

108TH CONGRESS  
1ST SESSION

# S. 403

To lift the trade embargo on Cuba, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

FEBRUARY 13, 2003

Mr. BAUCUS (for himself, Mrs. LINCOLN, Mr. CONRAD, and Mrs. MURRAY)  
introduced the following bill; which was read twice and referred to the  
Committee on Finance

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## A BILL

To lift the trade embargo on Cuba, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “United States-Cuba  
5       Trade Act of 2003”.

6       **SEC. 2. FINDINGS.**

7       The Congress finds that—

8               (1) the continuation of the embargo on trade  
9       between the United States and Cuba that was de-  
10      clared in February of 1962 is counterproductive,  
11      adding to the hardships of the Cuban people while

1 making the United States the scapegoat for the fail-  
2 ures of the communist system;

3 (2) in the former Soviet Union, the Eastern  
4 bloc countries, China, and Vietnam, the United  
5 States is using economic, cultural, academic, and  
6 scientific engagement to support its policy of pro-  
7 moting democratic and human rights reforms;

8 (3) the United States can best support demo-  
9 cratic change in Cuba by promoting trade and com-  
10 merce, travel, communications, and cultural, aca-  
11 demic, and scientific exchanges;

12 (4) the Castro regime has a record of harboring  
13 fugitives from United States justice and denying its  
14 people basic human and civil rights;

15 (5) expanding bilateral trade with the Cuban  
16 people is one of the most effective ways of influ-  
17 encing change from within Cuba's repressive society  
18 and promoting progress on human rights and demo-  
19 cratic rule;

20 (6) since many United States trading partners,  
21 including all other countries in the Western Hemi-  
22 sphere, trade with Cuba, the affect of the United  
23 States policy is to disadvantage United States farm-  
24 ers and businesses that could otherwise compete in  
25 the Cuban market;

1           (7) Cuba was one of the founding members of  
 2           the General Agreement on Tariffs and Trade in  
 3           1947 and is an original member of the World Trade  
 4           Organization; and

5           (8) extending permanent normal trade relations  
 6           to Cuba, as the United States has done with nearly  
 7           every other member of the World Trade Organiza-  
 8           tion, would enable the United States to avail itself  
 9           of all rights under the World Trade Organization  
 10          with respect to Cuba.

11 **SEC. 3. REMOVAL OF PROVISIONS RESTRICTING TRADE**  
 12 **AND OTHER RELATIONS WITH CUBA.**

13          (a) **AUTHORITY FOR EMBARGO AND SUGAR**  
 14 **QUOTA.**—Section 620(a) of the Foreign Assistance Act of  
 15 1961 (22 U.S.C. 2370(a)) is repealed.

16          (b) **TRADING WITH THE ENEMY ACT.**—The authori-  
 17 ties conferred upon the President by section 5(b) of the  
 18 Trading With the Enemy Act (50 U.S.C. App. 5(b)),  
 19 which were being exercised with respect to Cuba on July  
 20 1, 1977, as a result of a national emergency declared by  
 21 the President before that date, and are being exercised  
 22 on the day before the effective date of this Act, may not  
 23 be exercised on or after such effective date with respect  
 24 to Cuba. Any regulations in effect on the day before such

1 effective date pursuant to the exercise of such authorities  
2 shall cease to be effective on such date.

3 (c) EXERCISE OF AUTHORITIES UNDER OTHER PRO-  
4 VISIONS OF LAW.—

5 (1) REMOVAL OF PROHIBITIONS.—Any prohibi-  
6 tion on exports to Cuba that is in effect on the day  
7 before the effective date of this Act under the Ex-  
8 port Administration Act of 1979 (50 U.S.C. App.  
9 2401 et seq.) shall cease to be effective on such ef-  
10 fective date.

11 (2) AUTHORITY FOR NEW RESTRICTIONS.—The  
12 President may, on and after the effective date of this  
13 Act—

14 (A) impose export controls with respect to  
15 Cuba under section 5, 6(j), 6(l), or 6(m) of the  
16 Export Administration Act of 1979, and

17 (B) exercise the authorities the President  
18 has under the International Emergency Eco-  
19 nomic Powers Act with respect to Cuba pursu-  
20 ant to a declaration of national emergency re-  
21 quired by that Act that is made on account of  
22 an unusual and extraordinary threat to the na-  
23 tional security, foreign policy, or economy of the  
24 United States, that did not exist before the en-  
25 actment of this Act.

1 (d) CUBAN DEMOCRACY ACT.—The Cuban Democ-  
 2 racy Act of 1992 (22 U.S.C. 6001 et seq.) is repealed.

3 (e) REPEAL OF CUBAN LIBERTY AND DEMOCRATIC  
 4 SOLIDARITY (LIBERTAD) ACT OF 1996.—

5 (1) REPEAL.—The Cuban Liberty and Demo-  
 6 cratic Solidarity (LIBERTAD) Act of 1996 (22  
 7 U.S.C. 6021 et seq.) is repealed.

8 (2) CONFORMING AMENDMENTS.—(A) Section  
 9 498A of the Foreign Assistance Act of 1961 (22  
 10 U.S.C. 2295a) is amended—

11 (i) in subsection (a)(11) by striking “and  
 12 intelligence facilities, including the military and  
 13 intelligence facilities at Lourdes and Cien-  
 14 fuegos,” and inserting “facilities,”;

15 (ii) in subsection (b)—

16 (I) in paragraph (4) by adding “and”  
 17 after the semicolon;

18 (II) by striking paragraph (5); and

19 (III) by redesignating paragraph (6)  
 20 as paragraph (5); and

21 (iii) by striking subsection (d).

22 (B) Section 498B(k) of the Foreign Assistance  
 23 Act of 1961 (22 U.S.C. 2295b(k)) is amended by  
 24 striking paragraphs (3) and (4).

1 (C) Section 1611 of title 28, United States  
2 Code, is amended by striking subsection (c).

3 (D) Sections 514 and 515 of the International  
4 Claims Settlement Act of 1949 (22 U.S.C. 1643l  
5 and 1643m) are repealed.

6 (f) TRADE SANCTIONS REFORM AND EXPORT EN-  
7 HANCEMENT ACT OF 2000.—The Trade Sanctions Re-  
8 form and Export Enhancement Act of 2000 (title IX of  
9 Public Law 106–387 (114 Stat. 1549A–67)) is amend-  
10 ed—

11 (1) in section 906(a)(1) by striking “Cuba”;

12 (2) in section 908—

13 (A) by striking subsection (b);

14 (B) in subsection (a)—

15 (i) by striking “PROHIBITION” and all  
16 that follows through “(1) IN GENERAL.—  
17 ” and inserting “IN GENERAL.—”

18 (ii) by striking “for exports to Cuba  
19 or”;

20 (iii) by striking paragraph (2); and

21 (iv) by redesignating paragraph (3) as  
22 subsection (b) (and conforming the margin  
23 accordingly); and

1 (C) in subsection (b) (as redesignated), by  
 2 striking “paragraph (1)” and inserting “sub-  
 3 section (a)”;  
 4 (3) by striking section 909;  
 5 (4) by striking section 910; and  
 6 (5) by redesignating section 911 as section 909.

7 (g) REPEAL OF PROHIBITION ON TRANSACTIONS OR  
 8 PAYMENTS WITH RESPECT TO CERTAIN UNITED STATES  
 9 INTELLECTUAL PROPERTY.—Section 211 of the Depart-  
 10 ment of Commerce and Related Agencies Appropriations  
 11 Act, 1999 (Public Law 105–277; 112 Stat. 2681–88) is  
 12 repealed.

13 (h) TERMINATION OF DENIAL OF FOREIGN TAX  
 14 CREDIT WITH RESPECT TO CUBA.—Subparagraph (A) of  
 15 section 901(j)(2) of the Internal Revenue Code of 1986  
 16 (relating to denial of foreign tax credit, etc., with respect  
 17 to certain foreign countries) is amended by adding at the  
 18 end thereof the following new flush sentence:

19 “Notwithstanding the preceding sentence, this  
 20 subsection (other than paragraph (2)(A)(iv))  
 21 shall not apply to Cuba after the date that is  
 22 60 days after the date of the enactment of this  
 23 sentence.”.

24 (i) SUGAR QUOTA PROHIBITION UNDER FOOD SECU-  
 25 RITY ACT OF 1985.—Subsection (c) of section 902 of the

1 Food Security Act of 1985 (7 U.S.C. 1446g note) is re-  
 2 pealed.

3 **SEC. 4. TELECOMMUNICATIONS EQUIPMENT AND FACILI-**  
 4 **TIES.**

5 Any common carrier within the meaning of section  
 6 3 of the Communications Act of 1934 (47 U.S.C. 153)  
 7 is authorized to install, maintain, and repair telecommuni-  
 8 cations equipment and facilities in Cuba, and otherwise  
 9 provide telecommunications services between the United  
 10 States and Cuba. The authority of this section includes  
 11 the authority to upgrade facilities and equipment.

12 **SEC. 5. TRAVEL.**

13 (a) IN GENERAL.—Travel to and from Cuba by indi-  
 14 viduals who are citizens or residents of the United States,  
 15 and any transactions ordinarily incident to such travel,  
 16 may not be regulated or prohibited if such travel would  
 17 be lawful in the United States.

18 (b) TRANSACTIONS INCIDENT TO TRAVEL.—Any  
 19 transactions ordinarily incident to travel which may not  
 20 be regulated or prohibited under subsection (a) include,  
 21 but are not limited to—

22 (1) transactions ordinarily incident to travel or  
 23 maintenance in Cuba; and



1           (2) normal banking transactions involving for-  
 2           eign currency drafts, traveler’s checks, or other ne-  
 3           gotiable instruments incident to such travel.

4   **SEC. 6. DIRECT MAIL DELIVERY TO CUBA.**

5           The United States Postal Service shall take such ac-  
 6           tions as are necessary to provide direct mail service to and  
 7           from Cuba, including, in the absence of common carrier  
 8           service between the 2 countries, the use of charter pro-  
 9           viders.

10   **SEC. 7. NEGOTIATIONS WITH CUBA.**

11           (a) NEGOTIATIONS.—The President should take all  
 12           necessary steps to conduct negotiations with the Govern-  
 13           ment of Cuba—

14                 (1) for the purpose of settling claims of nation-  
 15           als of the United States against the Government of  
 16           Cuba for the taking of property by such government;  
 17           and

18                 (2) for the purpose of securing the protection of  
 19           internationally recognized human rights.

20           (b) DEFINITIONS.—As used in this section, the terms  
 21           “national of the United States” and “property” have the  
 22           meanings given those terms in section 502 of the Inter-  
 23           national Claims Settlement Act of 1949 (22 U.S.C.  
 24           1643a).

1 **SEC. 8. EXTENSION OF NONDISCRIMINATORY TRADE**  
 2 **TREATMENT.**

3 (a) SENSE OF CONGRESS.—

4 (1) IN GENERAL.—It is the sense of the Con-  
 5 gress that—

6 (A) the United States should promote  
 7 democratic change and economic reform by nor-  
 8 malizing trade relations with Cuba; and

9 (B) upon the enactment of this Act, it will  
 10 no longer be necessary for the United States to  
 11 continue to use article XXI of the GATT 1994  
 12 with respect to Cuba, understanding that the  
 13 President retains full authority to invoke article  
 14 XXI of the GATT 1994 and comparable provi-  
 15 sions in other Uruguay Round Agreements in  
 16 the future in all appropriate circumstances.

17 (2) DEFINITIONS.—In this section, the term  
 18 “GATT 1994” and “Uruguay Round Agreements”  
 19 have the meanings given those terms in section 2 of  
 20 the Uruguay Round Agreements Act (19 U.S.C.  
 21 3501).

22 (b) EXTENSION OF NONDISCRIMINATORY TREAT-  
 23 MENT TO THE PRODUCTS OF CUBA.—

24 (1) HARMONIZED TARIFF SCHEDULE AMEND-  
 25 MENTS.—General note 3(b) of the Harmonized Tar-  
 26 iff Schedule of the United States is amended—

1 (A) by striking “to section 401 of the Tar-  
2 iff Classification Act of 1962,”; and

3 (B) by striking “Cuba”.

4 (2) REPEAL OF SECTION 401 OF THE TARIFF  
5 CLASSIFICATION ACT OF 1962.—Section 401 of the  
6 Tariff Classification Act of 1962 (76 Stat. 78) is re-  
7 pealed.

8 (3) TERMINATION OF APPLICATION OF TITLE IV  
9 OF THE TRADE ACT OF 1974 TO CUBA.—

10 (A) EXTENSION OF NONDISCRIMINATORY  
11 TREATMENT.—Nondiscriminatory treatment  
12 (normal trade relations treatment) shall apply  
13 to the products of Cuba.

14 (B) TERMINATION OF APPLICATION OF  
15 TITLE IV.—Title IV of the Trade Act of 1974  
16 (19 U.S.C. 2101 et seq.) shall cease to apply to  
17 Cuba.

18 (4) EFFECTIVE DATE.—This section, and the  
19 amendments and repeal made by this section, shall  
20 apply with respect to goods entered, or withdrawn  
21 from warehouse for consumption, on or after the  
22 15th day after the date of the enactment of this Act.

23 (c) REPORT TO CONGRESS.—The President shall  
24 submit to the Congress, not later than 18 months after

1 the date of the enactment of this Act, a report on trade  
2 relations between the United States and Cuba.

3 **SEC. 9. PROHIBITION ON LIMITING ANNUAL REMITTANCES.**

4 (a) IN GENERAL.—Except as provided in subsection  
5 (b), the Secretary of the Treasury may not limit the  
6 amount of remittances to Cuba that may be made by any  
7 person who is subject to the jurisdiction of the United  
8 States, and the Secretary shall rescind all regulations in  
9 effect on the date of enactment of this Act that so limit  
10 the amount of those remittances.

11 (b) STATUTORY CONSTRUCTION.—Nothing in sub-  
12 section (a) may be construed to prohibit the prosecution  
13 or conviction of any person committing an offense de-  
14 scribed in section 1956 of title 18, United States Code  
15 (relating to the laundering of monetary instruments) or  
16 section 1957 of such title (relating to engaging in mone-  
17 tary transactions in property derived from specific unlaw-  
18 ful activity).

19 **SEC. 10. EFFECTIVE DATE.**

20 Except as provided in section 8, this Act shall take  
21 effect 60 days after the date of the enactment of this Act.

