

Memorandum

Subject: Cuba Policy Changes Under the Trump Administration

Date: Last updated April 19, 2019

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Summary: Since taking office, President Trump has taken a series of executive actions to make trade, travel, and diplomatic engagement with Cuba more difficult. The actions disadvantage U.S. businesses, harm Cuba's private sector, erode national security gains, and alienate U.S. allies around the world.

NEW MEASURES, ANNOUNCED APRIL 17, 2019

- **Title III:** Secretary of State Pompeo [announces](#) full Title III implementation will begin, effective May 2. National Security Advisor Bolton announced increased enforcement of Title IV visa restrictions. [Explained below]
- **Travel:** National Security Advisor Bolton announced forthcoming limitations to non-family travel to Cuba. He did not announce the specific changes nor a timeline for implementation.
- **Remittances:** National Security Advisor Bolton announced the U.S. government would reimpose a cap on the amount of remittances that can be sent to Cuba at \$1,000 per person per quarter.
- **Restricted Entities:** National Security Advisor Bolton announced five entities will be added to the [Cuba restricted list](#).
- **U-Turn Financial Transactions:** National Security Advisor Bolton announced restrictions on U-turn financial transactions (those that pass through a U.S. financial institution).

EXECUTIVE ACTIONS, Background Information:

Increased Sanctions on Travel and Trade:

- **Summary:** A series of new U.S. regulations restrict U.S. travel to Cuba and financial transactions with certain Cuban entities. The State Department created a list of prohibited entities with whom U.S. persons cannot engage in financial transactions. In recent weeks, sanctions on oil tankers from Venezuela are meant to cut off Cuba's petroleum supplies.
- **Impact:** Cuban entrepreneurs assert new U.S. policies caused [immediate damage](#) to their business interests. Negative U.S. rhetoric and policy ambiguity resulted in U.S. visitors canceling trips. A [report](#) from January 2019 shows that Cuba's private sector has suffered. For example, private bed and breakfast bookings were down 44% in 2018 from 2017 figures. Cubans are experiencing shortages of petroleum and other basic goods.
- **Actions:**
 - **June 16, 2017:** President Trump announces he is "canceling the last administration's completely one-sided deal with Cuba." In a [National Security Presidential Memorandum](#) (NSPM), he directed federal agencies to begin drafting new regulations to prohibit individual people-to-people travel and place limits on U.S. visitors' financial transactions.
 - **November 8, 2017:** Per the NSPM, the [Treasury](#) and [Commerce](#) Departments publish new Cuba regulations, and the [State Department](#) formulated a list of 180 entities with ties to Cuba's military and intelligence services, with which transactions are now prohibited (Cuba Restricted List). The [regulations](#) redefine certain categories of legal travel to Cuba, prohibit direct financial transactions that benefit Cuba's military, and expand the list of Cuban "prohibited officials" who cannot travel to or receive funds from the U.S.

- **November 2018:** National Security Advisor Bolton, [delivers](#) a speech in Miami referring to Cuba, Venezuela, and Nicaragua as the “Troika of Tyranny.” Shortly thereafter, the Cuba Restricted List is [updated](#) to include over two dozen additional entities.
- **March 11, 2019:** The State Department announces in a [statement](#) that the [Cuba Restricted List](#) is being updated and additional entities added.
- **April 5, 2019:** The Trump administration announces [sanctions](#) targeting oil shipments between Venezuela and Cuba (sanctions are updated/expanded April 12).
- **April 17, 2019:** National Security Advisor Bolton announced forthcoming limitations to non-family travel to Cuba, restrictions on U-turn financial transactions (those that pass through a U.S. financial institution), additions to the Cuba restricted list, and the reimposition of caps on remittances to Cuba at \$1,000 per person per quarter.

Titles III and IV of Helms Burton:

- **Summary:** Title III of the Helms Burton Act (1996 legislation that codified major components of the embargo) would allow U.S. nationals to file suit in U.S. courts against entities trafficking in their confiscated property in Cuba. Each U.S. administration has waived Title III until the State Department allowed partial implementation in March 2019 (suits against Cuban entities). Full implementation will likely implicate foreign and U.S. companies doing business in Cuba. Title IV of the same act levies visa restrictions against company executives of those companies determined to be “trafficking in confiscated property.”
- **Impact:** Title III and Title IV implementation will harm U.S. businesses, alienate U.S. allies ([Spain](#) and [Canada](#)) and reignite old trade disputes with top trading partners. Title III’s enactment could clog U.S. courts and severely complicate future diplomatic negotiations on the resolution of property claims. Bilateral talks, such as those successfully concluded with Iran and Nicaragua, have the greatest likelihood of success.
- **Actions:**
 - **January 16, 2019:** The State Department statement [announces](#) that Secretary Pompeo determined to waive Title III for only 45 days, which every U.S. president has waived for six months since 1996. According to the statement, the Department “encourage[s] any person doing business in Cuba to reconsider whether they are trafficking in confiscated property and abetting this dictatorship.”
 - **March 4, 2019:** Secretary of State Pompeo [announces](#) a partial implementation of Title III allowing legal actions against Cuban entities related to the Cuban military, intelligence or security forces while suspending the full implementation of Title III for only 30 days.
 - **April 3, 2019:** Secretary of State Pompeo [extends](#) the Title III waiver for two weeks.
 - **April 17, 2019:** Secretary of State Pompeo [announces](#) full Title III implementation will begin, effective May 2. National Security Advisor Bolton announced increased enforcement of Title IV visa restrictions.

Diplomatic Drawdown:

- **Summary:** Following a series of still-unexplained health incidents among the U.S. embassy community in Havana, the Department of State withdrew all but essential personnel from the U.S. Embassy, ceased consular operations, and, citing parity, expelled Cuban diplomats from DC.
- **Impact:** Since the U.S. withdrew most staff from its embassy, [no Cubans have been admitted](#) to the U.S. as refugees (refugee section at the embassy shut down), and the U.S. will fall short of its annual commitment to issue 20,000 immigrant visas. Political and human rights monitoring and reporting out of the embassy has [struggled](#). Due to staff reduction, the embassy in Havana [suspended all but emergency visa-issuing operations](#), forcing most Cubans seeking

non-immigrant visas to travel and apply at a U.S. embassy or consulate in another country. New visa measures separate families, complicate cultural and academic exchanges, and require entrepreneurs to find markets elsewhere for business inputs.

- **Actions:**

- **August 2017:** The State Department [tells reporters](#) that the department has asked two diplomats at Cuba's embassy in Washington to leave the country in May, following a series of health incidents that caused more than twenty U.S. diplomats in Havana to fall ill with mysterious ailments.
- **September 29, 2017:** The State Department [declares](#) that it will temporarily withdraw 60 percent of its Havana embassy staff, stop issuing visas at the embassy and posts a Travel Warning cautioning U.S. travelers against visiting Cuba. A few days later, the department also [announces](#) that it will also expel two-thirds of Cuban diplomats in Washington to "ensure equity in our respective diplomatic operations."
- **January 2018:** After visiting Havana five times at the invitation of Cuba's government, the FBI [reports](#) that its ongoing investigation found no evidence of sonic attacks.
- **March 2018:** State Department [announces](#) staffing changes in Havana are permanent.
- **December 2018:** Following confirmation of two additional cases in May 2018 of U.S. diplomats falling ill in Cuba, USCIS [announces](#) it will permanently close its field office in Havana.

Visa Validity:

- **Summary:** On March 15, 2019, the U.S. embassy in Havana [announces](#) the reduction of B2 visa validity for Cuban nationals from five-year multiple entries to a three-month single entry visa.
- **Impact:** New visa measures separate families, complicate cultural and academic exchanges, and require entrepreneurs to find markets elsewhere for business inputs.

Baseball:

- **Summary:** On April 8, 2019, the Trump Administration cancels the Major League Baseball (MLB) deal with the Cuban Baseball Federation (FCB).
- **Impact:** With no agreement in place Cuban players will be subjected to exploitation by smugglers and traffickers who have preyed upon Cuban defectors in the past. Cuban players must establish residency in another country before signing with an MLB club.
- **Background:** In December, 2018, the MLB and FCB signed an agreement allowing Cuban baseball players to play in the U.S. and Canada without having to defect. The agreement was negotiated over three years, and was similar to the ones the MLB had brokered with baseball programs in Korea, Japan, and Taiwan. Under the deal, the FCB would have released players over 25 years old and with more than six years of experience to play in the MLB and, in turn, would have received a release fee independent from the player's salary. The fees would have amounted to between 15 and 20 percent of total guaranteed value for players signing major league contracts, or 25 percent of the signing bonus for minor league deals. On April 4 the FCB released the first group of 34 Cuban players who would have been allowed to sign direct contracts with the MLB under the deal.