



Cuba: Trump Administration Expands Sanctions

May 17, 2019

In recent weeks, the Trump Administration has imposed a series of increasingly strong economic sanctions against Cuba, effectively ending the previous [policy of engagement](#) begun by the Obama Administration in 2014 that had eased some sanctions and moved toward the normalization of relations. As a result, U.S. policy toward Cuba again is centered on economic pressure aimed at influencing the behavior of the Cuban government, not only with regard to Cuba's own [human rights record](#), but also its support to the regime of Nicolás Maduro in [Venezuela](#). On April 30, 2019, President Trump threatened a “[full and complete embargo](#)” on Cuba and “highest-level sanctions” unless Cuba ceased its military support for the Maduro regime. Congress traditionally has played an [important role](#) in shaping U.S. policy toward Cuba through legislation and oversight, but has appeared divided over Cuba the past decade, with some favoring engagement and others favoring strong sanctions.

Background: Trump Administration Ratchets Up Sanctions in 2017

In June 2017, President Trump issued a [national security presidential memorandum \(NSPM\) on Cuba](#) rolling back the Obama Administration's efforts to normalize relations and introducing new sanctions, which included restrictions on transactions with companies controlled by the Cuban military and the elimination of people-to-people educational travel for individuals. To implement these changes, the Treasury and Commerce Departments [amended](#), respectively, the Cuban Assets Control Regulations ([31 C.F.R. Part 515](#)) and the Export Administration Regulations (15 C.F.R. Parts [740](#) and [746](#)) in November 2017. The amended regulations require people-to-people travel to be under the auspices of an organization specializing in such travel and prohibit financial transactions with entities controlled by the Cuban military, intelligence, or security services that appear on a State Department-maintained list. The State Department first issued its “restricted list” of Cuban entities in November 2017, and has updated it several times, most recently in April 2019. The [current list](#) includes 214 entities and subentities, including more than 100 hotels.

Trump Administration Ramps Up Sanctions in 2019

In 2019, the Administration has increased economic sanctions significantly:

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- **Efforts to Stop Venezuelan Oil Exports to Cuba.** On [April 5](#), [April 12](#), and [May 10](#), 2019, pursuant to [Executive Order 13850](#) (related to [U.S. sanctions on Venezuela](#)), the Treasury Department imposed financial sanctions on eight shipping companies and seven vessels involved in transporting Venezuelan oil to Cuba. Cuba currently imports an estimated [40,000 to 50,000](#) barrels of oil per day (about one-third of its oil consumption) from Venezuela, down from 90,000 to 100,000 several years ago. The Cuban economy has already been negatively affected by reduced oil imports from Venezuela; the curtailment of all Venezuelan oil imports would be a severe blow since Cuba largely pays for the oil in-kind by providing personnel to Venezuela, mostly medical personal.
- **Lawsuits Related to Confiscated Property.** On April 17, 2019, Secretary of State Mike Pompeo [announced](#) that, effective May 2, 2019, the Administration would permit U.S. nationals to file lawsuits against those trafficking in [confiscated property](#) in Cuba pursuant to Title III of the Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1996 (P.L. 104-114). Lawsuits can be brought by any U.S. national, including those who were not U.S. nationals at the time of the confiscation. Prior to this action, all Administrations had suspended, at six-month intervals, the right to file such lawsuits in U.S. federal court pursuant to provisions of the law. Secretary Pompeo cited Cuba's repression of its own people and its support for the Maduro regime in Venezuela as reasons for the implementation of Title III. The [European Union and Canada criticized](#) the Administration's action, vowing to ban enforcement or recognition of any judgement, allow counterclaims in their courts, and seek protection for their companies in the context of the World Trade Organization.

To date, lawsuits have been filed against the Miami-based [Carnival Corporation](#) by descendants of two families who owned port facilities in Cuba confiscated in 1960, and against Cuba's state-owned oil company and a state-owned holding company by [Exxon Mobil Corporation](#) (formerly Standard Oil) for the expropriation of an oil refinery, product terminals, and service stations in 1960.

- **Forthcoming Restrictions on Travel, Remittances, and "U-turn Transactions."** On April 17, 2019, National Security Adviser John Bolton [announced](#) that the Treasury Department would make further regulatory changes to restrict nonfamily travel to Cuba, limit remittances to \$1,000 per person per quarter, and end the use of "U-turn transactions" (which allows commerce in U.S. dollars involving Cuba or Cuba nationals to be processed through the U.S. financial institution via U.S. correspondent banks.) The Treasury Department indicated that the amended regulations would be issued "[in the coming months.](#)"

President Trump's recent threat of further sanctions followed increasingly strong statements over the past several months by U.S. officials. In a [November 2018 speech](#), National Security Adviser Bolton asserted that Cuba was responsible for enabling the Venezuelan regime's repression. Bolton stated in numerous interviews that Cuba has some [20,000 to 25,000](#) security forces in Venezuela; regional experts say the figure is likely [much smaller](#) and that the Cubans there do not have combat capability. (Cuban officials assert that the vast majority of the roughly 20,000 Cuban personnel in Venezuela are [medical workers](#).) In a May 5, 2019, [television interview](#), Secretary Pompeo referred to a smaller number of 2,300 Cuban security personnel in Venezuela, maintaining that they were providing security for Maduro; notably Pompeo also stated that "we're working with the Cubans" regarding the situation in Venezuela. On May 3, 2019, the Lima Group of Western Hemisphere countries approved a [declaration](#) agreeing to seek Cuba's participation in resolving Venezuela's crisis.

Critics of stronger sanctions on Cuba argue that such hardline measures will hurt the Cuban people, including Cuba's emerging private sector, which has benefited from increased U.S. engagement, as well

as current and future U.S. business interests in Cuba. They argue that stronger sanctions run the risk of alienating U.S. allies who favor engagement. Supporters of stronger sanctions assert that only sustained economic pressure will influence the Cuban government's behavior, as well as foreign companies thinking about investing in confiscated property in Cuba. They also view Cuban support as a major factor helping prolong Venezuela's political crisis.

Also see CRS In Focus IF10045, *Cuba: U.S. Policy Overview*; CRS Report R45657, *Cuba: U.S. Policy in the 116th Congress*; and CRS Report RL31139, *Cuba: U.S. Restrictions on Travel and Remittances*.

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