approved during September 9, 2003, House floor consideration of the H.R. 2989: H.Amdt. 375 (Flake), approved by a vote of 227-188, would have prevented funds from enforcing travel restrictions (Section 745 of the House version); H.Amdt. 377 (Delahunt), approved by a vote of 222-196, would have prevented funds from enforcing restrictions on remittances (Section 746); and H.Amdt. 382 (Davis), approved by a vote of 246-173, would have prohibited funds from being used to eliminate the travel category of people-to-people educational exchanges (Section 749).

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<sup>34</sup> For a complete listing and discussion of all Cuba bills in the 108<sup>th</sup> Congress, see CRS Report RL31740, *Cuba: Issues for the 108<sup>th</sup> Congress*, by Mark P. Sullivan.

During Senate floor consideration of H.R. 2989 on October 23, 2003, the Senate approved by voice vote S.Amdt. 1900 (Dorgan), nearly identical to the Flake amendment noted above that would have prevented funds from being used to administer or enforce restrictions on travel or travel-related transactions (Section 643 of the Senate version). A motion to table the Dorgan amendment was defeated by a vote of 59-36. The Senate approved the bill by a vote of 91-3. The only difference between the Senate and House language was that the Dorgan amendment, as amended by S.Amdt. 1901 (Craig), provided that the section would take effect one day after enactment of the bill.

In other action, the conference on the FY2004 Consolidated Appropriations Act, P.L. 108-199 (H.R. 2673), also dropped a provision in the Senate version of the FY2004 agriculture appropriations bill that would have allowed travel to Cuba under a general license for travel related to the sale of agricultural and medical goods. On July 17, 2003, the Senate Appropriations Committee approved its version of the FY2004 agriculture appropriations bill, S. 1427, that included a provision (Section 760) allowing travel to Cuba under a general license (which does not require applying to the Treasury Department) for travel related to the commercial sale of agricultural and medical goods. The Senate included this provision when it approved H.R. 2673 on November 6, 2003. The House-passed version of the bill, H.R. 2673, had no such provision. At present, such travel to Cuba is allowed with OFAC's approval of a specific license. In early June 2003, the Treasury Department rejected an application to travel to Cuba for organizers of a second U.S. food and agribusiness fair in Havana.<sup>35</sup> The first such trade fair, held in September 2002, featured some 288 exhibitors from more than 30 states and resulted in millions in U.S. agricultural sales to Cuba.<sup>36</sup>

## Second Session Action

Several FY2005 appropriations measures had provisions that would have eased Cuba sanctions, but these were dropped in the FY2005 omnibus appropriations measure (H.R. 4818, H.Rept. 108-792).

The House-passed version of the FY2005 Commerce, Justice, and State appropriations bill, H.R. 4754, approved July 8, 2004 (397-18), included a provision (Section 801) that would have prohibited funds from being used to implement, administer, or enforce recent amendments to the Cuba embargo regulations that tightened restrictions on gift parcels and baggage taken by individuals for travel to Cuba. The provision was added by a Flake amendment, H.Amdt. 647, approved by a vote of 221-194 on July 7, 2004. The Senate version of the bill, S. 2809, as reported out of committee, did not include such a provision.

Both the House-approved version of the FY2005 Transportation/Treasury appropriations bill, H.R. 5025, and the Senate Appropriations Committee version of the bill, S. 2806, had provisions that would have eased Cuba sanctions in various

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<sup>35</sup> Nancy San Martin, "U.S. Pulls Plug on Cuba Expo," *Miami Herald*, June 18, 2003.

<sup>36</sup> Nancy San Martin, "U.S. Official Dampens Trade-Show Enthusiasm with Talks of Cuban Credit," *Miami Herald*, September 29, 2002.

ways. In its statement of policy on H.R. 5025, the Administration indicated that the President would veto the measure if it contained provisions weakening Cuba sanctions.

The House-passed version of H.R. 5025 had three provisions that would have eased Cuba sanctions. During floor consideration on September 21, 2004, by a vote of 225-174, the House approved a Davis (of Florida) amendment (H.Amdt. 769), which provided that no funds could be used to administer, implement, or enforce the Bush Administration's June 2004 tightening of restrictions on visiting relatives in Cuba. On September 22, 2004, the House approved two additional Cuba amendments by voice vote, a Waters amendment (H.Amdt. 770) that would have prohibited funds from being used to implement any sanction imposed on private commercial sales of agricultural commodities or medicine or medical supplies to Cuba and a Lee amendment (H.Amdt. 771) that would have prohibited funds from being used to implement, administer, or enforce the Bush Administration's June 2004 tightening of restrictions on travel for educational activities. The House also rejected a Rangel amendment (H.Amdt. 772) on September 22, 2004, by a vote of 225-188 that would have more broadly prohibited funds from being used to implement, administer, or enforce the economic embargo of Cuba. During September 15, 2004 House floor consideration of H.R. 5025, Representative Jeff Flake announced his intention not to offer an amendment, as he had for the past three years, that would have prohibited funds from being used to administer or enforce restrictions on travel or travel-related transactions.

The Senate version of the FY2005 Transportation/Treasury appropriations bill, S. 2806, as reported out of the Senate Appropriations Committee (S.Rept. 108-342) on September 15, 2004, had a provision (Section 222) that would have prohibited funds from administering or enforcing restrictions on Cuba travel or travel-related transactions. That provision, which was proposed by Senator Byron Dorgan, was unanimously approved by the Subcommittee on Transportation, Treasury, and General Government on September 9, 2004.

The Senate version of the FY2005 Agriculture Appropriation bill, S. 2803, as reported by the Senate Appropriations Committee (S.Rept. 108-340), had a provision (Section 776) that would have directed the Secretary of the Treasury to promulgate regulations allowing for travel to Cuba under a "general license" when it was related to the commercial sale of agricultural and medical products. The House-passed version of the bill, H.R. 4766, had no such provision. In its statement of policy on the bill, the Administration stated that the President would veto the measure if it contained a provision weakening Cuba sanctions.

## **Additional Initiatives in the 108<sup>th</sup> Congress**

Among other initiatives introduced in the 108<sup>th</sup> Congress, but not acted upon, two bills would specifically have lifted restrictions on travel to Cuba: S. 950 (Enzi), introduced April 30, 2003, and H.R. 2071 (Flake), introduced May 13, 2003. H.R. 3422 (Serrano), introduced October 30, 2003, would, among other provisions, have lifted restrictions on travel to Cuba. Three broad legislative initiatives were introduced that would have lifted all Cuba embargo restrictions, including those on travel: H.R. 188 (Serrano), introduced January 7, 2003, S. 403 (Baucus), introduced

February 13, 2003, and H.R. 1698 (Paul), introduced April 9, 2003. Another initiative, S. 2449 (Baucus)/H.R. 4457 (Otter), introduced respectively on May 19 and 20, 2004, would have required yearly congressional approval for the renewal of trade and travel restrictions with respect to Cuba. Finally, H.R. 4678 (Davis of Florida), introduced June 24, 2004, in the aftermath of the President's tightening of Cuba sanctions, would have barred certain additional restrictions on travel and remittances to Cuba.

## **Legislative Initiatives in the 107<sup>th</sup> Congress<sup>37</sup>**

In the 107<sup>th</sup> Congress, although various measures were introduced that would have eliminated or eased restrictions on travel to Cuba and the House voted in both the first and second sessions to prohibit spending to administer the travel regulations, no legislative action was completed by the end of the second session.

### **First Session Action**

During July 25, 2001 floor action on H.R. 2590, the FY2002 Treasury Department appropriations bill, the House approved an amendment that would prohibit spending for administering Treasury Department regulations restricting travel to Cuba. H.Amdt. 241, offered by Representative Flake (which amended H.Amdt. 240 offered by Representative Smith), would prohibit funding to administer the Cuban Assets Control Regulations (administered by OFAC) with respect to any travel or travel-related transaction. The amendment was approved by a vote of 240 to 186, compared to a vote of 232-186 for a similar amendment in last year's Treasury Department appropriations bill.

The Senate version of H.R. 2590, approved September 19, 2001, did not include any provision regarding U.S. restrictions on travel to Cuba, and the provision was not included in the House-Senate conference on the bill (H.Rept. 107-253). During Senate floor debate, Senator Byron Dorgan noted that he had intended to offer an amendment on the issue, but that he decided not to because he did not want to slow passage of the bill. He indicated that he would support the House provision during conference, but ultimately, however, the House-Senate conference report on the bill did not include the Cuba provision. In light of the changed congressional priorities in the aftermath of the September 11 attacks on New York and Washington, conference negotiators reportedly did not want to slow passage of the bill with any controversial provisions. The Bush Administration had threatened to veto the Treasury bill if it included the Cuba travel provision.

### **Second Session Action**

The Cuba travel issue received further consideration in the second session of the 107<sup>th</sup> Congress. A bipartisan House Cuba working group of 40 Representatives

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<sup>37</sup> For a complete listing and discussion of all Cuba bills in the 107<sup>th</sup> Congress, see CRS Report RL30806, *Cuba: Issues for the 107<sup>th</sup> Congress*, by Mark P. Sullivan and Maureen Taft-Morales.



vowed as one of its goals to work for a lifting of travel restrictions. On February 11, 2002, the Senate Appropriations Committee's Subcommittee on Treasury and General Government held a hearing on the issue, featuring Administration and outside witnesses.

The travel issue was part of debate during consideration of the FY2003 Treasury Department appropriations bill (H.R. 5120 and S. 2740). Secretary of State Colin Powell and Secretary of the Treasury Paul O'Neill said they would recommend that the President veto legislation that includes a loosening of restrictions on travel to Cuba (or a weakening of restrictions on private financing for U.S. agricultural exports to Cuba).<sup>38</sup> The White House also stated that President Bush would veto such legislation.<sup>39</sup>

In July 23, 2002 floor action on H.R. 5120, the House approved three Cuba sanctions amendments, including one on the easing of travel restrictions offered by Representative Jeff Flake. The House approved the Flake travel amendment (H.Amdt. 552), by a vote of 262-167, that would provide that no funds could be used to administer or enforce the Treasury Department regulations with respect to travel to Cuba. The Flake amendment would not prevent the issuance of general or specific licenses for travel to Cuba. Some observers raised the question of whether the effect of this amendment would be limited since the underlying embargo regulations restricting travel would remain unchanged; enforcement action against violations of the relevant embargo regulations could potentially take place in future years when the Treasury Department appropriations measure did not include the funding limitations on enforcing the travel restrictions.<sup>40</sup>

During consideration of H.R. 5120, the House also rejected two Cuba amendments. A Rangel amendment (H.Amdt. 555), rejected by a vote of 204-226, would have prevented any funds in the bill from being used to implement, administer, or enforce the overall economic embargo of Cuba, which includes travel. A Goss amendment (H.Amdt. 551), rejected by a vote of 182-247, would have provided that any limitation on the use of funds to administer or enforce regulations restricting travel to Cuba or travel-related transactions would only apply after the President certified to Congress that certain conditions were met regarding biological weapons and terrorism.<sup>41</sup> The rule for the bill's consideration, H.Res. 488 (H.Rept. 107-585), had provided that the Goss amendment would not be subject to amendment.

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<sup>38</sup> U.S. Department of State, International Information Programs, Washington File, "Bush Administration Opposes Legislative Efforts to Amend Cuba Policy," July 16, 2002.

<sup>39</sup> White House, Press Briefing by Ari Fleischer, July 24, 2002.

<sup>40</sup> "House Approves Limits on Treasury Enforcement of Cuba Embargo," *Inside U.S. Trade*, July 26, 2002.

<sup>41</sup> For further information on the issues of biological weapons and terrorism as they relate to Cuba, see CRS Report RL30806, *Cuba: Issues for the 107<sup>th</sup> Congress*, by Mark P. Sullivan.

The House subsequently passed H.R. 5120 on July 24, 2002, by a vote of 308-121, with the three Cuba amendments, including the Flake Cuba travel amendment.

The Senate version of the Treasury Department appropriations measure, S. 2740, as reported by the Senate Committee on Appropriations on July 17, 2002 (S.Rept. 107-212), included a provision, in Section 516, that was similar, although not identical, to the Flake amendment described above. It provided that no funds may be used to enforce the Treasury Department regulations with respect to any travel or travel-related transactions, but would not prevent OFAC from issuing general and specific licenses for travel to Cuba. In addition, Section 124 of the Senate bill stipulated that no Treasury Department funds for “Departmental Offices, Salaries, and Expenses” may be used by OFAC, until OFAC has certain procedures in place to expedite license applications for travel to Cuba.

Congress did not complete action on the FY2003 Treasury Department appropriations measure before the end of the 107<sup>th</sup> Congress, so action was deferred until the 108<sup>th</sup> Congress.

### **Additional Legislative Initiatives in the 107<sup>th</sup> Congress**

Several other initiatives were introduced in the 107<sup>th</sup> Congress that would have eased U.S. restrictions on travel to Cuba, but no action was taken on these measures.

- H.R. 5022 (Flake), introduced June 26, 2002, would have lifted all restrictions on travel to Cuba.
- Several broad bills would have lifted all sanctions on trade, financial transactions, and travel to Cuba: H.R. 174 (Serrano), the Cuban Reconciliation Act, introduced January 3, 2001, and identical bills S. 400 (Baucus) and H.R. 798 (Rangel), the Free Trade with Cuba Act, introduced February 27 and 28, 2001, respectively.
- S. 1017 (Dodd) and H.R. 2138 (Serrano), the Bridges to the Cuban People Act of 2001, introduced June 12, 2001, would, among other provisions, have removed all restrictions on travel to Cuba by U.S. nationals or lawful permanent resident aliens.
- Several bills would, among other provisions, have repealed the travel restrictions imposed in the 106<sup>th</sup> Congress by the Trade Sanctions Reform and Export Enhancement Act of 2000 (P.L. 106-387, Title IX, Section 910). These include identical bills S. 402 (Baucus) and H.R. 797 (Rangel), the Cuban Humanitarian Trade Act of 2001, introduced February 27 and 28, 2001; S. 171 (Dorgan), introduced January 24, 2001; and S. 239 (Hagel), the Cuba Food and Medicine Access Act of 2001, introduced February 1, 2001.

## Legislative Initiatives in the 106<sup>th</sup> Congress

The only action completed by the 106<sup>th</sup> Congress relating to Cuba travel involved a tightening of travel restrictions. The final version of the FY2001 agriculture appropriations measure (P.L. 106-387, Title IX, Trade Sanctions Reform and Export Enhancement Act of 2000) included a provision that restricts travel to Cuba to those categories of non-tourist travel already allowed by the Treasury Department regulations. Section 910 of the law provides that neither general nor specific licenses for travel to Cuba can be provided for activities that do not fit into the 12 categories expressly authorized in the Cuban Assets Control Regulations, Section 515.560 (a) of Title 31, CFR, paragraphs (1) through (12).

As noted in the law, the Secretary of the Treasury may not authorize travel-related transactions “for travel to, from, or within Cuba for “tourist activities,” which are defined as any activity that is not expressly authorized in the 12 categories of the regulations. The provision prevents the Administration from loosening the travel restrictions to allow tourist travel. This, in effect, strengthens restrictions on travel to Cuba and somewhat circumscribes the authority of OFAC to issue specific travel licenses on a case-by-case basis under Section 515.560 (b) of Title 31, CFR. OFAC in the past has utilized that section to provide specific licenses for activities that do not fit neatly within the categories of travel set forth in 515.560 (a), including such travel for medical evacuations of Americans legally in Cuba and for U.S. contractors servicing the needs of the U.S. Interests Section. (Regulations implementing the provision of the law were issued by OFAC on July 12, 2001.)

In other legislative action, the Senate considered the issue of travel to Cuba in June 30, 1999 floor action on the FY2000 Foreign Operations Appropriations bill, S. 1234. An amendment was introduced by Senator Christopher Dodd that would have terminated regulations or prohibitions on travel to Cuba and on transactions related to such travel in most instances.<sup>42</sup> The Senate defeated the amendment by tabling it in a 55-43 vote on June 30, 1999. On November 10, 1999, Senator Dodd introduced identical language as S. 1919, the Freedom to Travel to Cuba Act of 2000, but no action was taken on the bill.

The House took up the issue of travel to Cuba when it considered H.R. 4871, the Treasury Department appropriations bill, on July 20, 2000. A Sanford amendment was approved (232-186) to prohibit funds in the bill from being used to administer or enforce the Cuban Assets Control Regulations with respect to any travel or travel-related transaction. Subsequently, the language of the amendment was dropped from a new version of the FY2001 Treasury Department appropriations bill, H.R. 4985, introduced on July 26. H.R. 4985 was appended to the conference report on the Legislative Branch appropriations bill — H.R. 4516, H.Rept. 106-796 — in an attempt to bypass Senate debate on its version of the Treasury appropriations bill, S. 2900. The Senate initially rejected this conference report on

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<sup>42</sup> The Dodd amendment allowed for travel restrictions to be imposed if the United States is at war with Cuba, if armed hostilities are in progress, or when threats to physical safety or public health exist. Under current law, the Secretary of State has the same authority to restrict travel (22 USC 211a).

September 20, 2000, by a vote of 28-69, but later agreed to the report, 58-37, on October 12. The House had agreed to the conference report earlier, on September 14, 2000, by a vote of 212-209.