

TELECOMMUNICATIONS PAYMENTS TO CUBA

MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

A 6-MONTH PERIODIC REPORT ON TELECOMMUNICATIONS PAYMENTS MADE TO CUBA PURSUANT TO DEPARTMENT OF THE TREASURY SPECIFIC LICENSES, PURSUANT TO PUB. L. 104-114



MAY 10, 1999.—Message and accompanying papers referred to the Committee on International Relations and ordered to be printed

U.S. GOVERNMENT PRINTING OFFICE

To the Congress of the United States:

As required by section 1705(e)(6) of the Cuban Democracy Act of 1992, 22 U.S.C. 6004(e)(6), as amended by section 102(g) of the Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1996, Public Law 104-114, 110 Stat. 785, I transmit herewith a 6-month periodic report on telecommunications payments made to Cuba pursuant to Department of the Treasury specific licenses.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *May 6, 1999.*

PERIODIC REPORT ON TELECOMMUNICATIONS PAYMENTS MADE TO
CUBA PURSUANT TO TREASURY DEPARTMENT SPECIFIC LICENSES

This report is submitted pursuant to section 1705(e)(6) of the Cuban Democracy Act of 1992, 22 U.S.C. 6004(e)(6) (the "CDA"), as amended by section 102(g) of the Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1996, Public Law 104-114, 110 Stat. 785, 22 U.S.C. 6021-91 (March 12, 1996) (the "LIBERTAD Act"), which requires that I submit to the Congress on a semiannual basis a report detailing payments made to Cuba by any United States person as a result of the provision of telecommunications services authorized by this subsection.

The CDA, which provides that telecommunications services are permitted between the United States and Cuba, specifically authorizes the President to provide for these payments by license. The CDA states that licenses may be issued for full or partial payment of amounts due as a result of the provision of telecommunications services authorized by this subsection, but shall not require any withdrawal from a blocked account. Following enactment of the CDA on October 23, 1992, a number of U.S. telecommunications companies successfully negotiated agreements to provide telecommunications services between the United States and Cuba consistent with policy guidelines developed by the Department of State and the Federal Communications Commission.

Subsequent to enactment of the CDA, the Department of the Treasury's Office of Foreign Assets Control (OFAC) amended the Cuban Assets Control Regulations, 31 C.F.R. Part 515 (the "CACR"), to provide for specific licensing on a case-by-case basis for certain transactions incident to the receipt or transmission of telecommunications between the United States and Cuba, 31 C.F.R. 515.542(c), including settlement of charges under traffic agreements.

The OFAC has issued eight licenses authorizing transactions incident to the receipt or transmission of telecommunications between the United States and Cuba since the enactment of the CDA. None of these licenses permits payments from a blocked account. For the period July 1 through December 31, 1998, OFAC-licensed U.S. carriers reported payments to the Cuban telecommunications company Empresa de Telecomunicaciones de Cuba, S.A. (ETECSA) in settlement of charges under telecommunications traffic agreements as follows:

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|---|--------------|
| AT&T Corporation (formerly, American Telephone and Telegraph Company) | \$16,031,001 |
| AT&T de Puerto Rico | 276,485 |
| Global One (formerly, Sprint Incorporated) | 3,437,634 |
| IDB WorldCom Services, Inc. (formerly, IDB Communications, Inc.) | 3,437,234 |
| MCI International, Inc. (formerly, MCI Communications Corporation) | 6,136,866 |
| Telefonica Larga Distancia de Puerto Rico, Inc | 99,397 |

| | |
|---|-------------------|
| WilTel, Inc. (formerly, WilTel Underseas Cable, Inc.) | 4,488,055 |
| WorldCom, Inc. (formerly, LDDS Communications, Inc.) | 6,114,471 |
| Total | <u>40,021,143</u> |