

CRS Report for Congress

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Colombia: Issues for Congress

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Summary

Recent debate on U.S. policy toward Colombia has taken place in a context of concern for the volume of drugs readily available in the United States and elsewhere in the world, and regional security issues. The United States has made a significant commitment of funds and material support to help Colombia and the Andean region fight drug trafficking since the development of Plan Colombia in 1999. Congress passed legislation providing \$1.3 billion in assistance for FY2000 (P.L. 106-246) and has provided more than \$4 billion for programs in Colombia from FY2000 through FY2005 in both State Department and Defense Department counternarcotics accounts. Since 2002, Congress has granted expanded authority to use counternarcotics funds for a unified campaign to fight both drug trafficking and terrorist organizations in Colombia. In 2004, Congress raised the statutory cap on U.S. personnel allowed to be deployed to Colombia in support of Plan Colombia. The three main illegally armed groups in Colombia participate in drug production and trafficking and have been designated foreign terrorist organizations by the State Department.

President Alvaro Uribe, elected in 2002, is seeking to address the 40-year plus conflict with the leftist guerrilla organizations, as well as the rightist paramilitary groups that have been active since the 1980s. President Uribe enjoys high levels of popular support. Legislation to allow for the re-election of presidents passed the Colombian Congress in 2004. Presidential elections are scheduled for May 2006, and Uribe announced his candidacy in November 2005.

The Congress has expressed concern with respect to a number of Colombia-related issues including human rights, the aerial eradication of illicit drug crops, interdiction programs, the situation of U.S. hostages, and funding levels for Plan Colombia. Moreover, Congress has debated U.S. policy options in Colombia on the basis of the country's prominent role in drug production, and the effects that drug trafficking has with regard to terrorism, regional security and oil production. Congress has also been monitoring negotiations for an Andean-U.S. Free Trade Agreement. It is likely that Congress will continue to monitor these issues in the second session of the 109th Congress. U.S. policy in Colombia remains controversial, but inroads have been made with regard to the eradication of illicit drug crops and improved security conditions. However, nongovernmental organizations argue that U.S. policy does not rigorously promote human rights, provide for sustainable economic alternatives for drug crop farmers, and has not reduced the amount of drugs available in the United States.

For more information on legislation affecting Colombia and the Andean Counterdrug Initiative, see the following reports by Connie Veillette: CRS Report RL32337, *The Andean Counterdrug Initiative (ACI) and Related Funding Programs: FY2005 Assistance*; and CRS Report RL32774, *Plan Colombia: A Progress Report*. See also CRS Report RL33163, *Drug Crop Eradication and Alternative Development in the Andes*, by Connie Veillette and Carolina Navarette-Frias. This report will be updated as events warrant.

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Colombia: Issues for Congress

Introduction

The centerpiece of U.S. policy toward Colombia has been to curb narcotics production and trafficking, and to promote democracy and economic development, which it is believed will strengthen regional security. Colombia's spacious, rugged and sparsely populated territory provides ample isolated terrain for drug cultivation and processing, and contributes to the government's difficulties in exerting control throughout the nation. The country is known for a long tradition of democracy, but has had to contend with continuing violence from leftist guerrilla insurgencies dating to the 1960s and persistent drug trafficking activity. Recent governments also have had to deal with rightist paramilitaries (or "self-defense" forces) formed in the 1980s. The two main leftist guerrilla groups are the Revolutionary Armed Forces of Colombia (FARC) and the National Liberation Army (ELN), both of which regularly kidnap individuals for ransoms, and reap profit from their participation in the drug trade. Most of the rightist paramilitary groups are coordinated by the United Self-Defense Forces of Colombia (AUC) which has been accused of gross human rights abuses and collusion with the Colombian Armed Forces in their fight against the FARC and ELN. The AUC also participates in narcotics trafficking.

Conditions in Colombia

Colombia is the source of between 56% and 80% of the world's cocaine, and significant quantities of high quality heroin entering the United States.¹ Because narcotics trafficking and the guerrilla insurgency have become intertwined problems, the United States has exercised expanded authority, granted by Congress since 2002, for increased flexibility to use U.S. counterdrug funds for a unified campaign to fight drug trafficking and terrorist organizations.²

Plan Colombia was developed by former President Pastrana (1998-2002) as a six-year plan to end the country's 40-year old armed conflict, eliminate drug trafficking, and promote economic and social development. In response to this

¹ The United Nations Office on Drugs and Crime (UNODC) estimates that Colombia supplied 56% of global supply in 2004. The State Department's *International Narcotics Control Strategy Report (INCSR)* estimates that Colombia supplied 80% in 2003. The report did not provide a similar figure for 2004, but noted that Colombia supplied 90% of cocaine and 50% of heroin entering the United States in 2004.

² The State Department and the Department of Defense explain expanded authority as providing them with flexibility in situations where there is no clear line between drug and terrorist activity.

strategy, the United States almost tripled its assistance to Colombia in 2000 when Congress approved (P.L.106-246) providing \$1.3 billion for counternarcotics and related efforts in Colombia and neighboring countries. President Bush has continued support for the plan under the Andean Counterdrug Initiative (ACI).



Source: Map Resources. Adapted by CRS. (K.Yancey 2/6/04)

Through the Andean Counterdrug Initiative and Foreign Military Financing, the United States supports the eradication of coca and opium poppy crops, the interdiction of narcotics trafficking, and the protection of infrastructure through training and material support for Colombia's security forces. It also supports alternative crop development and infrastructure development to give coca and opium poppy farmers alternative sources of income, and institution building programs to strengthen democracy. Components of U.S. assistance include human rights training in response to congressional concerns with regard to a history of abuses by security forces. Congress has prohibited U.S. personnel from directly participating in combat missions and has capped the number of U.S. military and civilian contractor

personnel that can be stationed in Colombia in support of Plan Colombia at 800 and 600 respectively.

Illegally Armed Groups

The three main illegally armed groups active in Colombia — the FARC, ELN, and AUC — have been designated foreign terrorist organizations (FTO) by the Secretary of State, pursuant to section 219 of the Immigration and Nationality Act, as amended by the Antiterrorism and Effective Death Penalty Act of 1996 (P.L. 104-132). Additionally, the FARC and AUC have been designated Significant Foreign Narcotics Traffickers under the Foreign Narcotics Kingpin Designation Act (P.L. 106-120). As such, it is unlawful to provide them with funds or other material support. Members of these organizations can be denied visas or otherwise excluded from entering the United States, and U.S. financial institutions must block their funds and that of their agents.

The Revolutionary Armed Forces of Colombia (FARC). The Marxist FARC was formed in 1964 as the military wing of the Colombian Communist Party. With membership estimated at around 17,000,³ it is the oldest, largest, and best-equipped and financed guerrilla organization in Latin America. It mainly operates in rural areas, but has shown its ability to strike in urban areas, including the capital of Bogotá. It conducts bombings, murders, mortar attacks, kidnappings, extortion, and hijackings mainly against Colombian targets. It is fully engaged in the drug trade, including cultivation, taxation of drug crops, and distribution, from which it reaps healthy profits. It is estimated that the FARC earns millions of dollars from the drug trade and ransoms. The Colombian Defense Minister reported that the FARC earned between \$742 million and \$1.32 billion in 2003, earning 46% from drug trafficking and 54% from extortion and kidnappings.⁴

During the Pastrana Administration, the FARC entered into peace negotiations under which it was granted control of a Switzerland-size territorial refuge while the peace process was underway. With continued FARC military activity, including the kidnapping of a Colombian Senator, President Pastrana halted the negotiations and ordered the military to retake control of the designated territory. During the inauguration of President Uribe on August 7, 2002, the FARC launched a mortar attack on the Presidential Palace that killed 21 residents of a nearby neighborhood. No current peace negotiations are being undertaken between the FARC and the Colombian government. At various times, as recently as the end of 2005, FARC has said it is willing to negotiate the release of some 60 hostages it is holding in exchange for the release of about 500 guerrillas imprisoned by the government. These

³ The State Department's *Country Reports on Terrorism 2004* report estimates FARC membership at between 8,000 to 11,000 armed combatants but notes that it has several thousand more supporters, largely in rural areas. Various press reports put FARC membership as high as 20,000.

⁴ "Colombia: FARC Funds Outlined," *Latinnews Daily*, August 16, 2004. It is difficult to ascertain the exact amounts and sources of funding because of the nature of illegal activities.

announcements are often followed by denials.⁵ The FARC continues to hold three U.S. citizens hostage after their plane crashed in FARC-controlled territory in February 2003. The three are civilian contract employees working in support of Plan Colombia.

The State Department's *Country Reports on Terrorism 2004* observed that Cuba provides the FARC and ELN with some medical care, safe haven, and political consultation. In addition, three Irish nationals suspected of being Irish Republican Army members were arrested in Colombia in 2001 for providing explosives training to the FARC and traveling on false passports. Their trial concluded August 1, 2003, and on April 26, 2004, the court found the three not guilty of training FARC rebels in bomb making techniques but guilty on charges of using false passports to enter the country. They were required to remain in Colombia pending an appeal process, although press reports have confirmed their return to Ireland.

National Liberation Army (ELN). The smaller ELN was formed in 1965, inspired by the ideas of Fidel Castro and Che Guevara. With a membership of 3,000 to 5,000, it is less active than the FARC, but has still been able to carry out a number of high profile kidnappings and bombings. In addition to the rural civilian population, the ELN has also targeted the country's infrastructure, especially its oil and electricity sectors. Its operations are mainly located in the rural areas of the north, northeast, and southwest, and along the Venezuelan border. According to the State Department, the ELN earns funds from the taxation of illegal drug crops, although Colombian officials believe it is now engaged in all facets of the drug trade.⁶

In recent years, the ELN has shown more of a willingness to attempt peace negotiations with the government. In December 2003, President Uribe revealed that he had met with an ELN leader to discuss possible peace initiatives, but a subsequent ELN statement ruled out any possibility of demobilization. However, in 2004, the ELN and the Colombian government accepted an offer from Mexican President Vicente Fox to facilitate peace negotiations. In June, Mexico named Andres Valencia, a former Mexican ambassador to Israel, as its facilitator. Meetings with Valencia and the ELN have occurred, but the rebel group has rejected Uribe's offer of a cease-fire.⁷ In April 2005, the ELN rejected Mexican facilitation after Mexico voted to condemn Cuba at the U.N. Human Rights Commission. In November 2005, the ELN again indicated that it was willing to proceed with peace talks. Talks took place in December with plans for more meetings in January 2006.⁸

⁵ Kim Housego, "Colombia Hopes to Form International Commission to Facilitate Prisoner Swap," *Associated Press*, November 21, 2005; and "Colombia: FARC Rejects Prisoner Exchange," *Latinnews Daily*, January 3, 2006.

⁶ Testimony of Vice President Santos-Calderon before the U.S. Senate Caucus on International Narcotics, June 6, 2003.

⁷ Kate Joynes, "ELN Rebels Rebut Colombian Government's Peace Pledge," *WMRC Daily Analysis*, July 12, 2004.

⁸ "ELN Accepts Talks Offer," *Latinnews Daily*, November 21, 2005, and "Uribe Makes Progress with ELN as FARC Intensifies Its Offensive," *Latinnews Weekly Report*, January (continued...)

United Self-Defense Forces of Colombia (AUC) — “Paramilitaries”.

Members of the AUC are commonly referred to as “paramilitaries.” The organization was formed in 1997 as an umbrella organization for a number of local and regional paramilitary groups operating in the country. Paramilitary groups trace their origins to the 1980s when wealthy ranchers and farmers organized armed groups to protect them from kidnappings and extortion plots by the FARC and ELN. The AUC believes its existence is necessary to fight these leftist groups, arguing that the government of Colombia has been unable to protect the interests they represent. The AUC has conducted massacres and assassinations of suspected insurgent supporters and has directly engaged the FARC and ELN in military battles. The Armed Forces of Colombia have long been accused of turning a blind eye to these activities. The State Department’s *Country Reports on Terrorism 2004* claims that 70% of AUC funding comes from its participation in the drug trade. The State Department estimates that there are between 8,000 and 11,000 members of the AUC, although press reports use numbers ranging up to 20,000. Its bases of operation are the departments of Antioquia, Cordoba, Sucre, and Bolivar. With President Uribe’s increasing military engagement of the FARC and ELN, the AUC has begun a demobilization process, stating that its efforts may no longer be necessary. There are other paramilitaries operating in the country that are not a part of the AUC. Their membership is estimated at 5,000. (See “AUC Demobilization and Amnesty Proposal” below for more information on the status of the demobilization process.)

The Uribe Administration

Alvaro Uribe ran for the presidency as an independent on a platform focusing on defeating the guerrilla insurgents, addressing the paramilitary problem, and ending narcotics trafficking. Upon taking office on August 7, 2002, he took a number of steps, some of which have proven to be controversial.⁹ He promulgated a decree invoking emergency powers, allowing security forces to make arrests without warrants and imposing controls on movements in war-torn parts of the country. Under Colombia’s 1991 constitution, states of emergency may be declared for 90 days, and then can be renewed for two additional 90-day periods. The country’s constitutional court has, on several occasions, ruled unconstitutional components of the state of emergency that give security forces increased powers. In response, the Uribe Administration introduced legislation in April 2003, which the Congress passed late in the year, that would change the constitution in order to give security forces permanent powers to tap phones and search homes without warrants in all parts of the country. In September 2004, Colombia’s Constitutional Court struck down the law.

President Uribe has taken a hard-line approach to negotiations, declaring that the government would only negotiate with those groups who are willing to give up terrorism and agree to a cease-fire, including paramilitary groups, with which former President Pastrana had refused to negotiate. Uribe has increased the size of the

⁸ (...continued)
3, 2006.

⁹ See CRS Report RS21242, *Colombia: The Uribe Administration and Congressional Concerns*, by Nina M. Serafino.

military and police, largely through a one-time 1.2% war tax on wealthy individuals and businesses, and created a “civilian informers” program. This effort also entails the augmentation of Colombia’s regular armed forces with “peasant soldiers” who receive less training than regular troops, and are based near their own hometowns. With regard to ending narcotics trafficking, President Uribe substantially increased resources for the aerial fumigation program, vowing to spray all coca crops by the end of his term in 2006.

There are indications that this hard-line approach has produced measurable results. The Colombian government reports that 5,510 members of armed groups had deserted in 2003 and 2004. Police are being redeployed to areas from which they had been previously ousted by guerrilla groups. The homicide rate dropped 15%, and the rate of massacre events dropped by 52% in 2004. The number of kidnappings fell by 34% over the same time period. On the economic front, private investment increased 17% and the economy grew by 3.3% in 2003; growth in 2004 was 3.5.¹⁰

Public approval ratings for President Uribe continue to be high. Supporters of Uribe initiated a proposal to change the Colombian constitution to allow the consecutive re-election of presidents. In December 2004, the Colombian Congress approved the change, paving the way for a Uribe run for re-election in May 2006 balloting.

AUC Demobilization. On July 15, 2003, the Uribe Administration announced an agreement with leaders of the AUC that was to result in the demobilization of its members by the end of 2005. It is estimated that approximately 11,000 fighters demobilized by the end of 2005. The demobilization process has posed a number of controversial issues relating to ensuring accountability of militants while providing a large enough incentive for fighters to lay down their arms. The outcome of such a process could have effects on how Colombian citizens feel about the effectiveness of the country’s judicial system, the rule of law, and the ability of the state to provide for a general level of safety. There are also concerns that some fighters that operate outside of the AUC umbrella will not demobilize and will continue to carry out their operations in rural areas. It is estimated that as many as 5,000 fighters operate outside of the AUC. Further concern has focused on the ability of the government to re-incorporate ex-fighters into law-abiding civilian life and to provide some type of restitution to their victims.

As part of demobilization, President Uribe proposed controversial legislation that would grant conditional amnesties to illegal combatants, which means that it could also apply to FARC and ELN fighters if they decide to enter into negotiations with the government. The new Peace and Justice Law has been controversial both in Colombia and the United States. Critics believe it is too lenient and may interfere in the U.S.-Colombia extradition treaty. Supporters believe it is an effective means to end paramilitary activities. The United States has expressed support for the law, with U.S. Ambassador to Colombia William Wood stating that its success may

¹⁰ “War-Torn Colombia Less Violent in 2003, Government Says,” *Reuters*, January 6, 2004; “Colombia: Country Risk Summary,” *Economist Intelligence Unit*, February 3, 2005; 2004 data from the Ministry of Defense, Government of Colombia.

depend on its implementation. The United States has designated the AUC a foreign terrorist organization and has requested the extradition of two top AUC leaders, Carlos Castaño and Salvador Mancuso, on five indictments of conspiracy to import cocaine into the United States.

The new Peace and Justice Law calls on demobilized fighters to provide a voluntary account of their crimes and to forfeit illegally acquired assets. A newly created unit of 20 lawyers would have 60 days to investigate and then 10 days for charges to be brought. For a guilty conviction, the court imposes a normal sentence, which is then commuted to an alternative penalty under the new law. The alternative penalty can be up to an eight-year jail term. If the accused is subsequently found to have intentionally failed to admit to a crime, the alternative penalty can be revoked and the full sentence imposed. The Uribe Administration argues that without the inducement of the new law, paramilitary leaders and fighters will be unwilling to demobilize and a spiral of violence will continue in Colombia. AUC leader Carlos Castaño had said that without reduced sentences, peace talks would “blow up in pieces.”¹¹

Members of Congress have expressed concern with the new law and the process in general. The FY2005 Foreign Operations Appropriations Act, included as Division D in the FY2005 Consolidated Appropriations Act (P.L. 108-447), expressed concern that the demobilization process was not ensuring the dismantling of foreign terrorist organizations, was not deterring members from resuming illegal activities, and that the government of Colombia was not prosecuting those involved in drug trafficking and human rights violations. It recommended that the State Department not request FY2006 funds for demobilization unless the Department of Justice determined the activities to be consistent with U.S. anti-terrorism laws. It also made a future request for demobilization support contingent on a number of conditions, such as adherence to a ceasefire and cessation of illegal activities, the continued adherence to the U.S.-Colombia extradition treaty, and the presence of a legal framework that prosecutes and punishes combatants in proportion to the crimes committed.¹²

The House-passed version of the FY2006 Foreign Affairs Authorization Act (H.R. 2601) makes U.S. assistance to Colombia contingent on a certification from the Secretary of State that Colombia has a workable framework in place for the demobilization of former combatants, the dismantling of their organization, and that Colombia is cooperating with the United States on extradition requests.

The FY2006 Foreign Operations Appropriations Act (P.L. 109-102) provided \$20 million to assist the demobilization of former members of foreign terrorist organizations (FTOs), if the Secretary of State certifies the following:

¹¹ “No Peace Without Amnesty, Colombian Warlord Warns,” *Reuters*, September 4, 2003.

¹² For details of the provisions, see CRS Report RL32337, *Andean Counterdrug Initiative (ACI) and Related Funding Programs: FY2005 Assistance*, by Connie Veillette.

- that assistance will be provided only for individuals who have verifiably renounced and terminated any affiliation or involvement with FTOs, and are meeting all the requirements of the Colombia Demobilization program;
- that the Colombian government is fully cooperating with the United States in extraditing FTO leaders and members who have been indicted in the United States for murder, kidnapping, narcotics trafficking, and other violations of U.S. law;
- that the Colombian government is implementing a concrete and workable framework for dismantling the organizational structures of FTOs; and
- that funds will not be used to make cash payments to individuals, and funds will only be available for any of the following activities: verification, reintegration (including training and education), vetting, recovery of assets for reparations for victims, and investigations and prosecutions.

Human rights organizations argue that AUC forces have been responsible for some of the worst violations of human rights, including massacres of civilians, and that the International Covenant on Civil and Political Rights, to which Colombia is party, requires that states will ensure that violators are brought to justice. Other critics argue that the new law will not hold paramilitaries accountable for their illegal activities or provide adequate information and reparation to victims. They also believe the new law will not effectively dismantle the paramilitary network or prevent demobilized fighters from returning to illegal activities.¹³

Armed Conflict. In mid-2003, the Colombian military's *Plan Patriota*, a campaign to recapture FARC-held territory, began operations in what was largely seen as a successful effort to secure the capital and environs of Bogotá. In 2004, military operations, conducted by up to 17,000 troops, turned to regaining FARC territory in the southern and eastern regions of the country. Anecdotal evidence indicates that the Colombian military has forced the FARC to change tactics by atomizing into smaller cells to avoid detection and reducing the number of large-scale attacks on military facilities. However, renewed FARC attacks on military installations and other military engagements in 2005 indicate a still present offensive capability.

¹³ Human Rights Watch, "Colombia: Letting Paramilitaries Off the Hook," January 2005; Amnesty International, "Amnesty Head Meets President Uribe and Calls on Him Not to Ratify Impunity Law; July 14, 2005; Inter-American Human Rights Commission, "AICHR Issues Statement Regarding the Adoption of the 'Law of Justice and Peace' in Colombia," July 16, 2005; and *Smoke and Mirrors: Colombia's Demobilization of Paramilitary Groups*, Human Rights Watch, August 2005.

The Colombian military claims that *Plan Patriota* has reduced FARC ranks from 18,000 to 12,000 in the past year.¹⁴ Information provided by the Office of the Colombian President reports that the campaign was able to take back control of 11 FARC-run villages, destroy more than 400 FARC camps, capture 1,534 explosive devices and 323 gas-cylinder bombs, kill 2,518 combatants, and capture large amounts of ammunition and weapons. With regard to FARC drug trafficking activities, as of September 2004, it was reported that the Colombian military located and destroyed more than 47 tons of solid chemical supplies, 18,000 gallons of liquid precursors, half a ton of cocaine base, and \$34,000 in cash.

With regard to *Plan Patriota*, critics believe that because the territory is so rugged and inaccessible, complete defeat of the FARC may be impossible. They further point to the campaign's negative effects on the civilian population by measuring the number of internally displaced persons (IDP). There are conflicting reports on IDP levels. The Colombian government reports that displaced persons dropped 37% from 2003, while a Colombian human rights groups reported that levels increased 39% from 208,000 in 2003 to 289,000 in 2004, many of whom have not registered with the Colombian government as displaced.¹⁵ The Department of Defense reports that Southern Command (Southcom) is supporting the development of a civil affairs capability of the Colombian military to mitigate the negative impact of military operations and to integrate humanitarian assistance into military planning.

Issues for Congress

Recent debate on U.S. policy toward Colombia has taken place in a context of concern over the sheer volume of illegal drugs available in the United States and elsewhere in the world. The U.S. policy debate has focused on a number of related issues, such as the effectiveness and implementation of the program in general, the nature of U.S. support to address what many consider to be a purely civil conflict, and the socioeconomic factors that many observers claim are the underlying cause of the continuing conflict. Because Plan Colombia was developed as a six year plan, Congress has been reviewing its progress in light of considerations of proposals to continue U.S. assistance after 2005.

In addition to the basic debate over what role the United States should play in Colombia's struggle against drug trafficking and illegally armed groups, Congress has repeatedly expressed concern with a number of related issues. These include continuing allegations of human rights abuses; the health and environmental consequences of aerial eradication for drug control; the progress of alternative development to replace drug crops with non-drug crops; judicial reform and rule of

¹⁴ Juan Pablo Toro, "Colombian General Says Rebels on the Run," *Associated Press*, February 3, 2005, Steven Dudley, "Rebels Kill 15 in Raid on Navy Base," *The Miami Herald*, February 2, 2005, Juan Forero, "Image Offensive: Rebels Undercut Colombian President," *New York Times*, February 12, 2005, "Rebels Kill 17 Colombian Troops With Mines, Guns," *Reuters*, April 7, 2005.

¹⁵ Cesar Garcia, "Colombian Rights Group: Offensive Against Rebels Forcing Thousands of Peasants to Flee Their Homes," *Associated Press*, February 1, 2005.

law programs; the level of risk to U.S. personnel in Colombia and the continued captivity of several American hostages held by the FARC.¹⁶

Supporters of U.S. policy maintain that Colombia is a beleaguered democratic ally under siege by powerful armed forces of the left and right fueled by drug money. With the growing recognition of the relationship between drug trafficking and the guerrilla insurgency, proponents argue that Colombia and its neighbors should be supported with counternarcotics and counterterrorism assistance before the situation deteriorates further. They favor expanding the scope of military assistance to strengthen the ability of Colombian security forces to combat the leftist guerrillas and to expand their control throughout rural areas, thereby undercutting the rationale and support for paramilitary groups. They also believe that guerrilla forces regularly cross borders using neighboring countries' territory for refuge and supplies, and that this has a potentially destabilizing effect in the region.

Opponents of U.S. policy respond that the counterdrug program uses a repressive military approach to curbing drug production which could provoke a popular reaction in rural areas. They argue for halting aerial fumigation of drug crops and aid to the Colombian military, believing that coca farmers cannot be expected to abandon coca farming voluntarily until adequate economic alternatives are in place. They fear that forcing such farmers to give up coca growing will only drive many to the ranks of the armed groups, or to become displaced persons dependent on the state. Further, they argue that any decreases in coca cultivation in Colombia will be offset by increases in neighboring countries. Instead, many urge that counternarcotics policy should stress interdiction rather than eradication so that the direct costs to peasant producers would be less. Some critics of U.S. policy would support a policy that focuses largely on economic and social aid to combat what they consider to be the conflict's root causes, curbs the still rampant human rights abuses by paramilitary groups, provides vigorous support for a negotiated end to the fighting, and emphasizes illicit drug demand reduction in the United States. Still others urge a regional and multilateral approach, in which drug consuming countries would fund land reform and rural development programs, as complementary to interdiction efforts.¹⁷

In response to an Administration request, Congress reconsidered the statutory caps on U.S. personnel allowed to be deployed to Colombia in support of Plan Colombia. The FY2005 National Defense Authorization Act (H.R. 4200; P.L. 108-375) raised the military cap from 400 to 800 and the civilian cap from 400 to 600. The cap does not apply to personnel conducting search and rescue operations, nor to U.S. personnel assigned as part of their regular duties to the U.S. embassy. As of September 30, 2005, there were 359 U.S. military and 365 U.S. contractors in Colombia in support of Plan Colombia. During the previous three months, military

¹⁶ For more information, see CRS Report RL32337, *Andean Counterdrug Initiative (ACI) and Related Funding Programs: FY2005 Assistance*, by Connie Veillette; and CRS Report RL33163, *Drug Crop Eradication and Alternative Development in the Andes*, by Connie Veillette and Carolina Navarette-Frias.

¹⁷ Julia E. Sweig, *Andes 2020: A New Strategy for the Challenges of Colombia and the Region*, Council on Foreign Relations Center for Preventive Action, January 2004.

personnel levels varied from 234 and 460, while civilian personnel levels varied from 345 to 392.¹⁸

Colombia and Global Drug Trends

Colombia's prominence in the production of cocaine and heroin is used as justification for the U.S. focus on anti-narcotics efforts in the Andean region. According to various sources, Colombia's production of cocaine varies between 56% and 80% of world supply.¹⁹ Its heroin production is a small fraction of global supply but accounts for 50% of the heroin entering the United States. The principal international counternarcotics objective of the United States is to cut off this flow. It is estimated that cocaine is abused by 14 million people worldwide and heroin by 15 million people. The United States is the world's largest cocaine market, although recent reports note that the number of cocaine users has stabilized in recent years.²⁰ The world's supply of cocaine is produced by just three countries: Peru, Bolivia, and Colombia. Until the mid-1990s, Peru and Bolivia were the two major producers. Colombia eclipsed Bolivia in 1995 and Peru in 1997, the result of increased eradication programs in those two countries and the displacement of coca cultivation to Colombia. Cocaine production in Colombia increased fivefold between 1993 and 1999.

After a long period of stable prices, purity, and availability of illegal drugs in the United States, recent evidence indicates that prices for both cocaine and heroin increased during 2005. Proponents of U.S. drug policy contend that the increase is an effect of the success of Plan Colombia. The supply of drugs is often judged by changes in price, with higher prices signifying decreased supply. In November 2005, the Office of National Drug Control Policy (ONDCP) announced that for the period from February to September 2005, prices for cocaine had increased 19% while purity had decreased 15%. This follows a long trend line, beginning in the early 1980s, of falling cocaine prices. Earlier in the year, ONDCP reported that the availability of South American heroin had also been reduced, with heroin prices increasing 30%, and purity decreasing 22%.²¹ Heroin purity had been steadily increasing since the 1980s.

Global production of the opium poppy, from which heroin is produced, has remained stable since 1998. Its principal source countries are Afghanistan (76%), Myanmar (18%), Laos (2%), and Colombia (1%). Even though Colombia is not a major producer, it supplies a higher purity heroin, most of which is exported to the

¹⁸ Information provided by the Department of State.

¹⁹ The United Nations Office on Drugs and Crime (UNODC) estimates that 56% of the world's cocaine supply was produced in Colombia in 2004. The State Department's *International Narcotics Control Strategy Report* (INCSR) puts the figure at 80%.

²⁰ United Nations Office on Drugs and Crime (UNODC), *Global Illicit Drug Trends 2003*.

²¹ Lauren Monsen, "Colombia's Efforts Help Reduce Supply of Narcotics in U.S.," *Washington File*, November 17, 2005; Office of National Drug Control Policy, *Pulse Check*, January 2004; and U.S. Department of Justice, National Drug Intelligence Center, *National Drug Threat Assessment 2004*, April 2004.

United States. The purity of heroin has risen in the last 20 years from 7% to 37% in 2000, largely attributed to the availability of high quality heroin from Colombia. However, in testimony to the House International Relations Committee, the Director of the Office of National Drug Control Policy, John P. Walters, reported that the average wholesale purity of South American heroin seized in the United States has decreased by 17% since 2000.²² As was the case with cocaine, Colombia began outproducing Mexico in the cultivation of opium poppy in 1995, with total acreage covering anywhere from 12,913 acres to 18,162 acres.

Some observers have expressed caution in interpreting the ONDCP figures on price, purity, and availability. They maintain that short-term fluctuations are not uncommon and may not be sustainable.²³ There are several reasons why prices and supply had remained stable for such a long period. In testimony before Congress in June 2004, John P. Walters of the ONDCP argued that interdiction efforts take time to show their impact on price and availability and that the effect would begin to show in the next 12 months.²⁴ Some argue that an increase in the street price of cocaine and heroin is unlikely to appear in the near term because of the large profit margin. Even if the availability of coca leaf and opium poppies is decreasing, and consequently the price for the raw materials is increasing, they constitute a very small fraction of the U.S. retail price. Traffickers are easily able to absorb this increased cost.²⁵

Aerial Eradication and Alternative Development²⁶

Upon taking office, President Uribe announced that aerial eradication, along with alternative crop development, would form a significant basis of the government's efforts. The Plan Colombia eradication spraying program began in December 2000 with operations by the U.S. funded counternarcotics brigade in Putumayo. It should be noted, however, that spraying does not prevent, although it may discourage, the replanting of illicit crops. Both the State Department and United Nations report decreases in acreage devoted to growing drug crops since 2001, although the Office of National Drug Control Policy (ONDCP) recently reported no

²² ONDCP, March 2003, Drug Data Summary, and ONDCP testimony, House International Relations Committee, May 11, 2005.

²³ Juan Forero, "Cocaine Prices Rise and Quality Declines, White House Says," *The New York Times*, November 18, 2005.

²⁴ John P. Walters, ONDCP, testimony before the House Government Reform Committee, "A Status Report on Plan Colombia Successes and Remaining Challenges," June 17, 2004.

²⁵ According to a 1994 study, coca leaf constitutes 2% of the retail price of cocaine. James Painter, *Bolivia and Coca: A Study in Dependency*, Boulder: Lynne Rienner Publishers, 1994. See also Kathryn Ledebur, "Bolivia: Clear Consequences" in *Drugs and Democracy in Latin America: The Impact of U.S. Policy*, edited by Coletta A. Youngers and Eileen Rosin, Lynne Rienner Publishers, 2005; and *Ibid.*, Walsh.

²⁶ Also see CRS Report RL33163, *Drug Crop Eradication and Alternative Development in the Andes*, by Connie Veillette and Carolina Navarette-Frias.

significant reduction of coca cultivation during 2004.²⁷ The United Nations Office on Drugs and Crime (UNODC) estimates that at the end of 2003, Colombia had 212,506 acres of coca under cultivation, having reduced its production by 47% since 2000. Opium poppy under cultivation covered about 10,000 acres, from 16,000 acres in 2000.²⁸ In 2004, ONDCP reports that 337,000 acres of coca and 27,000 acres of opium poppy were sprayed. However, its recently completed survey concluded that the area under cultivation for coca remained stable in 2004, due to replantings of previously eradicated crops. Although the 282,000 acres of existing coca crops remained stable, ONDCP argues that cocaine production fell from 460 to 430 metric tons in the previous year because newly-planted crops are less productive. Opium poppy cultivation decreased by 52% between 2003 and 2004. The UNODC recently reported that cultivation in 2004 had decreased by 7%.²⁹

The U.S. Agency for International Development funds programs to assist illicit crop farmers to switch to legal crops, and provides assistance with infrastructure and marketing. The alternative development program, in which farmers can get assistance to grow substitute crops after agreeing to the eradication of their illicit crops, has been problematic. A U.S. Government Accountability Office³⁰ (GAO) report attributed the program's obstacles to inadequate security in coca-growing areas, where the Colombian government lacks control, and to the government's limited ability to carry out sustained interdiction operations. The State Department's annual International Narcotics Control Strategy Report for 2003 claimed that more than 95,000 acres of licit crops have been planted in previous coca and poppy areas during 2003, an increase over the nearly 26,000 acres planted in 2002. In addition, the United States assisted with the establishment of 488 social and productive infrastructure projects that benefitted 31,170 families in 16 departments.

Proponents argue that both eradication and alternative development programs need time to work. In its response to the GAO report, the U.S. Agency for International Development argued that alternative development programs do not achieve drug crop reduction on their own, and that the Colombia program was designed to support the aerial eradication program and to build "the political support

²⁷ ONDCP, *2004 Coca and Opium Poppy Estimates for Colombia and the Andes*, March 25, 2005.

²⁸ United Nations Office of Drugs and Crime, *2004 World Drug Report*, June 2004. While the State Department reports that 323,400 acres were sprayed in 2004, the United Nations reports that there were 212,506 acres of coca under cultivation by the end of 2003. The difference could be due to different survey methodology used, or to replantings. Spraying does not prevent, although it may discourage, replantings of illicit crops.

²⁹ U.N. Office on Drugs and Crime, *Coca Cultivation in the Andean Region: A Survey of Bolivia, Colombia, and Peru*, June 2005. The report also noted increases of 17% in Bolivia and 14% in Peru.

³⁰ U.S. Government Accountability Office, GAO-03-783, *Drug Control. Specific Measures and Long-Term Costs for U.S. Programs in Colombia Have Not Been Developed*, June 16, 2003.

needed for aerial eradication efforts to take place.”³¹ A more recent GAO report³² found that even while economic assistance programs were beginning to show results, they reach a relatively small number of people and may not be sustainable. Some of the challenges facing alternative development programs are the number of families that need assistance, the difficulty in marketing licit crops, and the operational problems of working in conflictive zones.

Aerial eradication has been controversial both in Colombia and the United States. Critics charge that it has unknown environmental and health effects, and that it deprives farmers of their livelihood, particularly in light of a lack of coordination with alternative development programs. With regard to environmental and health consequences, the Secretary of State, as required by Congress, has reported that the herbicide, glyphosate, does not pose unreasonable health or safety risks to humans or the environment. In consultation for the certification, the U.S. Environmental Protection Agency confirmed that application rates of the aerial spray program in Colombia are within the parameters listed on U.S. glyphosate labels. However, press reports indicate that many Colombians believe the health consequences of aerial fumigation are grave, and many international non-governmental organizations criticize the certification for being analytically inadequate.

A 2004 Government Accountability Office report³³ on aviation safety found that since FY2001, the United States has significantly increased resources for aerial eradication in Colombia, and that with increased operations, has come a commensurate increase in ground-fire hits on spray aircraft. (See section on “U.S. Hostages” below for more information.) The number of hits on aircraft averaged about 26 per month in 2003, an increase from 2002 of less than 10 per month. Ground-fire hits in 2004 decreased, possibly due to decisions in 2003 to increase the number of escort aircraft for spray missions, and better coordination of intelligence information.

Colombia and Terrorism

The three main illegally armed groups in Colombia have been designated foreign terrorist organizations, and the threats that terrorism poses to Colombia and the Andean region are often cited as justification for U.S. involvement. The most widely accepted definition of terrorism is politically motivated violence perpetrated against noncombatant targets by subnational groups or clandestine agents.³⁴

³¹ Ibid.

³² U.S. Government Accountability Office, GAO-04-726, *Drug Control. U.S. Nonmilitary Assistance to Colombia Is Beginning to Show Intended Results, but Programs Are Not Readily Sustainable*, July 2, 2004.

³³ U.S. Government Accountability Office, GAO-04-918, *Drug Control. Aviation Program Safety Concerns in Colombia Are Being Addressed, but State’s Planning and Budgeting Process Can Be Improved*, July 29, 2004.

³⁴ For more information on terrorism issues in general, see CRS Issue Brief IB10119, *Terrorism and National Security: Issues and Trends*, by Raphael Perl; and CRS Report (continued...)

Compared to other regions of the world, and with the exception of Colombia, terrorism in Latin America is not as prominent as in other areas.

However, the Western Hemisphere has a number of domestic terrorist groups that operate in Colombia and Peru, and the Triborder Area of Argentina, Brazil and Paraguay is thought to be a regional hub for Hizbollah and Hamas fundraising. The State Department reports that there is no confirmed or credible information of an established Al Qaeda presence in Latin America, although it notes that terrorist fundraising continues to be a concern. Some press reports have quoted unnamed foreign security analysts as claiming a link between Al Qaeda and the FARC, but these reports have not been confirmed by official sources.³⁵

The Organization of American States (OAS) formed an Inter-American Committee Against Terrorism (CICTE is the Spanish acronym) in 1998 as a coordinating body for member states on counterterrorism issues. Its focus has been on information sharing, training, and strengthening of financial and border controls. OAS members signed an Inter-American Convention Against Terrorism in June 2002 with the objectives of improving regional cooperation by committing member states to deny safe haven to suspected terrorists. The Convention has been submitted to the Senate for its advice and consent. The OAS also held a Special Conference on Security in Mexico City in October 2003 where a Declaration on Security in the Americas was adopted. The Declaration identified threats as “terrorism, transnational organized crime, the global drug problem, corruption, asset laundering, illicit trafficking in weapons and the connections among these activities.”³⁶

U.S. Hostages

Concerns in the United States that greater U.S. involvement will result in a protracted commitment of indeterminate duration were fueled by incidents in 2003 in which U.S. citizens were killed or kidnapped. During that year, five U.S. civilian contractors were killed, and their aircraft lost. Three U.S. contractors are being held hostage. In the first incident, in February 2003, a Cessna 208 aircraft carrying both U.S. and Colombian personnel crashed in a FARC-controlled region. One American and a Colombian were murdered, and three are being held by the FARC. Another Cessna 208, with U.S. civilian contractors, crash landed in March 2003 during a subsequent search and rescue operation, killing three Americans. A fifth American contractor was killed on April 7, 2003 when his T-65 air tractor crashed during a spraying operation. While these flights were considered crashes, fumigation flights have been fired on, and since August 2003, two planes have been downed by hostile fire. On August 25, a spray plane piloted by a U.S. citizen was shot down, resulting

³⁴ (...continued)

RS21049, *Latin America: Terrorism Issues*, by Mark P. Sullivan.

³⁵ Jacques Thomet, “Al Quaida, Una Nueva Amenaza Para America Latina,” *Agence France Presse*, October 29, 2003.

³⁶ Organization of American States. Declaration on Security in the Americas. October 28, 2003.

in injuries to the pilot. An OV Bronco aircraft was downed on September 21, reportedly by hostile fire, killing its Costa Rican pilot.

The three U.S. hostages held by the FARC are included on the list of hostages that the FARC is willing to exchange for the release of guerrillas currently serving time in prison. U.S. Ambassador Wood has said that although the United States refuses to negotiate with terrorists as a matter of policy, it has been assured by the Colombian government that any potential exchange of prisoners for hostages would include the three Americans. Colombian government overtures to the FARC with regard to a hostage/prisoner exchange have been rejected by the FARC because the offer ruled out the creation of a demilitarized zone in southern Colombia. However, by the end of 2005, press reports indicated that an exchange could be possible.³⁷

Human Rights

Debate in Congress has continued to focus on allegations of human rights abuses by the FARC and ELN, paramilitary groups, and the Colombian Armed Forces. The Colombian security forces have often, it is argued, turned a blind eye to paramilitary activities, considering these groups as augmenting their fight against the FARC and ELN. U.S. policy has supported the creation and assistance for a Human Rights Unit within the Attorney General's office, although some non-governmental groups have claimed that it is ineffective.³⁸

Congress has annually required that the Secretary of State certify to Congress that the Colombian military and police forces are severing their links to the paramilitaries, investigating complaints of abuses, and prosecuting those who have had credible charges made against them. Congress has made funding contingent on these certifications. In the latest certification, issued on August 1, 2005, the Secretary of State asserted that the Colombian government and armed forces are meeting the statutory requirements with regard to human rights. While recognizing that more progress needs to be made, the certification noted the commitment of President Uribe to improve the country's human rights record. During a press conference on August 3, 2005, Undersecretary for Political Affairs, R. Nicholas Burns, cited progress on three specific cases of concern to the United States. The three cases include the 2004 killings of three union activists in Arauca, the role of four military officers in failing to prevent attacks against the peace community of San Jose de Apartado from 2000 to 2002, and the trial of a retired officer for a 1997 massacre in Mapiripan. The certification was met with criticism from human rights

³⁷ Remarks of Amb. William Wood, Woodrow Wilson Center for International Scholars, June 14, 2005; "Government Rejects 'Arrogant' FARC Response," *Latinnews Daily*, August 4, 2005; and Kim Housego, "Colombia Hopes to Form International Commission to Facilitate Prisoner Swap," *Associated Press*, November 21, 2005.

³⁸ Human Rights Watch, "A Wrong Turn: The Record of the Colombian Attorney General's Office," November 2002.

organizations that claimed Colombia's record does not meet recognized standards of respect for human rights.³⁹

As part of the Andean Counterdrug Initiative, the United States provides human rights training and vets units with regard to abuses before it authorizes support. In testimony before the Senate Foreign Relations Committee in October 2003, General James Hill, commander of the U.S. Southern Command (SouthCom) asserted that this training is successful. SouthCom assisted in developing a Colombian Judge Advocate General (JAG) school that provides courses on military justice, international law, and operational law. However, the Colombian Commission of Jurists argues that widespread and systematic torture is being committed by both the government and guerrilla forces.⁴⁰ Congress has regularly included the so-called Leahy amendment in foreign operations appropriations legislation that denies funds to any security force unit for which the Secretary of State has credible evidence of gross human rights violations. The Secretary may continue funding if he determines and reports to Congress that the foreign government is taking effective measures to bring the responsible members of these security forces to justice. In January 2003, the United States cut off support to the Colombian 1st Air Combat Command for the lack of progress in investigating and prosecuting members who allegedly bombed civilians in a December 1998 incident. Despite this action, human rights organizations claim that the U.S. government often turns a blind eye to questionable activities of Colombian security forces.

Relations between the Uribe Administration and human rights organizations have often been tense. In 2003, President Uribe questioned some NGO's impartiality in the highly politicized Colombian environment. Human rights organizations have claimed that critical statements from Uribe are endangering their workers and undermining their efforts. An August 2004 meeting between Uribe and representatives of Amnesty International marked an attempt to find common ground. Around the same time, the Inter American Court of Human Rights ordered Colombia to pay \$6.5 million in compensation for a 1987 massacre of 19 river traders by paramilitaries. The court ruled that in 1987, paramilitaries were not considered illegal by the Colombian government, and found the Colombian military complicit in the killing. Uribe accepted the ruling. The United Nations High Commissioner for Human Rights has also been critical, issuing an annual report on conditions in Colombia. The March 2004 report found that there were still ties between the military and paramilitary forces. Union leaders have been concerned with violence against their membership, claiming that 574 union members have been killed since 2000. On August 5, 2004, three union leaders were killed during an armed confrontation between the ELN and government forces. The Colombian military

³⁹ The certification is available at the State Department's website, [<http://usinfo.state.gov>]. Opposing views can be found at [<http://hrw.org>], "Colombia: Flawed Certification Squanders U.S. Leverage," Human Rights Watch, January 23, 2004, and "CIP Backgrounder: Colombian Human Rights Certification," Center for International Policy, August 3, 2005.

⁴⁰ "Rights Groups Say Both Sides in Colombia Conflict Use Torture," Voice of America Press Releases and Documents, November 12, 2003.

claims the union members were armed ELN members; others claim these were “extrajudicial” killings. A government investigation is underway.⁴¹

Colombia and Regional Security

One of the justifications of U.S. policy is that drug trafficking and armed insurgencies in Colombia have a destabilizing effect on regional security. With porous borders amid rugged territory and an inconsistent state presence, border regions are seen as particularly problematic. Colombia shares a 1,367 mile border with Venezuela, approximately 1,000 miles each with Peru and Brazil, and much smaller borders with Ecuador and Panama. The conflict in Colombia and its associated drug trafficking have led to predictions of a spillover effect in Colombia’s neighboring countries. These predicted spillovers include a direct spread of fighting across Colombia’s borders and the use of neighboring countries’ territory by Colombian armed factions for safe havens, the displacement of the drug trade from Colombia, and the flight of refugees fleeing the conflict and economic displacement. There are indications that all of these activities are occurring, but various analyses dispute the degree and its importance to undermining regional stability.

Cross-Border Incursions and Safe Havens. The country most directly affected by cross-border military activity has been Venezuela, and Colombian-Venezuelan relations have been tested. The state of affairs complicates both political and economic relations, with Venezuela being Colombia’s second most important trading partner. Press accounts in 2003 and 2004 reported numerous incidents in which fighting between the FARC and paramilitaries occurred across the Colombia-Venezuela border. The State Department’s *2004 Country Reports on Terrorism* report states that Venezuela “continued to be unwilling or unable to assert control over its 1,400-mile border with Colombia,” with the FARC and ELN using Venezuelan territory as safehavens, and to transship arms and drugs, secure logistical supplies, and commit kidnappings and extortion. Late in 2003, Venezuelan officials accused paramilitary forces of killing seven of its National Guard soldiers.⁴² Tensions between Colombia and Venezuela heightened in December 2004 when Colombia admitted to paying a reward for the capture of a high-ranking FARC official in Caracas, Venezuela. According to press reports, the FARC official was then turned over to Colombian authorities in Colombian territory. Venezuelan President Chávez condemned the action, recalled his ambassador in Bogotá, and suspended trade relations in January 2005.⁴³

⁴¹ “Colombian Military under Scrutiny for Deaths of Union Leaders,” *Intellibridge*, August 9, 2004; and “Colombia: Military Kills Trade Union Chiefs,” *Latinnews Daily*, August 6, 2004.

⁴² Scott Wilson, “Venezuela Becomes Embroiled in Colombian War,” *The Washington Post*, April 10, 2003. “Colombian Paramilitaries Clash With Venezuelan Troops,” *Agence France Presse*, December 27, 2003. “Chavez Blames Colombian Paramilitary for 4 Troops’ Deaths,” *Dow Jones International News*, December 28, 2003.

⁴³ “Colombia Defends Rebel’s Seizure After Venezuela Cuts Ties,” *Bloomberg*, January 16, 2005.

Opponents of President Chávez regularly accuse him of harboring FARC guerrillas, but these accusations have not been substantiated.⁴⁴ There are reports that the FARC has developed links to pro-Chávez Venezuelan guerrilla groups, such as the Popular Liberation Army and the Bolivarian Liberation Forces. A controversial press report claims that there is evidence that as many as ten FARC camps are located on the Venezuelan side of the border.⁴⁵ The FARC has issued communiques in support of President Chávez's Bolivarian revolution, leading some analysts and Chávez opponents to believe that the Venezuelan government is ignoring the presence of guerrilla camps.⁴⁶

Tensions with Ecuador have also increased, with accusations of incursions by Colombian troops chasing FARC units across the border. FARC camps have been detected in Ecuador's northern province of Sucumbios where it was reported that barracks, ammunition, explosives, and radio equipment were found.⁴⁷ Ecuador also is affected by a flow of displaced Colombians fleeing the fighting in the south of Colombia, according to a Colombian human rights monitoring organization.⁴⁸ It is also believed that paramilitary groups have crossed into Panama in pursuit of leftist guerrillas, leading the Panamanian government to reinforce police presence along the border. Brazil has also reinforced its borders in response to FARC incursions to recruit members of local indigenous communities.⁴⁹

Drug Displacement. One of the fears expressed by opponents of Plan Colombia is that it would drive coca cultivation to neighboring countries. A Central Intelligence Agency report written in 2000 noted the likelihood that reductions in coca cultivation in Colombia could result in increases in neighboring countries. There are conflicting indications that this may be occurring. Following stepped up eradication programs in Colombia, and a commensurate reduction in acreage of coca and opium poppy under cultivation at the end of 2003, the State Department reported that cultivation in Bolivia increased from 61,000 acres to a little over 71,000 acres, representing a 17% increase. This is the third consecutive year of increases, although the increases could also be due to a lessening of resolve on the part of the Bolivian government after a series of violent protests culminated in the resignation of two presidents over the course of two years. Also during 2003, cultivation in Peru was reduced by some 13,000 acres, representing a 15% decline. The U.N. Office on

⁴⁴ See CRS Report RL32488, *Venezuela: Political Conditions and U.S. Policy*, by Mark P. Sullivan.

⁴⁵ Linda Robinson "Terror Close to Home," *U.S. News & World Report*, October 6, 2003.

⁴⁶ Jeremy McDermott, "Cross Border Activities Embroil Venezuela in Colombian Conflict," *Jane's Intelligence Review*, August 2003.

⁴⁷ "Special Report - Latin America and U.S. War on Terror: Spillover From Colombia," *Latin American Newsletters*, May 2003, and "Colombian FARC Guerrilla Base Discovered in Ecuador," *EFE News Service*, November 21, 2003.

⁴⁸ "Ecuador: Tension Over Colombian Incursion," *Latinnews Daily*, November 14, 2005.

⁴⁹ *Ibid.*, *Jane's Intelligence Review*, August 2003; *Ibid.*, *The Washington Times*; and *Ibid.*, *Latin American Newsletters*, May 2003.

Drugs and Crime (UNODC) reported that production in 2004 had increased in both Peru (14%) and Bolivia (17%), while falling 7% in Colombia.⁵⁰

Refugees. The U.S. Committee on Refugees, a nongovernmental organization, estimates that by the end of 2003, there were nearly 3 million displaced Colombians, with 200,000 refugees in neighboring countries. In 2002, it reported that the number of Colombians seeking formal asylum in neighboring countries included 9,000 in Ecuador, 7,600 in Costa Rica, and 1,000 each in Panama and Venezuela. However, the organization noted that those who seek asylum are a small percentage of those who seek refuge illegally. The total refugee population would total about 325,000 people, including 150,000 in the United States, 75,000 in Ecuador, 50,000 to 75,000 in Venezuela, 20,000 to 50,000 in Costa Rica, and 20,000 in Panama. The U.N. High Commissioner for Refugees in Ecuador reports that it is seeing about 1,000 Colombian refugees each month, a figure that the office expects to remain the same in 2004. The International Red Cross in Colombia reports that the number of people displaced by the fighting decreased by 80,000 from 2002 levels.⁵¹

Andean-U.S. Free Trade Agreement⁵²

The Administration announced in 2003 its intentions to begin negotiating a free trade agreement (FTA) with Colombia, Peru, Ecuador, and Bolivia. In its announcement, the Administration asserted that an FTA would reduce and eliminate foreign barriers to trade and investment, support democracy, and fight drug activity. Colombia, Bolivia, Ecuador, and Peru currently benefit from the Andean Trade Promotion and Drug Eradication Act (ATPDEA). This trade pact, which is set to expire on December 31, 2006, authorizes the President to grant duty-free treatment to certain products, with more than half of all U.S. imports in 2004 from the Andean countries entering under these preferences.

Some had hoped that a speedy negotiation for an Andean FTA would replace ATPDEA, with negotiations concluded by the end of 2005. However, differences over agricultural policy and intellectual property laws have delayed the process. Most recently, Colombia announced that it was ending negotiations because of disagreements with the United States on agriculture, intellectual property, and textiles. Many observers believe it is likely negotiations will resume in 2006.

⁵⁰ "CIA Foresaw 'Balloon Effect' Five Years Ago," *Latin American Newsletter Weekly Report*, January 27, 2004; "U.S. Says Coca Area Up in Bolivia, Down in Peru," *Reuters*, November 17, 2003; and U.N. Office on Drugs and Crime, *Coca Cultivation in the Andean Region: A Survey of Bolivia, Colombia, and Peru*, June 2005.

⁵¹ *World Refugee Survey 2003*, and *World Refugee Survey 2004*, U.S. Committee on Refugees; Amy Taxin, "Ecuador Sees Steady Flow of Refugees in 2004," *Reuters*, November 18, 2003; Nicole Karsin, "U.N. Refugee Official Visits Colombian Communities That Suffer Blockades," *Associated Press*, January 24, 2004.

⁵² Also see CRS Report RL32770, *Andean-U.S. Free Trade Agreement Negotiations*, by M. Angeles Villarreal.

Air Bridge Denial Program

The Air Bridge Denial Program is a joint interdiction effort between the United States and Peru and Colombia that seeks to identify possible drug flights and to interdict them by forcing them to land, and if necessary to shoot down the aircraft. On April 20, 2001, a private aircraft flying over Peru and carrying American missionaries was shot down, killing two, after the Peruvian military, working with U.S. support, identified it as a possible drug trafficking flight. As a result, the Air Bridge Denial Program was halted in both Peru and Colombia, until the Secretary of State determined, as required by Congress, that a renewed program would incorporate safety enhancements. This determination was made on August 18, 2003 with regard to Colombia only. Having reached an agreement with Colombian authorities on operational aspects that would provide greater safeguards against accidental shootdowns, the program resumed in August 2003. The new safeguards include the requirement that only the commander of the Colombian Air Force can order a plane shot down, and then only if it has ignored radio warnings and warning shots from pursuit planes. The State Department's *International Narcotics Strategy Report 2005* (INCSR) credited the Air Bridge Denial (ABD) program (a joint U.S.-Colombian aerial interdiction program) with the destruction of 13 aircraft, the capture of three aircraft in Colombia and eight in Central America, and the seizure of about 3 metric tons of cocaine in 2004. This is in addition to the destruction of several aircraft and the seizure of more than five metric tons of cocaine during 2003.

Oil Production

Colombia is an important petroleum exporter, but political conflict brought on by the 40-year old leftist guerrilla insurgency, and by the more recently formed rightist paramilitaries, has led to production decreases. The export of oil is the country's largest single source of foreign revenue, accounting for 28% of export revenues and 10% of government revenues in 2003. The armed conflict has impeded exploration for new reserves, and with disruptions to production caused by terrorist attacks, production has fallen. The FARC and ELN have claimed responsibility for attacking oil infrastructure. Colombia had the fifth-largest oil reserves in South America, with 1.5 billion barrels of proven crude oil reserves in 2005, down 13% from 2004. It produced 530,000 barrels per day (bbl/d) in 2004, a 5% decrease from the 560,000 bbl/d produced in 2003. The country's oil production has declined from a high of 830,000 bbl/d in 1999. Colombia exports half of its production, with most destined for the United States. Nonetheless, exports to the United States have declined, with 2004 levels down 29% from 2003 and 58% from 2002.⁵³ There are many unexplored and potentially hydrocarbon-rich areas in Colombia, which shares many of the geological features of its oil-rich neighbor, Venezuela. The country produces a lighter and sweeter crude (considered higher quality) than other major Latin American countries. Exports of crude are destined for the U.S. Gulf Coast. Colombia is not a member of the Organization of Petroleum Exporting Countries (OPEC) and so does not have to abide by OPEC-imposed production quotas.

⁵³ Energy Information Administration, U.S. Department of Energy, "Colombia: Country Analysis Brief," July 2005.

U.S. Occidental and BP are the most active foreign oil companies operating in Colombia. A major problem in exploration and transportation has been the ongoing armed conflict with leftist guerrilla groups. Both the FARC and the ELN have targeted oil pipelines, electricity transmission infrastructure, and oil wells, as well as engaging in kidnappings of oil company employees. Aggressive exploration of new reserves has been hindered by the fighting and the lack of effective government control of all parts of the country's territory. However, a study requested by the Colombian National Hydrocarbons Agency (ANH) rated Colombia as the most attractive country in Latin America for investments in the hydrocarbons sector. ANH is a Colombian government regulatory agency that oversees oil exploration.⁵⁴

A repeated target for guerrilla groups has been the 490-mile Caño Limón Coveñas oil pipeline, which is operated by Occidental Petroleum and Ecopetrol, the state-owned oil company. When fully operational, it carries 106,000 barrels of crude oil daily. Attacks during 2001 spilled 400,000 barrels, about one and one-half times the amount discharged by the Exxon Valdez incident off the coast of Alaska in 1989. The Caño Limón oil fields account for about 20% of Colombia's oil production. Annual production in 2001 from Caño Limón was 19.5 million barrels. Proven reserves are estimated at 170 million, but the State Department reports that the field's oil potential is 300 million barrels. Approximately 55% of Caño Limón oil was exported to the United States in 2001.⁵⁵ Pipeline attacks fell to 17 in 2004 from a high of 170 in 2001, perhaps reflecting the more aggressive security operations of the new government of President Uribe. In 2003, the United States allocated \$99 million in infrastructure protection assistance for the Caño Limón pipeline, and about \$147 million in FY2004, leading critics to claim that the United States is protecting the assets of oil companies.

Funding for Plan Colombia

From FY2000 through FY2005, U.S. funding for Plan Colombia totals approximately \$4.4 billion in State Department and Defense Department programs. Most U.S. assistance is provided through the Andean Counterdrug Initiative account of the State Department. In addition, support for aerial eradication programs is provided from the State Department's Air Wing account. The U.S. Agency for International Development (USAID) provides support for alternative crop development and economic development programs, with some funding transferred from the ACI account. The Defense Department requests a lump sum for all counternarcotics programs worldwide under Sections 1004 and 1033, and under Section 124, of the National Defense Authorization Act. DOD can reallocate these funds throughout the year in accordance with changing needs. While not considered a formal component of the Andean Counterdrug Initiative, the Defense Department has provided Colombia with additional funding for training and equipment for a number of years, as well as the deployment of personnel in support of Plan Colombia.

⁵⁴ "Colombia Most Attractive Country in Latin America for Investments in Hydrocarbons," *Latin America News Digest*, November 23, 2005.

⁵⁵ U.S. Department of State Report to Congress, *Colombia: Cano Limon Pipeline*, January 2003.

Below is an outline of funding levels approved by Congress as part of the Andean Counterdrug Initiative and related funding programs. See the table at the end of this memo for allocations by agency.

- Under the P.L. 106-246 Plan Colombia funding, Colombia received \$832 million in State Department funds for assistance to the Colombian police and military, economic and alternative development assistance, aid for displaced persons, human rights, administration of justice, and other governance programs. In addition, \$100.7 million was appropriated to the Defense Department to assist the Colombian military's anti-drug efforts through interdiction support and the training and equipment of Colombian counternarcotics battalions. This amount also included support for Andean regional counternarcotics programs.
- Under ACI allocations for FY2002, Colombia received \$379.9 million, with \$243.50 million in counternarcotics assistance and \$137 million in economic and social programs. Under the Emergency FY2002 Supplemental, the Administration requested \$4 million of International Narcotics Control and Law Enforcement (INCLE) funding for police post support in areas of weak government control, \$6 million of FMF funding (which Congress directed to be transferred to the ACI account) for counter-terrorism equipment and training, and \$25 million of Nonproliferation, Anti-Terrorism and Demining (NATD) funding for counter-kidnapping training. The enacted legislation specifically provided \$6 million for infrastructure protection for the Cano-Limón Coveñas oil pipeline.
- For FY2003, Colombia received \$526.2 million in ACI funding for Colombia, including \$377 million for narcotics interdiction and eradication and \$149.2 million for alternative development. The FY2003 Emergency Wartime Supplemental included an additional \$54 million in ACI and FMF funding, bringing the total to \$580.2 million.
- For FY2004, Colombia received a total of \$473.9 million for ACI, consisting of \$149.3 million for alternative development, and \$324.6 million for narcotics interdiction and eradication programs. The estimate for FMF is \$98.5 million.
- For FY2005, the Administration allocated \$462.8 million in ACI funding, consisting of \$152.1 million for alternative development and \$310.7 million for narcotics interdiction and eradication. The request for FMF was \$99.2 million.
- For FY2006, the Administration requested \$463 million in ACI funding, consisting of \$152.1 million for alternative development and \$310.9 million for narcotics interdiction and eradication programs. The FMF request was \$90 million. In the FY2006 Foreign Operations Appropriations Act (P.L. 109-102), Congress

approved a total of \$469.5 million in ACI funding, of which \$158.6 million is for alternative development and \$310.9 million is for interdiction and eradication.

Table 1. U.S. Assistance For Plan Colombia, FY2000-FY2006
(in millions \$)

	ACI	FMF	NADR	AirWing	DOD	Total
FY2000	60.1	—	—	38.0	128.5	226.6
P.L.106-246	832.0	—	—	—	100.7	932.7
FY2001	48.0	—	—	38.0	190.2	276.2
FY2002	379.9 ^a	—	25.0	38.2	119.1	562.2
FY2003	580.2 ^b	17.1	3.3	41.5	165.0	807.1
FY2004	473.9	98.5	.2	45.0	122.0	739.6
FY2005	462.8	99.2	4.1	45.0	200.0	811.1
FY2006	469.5	90.0	—	45.0	112.0	716.5
Total	3,306.4	304.8	32.6	290.7	1,137.5	5,072.0

Sources: Figures are drawn from the annual Foreign Operation Budget Justifications for fiscal years 2002 through 2006; the State Department’s Washington File, “U.S. Support for Plan Colombia, FY2000 Emergency Supplemental Appropriations,” July 5, 2000; and the FY2006 Foreign Operations Appropriations Act, P.L. 109-102, and conference report, H.Rept. 109-265. Columns may not total due to rounding.

Notes: For FY2000 and thereafter, Plan Colombia funds are assigned to the State Department’s International Narcotics and Law Enforcement Bureau (INL) or the Andean Counterdrug Initiative (ACI). The State Department transfers funds to other agencies carrying out programs in Colombia, of which USAID has received the largest portion. Defense Department funding is from its Counter Narcotics account. DOD requests one sum for programs around the world and adjusts its regional allocations as needed.

a. Includes \$6 million appropriated to FMF but transferred to the ACI account.

b. Includes \$93 million in FMF regular appropriations and \$20 million in FMF supplemental funds that were transferred to the ACI account.

List of Acronyms

ACI	Andean Counterdrug Initiative
AUC	United Self-Defense Forces of Colombia
CICTE	Inter-American Committee Against Terrorism
DEA	U.S. Drug Enforcement Agency
ELN	National Liberation Army
FARC	Revolutionary Armed Forces of Colombia
FMF	Foreign Military Financing
FTO	Foreign Terrorist Organization
IMET	International Military Education and Training
INCLE	International Narcotics Control and Law Enforcement
NADR	Nonproliferation, Anti-Terrorism and Demining