

Landmark Announcement on Normalizing Relations with Cuba

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[Eric McClafferty](#) and [Rob Slack](#) from Kelley Drye's [International Trade and Customs Practice](#) released this recent advisory on Cuba. Due to the implications for telecommunications companies, we are posting it here too.

On December 17, President Obama announced plans to re-establish diplomatic relations with Cuba and ease certain aspects of the U.S.'s longstanding embargo of that country. While today's announcement is only an initial step in easing restrictions, the move could potentially pave the way to a significant liberalization of trade and travel between the two countries. The announcement outlines a substantial easing of restrictions on telecommunications products and services. In particular, the action will enable authorization for the export of certain communications devices, software, and services to Cuba for the establishment and updating of communications systems, and authorization to establish telecommunications infrastructure in Cuba to provide telecommunications and internet services in Cuba. These changes could have a significant impact on international telecommunications services. Among the changes announced today are:

- The issuance of general licenses for certain types of travel to Cuba, making travel to the country easier, but still generally barring tourism. Licensed travelers to Cuba will be permitted to bring up to \$400 worth of Cuban origin goods into the United States, including up to \$100 of Cuban tobacco or alcohol;
- Measures to permit certain U.S. exports to Cuba, including building materials, goods for entrepreneurs in Cuba, and agricultural equipment for small farmers;
- Easing of restrictions on authorized financial transactions involving Cuba;
- Substantial easing of restrictions on telecommunications products and services:
 - Authorization for the export of certain communications devices, software, and services to Cuba for the establishment and updating of communications systems, and
 - Authorization to establish telecommunications infrastructure in Cuba to provide telecommunications and internet services in Cuba;
- Easing of certain restrictions on Cuban nationals residing outside of Cuba; and
- Increasing quarterly remittance limits from \$500 to \$2,000 and eliminating the need for remittance forwarders to obtain licenses.

The President has also ordered the Secretary of State to review Cuba's designation as a State Sponsor of Terrorism. The Secretary of State's determination, due in six months, could allow for

further liberalization of commerce with Cuba. The new measures will become effective through amendments to the Treasury Department's Cuban Assets Control Regulations and the Commerce Department's Export Administration Regulations, expected in the coming weeks. The details of those rules will need to be carefully examined to ensure continued compliance with the law.

Kelley Drye's [Communications](#) and [International Trade](#) practice groups are available to provide advice on these developments as the President's announcement is implemented. Please feel free to contact us if you have any questions.