

# CRS Insights

## Reestablishment of Diplomatic Relations with Cuba

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July 17, 2015 (IN10312)

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On July 1, 2015, President Obama [announced](#) that the United States and Cuba agreed to reestablish diplomatic relations, effective July 20, and to reopen embassies in their respective capitals on the same day. The President maintained that "this is a historic step forward in our efforts to normalize relations with the Cuban government and people." Cuba is scheduled to hold an opening ceremony for its embassy in Washington, DC, on July 20. While the State Department has not yet scheduled a formal ceremony, its post in Havana will begin operating as an embassy on July 20.

## New U.S. Policy Approach Toward Cuba

The President's action fulfills the last of three major changes in U.S. policy toward Cuba that he [unveiled](#) on December 17, 2014, to move the United States toward normal relations with Cuba. The other two components of the policy shift were a review of Cuba's designation as a state sponsor of international terrorism (Secretary of State Kerry [rescinded](#) Cuba's designation on May 29, 2015) and an increase in travel, commerce, and the flow of information to and from Cuba (the Commerce and Treasury Departments issued [changes to the U.S. embargo regulations](#) in January 2015). The President has described the overall policy shift as moving away from sanctions aimed at isolating Cuba toward a policy of engagement.

As the President acknowledged, the U.S. embargo on Cuba (in place since the early 1960s) is codified in legislation. While the regulations that implement the sanctions provide the President with discretionary licensing authority to make changes to the embargo regulations, the overall embargo can only be lifted with congressional action or if certain conditions set forth in the Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1996 ([P.L. 104-114](#)) are met, including that a democratically elected government is in place. Lifting the overall economic embargo would require amending or repealing [the LIBERTAD Act as well as other statutes](#) that impede full economic relations with Cuba.

## Reestablishment of Relations

Relations between the countries were severed by the Eisenhower Administration in January 1961 in response to the Cuban government's 48-hour ultimatum to decrease the number of U.S. Embassy staff in Havana. In 1977, under the Carter Administration, both countries established Interests Sections in each other's capitals at the site of the original embassies. Since that time, the [U.S. Interests Section in Havana](#) has operated under the legal protection of the Swiss government. With a total staff of over 400 (including more than 50 U.S. direct-hire employees), according to a [2014 State Department Inspector General Report](#), it is the largest diplomatic presence in Cuba. The [Cuban Interests Section](#) in Washington, DC, which operates as the country's diplomatic presence in the United States, has also operated under the legal protection of the Swiss government.

On July 1, 2015, the Secretary of State notified Congress, pursuant to Section 7015(a) of the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2015 (Division J, [P.L. 113-235](#)), of the plan to redesignate the U.S. Interests Section in Havana as an embassy. That provision of law requires congressional notification 15 days in advance before closing or opening a mission or post. The notification requirement is long-standing and not unique to Cuba. For example, in 2008, State notified a change in the status of the U.S. diplomatic presence in Pristina, Kosovo, when the U.S. Office in Pristina was converted to an embassy.

In its [FY2016 budget request](#), the State Department asked for an increase of just over \$6 million for the Western Hemisphere Affairs Bureau (WHA) to support expanded operations in Havana, including increased engagement

with Cuban civil society, and new demands on staff likely to result from an increase in visitors to Cuba. According to the request, WHA is spending an estimated \$4.76 million for the operation of the U.S. Interests Section in Havana in FY2015 and is requesting \$11.09 million for FY2016. As noted in the State Department notification to Congress, the costs of the change in status of the diplomatic mission will be minimal for the remainder of FY2015 and will be absorbed within existing resources.

### Congressional Response

The Obama Administration's shift in Cuba policy has spurred interest in Congress. Some Members lauded the policy shift as in the best interest of the United States and a better way to support change in Cuba, while others criticized the President for not obtaining more concessions from Cuba to advance human rights and protect U.S. interests. [Numerous legislative initiatives](#) have been introduced, and several FY2016 House appropriations measures (Transportation, Housing and Urban Development, [H.R. 2577](#); Commerce, Justice, and Science, [H.R. 2578](#); Financial Services and General Government, [H.R. 2995](#); and Homeland Security [unnumbered]) have Cuba provisions that would block some of the Administration's policy changes related to travel and trade.

With regard to the embassy issue, the House Appropriations Committee's FY2016 State Department and Foreign Operations appropriations bill, [H.R. 2772](#), has a provision in Section 7045(c)(3) that would prohibit funds for the establishment or operation of a U.S. diplomatic presence in Cuba beyond that which was in existence prior to December 17, 2014, until the President determines and reports to Congress that the requirements and factors specified in the LIBERTAD Act (related to democratic conditions in Cuba) have been met. The [Administration has opposed](#) the provision as interfering with its ability to make the best decisions consistent with U.S. national security. The Senate Appropriations Committee-approved version of the bill, [S. 1725](#), does not include such a provision.

In addition, at least two U.S. Senators have said they would put a hold on any nominee for U.S. Ambassador, effectively blocking the Senate from voting on a nominee. The absence of a U.S. Ambassador at a U.S. Embassy, however, is not an unusual occurrence, with the senior ranking State Department official assuming the title of Chargé d'Affaires ad interim with responsibility for the day-to-day functioning of the diplomatic post. The [State Department has indicated](#) that the current Chief of the U.S. Interests Section in Havana, Jeffrey DeLaurentis, will serve in that position.

For additional information, see CRS Report R43926, [Cuba: Issues for the 114<sup>th</sup> Congress](#); CRS Report R43888, [Cuba Sanctions: Legislative Restrictions Limiting the Normalization of Relations](#); CRS Report IF10045, [Cuba: President Obama's New Policy Approach](#); and CRS Report RL31139, [Cuba: U.S. Restrictions on Travel and Remittances](#).