

A stylized globe logo composed of thick blue lines forming a grid pattern, set against a white background and partially enclosed by a blue circular border.

# ISSUE BRIEF

THE ATLANTIC COUNCIL OF THE UNITED STATES

## A Road Map for Restructuring U.S. Relations with Cuba

For over a decade, the Atlantic Council's project on "Reversing Relations with Adversaries" has produced studies to assist the U.S. government with the restructuring of relations with longtime adversaries. The first study was the 1995 "Road Map for Restructuring Future U.S. Relations with Cuba." While that study's timing proved to be premature, a dozen years later the transition to a post-Fidel Castro government is underway.

Thus, the Council has prepared this guide on how to begin to restructure U.S.-Cuban relations. It builds upon the Council's 2005 analytic compendium of U.S. laws, policies and regulations that govern relations with Cuba.

The U.S. government has sought to advance democratic and free-market change in Cuba for 47 years. Those efforts have failed. Indeed, the transfer of power from Fidel Castro has produced little change in Cuba's politics and took place with no manifestations of broad popular demands for an end to one-party Communist rule. Instead, the Cuban people appear to be resigned to peaceful and gradual change on the island. Most observers judge that any transition to democracy, rule of law, and capitalism is years away.

Thus, the time has come to chart a new course for U.S. policy towards Cuba. If the United States truly wants Cuba to embrace democracy, adopt a free market economy, and adhere to accepted standards for human and civil rights, then the United States must regain lost leverage with which to influence events on the island. To do so, it must begin by untangling a half century's worth of legal and regulatory sanctions that block most diplomatic, commercial, and other relations with Cuba. Then, the United States must engage the Cuban government in a dialogue that addresses common bilateral interests while encouraging positive change on the island.

To chart this new course, the Atlantic Council Working Group on Cuba produced this road map for the initial restructuring of U.S.-Cuban relations. This policymaker's guide offers 20 recommendations in six areas: sanctions, leverage, international support, migration, transnational threats, and property claims. The recommendations seek to pull U.S.-Cuban relations out of their nearly half-century of deep freeze in order to re-engage the U.S. in effectively influencing events in Cuba for the mutual benefit of the citizens of both nations.



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## Executive Summary

For nearly 50 years, the United States has sought -- without success -- to promote regime change in Cuba. Now, with its old adversary Fidel Castro passing from the scene, the United States has the opportunity to adopt a more effective strategy to encourage the transition to a democratic government that respects human rights, adheres to the rule of law, and moves to a free market economy. Towards that end, the Atlantic Council presents this proposed road map for the initial restructuring of U.S.-Cuban relations.

Regardless of how the U.S. government might desire to respond to, or influence events in Cuba, its freedom of action is severely restrained by a half-century's worth of legal and regulatory constraints blocking most diplomatic, commercial, and other relations. Moreover, whereas those constraints were once mostly based on easily revocable Executive Orders, in recent years the sanctions have been codified in federal law. Thus, work needs to begin now in both the Congress and the Executive Branch to untangle that web of constraints -- starting with legislation giving the President greater flexibility to promote and respond to changes in Cuba. Section 1 of this study recommends steps to achieve that goal, including removing existing statutory restrictions that deny the Executive Branch the flexibility to adjust sanctions policy in response to changing circumstances.

The unilateral economic embargo has been the main U.S. policy instrument in recent decades. While the embargo and related sanctions have failed to achieve their policy objectives, they have been used by the Castro government as propaganda tools to turn the Cuban people against the United States. At the same time, the Castro regime silenced most dissent on the island while finding foreign benefactors (first the Soviet Union and now Venezuela) to prop up Cuba's inefficient command economy. As a result, the United States has been left with almost no leverage to effect

change in Cuba. Thus, as the post-Fidel Castro era dawns, the United States urgently needs to adjust its policy so that it is able to influence future events in Cuba. Section 2 of this study recommends steps to achieve that goal, including easing restrictions on travel, commerce, remittances, and people-to-people cultural exchanges in order to conditionally engage Cuba much as the U.S. engaged communist Eastern Europe before the fall of the Berlin Wall.

After a half-century long unproductive experience with a unilateral Cuban policy, the time has come for the United States to encourage allies, regional partners, international organizations, and private groups to promote human and civil rights and free-market change in Cuba. Countries such as Canada, the United Kingdom, Spain, Mexico, Chile, and Uruguay could play increasingly constructive roles. The same holds true for the United Nations, the European Union, international financial institutions, non-governmental organizations, and other private sector groups. Section 3 of this study recommends steps to achieve that goal, including encouraging U.S. allies, regional partners, the United Nations, and private groups to make greater efforts to promote human and civil rights and free market change in Cuba.

In view of the loss of life at sea and chaos ashore in southern Florida during the 1980 Mariel boatlift of 129,000 Cubans and the sudden 1994 exodus of 37,000 Cubans, it remains in the U.S. interest to avoid a massive unchecked exodus from the island. However, current U.S. law encourages unsafe and unchecked Cuban migration by automatically admitting any Cuban who makes it to U.S. soil -- even those risking their lives crossing the Florida Strait. The U.S. government needs to reconsider the utility of that policy. Section 4 of this study recommends steps to achieve that goal, including ending immigration policies that undermine U.S. humanitarian and foreign policy interests by encouraging unsafe and unchecked Cuban immigration.

The transition to democracy, rule of law, and a free market economy in Cuba is likely to take many years. If that transition falters, any number of physical threats to the United States could emanate from Cuba. Thus, as this uncertain period unfolds, the United States needs to place increased emphasis on preventing the rise of transnational threats such as terrorism, drug trafficking, and infectious disease. Section 5 of this study recommends steps to achieve that goal, including developing relationships between U.S. and Cuban intelligence, law enforcement, and health officials with which to discuss potential transnational threats.

One certain stumbling block will be the financial claims against the Cuban government for property confiscated from U.S. citizens and corporations since 1959. The U.S. government has certified nearly 6,000 such claims with an original value of nearly 2 billion dollars. Decades of interest have increased that price tag substantially. To prevent contention over claims from paralyzing the restructuring of relations, the U.S. and Cuban governments need to establish an orderly process to resolve the claims. Section 6 of this study recommends steps to achieve that goal, including pressing the Cuban government to agree on an orderly process to compensate U.S. government certified property claimants.

The goal of the recommendations in this study is to encourage Cuba to embrace democracy, adopt a free market economy, and adhere to accepted standards for human and civil rights. Thus, steps such as dropping U.S. demands for “regime change” and beginning to lift sanctions do not mean that the United States is giving up on holding the Cuban government’s feet to the fire to reform. For example, until Cuba significantly liberalizes both its economy and politics, the U.S. government should

continue to deny Cuba the benefits of Normal Trade Relations (Most Favored Nation) status.

### Key Issues and Recommendations

Cuba has been an important concern for the United States since the 19th century. After Fidel Castro seized power in 1959 and installed a single-party communist dictatorship, the U.S. government made it a top foreign policy goal to add a democratic, free-market Cuba to the family of nations in the Western Hemisphere. On a less altruistic level, Cuba’s close physical proximity to the United States makes it a vital national security interest to assure that Cuba does not become the source of massive refugee flows or of other transnational threats such as terrorism, drug trafficking, and infectious disease. Finally, given that Cuba is the largest country in the Caribbean and was once the largest U.S. trading partner in that region, it is in the U.S. economic

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interest to see Cuba again become an important outlet for U.S. exports and investment.

However, U.S.-Cuban relations have been in deep freeze for nearly 50 years. Now, with the transfer of power from Fidel Castro, there is a chance that a new relationship could be built for the mutual benefit of the citizens of both nations. However, after decades as adversaries, the sheer weight of history will make it extremely difficult to make that new start. Thus, there is a clear need for a coordinated plan for the initial restructuring of bilateral relations. Such a road map would contain

several elements, which are detailed below along with recommendations to implement them.

### 1. Sanctions and Related Constraints

Regardless of how the U.S. government might desire to respond to or influence events in Cuba, its freedom of action is severely restrained by a half-century's worth of legal and regulatory constraints blocking most diplomatic, commercial, and other relations. Moreover, whereas those constraints were once mostly based on easily revocable Executive Orders, in the 1990s the economic embargo was codified in federal law.

Under current U.S. law, the comprehensive trade, travel, and financial transaction restrictions can only be suspended and lifted if Cuba, in effect, is well on the road to becoming a Jeffersonian democracy. The transition to such a government may have been conceivably on the horizon in the early and mid-1990s when the cutoff of assistance from the Soviet Union threw the Cuban economy into a nosedive and the collapse of Soviet communism set an example that some observers thought Cuba might follow. However, in recent years Cuba's economy has strengthened thanks to factors such as international tourism, nickel exports, and substantial aid from Venezuela's Hugo Chavez. Furthermore, the long anticipated passing of Fidel Castro from the scene is taking place with no manifestation

of broad popular demands for an immediate end to Communist rule. Instead, the Cuban people appear to hope for peaceful and gradual change on the island, starting with economic liberalization. Thus, most observers judge that any transition to democracy, rule of law, and capitalism in Cuba is many years away.

Thus, the U.S. legal framework governing relations with Cuba is obsolete and counterproductive. Though its goals are laudable, the extreme unlikelihood of their being achieved any time soon under the terms of that framework denies the Executive Branch flexibility to adjust policy in response to changing circumstances. Thus, the first priority in the road map for restructuring relations is legislation giving the Executive Branch greater flexibility to respond to and influence changes in Cuba. Such legislation would need to significantly revise many of the benchmarks for allowing engagement. Under current law, for example, trade, travel, and financial transaction restrictions must remain in place as long as Raul Castro holds a leadership position (even if he were to implement substantial economic and political reforms). Unfortunately, if he lives as long as his brother and remains in government, that restriction would tie the U.S. government's hands into the 2010s. That would leave the United States on the sidelines as the generational transition on Cuba proceeds.

#### RECOMMENDATIONS

*1. Congress should amend the Cuban Liberty and Democratic Solidarity Act of 1996, Sec. 204, to permit the President to suspend or end the enforcement of existing statutory sanctions notwithstanding the fact that the post-Fidel Castro government may not be demonstrably in transition from a communist totalitarian dictatorship to a representative democracy.*

*2. Congress should retain the humanitarian goal of the release of all political prisoners, but give the Executive Branch flexibility in negotiating that issue with the Cuban government.*

## 2. Influence and Leverage

A unilateral economic embargo has been the main U.S. policy instrument in recent decades. While the embargo and related sanctions have failed to achieve their policy objectives, they have been used by the Castro regime as propaganda tools to turn the Cuban people against the United States. At the same time, the Castro regime silenced dissent on the island while finding foreign benefactors (first the Soviet Union and now Venezuela) to prop up Cuba's inefficient command economy. As a result, the United States is left with almost no leverage to effect change in Cuba. Thus, as the post-Fidel Castro era dawns, the United States urgently needs to attain leverage with which to influence events.

To achieve that goal, the United States needs to conditionally engage the Cuban government and people much as it engaged communist Eastern Europe before the fall of the Berlin Wall and engages communist China and Vietnam today. Towards that end, the U.S. departments of Treasury and Commerce should revoke the June 2004 travel and remittances restrictions that, for example, permit Cuban-Americans to visit their family members on the island only once every three years. The U.S. Department of State should remove Cuba from the sanctions-producing list of State Sponsors of Terrorism – a designation made in 1982 and maintained today for such reasons as Cuba's refusal to extradite 1970s-era airline hijackers.

Next, as soon as the increased statutory flexibility recommended in this report's prior section has been enacted, the President should lift restrictions on travel, commerce, remittances, and people-to-people cultural exchanges with Cuba (some of the current restrictions were only put into effect

during the 1990s). Americans, including Cuban-Americans visiting relatives, should be allowed unfettered travel to Cuba -- bringing with them proof of the benefits of liberty and capitalism. Exchanges of artistic, scientific and sports groups should resume. Trade should resume – permitting U.S. companies that invest in Cuba to set the example for the proper role of worker rights and independent trade unions in the global economy.

As the United States lifts sanctions, it should also cease efforts to compel third countries to comply with the U.S. economic embargo. Towards that end, the Congress should repeal the extra-territorial provisions of the Cuban Liberty and Democratic Solidarity Act of 1996, Titles III and IV.

An influx of American visitors and goods would, of course, boost the Cuban economy. However, any argument for maintaining the unilateral economic embargo is severely undermined by the fact that five decades of withholding such economic stimulus has not forced political change on the

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island. Cuba currently has diplomatic relations with over 160 nations and counts many of them as trading partners. The U.S. Central Intelligence Agency estimates that the Cuban economy grew by a robust 7.5 percent in 2006. Therefore, there is no prospect that an economic embargo by just one nation could compel "regime change" in Cuba – especially with Venezuela's recently re-elected president Hugo Chavez providing Cuba with a multi-billion dollar annual lifeline.

In addition, the U.S. government should open a dialogue with the Cuban government. As discussed elsewhere in this report, the two governments have much to talk about. The U.S. maintains ongoing dialogues with numerous governments that deny their citizens' basic human rights (for example, China and Vietnam), so it makes no sense to continue to ignore the government of a nation located just 90 miles away. The first step in opening this dialogue would be for the U.S. government to renounce its demands for "regime

change" and acknowledge that the future of Cuba will be determined in Cuba by Cubans.

That said, steps such as beginning to lift sanctions do not mean that the United States is giving up on holding the Cuban government's feet to the fire to reform. For example, until Cuba significantly liberalizes both its economy and politics, the U.S. government should continue to deny Cuba access to the benefits of Normal Trade Relations (Most Favored Nation) status.

### RECOMMENDATIONS

- 1. The U.S. departments of Treasury and Commerce should immediately revoke the June 2004 travel and remittances restrictions.*
- 2. The U.S. Department of State should remove Cuba from the sanctions-producing list of State Sponsors of Terrorism.*
- 3. The Congress should repeal the extra-territorial provisions of the Cuban Liberty and Democratic Solidarity Act of 1996, Titles III and IV, which seek to compel third countries to comply with the U.S. economic embargo.*
- 4. The President should lift restrictions on travel, commerce, remittances, and people-to-people cultural exchanges with Cuba. Some lifting should be done unilaterally, while other measures should be taken as a quid pro quo for actions by the Cuban government (for example, the release of all political prisoners). Direct commercial air flights and a ferry service should resume between south Florida and Havana.*
- 5. The U.S. government should open a dialogue with the Cuban government on bi-national issues such as those outlined in this report. Staffing at the U.S. Interests Section in Havana should be expanded to carry out the increased government-to-government contacts. Both governments should lift the restrictions on the in-country travel of their diplomats (Cuban diplomats are currently limited to Washington, D.C. and U.S. diplomats to Havana). The U.S. Department of Defense should institute military-to-military contacts with the Cuban military.*
- 6. Until Cuba significantly liberalizes both its economy and politics, the U.S. government should continue to deny it the benefits of Normal Trade Relations status.*

### 3. International Support

After a half-century's unproductive experience with a unilateral Cuban policy, the time has come for the U.S. government to encourage other democratic nations, international organizations, and private sector groups to help Cuba find its future. Given the weight of U.S.-Cuban history, these third parties stand a better chance than does the U.S. government of successfully encouraging positive change in Cuba.

Countries such as Canada, the United Kingdom, Spain, Mexico, Chile, and Uruguay could play increasingly constructive roles in promoting

human and civil rights and free-market change in Cuba. The same holds true for the United Nations, the European Union, international financial institutions, nongovernmental organizations, and other private sector groups.

For example, the European Union has long urged the Cuban government to end its violations of the fundamental civil and political rights of its citizens. While Cuba, to date, has rejected EU efforts to open a political dialogue that includes the issue of human rights, the U.S. government should encourage the EU and its member states to continue to seek to engage the Cuban government on this issue.

#### RECOMMENDATIONS

- 1. The U.S. government should encourage allies, regional partners, the United Nations, and private groups to make greater efforts to promote human and civil rights and free-market change in Cuba.*
- 2. The U.S. government should encourage the International Monetary Fund, the World Bank, and the Inter-American Development Bank to extend Observer status to Cuba. However, until Cuba significantly liberalizes both its economy and politics, the U.S. government should continue to oppose full readmission.*

### 4. Migration

To avoid loss of life at sea and chaos ashore in southern Florida, the United States has long sought to avoid a repeat of the 1980 Mariel boatlift of 129,000 Cubans and the 1994 exodus of 37,000 Cubans which threatened to overwhelm U.S. capabilities to handle large numbers of refugees. Towards that end, since 1994 the United States has admitted 25,000-30,000 Cubans a year – about 2/3 of whom enter on visas by the U.S. Interests Section in Havana and 1/3 of whom enter without visas after transiting Mexico to the Texas border or by successfully navigating the hazards of the Florida Strait.

Clearly, it remains in the interest of the United States to avoid a massive unchecked exodus from Cuba. Towards that end, the U.S. government should continue to refrain from actions or statements that could provoke or encourage mass migration. The U.S. Departments of Homeland Security (Coast Guard) and Defense (Navy) should continue interdiction and repatriation operations in the Florida Strait and be prepared to respond to any new mass seaborne exodus. The U.S. Departments of State and Homeland Security (Customs and Border Protection, and Immigration and Customs Enforcement) should encourage the Government of Mexico to improve efforts to stop Cubans from illegally transiting Mexico bound for the southwest U.S. border.



The emigration of 300,000 Cubans since 1994 has served as a safety valve to dissipate pressures for mass migration. At the same time, because those migrants included many of those most dissatisfied with life in communist Cuba, this safety valve has arguably also served to dissipate pressures for political and economic reform in Cuba. However, any move by the U.S. to stop all Cuban migration in an attempt to create a “pressure cooker” for reform would go against the U.S. tradition of facilitating family reunification and could eventually lead to another dangerous and chaotic Mariel-like mass migration.

On the other hand, the status quo is itself dangerous because current U.S. law encourages unsafe and unchecked Cuban migration by automatically “paroling” in any Cuban who makes it to U.S. soil (for example, a south Florida beach or the north bank of the Rio Grande in Texas). This so-called “wet-foot, dry-foot” policy, deriving from the Cuban Adjustment Act of 1966 and provisions of the Immigration Reform and Control Act of 1986, has several impacts that are contrary to U.S. humanitarian and foreign policy interests. It encourages Cubans to risk their lives crossing the Florida Straits. It reduces the credibility of

U.S. government statements that encourage legal migration only. It creates a powerful incentive for Cuban Americans to pay alien smugglers to remove their relatives from Cuba, thereby creating a threat to U.S. homeland security by sustaining a network of alien smugglers who specialize in evading U.S. patrols and who could also engage in trafficking in drugs or other dangerous contraband. For that reason, Congress should repeal the Cuban Adjustment Act of 1966.

At the same time, the United States should continue to process the 20,000 Cubans per year who apply for visas at the U.S. Interest Section in Havana under the 1994 bilateral immigration agreement. The United States should also continue to allow any Cuban who encounters U.S. authorities a chance to present refugee claims (including the ability of Cubans still living in Cuba to present refugee claims at the U.S. Interests Section in Havana.) Thus, a substantial number of Cubans could still emigrate in a legal, safe, and orderly process while at the same time discouraging unsafe and unchecked emigration via rafts or smuggling networks.

### RECOMMENDATIONS

- 1. The U.S. government should refrain from actions or statements (including those made on U.S. government funded Radio and TV Marti) that could provoke or encourage mass migration. The Departments of Homeland Security and Defense should continue interdiction and repatriation operations in the Florida Straits and be prepared to respond to any new mass seaborne exodus.*
- 2. The U.S. Departments of State and Homeland Security should encourage the Government of Mexico to improve efforts to stop Cubans from illegally transiting Mexico bound for the southwest U.S. border.*
- 3. Congress should repeal the Cuban Adjustment Act of 1966 and provisions of the Immigration Reform and Control Act of 1986, which encourage Cuban migration by putting them on a fast track to U.S. legal resident status. The United States should continue to process the 20,000 per year who apply for visas at the U.S. Interest Section in Havana under the 1994 bilateral immigration agreement.*

## 5. Other Transnational Threats

Cuba's close physical proximity to the United States makes it a vital national security interest to assure that Cuba does not become the source of transnational threats such as terrorism, drug trafficking, infectious disease, or off-shore drilling spills. Unfortunately, any transition to democracy, rule of law, and a free market economy in Cuba is likely to take many years. If that transition falters, any number of physical threats to the United

States could emanate from Cuba. Thus, as this uncertain period unfolds, the United States needs to place increased emphasis on avoiding such situations. The first step towards achieving that goal is to recognize that it is a top priority. The second step is to begin engaging Cuban officials on those issues, much as the two nations already meet each month at the gate of the Guantánamo Naval Base to discuss issues involving the shared border of that facility.

### RECOMMENDATIONS

*1. The U.S. government should begin to develop relationships with Cuban intelligence, law enforcement, and health officials with which to discuss such issues as counter-terrorism, anti-narcotics smuggling, and avian flu surveillance. As Cuban off-shore drilling expands, the two nations should conduct table top exercises to plan to contain potential transnational oil spills.*

*2. The U.S. government should work in a complementary way with allies such as the United Kingdom and Canada to continue to develop their own relationships with Cuban officials to mitigate against these types of transnational issues.*

## 6. Property Claims

One likely initial stumbling block to improved relations will be the financial claims against the Cuban government for property confiscated from U.S. citizens and corporations. In 1964, the U.S. government certified nearly 6,000 such claims with a value of nearly \$2 billion. Decades of interest have increased that price tag to over \$10 billion (Cuba's GDP in 2005 was only \$37 billion). Corporations account for nearly 90 percent of the value of the claims and the top ten corporate claimants account for more than one-half of the total. The principal industries represented by these claims are telephone, electric utilities, sugar, cement, and mining. Some claimants may be interested in restitution by way of the return of their original properties (or real estate of equivalent value elsewhere on the island) to put it back into economic use. Other claimants may want cash compensation.

To prevent contention over outstanding claims from paralyzing the restructuring of political and economic relations, the U.S. and Cuban governments will need to establish an orderly process to resolve the claims. The U.S. Departments of State and Treasury should draw on the examples of past settlements in Eastern Europe and 1990's Nicaragua in analyzing potential alternative forms of compensation (for example, government bonds) in the event that demands for compensation exceed the foreign exchange holdings of the Cuban government and thereby threaten to cripple future economic growth. An innovative proposal contained in the Atlantic Council's 1995 Cuba study was for the Guantánamo Naval Base to be transformed into an economic development zone with the proceeds going to compensate U.S. government certified property claimants.

The U.S. government should resist any pressure to expand the pool of claimholders to include those who did not register or did not qualify for the original claims program. Although in some exceptional cases elsewhere the United States has asserted claims on behalf of citizens who were not nationals at the time of confiscation, the magnitude of the Cuban claims argues against expanding the pool beyond that of certified claimholders. Estimates suggest that property confiscated from Cuban exiles in the early 1960s amounted to approximately \$7 billion. With interest, these uncertified claims could now total almost as much as Cuba's GDP. Therefore, were the U.S. government to press Cuba to resolve those massive claims, it would likely make it more difficult to obtain adequate compensation for the U.S. government certified claimants. It would likely

also reduce the Cuban government's willingness to undertake market reforms.

For similar reasons, the United States should repeal the Cuban Liberty and Democratic Solidarity Act of 1996, Title III, which gives those who were Cuban citizens at the time of confiscation but who were later naturalized as Americans a right of action in U.S. courts to go after foreign investors in Cuba whose investments touch their former property. Any legal proceedings undertaken under this law could make it less likely that Cuba would satisfy U.S. government certified claimants. The United States, however, should unofficially encourage the Cuban government to establish constructive solutions to address non-U.S. government certified claims.

#### RECOMMENDATIONS

- 1. The U.S. government, after examining the positive and negative aspects of past property settlements in Eastern Europe and 1990's Nicaragua, should propose a compensation plan to the Cuban government. Due to the large value of the claims compared to the Cuban GDP, that plan will likely include alternative non-cash forms of compensation such as Cuban government bonds or offering claimant U.S. firms to enter into joint-venture agreements with Cuban firms.*
- 2. Another proposal suggests transforming the Guantánamo Naval Base into an economic development zone with the proceeds going to compensate U.S. government certified property claimants.*
- 3. The U.S. government should press the Cuban government to quickly come to an agreement on an orderly process to resolve the claims. In that agreement, the Cuban government should guarantee the private property rights of any returned property. The settlement mechanism should be outlined in an agreement which would promptly be made available to the general public to provide accountability and instill confidence in the process.*
- 4. Negotiations over specific claims should not be allowed to impede other aspects of U.S.-Cuban relations, especially trade, investment and assistance, provided that the principle of remedy for the confiscations has been accepted by Cuba and a general framework for resolving the claims has been established.*
- 5. The Congress and Executive Branch should resist pressures to espouse any additional claims not already certified by the U.S. government. In addition, the Congress should repeal the Cuban Liberty and Democratic Solidarity Act of 1996, Title III, which gives those who were Cuban citizens at the time of confiscation but who were later naturalized as Americans a right of action in U.S. courts to go after foreign investors in Cuba whose investments touch their former property. The United States, however, should unofficially encourage the Cuban government to establish constructive solutions to address those claims.*

## Conclusion

This report has proposed the initial steps of a new course for U.S. policy towards Cuba. That course begins with regaining lost leverage with which to influence events on the island. It then continues with engaging the Cuban government in a dialogue designed to encourage positive change. The end goal is to encourage Cuba to embrace democracy, adopt a free market economy, and adhere to accepted standards for human and civil rights. This process may take years to unfold, but it is much more likely to succeed than the current U.S. policy of keeping relations in deep freeze.

### Members of the Working Group

The members of the working group believe that the recommendations stated in this paper promote overall U.S. interests. While there may be some parts of the report with which some participants are not in full agreement, each participant believes that the report, as a whole, provides a sound basis for future action by the U.S. government. The views of participants do not represent the official position of any institution. In addition, the report benefited from the participation of a U.S. government official whose involvement was in his personal capacity. The views expressed in this report are those of the authors and do not necessarily represent the views of the U.S. Department of State or the U.S. Government.

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