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Cuba Cuts Telephone Calls from US

by LADB Staff

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In December 2000, Cuba cut telephone communications from the US for the second time in two years. The act was in response to a recently passed law permitting access to Cuban funds frozen in the US. In a wrongful-death suit against Cuba in December 1997, US Circuit Court Judge James Lawrence King awarded US\$187 million to the families of *Hermanos al Rescate* pilots killed by Cuban jet fighters in the 1996 shootdown (see *NotiSur*, 1996-03-01). But President Bill Clinton blocked access to the frozen funds for payment of the compensation on national-security grounds (see *EcoCentral*, 1998-11-05). However, the US government paid the families US\$300,000 in compensation from the funds (see *NotiCen*, 1999-02-11).

In March 1999, King advised the families to seek the money from payments made by ATT, MCI, and six other long-distance carriers to Empresa de Telecomunicaciones de Cuba (ETECSA) for telephone-service charges. King ordered the companies to cease payments to ETECSA. In retaliation, Cuba cut ETECSA connections with five of the seven US companies in February 1999. At the time, the companies owed ETECSA US\$19 million (see *NotiCen*, 1999-03-11).

In August 1999, the US Circuit Court of Appeals in Atlanta reversed King's March ruling on the grounds that, because ETECSA was a joint venture between the Cuban government and the Italian firm Telecom Italia, it could not be held responsible for Cuban government debts. Instead, said the court, the families might seek compensation from frozen funds belonging to EMTELCUBA ETECSA's government-owned predecessor. When the US companies resumed payments to ETECSA in April 2000, Cuba restored the communications links (see *CubaSource*, 2000-05-10).

Then in October 2000, the US Senate passed a bill to allow courts to dip into the frozen funds owed the Cuban government and ETECSA to pay the US\$187 million award. The funds, which go back to 1966, total around US\$160 million. Clinton signed the bill Oct. 29 and immediately released US \$58 million of the frozen funds for payment. In response to the new law, Cuba imposed a 10% tax on calls from the US to Cuba and warned that it reserved the right to cut service again if the US tried to freeze Cuba's income from the telephone tax. The tax went into effect Oct. 25, 2000. The tax amounts to about US\$0.25 per minute on calls from the US. Calls routed from the US to Cuba through third countries were to be charged the same tax by foreign companies handling the calls.

In imposing the tax, the Council of State said it viewed the US law as a further tightening of the embargo against Cuba. The council took the opportunity to reargue the shooting down of the *Hermanos al Rescate* planes. It said the US was giving Cuban funds to "terrorist groups based in the United States, under the pretext of indemnifying relatives of persons who died in an incident which took place very near our coasts, provoked by dozens of violations of our air space over several years and about which...they had been warned many times." The US never responded to Cuban requests to prevent the *Hermanos* flights over Cuba, the statement said. As for compensation for

families of the victims, the statement said the US had never compensated any of the victims which Cuba estimated at over 5,000 killed and injured of US-sponsored terrorist raids in Cuba since 1959.

Sergio Plasencia, vice president of the Cuban central bank, said the tax revenue would be used to recover the funds frozen in the US and that, if the funds were returned, the tax would be lifted. The anti-Castro Cuban American National Foundation (CANF) said the tax was a form of extortion, and the State Department said the tax was illegal under the 1996 Helms-Burton Act. The Treasury Department, which has to authorize payments to Cuba, issued no ruling, so the telephone companies decided not to pay the tax.

On Dec. 15, Cuba cut connections for incoming calls from the US. During the first weeks of the cutoff, there were some reports that Cuba had not cut all connections and that calls were going through. Most media accounts reported long waits for connections through third countries. The Council of State decree promised to take action against companies that routed outgoing US calls through third countries.

At the end of December, Foreign Minister Felipe Perez Roque said that, depending on the circumstances, Cuba would gradually tighten the communications embargo even to the point of a total suspension of all telephone contact with the US.

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