

**Letter to Congressional Leaders
Transmitting a Report on the Korean
Peninsula Energy Development
Organization**

March 4, 1998

Dear _____:

I transmit herewith the 6-month report required under the heading "International Organization and Programs" in title IV of the Foreign Operations Appropriations Act, 1996 (Public Law 104-107), relating to the Korean Peninsula Energy Development Organization (KEDO).

Sincerely,

William J. Clinton

NOTE: Identical letters were sent to Ted Stevens, chairman, and Robert C. Byrd, ranking member, Senate Committee on Appropriations; and Robert L. Livingston, chairman, and David R. Obey, ranking member, House Committee on Appropriations.

**Message to the Congress Reporting
on Payments to Cuba**

March 4, 1998

To the Congress of the United States:

This report is submitted pursuant to 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 (March 12, 1996), 110 Stat. 785, 22 U.S.C. 6021-91 (the "LIBERTAD Act"), which requires that I report to the Congress on a semiannual basis 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 payments to Cuba by license. The CDA states that licenses may be issued for full or partial settlement of telecommunications services with Cuba, but may not require any withdrawal from a blocked account. Follow-

ing 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 to the Government of Cuba from a blocked account. For the period July 1 through December 31, 1997, OFAC-licensed U.S. carriers reported payments to the Government of Cuba in settlement of charges under telecommunications traffic agreements as follows:

AT&T Corporation (formally, American Telephone and Telegraph Company)	\$11,991,715
AT&T de Puerto Rico	298,916
Global One (formerly, Sprint Incorporated)	3,180,886
IDB WorldCom Services, Inc. (formerly, IDB Communications, Inc.)	4,128,371
MCI International, Inc. (formerly, MCI Communications Corporation)	4,893,699
Telefonica Larga Distancia de Puerto Rico, Inc.	105,848
WilTel, Inc. (formerly, WilTel Underseas Cable, Inc.)	5,608,751