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Andean Counterdrug Initiative (ACI) and Related Funding Programs: FY2005 Assistance

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Summary

In 2004, Congress considered a number of issues relating to the Andean region and drug trafficking. The Administration requested \$731 million for the Andean Counterdrug Initiative for FY2005, and \$114 million for economic assistance programs. Congress also changed the level of U.S. military and civilian contractor personnel allowed to be deployed in Colombia, in response to an Administration request. Congress continues to express concern with the volume of drugs readily available in the United States and elsewhere in the world. The three largest producers of cocaine are Colombia, Bolivia, and Peru, with 90% of the cocaine in the United States originating in, or passing through, Colombia. Regional security issues have also come into sharper focus after the attacks of September 11, 2001.

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) for Colombia and its neighbors. From FY2000 through FY2005, the United States has provided a total of about \$5.4 billion for the region in both State Department and Defense Department counternarcotics funds. Congress appropriated \$731 million in FY2005 funds for the Andean Counterdrug Initiative, with an additional \$106.5 million in Foreign Military Financing (FMF) funds. The United States also provides funding for Development Assistance, Child Survival and Health, and Economic Support Funds. In FY2004, this economic assistance was estimated to be \$123.6 million for ACI countries. 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. Three illegally armed groups in Colombia participate in drug production and trafficking, and have been designated foreign terrorist organizations by the State Department.

In the first session of the 108th Congress, the House passed and the Senate considered the FY2004 Foreign Relations Authorization Act (H.R. 1950/S. 925) with provisions relating to Colombia and drug interdiction programs in the Andean region. The Senate Foreign Relations Committee reported out the FY2004 Foreign Assistance Authorization Act (S. 1161/S.Rept. 108-56) with several modifications on assistance to ACI countries. Neither of these bills received final approval. On March 4, 2004, the Senate Foreign Relations Committee reported out S. 2144, the Foreign Affairs Authorization Act for Fiscal Year 2005. It includes several provisions relating to Colombia and the Andean region that are similar to language contained in S. 925. The FY2005 National Defense Authorization Act (H.R. 4200, H.Rept. 108-767) was passed on October 9, 2004 and included provisions relating to the Andean region, including raising the statutory caps on U.S. personnel assigned in Colombia.

This report will be updated as events warrant.

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Andean Counterdrug Initiative (ACI) and Related Funding Programs: FY2005 Assistance

In 2004, Congress considered a number of issues relating to the Andean Counterdrug Initiative, the U.S. assistance program to help Colombia address drug trafficking and economic development issues.¹ These issues included ongoing concerns with the effectiveness of the program, funding levels, human rights, and the role and number of U.S. military and contract personnel. The region has been viewed as important primarily because it produces virtually all of the world's cocaine and increasing amounts of high quality heroin. It is estimated that 90% of the cocaine coming to the United States originates in, or passes through, Colombia. Moreover, the stability of Colombia and the region is threatened by Colombia's longstanding guerrilla insurgency and rightist paramilitary groups, which are both believed to be largely funded by their participation in illegal narcotics production and trafficking.

The Andean Counterdrug Initiative is the primary U.S. program that supports Plan Colombia, a six year plan developed by President Andres Pastrana (1998-2002) of Colombia, and continued by current President Alvaro Uribe. While ACI is the primary program, it is not the only one supporting counternarcotics and economic development in the Andean region. Countries in the region also receive Foreign Military Financing (FMF), International Military Education and Training (IMET), Development Assistance (DA), Child Survival and Health (CSH), and Economic Support Fund (ESF). The Department of Defense also supports drug interdiction operations from its own counternarcotics account.

The Andean Counterdrug Initiative

U.S. support for Plan Colombia began in 2000, when Congress passed legislation providing \$1.3 billion in interdiction and development assistance (P.L. 106-246) for Colombia and six regional neighbors.² Funding for ACI from FY2000

¹ This report on 2004 congressional action draws from CRS Report RL32021, *Andean Regional Initiative (ARI): FY2003 Supplemental and FY2004 Assistance for Colombia and Neighbors*, by K. Larry Storrs and Connie Veillette. For earlier action, see CRS Report RL31383, *Andean Regional Initiative (ARI): FY2002 Supplemental and FY2003 Assistance for Colombia and Neighbors*, by K. Larry Storrs and Nina M. Serafino.

² The U.S. program to provide anti-narcotics assistance to Colombia and the Andean region was called the Andean Regional Initiative (ARI) from 2001 to 2003. ARI encompassed the previous Andean Counterdrug Initiative (ACI) as well as other assistance programs such as
(continued...)

through FY2004 totals \$3.5 billion. For FY2005, Congress appropriated an additional \$731 million. ACI is managed by the State Department's Bureau of International Narcotics Control and Law Enforcement Affairs (INCLE). The objectives are to eliminate the cultivation and production of cocaine and opium, build Andean law enforcement infrastructure, arrest and prosecute traffickers, and seize their assets. The countries considered a part of the ACI include Bolivia, Brazil, Colombia, Ecuador, Panama, Peru and Venezuela³, with most funding allocated for programs in Colombia. Funds are divided between programs that support eradication and interdiction efforts, as well as those focused on alternative crop development and democratic institution building. On the interdiction side, programs train and support national police and military forces, provide communications and intelligence systems, support the maintenance and operations of host country aerial eradication aircraft, and improve infrastructure related to counternarcotics activities. On the alternative development side, funds support development programs in coca growing areas, including infrastructure development, and marketing and technical support for alternative crops. It also includes assisting internally displaced persons, promoting the rule of law, and expanding judicial capabilities.

INCLE also manages the Interregional Aviation Support program, referred to as the Air Wing, that operates a fleet of 164 fixed- and rotary-wing aircraft supporting overflight drug crop imagery and aerial eradication programs in Colombia, Bolivia, and Peru. FY2004 funding is estimated at \$70 million, of which approximately \$45 million was allocated for programs in the Andean region. The request for FY2005 maintains funding at \$70 million, of which approximately \$50 million is proposed for Colombia. ACI also funds the Air Bridge Denial Program that is currently operational in Colombia, and temporarily suspended in Peru, after an accidental shooting down of a civilian aircraft carrying U.S. missionaries in 2001. After the incident, in which two Americans died, the program in both countries was suspended until enhanced safeguards were developed. The program in Colombia resumed in August 2003. The program supports an aircraft fleet, pilot training, and logistical and intelligence support. The program tracks aircraft suspected of being involved in drug trafficking, and forces them to land for inspection. If the aircraft is repeatedly unresponsive, it may be shot down, at the direction of the commander of the Colombian Air Force. The resumption of a program in Peru is still pending the development of safety enhancements. The FY2005 request was for \$21 million, and Congress approved \$11.2 million.

² (...continued)

Development Assistance, Child Survival and Health, Economic Support Funds, and Foreign Military Financing. For FY2004, the budget request returned to the usage of Andean Counterdrug Initiative, with other funding that previously was part of the ARI, requested from their regular accounts.

³ Panama and Brazil are not considered Andean countries, but are included in ACI because they each share borders with Colombia. Bolivia is an Andean country but does not share a border with Colombia.

Related Funding Programs

Additional funding for the Andean region is provided through the Foreign Military Financing (FMF) program and the International Military Education and Training (IMET) program, both managed by the State Department. The Defense Department has a counternarcotics account for worldwide programs involving interdiction, training, equipment, and intelligence sharing. In the Western Hemisphere, these programs are managed by the U.S. Army Southern Command.

Foreign Military Financing. Foreign Military Financing provides funding grants to foreign nations to purchase U.S. defense equipment, services, and training. The program's objectives are to assist key allies to improve their defense capabilities, to strengthen military relationships between the United States and FMF recipients, and to promote the professionalism of military forces in friendly countries. The majority of FMF funding goes to countries in the Middle East, including Israel, Egypt, and Jordan. In the Western Hemisphere, a large portion of FMF is allocated for Colombia and the Andean region with the objective of supporting the efforts of those nations to establish and strengthen national authority in remote areas that have been used by leftist guerrilla organizations, rightist paramilitaries, and narcotics traffickers. A portion of FMF funding in Fiscal Years 2002 and 2003 went for infrastructure protection of oil pipelines in Colombia. In FY2004, FMF funding for the Andean region totaled \$124.1 million, of which Colombia was allocated \$109.4 million. The FY2005 request was for \$115.5 million, with \$108 million for Colombia. Congress approved \$106.5 million for the region, with \$100 million for Colombia.

International Military Education and Training. The IMET program provides training on a grant basis to students from allied and friendly nations. Its objectives are to improve defense capabilities, develop professional and personal relationships between U.S. and foreign militaries, and influence these forces in support of democratic governance. Training focuses on the manner in which military organizations function under civilian control, civil-military relations, military justice systems, military doctrine, strategic planning, and operational procedures. IMET funding for the Andean region is estimated at \$4.45 million in FY2004 out of a total of \$14.8 million for all of Latin America. The request for FY2005 for the Andean countries is \$3.8 million.

Department of Defense Counternarcotics Account. The Department of Defense has authority for counternarcotics detection and monitoring under Sections 124, 1004, and 1033 of the National Defense Authorization Act. DOD requests a lump sum for counternarcotics programs worldwide and does not request amounts by country. The estimated amount for Colombia in FY2004 ranges from \$122 million to \$160 million. The request for FY2005 DOD counternarcotics funding for Latin America is \$366.9 million, of which up to \$200 million is planned for Colombia. Activities include detection and monitoring operations to assist U.S. law enforcement agencies interdict drug trafficking. In the Andean region, support is provided in the form of training, equipment, and intelligence sharing activities.

Economic Assistance Programs

Economic assistance programs for the Andean region are not considered part of the Andean Counterdrug Initiative, although they support many programs which are tangentially related, such as poverty reduction. From 2001 to 2003, Development Assistance, Child Survival and Health, and Economic Support Fund programs were requested as part of the President's Andean Regional Initiative. Development Assistance (DA) seeks to foster sustainable economic growth with a focus on trade and investment, agriculture, education, environment, health, and democracy. The ACI region is estimated to receive \$47.8 million in FY2004 from a total of \$244.8 million for Latin America. The request for FY2005 totals \$44.3 million out of \$241.7 million for Latin America. Child Survival and Health (CSH) focuses on treating infectious disease, promoting child and maternal health, family planning, and reproductive health. Countries in the Andean region are estimated to receive \$43.4 million in FY2004 out of \$148.6 million allocated for Latin America. The requested amount for FY2005 for the hemisphere is \$130.3 million, from which \$37.2 million is proposed for the ACI region. The Economic Support Fund (ESF) program funds initiatives aimed at creating employment and promoting conditions that support international investment and trade. In Latin America, ESF is focused on promoting stable democracies, secure borders, anti-corruption, trade-led growth, and counternarcotics. The ACI region is estimated to receive \$32.4 million in FY2004 and Congress earmarked \$36 million in FY2005. ESF funding for all of Latin America is \$84.5 million in FY2004 and a proposed \$92 million in FY2005.

Congressional Conditions on U.S. Assistance

Since first approving expanded assistance to Colombia for counternarcotics programs in 2000, Congress has included a number of conditions on U.S. assistance in both authorization and appropriations legislation. The most recently enacted funding legislation is the FY2005 Foreign Operations Appropriations Act (Division D of H.R. 4818, the FY2005 Consolidated Appropriations Act, signed into law as P.L. 108-447 December 8, 2004), which included a number of longstanding provisions relating to the Andean Counterdrug Initiative. The FY2005 Defense Authorization Act (H.R. 4200/H.Rept. 108-767) also includes provisions relating to Colombia. The following are provisions of current law as provided in H.R. 4818, Division D and the Defense Authorization Act.

Expanded Authority. Current law maintains language, first approved by Congress in 2002, authorizing support for a unified campaign against narcotics trafficking and activities by organizations designated as terrorist organizations. Report language notes that counternarcotics, alternative development, and judicial reform should remain the principal focus of U.S. policy in Colombia. This authority shall cease if the Secretary of State has credible evidence that the Colombian Armed Forces are not vigorously attempting to restore government authority and respect for human rights in areas under the effective control of paramilitary and guerrilla organizations.

Personnel Caps. The FY2005 National Defense Authorization Act (H.R. 4200, Conf. Rept. 108-767, sent to the White House on October 21, 2004) changes

current law with regard to the cap on the number of U.S. military and U.S. civilian contractors that can be deployed in Colombia in support of Plan Colombia. The cap on military personnel was raised from 400 to 800, and for civilian contractors, 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 late November 2003, there were 278 temporary and permanent U.S. military personnel and 373 U.S. citizen civilian contractors in Colombia in support of Plan Colombia. These numbers vary as programs are begun, expanded, or completed. During 2003, they have varied between 208 and 396 military personnel, and 247 to 400 civilian contractors. The personnel caps also do not apply to foreign national contract employees.

Helicopters. Current law maintains language requiring that if any helicopter procured with ACI funds is used to aid or abet the operations of any illegal self-defense group or illegal security cooperative, the helicopter shall be immediately returned to the United States.

Reports. Current law requires that the Secretary of State, in consultation with the Administrator of USAID, provide to the Committees on Appropriations a report within 45 days of enactment and prior to the initial obligation of funds on the proposed uses of all ACI funds on a country-by-country basis for each proposed program, project, or activity.

Human Rights. Current law allows the obligation of 75% of assistance to the Colombian Armed Forces without a determination and certification from the Secretary of State regarding respect for human rights and severing ties with paramilitary groups. The remaining 25% can be released in two installments of 12.5% each. The first installment can be made provided that the Secretary of State certifies that (1) the Commander General of the Colombian Armed Forces is suspending members who have been credibly alleged to have committed gross violations of human rights or to have aided or abetted paramilitary organizations; (2) the Colombian government is vigorously investigating and prosecuting members of the military who have been credibly alleged to have committed gross violations of human rights or to have aided or abetted paramilitary organizations; (3) the Colombian Armed Forces have made substantial progress in cooperating with civilian prosecutors and judicial authorities in such cases; (4) the Colombian Armed Forces have made substantial progress in severing links to paramilitary organizations; and 5) the Colombian Armed Forces are dismantling paramilitary leadership and financial networks by arresting commanders and financial backers. The last installment can be made after July 31, 2004, if the Secretary of State certifies that the Colombian Armed Forces are continuing to meet the above conditions and are conducting vigorous operations to restore government authority and respect for human rights in areas under the effective control of paramilitary and guerrilla organizations. It also requires that not later than 60 days after enactment, and every 90 days thereafter, the Secretary of State shall consult with internationally recognized human rights organizations regarding progress in meeting these conditions. It denies visas to anyone who the Secretary of State determines willfully provided any support to leftist guerrilla organizations or rightist paramilitaries, or has participated in the commission of gross violations of human rights in Colombia.

In addition to these provisions that are specific to Colombia, the act includes a provision from previous legislation, often called the Leahy amendment, that denies funds to any unit of a security force 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.

Earmarks. Current law designates that, for FY2005 funding, not less than \$264.6 million of ACI funds be made available for alternative development and institution building, of which \$237 million shall be allocated to USAID. Of this latter amount, USAID is directed to use \$125.7 million for programs in Colombia. It requires that not less than \$6 million be made available for judicial reform programs in Colombia and not less than \$6 million for programs to protect human rights. It also earmarks not less than \$2 million for programs to protect biodiversity and indigenous reserves in Colombia.

Aerial Fumigation. Current law requires that not more than 20% of funds used for the procurement of chemicals for aerial coca and poppy fumigation be made available unless the Secretary of State certifies that 1) the herbicide mixture is in accordance with EPA label requirements for comparable use in the United States and any additional controls recommended by the EPA; and 2) the herbicide mixture does not pose unreasonable risks or adverse effects to humans or the environment. Further, the Secretary of State must certify that complaints of harm to health or licit crops caused by fumigation are evaluated and fair compensation is being paid for meritorious claims. These funds may not be made available unless programs are being implemented by USAID, the Colombian government, or other organizations, and in consultation with local communities, to provide alternative sources of income in areas where security permits for small-acreage growers whose illicit crops are targeted for fumigation.

Prohibition on Combat. Current law continues the prohibition on U.S. military personnel or U.S. civilian contractors participating in any combat operations in Colombia. This provision has been included in authorization and appropriation legislation since the original Plan Colombia law approved by Congress in 2000.

Air Bridge Denial Program. In order to resume U.S. support for a Peruvian air interdiction program, the Secretary of State and the Director of Central Intelligence must certify to Congress 30 days prior to resuming the program that enhanced safeguards and procedures have been developed.

Bolivia. It allows assistance to the Bolivian military and police forces only if they are respecting human rights and cooperating with investigations and prosecutions of alleged violations of human rights.

Colombian Demobilization. Current law requires congressional consultation and notification prior to USAID obligating any funds for peace initiatives in Colombia. The conference agreement expressed concern that the demobilization process is not ensuring the dismantling of FTOs or deterring members from resuming illegal activities and that the government of Colombia is not prosecuting those involved in drug trafficking and human rights violations. It further

recommends that the State Department not request FY2006 funds for demobilization unless the Department of Justice determines the activities are consistent with U.S. anti-terrorism laws and that

- 1) the FTO is respecting a ceasefire and cessation of illegal activities;
- 2) the Colombian government has not adopted any law or policy inconsistent with its obligations under the U.S.-Colombian extradition treaty and has committed to the U.S. that it will continue to extradite Colombians, including members of illegally armed groups;
- 3) the Colombian legal framework governing demobilization provides for prosecution and punishment in proportion to the crimes committed of those responsible for gross violations of human rights, violations of international humanitarian law, and drug trafficking, as well as providing for reparations of victims and the monitoring of demobilized individuals;
- 4) the Colombian government is implementing a policy of dismantling such groups, including seizure of financial and property assets; and
- 5) the Colombian government is taking actions to enable the return of stolen assets, including real property, to their original owners.

The conference report also requests that before any U.S. funds are provided to the OAS Mission in Colombia for demobilization purposes, the Secretary of State report to the Committees on Appropriations that the OAS Mission is strictly adhering to its verification role, that FTOs are concentrated in demobilization zones, that the legal framework governing demobilization conforms with (3) above, and that the Inter-American Commission for Human Rights is providing advice to the OAS Mission.

Administration FY2005 Request

ACI Request. On February 2, 2004, President Bush submitted his budget request for Fiscal Year 2005. The Administration proposed spending \$731 million for the Andean Counterdrug Initiative, the same amount it requested for FY2004. Part of this amount, \$21 million, is designated for the Air Bridge Denial Program, which would continue contractor logistical support and training for programs in both Peru and Colombia.

Colombia. The single largest amount, \$463 million, is designated for Colombia. Of this amount, \$313 million is proposed for drug interdiction efforts, and \$150 million for alternative development and institution building programs. Contending that this year marks a “tipping point” in the program, the Administration maintains that the objectives of FY2005 funding are to support drug interdiction and eradication efforts of the Colombian National Police and the Army, for infrastructure improvements, police training, and secure and interoperable communications and intelligence systems. ACI funds would be used to support 71 Colombian military helicopters for both counternarcotics and counterterrorism efforts. Funding will also support eight helicopters for infrastructure security in the province of Arauca. On the

development front, ACI funds will be used for strengthening a licit agricultural economy, assisting groups that have been displaced because of the fighting, and supporting programs that strengthen democracy and promote the rule of law, human rights, and judicial reform.

Peru. Peru is the second largest recipient of ACI funding with \$112 million proposed for FY2005; \$50 million for alternative development and institution building, and \$62 million for interdiction. Interdiction funds are proposed for both the forced and voluntary eradication of coca and poppy cultivation by providing training, advisors, vehicles, aircraft maintenance, ground-based infrastructure, communications, and support equipment. Alternative development funds are designated for the building of roads, bridges, potable water systems, electricity systems, irrigation systems, and schools and health facilities.

Bolivia. ACI funding for Bolivia is proposed at \$91 million — \$42 million for alternative development and institution building programs, and \$49 million for interdiction efforts. Alternative development includes economic development in coca growing areas, demand reduction education programs, and the expansion of physical infrastructure. Interdiction funding would provide operational support for specialized counterdrug police and military units, and would improve data collection for law enforcement activities. The United States would also continue to provide support for a U.S.-owned helicopter fleet, and to maintain and purchase vehicles, riverine patrol boats, training and field equipment, and construct and refurbish antiquated counternarcotics bases.

Other Countries. Ecuador is the next largest recipient of ACI funds, with \$26 million proposed for FY2005 — \$15 million for alternative development and institution building, and \$11 million for interdiction. The objective of assistance to Ecuador is to stop or prevent any spillover of drug trafficking and guerrilla activity from Colombia, and to stop the transit of drugs destined for the United States. Requested FY2005 ACI support in Brazil (\$9 million), Panama (\$6 million), and Venezuela (\$3 million) are also aimed at preventing spillovers from Colombia, and to provide interdiction support.

FMF and IMET Request. The FY2005 request for FMF for the Andean region totals \$115.5 million, with Colombia receiving the largest portion, \$108 million. Funding for FY2005 would be used to establish and strengthen national authority in remote areas that are being used by illegally armed groups and are cocaine producing areas. Bolivia would receive \$3 million, Ecuador \$2 million, Panama \$1.5 million, and Peru \$1 million to strengthen their capabilities to interdict drug production and trafficking. The FY2005 IMET request for the Andean region is \$3.8 million, of which \$1.7 million is designated for Colombia. The IMET program focuses on civil-military issues for junior and mid-grade military officers.

Defense Department Counternarcotics Request. The estimate for FY2005 DOD counternarcotics funding for all of Latin America is \$366.9 million. Activities include detection and monitoring operations to assist U.S. law enforcement agencies interdict drug trafficking. In the Andean region, support is provided in the form of training, equipment, and intelligence sharing activities. A country-by-country breakdown of DOD counternarcotics funds is not available. However, in

testimony before the House Government Reform Committee on March 2, 2004, Assistant Secretary of Defense for Special Operations and Low Intensity Conflict Thomas W. O'Connell, reported that \$200 million of the portion allocated for Latin America would go "to support Andean Region initiatives, primarily in Colombia." Funding in previous years has averaged about \$150 million per year.

Economic Assistance Request. Peru and Bolivia are the primary beneficiaries of Development Assistance and Child Survival and Health funds. For DA, Peru would receive \$10.5 million and Bolivia \$14.5 million in FY2005. Brazil and Ecuador would each receive \$7 million, and Panama \$5.4 million. For Child Survival and Health, Peru would receive \$13 million, Bolivia \$16.1 million, Brazil \$7.6 million and Ecuador \$351,000. Economic Support Funds in FY2005 would be divided between Bolivia (\$8 million), Ecuador (\$13 million), Panama (\$3 million), Peru (\$8 million), and Venezuela (\$500,000).

Assistance to Colombia and Neighboring Countries

The Andean Counterdrug Initiative was designed to provide assistance to seven countries in the broadly defined Andean region: Bolivia, Brazil, Colombia, Ecuador, Panama, Peru, and Venezuela. The region is important to the United States because it includes three major drug producing countries (Colombia, Bolivia, and Peru) where virtually all the world's cocaine and significant quantities of high quality heroin destined for the United States are produced. It also includes two major oil producing countries (Venezuela and Ecuador), members of the Organization of Petroleum Exporting Countries (OPEC), which supply significant quantities of oil to the United States. While the seven countries have diverse trading relationships, the United States is the major trading partner for all of them. For the five traditional Andean countries (Colombia, Venezuela, Ecuador, Peru, and Bolivia), the Andes mountain range that runs through South America poses geographical obstacles to intra-state and inter-state integration, but the countries are linked together in the Andean Community economic integration pact. The ACI countries are some of the most heavily populated in Latin America, including first (Brazil), third (Colombia), fifth (Peru), sixth (Venezuela) and eighth (Ecuador) most populous. Although Colombia and Venezuela have largely European-Indian mixed race (mestizo) populations, Bolivia, Peru, and Ecuador have significant indigenous populations. (See appendices at the end of this report for funding tables.)

Colombia⁴

Colombia's spacious and rugged territory, whose western half is transversed by three parallel mountain ranges, provides ample isolated terrain for drug cultivation and processing, and contributes to the government's difficulty in exerting control throughout the nation. The country is known for a long tradition of democracy, but

⁴ For more information on Colombia, see CRS Report RL32250, *Colombia: Issues for Congress*, by Connie Veillette.

also for continuing violence, including a guerrilla insurgency dating back to the 1960s, and persistent drug trafficking activity. Recent administrations have had to deal with a complicated mix of leftist guerrillas, rightist paramilitaries (or “self-defense” forces), and independent drug trafficking cartels. The two main leftist guerrilla groups are the Revolutionary Armed Forces of Colombia (FARC) and the National Liberation Army (ELN). The rightist paramilitaries are coordinated by the United Self-Defense Forces of Colombia (AUC). All three groups participate in drug production and trafficking, regularly kidnap individuals for ransom, and have been accused of gross human rights abuses. The three groups have been designated foreign terrorist organizations by the United States. The AUC and Colombian military have been accused of collaborating in fighting the FARC and ELN. There are additional paramilitary groups that operate independently from the AUC.

U.S. Policy Debate. 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, and security concerns that have come into sharper focus after the attacks of September 11, 2001. 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 will most likely review 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 expansion of U.S. assistance for counterterrorism and infrastructure protection; the health and environmental consequences of aerial fumigation for drug control; the progress of alternative development to replace drug crops with non-drug crops; judicial reform and rule of law programs; the level of risk to U.S. personnel in Colombia and the continued captivity of several American hostages held by the FARC.

In response to a request by the Administration and a report by the Council of Foreign Relations that recommended increasing the number of U.S. military and civilian personnel allowed to be deployed in support of Plan Colombia, the Senate approved the Administration request to raise the statutory caps on military personnel from 400 to 800, and on civilian contractors from 400 to 600 in the FY2005 National Defense Authorization Act (S. 2400/S.Rept. 108-260.)⁵ The House-passed National Defense Authorization Act (H.R. 4200/H.Rept. 108-491) raised the military personnel cap to 500 and maintained the civilian cap at 400. The Conference Report (108-767) was passed by both chambers on October 9, 2004, and sent to the White House on October 21, 2004. It raises the cap on military personnel to 800 and civilian contractors to 600.

⁵ “Andes 2020: A New Strategy for the Challenges of Colombia and the Region,” Council on Foreign Relations Center for Preventive Action, January 2004, by Daniel W. Christman, John G. Heimann, and Julia E. Sweig.

Supporters of U.S. policy argue that Colombia is a beleaguered democratic ally under siege by powerful armed forces of the left and right fueled by drug money. In the context of the global war on terrorism, and 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 argue 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. The FARC and ELN have also claimed responsibility for attacking infrastructure necessary for Colombia's continued economic development. This is particularly important in oil exploration and transport. Colombia exported 256,000 barrels per day of crude to the United States in 2002, which is approximately half of Colombia's output.⁶

Opponents of U.S. policy argue 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, as was witnessed in 2002 when reported acres of coca cultivation in Peru and Bolivia increased. 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.⁷

Uribe Administration. Alvaro Uribe ran for the Colombian presidency as an independent on a platform focusing on defeating the guerrilla insurgents, eliminating the paramilitaries, 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.⁸ He promulgated a decree invoking emergency powers, allowing security forces to

⁶ Energy Information Administration, U.S. Department of Energy, "Colombia: Country Analysis Brief," May 2003.

⁷ Ibid, Council on Foreign Relations Center for Preventive Action, January 2004.

⁸ See CRS Report RS21242, *Colombia: The Uribe Administration and Congressional Concerns*, by Nina M. Serafino; and CRS Report RL32250, *Colombia: Issues for Congress*, by Connie Veillette.

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. At the end of 2004, the Colombian Congress passed legislation amending the constitution allowing for the consecutive re-election of presidents. It is widely believed that Uribe will run for a second term.

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 military and police, largely through a one-time 1.2% war tax on wealthy individuals and businesses, and created a "civilian informers" program. 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. President Uribe announced at the end of 2003 that 4,294 members of armed groups had deserted, an 80% increase over the previous year. Police are being redeployed to areas from which they had been previously ousted by guerrilla groups. The homicide rate dropped 22%, and the rate of rural massacres dropped by 37% from 2002. The number of kidnappings fell by 32% over the same time period. On the economic front, private investment increased 17% and the economy grew by 3.3% in 2003. Growth projections for 2004 are in the 3.5 to 4% range.⁹

AUC Demobilization and Amnesty Proposal. On July 15, 2003, the Uribe Administration announced an agreement with leaders of the AUC that would result in the demobilization of its members by the end of 2005. It is estimated that as many as 5,000 fighters operate outside of the AUC, some of whom are negotiating separately with the government, and others who are not participating at all. The Organization of American States established a Mission to Support the Peace Process in Colombia in February 2004 to mediate the demobilization process. As part of demobilization, President Uribe has 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 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 State Department has confirmed that the United States

⁹ "War-Torn Colombia Less Violent in 2003, Government Says," *Reuters*, January 6, 2004; "Colombia: 5-Year Forecast Table," *The Economist Intelligence Unit*, January 30, 2004; Carol J. Williams, "Colombia Sees Gains in Its War With Rebels," *The Los Angeles Times*, January 21, 2004.

will not drop its requests for the extradition of any Colombians under indictment in the United States.

The Uribe Administration argues that without the inducement of amnesties, or the possibility of paying reparations to victims instead of serving jail sentences, paramilitary leaders and fighters will be unwilling to demobilize, and a spiral of violence will continue in Colombia. Critics of the proposal include Colombian legislators, political commentators, and international human rights organizations. They 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 paramilitaries are not respecting the accord and are continuing military activities. President Uribe's proposal would allow the president to determine which members of illegal armed groups would qualify for suspended sentences. Combatants who qualify would have to agree to disarm and to demonstrate support for the peace process. Combatants would also agree to make reparations, of money or assets, to victims directly, or into a government fund for victims. The amnesty process requires that fighters appear before a criminal court where crimes will be admitted and penalties imposed. Fighters would be convicted of crimes and then alternative penalties to prison would be determined by a judge. In response to criticism, President Uribe submitted revised legislation that requires minimum jail sentences of at least five years. The proposal is pending before the Colombian Congress.

Coca Cultivation and Eradication. Upon taking office, President Uribe announced that aerial eradication,¹⁰ 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. Despite early indications that coca cultivation had increased by 25% in 2001, Colombian and U.S. officials reported decreases of 15% in 2002. The United Nations, using a different method of survey and calculation, estimated a 30% decrease over the same time period. According to the State Department, cultivation of opium poppy declined by 24% in 2002, and 10% in 2003. Coca cultivation in 2003 declined by 21%, according to the State Department. It is believed that the Plan Colombia goal of having sprayed 50% of the country's coca crop by the end of 2005 may have been accomplished two years ahead of schedule. It should be noted, however, that spraying does not prevent, although it may discourage, the replanting of illicit crops.

Aerial fumigation has been controversial. 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. Proponents argue that both eradication and alternative development programs need time to work. The Secretary of State, in consultation with the Environmental Protection Agency, certified on December 15, 2003 that the chemicals used in spray operations do not pose a risk to health or the environment.

¹⁰ For more information, see CRS Report RL32052, *Colombia and Aerial Eradication of Drug Crops: U.S. Policy and Issues*, by Connie Veillette and José E. Arvelo-Velez.

Funding and Request for Colombia.

- 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, \$300.6 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 \$373.9 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 INCLE 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, and fully funded the other accounts.
- For FY2003, Colombia received \$526.2 million in ACI funding for Colombia, including \$377 million for narcotics interdiction and eradication, \$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. In addition, \$110.1 million in FMF funding was provided to train and equip a Colombian army brigade to protect an oil pipeline in the country.
- For FY2004, the Administration estimates spending a total of \$463 million for ACI, consisting of \$150 million for alternative development, and \$313 million for narcotics interdiction and eradication programs. The estimate for FMF is \$109.4 million.
- For FY2005, the Administration requested \$463 million in ACI funding, consisting of \$150 million for alternative development and \$313 million for narcotics interdiction and eradication. The request for FMF was \$108 million. Congress approved \$466.5 million in ACI funding and \$100 million for FMF.

Peru

Peru, which shares its northern border with Colombia, is the second largest cocaine producer in the world and exports high purity cocaine and cocaine base to markets in South America, Mexico, Europe, and the United States. Nevertheless, it has been viewed as a success story in counternarcotics efforts because joint U.S.-Peru air and riverine interdiction operations, aggressive eradication efforts, and alternative development programs have significantly reduced coca production. Facing mounting protests, the Peruvian government temporarily suspended the drug eradication program in the Upper Huallaga Valley in early July 2002, but resumed the program in September 2002 once concerns were addressed, in part to be eligible for Andean Trade Preference Act benefits. The State Department reports that coca cultivation had decreased in Peru by 15% in 2003, after an 8% increase in 2002.

Peru has worried about spillover effects of illicit drug activities from Colombia. Responding to press reports that FARC forces had penetrated into Peruvian territory, Peruvian officials stated in early 2002 that there are no permanent FARC forces in Peru, but they conceded that they may cross temporarily into border areas. Because of these threats, Peru moved military bases from its border with traditional rival Ecuador, where tensions have diminished, to the border with Colombia. President Alejandro Toledo, inaugurated on July 28, 2001, has had to deal with many strikes and protests, with his popularity reaching new lows in 2003. With regard to drugs, Toledo labeled drug trafficking a national security problem for Peru, and established a drug czar to better coordinate counternarcotics initiatives. When President Bush visited Peru on March 23, 2002, the two Presidents agreed to enhance cooperation on counternarcotics and counterterrorism issues. However, U.S. military aid to Peru was suspended on July 1, 2003, because Peru has not signed an agreement exempting U.S. citizens from the jurisdiction of the International Criminal Court, which would result in the loss of \$2.7 million in assistance in FY2004, and \$1.3 million in FY2005.

Representatives of Peru and the United States launched an investigation into the circumstances and procedures leading to an incident on April 20, 2001, in which a Peruvian military plane shot down a small plane, killing an American missionary woman and her infant daughter, after a CIA surveillance plane had indicated that the small craft might be involved in drug trafficking activities. As a result of this accident, U.S. surveillance of drug-related flights in Peru and Colombia was suspended pending clarification of procedures. The State Department released a report of the U.S.-Peruvian investigative team on August 2, 2001, concluding that “communications systems overload” and “cumbersome procedures” played a role in the accident. Current law (P.L.108-199) requires the Secretary of State to notify Congress 30 days prior to resuming U.S. support for the air interdiction program and to provide assurances that greater safety enhancements are in place.

Funding and Request for Peru.

- As part of the FY2000 Plan Colombia funding, Peru received \$25 million for KMAX helicopters for the Peruvian National Police.
- Under ACI allocations for FY2002, Peru received \$142.5 million in ACI funds, with \$75 million in counternarcotics aid and \$67.5 million for alternative development. No funds were requested for Peru in the FY2002 supplemental.
- Under the ACI allocation for FY2003, Peru received \$128.1 million in ACI funds, with \$59.5 million in counternarcotics aid and \$68.6 million for alternative development. Peru received \$1 million in FMF funding.
- For FY2004, the Administration estimates spending \$116 million in ACI funds, with \$66 million in counternarcotics aid and \$50 million for alternative development. Peru is to receive \$1.7 million for FMF funding.
- For FY2005, the Administration requested \$112 million for ACI funding, consisting of \$62 million in counternarcotics aid, and \$50 million for alternative development. The request also included \$1 million of FMF funding. Congress approved \$116.3 million in ACI funding and \$1 million for FMF.

Bolivia¹¹

Landlocked Bolivia shares no border with Colombia, but Bolivia's significant gains in reducing illegal coca production could be threatened by any successes in controlling production in Colombia. Once the world's foremost producer of coca leaf, Bolivia made great strides in reducing coca cultivation under the Banzer-Quiroga administration (1997-2002).¹² However, forcible eradication of coca has become a source of social discontent, exacerbating tensions over class and ethnicity that may foment political instability in Latin America's poorest country. Moreover, according to the State Department, coca cultivation increased 23% in 2002 and 17% in 2003.¹³ Nevertheless, Bolivia's coca cultivation is still about half of its 1995 levels. It should be noted that Bolivian law allows up to 12,000 hectares of coca cultivation for traditional use. Bolivia has signed an article 98 agreement exempting U.S. citizens from the jurisdiction of the International Criminal Court. In July 2003,

¹¹ For more information, see CRS Report RL32580, *Bolivia: Political and Economic Developments and Implications for U.S. Policy*, by Connie Veillette.

¹² President Jorge Quiroga assumed the presidency on August 7, 2001, when President Hugo Banzer, whom he had served as vice president, resigned because of illness. Quiroga could not, by law, subsequently run for election.

¹³ U.S. Department of State, *International Narcotics Control Strategy Report*, 2002 and 2003.

and previous to an agreement being signed, the Bush Administration had waived the withholding of U.S. military aid from the country.

For some 20 years, U.S. relations with Bolivia have centered largely on controlling the production of coca leaf and coca paste, which was usually shipped to Colombia to be processed into cocaine. In support of Bolivia's counternarcotics efforts, the United States has provided significant interdiction and alternative development assistance, and it has forgiven all of Bolivia's debt for development assistance projects, and most of the debt for food assistance. Bolivia, like Peru, has been viewed by many as a counternarcotics success story, with joint air and riverine interdiction operations, successful eradication efforts, and effective alternative development programs reducing illegal coca cultivation to the lowest level in five years, with a net reduction of approximately 70% between 1996 and 2001. Others, however, view the forced eradication as a social and political disaster that has fueled popular discontent and increased the political support for opposition candidates.

Current President Carlos Mesa took over the office upon the resignation of President Gonzalo Sánchez de Losada, of the National Revolutionary Movement (MNR), who was forced to step down in response to widespread public protests in 2003. The protests were the result of long simmering tensions over coca eradication policies, the continuing economic marginalization of the poorer segments of society, and a controversial government proposal to export natural gas via a port in Chile, an historic adversary of Bolivia. The new President faces many difficulties in governing a politically fractured society, one of the poorest nations in the hemisphere, within the context of a highly mobilized indigenous community led by Evo Morales who finished a close second in the 2002 presidential elections. Mesa also will be challenged to obtain congressional approval of revisions to Bolivian law governing the natural gas industry after a national referendum endorsed Mesa's proposed changes.

Funding and Request for Bolivia.

- As part of the FY2000 Plan Colombia funding, Bolivia received \$25 million for regional interdiction assistance and \$85 million in alternative development assistance.
- Under ACI allocations for FY2002, Bolivia received \$81 million in ACI funds, consisting of \$48 million in drug interdiction and eradication, and \$33 million in alternative development, and \$500,000 in Foreign Military Financing.
- Under the FY2003 ACI allocation, Bolivia received nearly \$91 million in ACI funding, consisting of \$49 million in interdiction and eradication, and \$41.7 million in alternative development. In addition, Bolivia received \$2 million in Foreign Military Financing.
- For FY2004, the Administration estimates spending \$91 million in ACI funds, consisting of \$49 million for interdiction and eradication, and \$42 million in alternative development. In addition, the

Administration estimates spending \$4 million in Foreign Military Financing.

- For FY2005, the Administration requested \$91 million in ACI funding, consisting of \$49 million for interdiction and eradication, and \$42 million for alternative development. The request also included \$3 million in Foreign Military Financing. Congress approved \$91 million for ACI and \$2 million for FMF.

Ecuador¹⁴

On Colombia's southern border, Ecuador is the most exposed of Colombia's neighbors because it is situated adjacent to areas in southern Colombia that are guerrilla strongholds and heavy drug producing areas. As a major transit country for cocaine and heroin from Colombia and Peru, Ecuador cooperates extensively with the United States in counternarcotics efforts. In November 1999, the United States signed a 10-year agreement with Ecuador for a forward operating location (FOL) in Manta, on the Pacific Coast, for U.S. aerial counterdrug detection and monitoring operations. Although the agreement is solely for the detection of drug trafficking flights in the region, some human rights groups and politicians in Ecuador fear that the facility could be used to support operations against guerrillas in neighboring Colombia. Ecuador has not signed an agreement to exempt U.S. citizens from the jurisdiction of the International Criminal Court, and it became subject to U.S. sanctions on July 1, 2003, with the possible loss of \$15.7 million in FMF funding and IMET education in FY2004, and \$2.3 million in FY2005.

According to press reports, Colombian guerrillas pass into Ecuadoran territory for rest, recuperation, and medical treatment, and 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.¹⁵ Ecuadoran officials say they have uncovered and destroyed several small cocaine processing labs in the area. The Ecuadoran border region is experiencing a constant flow of Colombian refugees into the poor areas, and fighters with Colombian paramilitary organizations have been arrested for running extortion rings in Ecuadorian border regions. Ecuador and Colombia are cooperating with regard to border issues and improved communications. Ecuador has reinforced its northern border with Colombia as Colombian anti-guerrilla operations intensified following the breakdown of the peace talks in 2002, and increasing pressure on guerrilla forces by the Colombian military.¹⁶ President of Ecuador, Lucio Gutierrez, has said that the armed conflict in Colombia

¹⁴ See CRS Report RS21687, *Ecuador: Political and Economic Situation and U.S. Relations*, by Clare Ribando.

¹⁵ "Special Report - Latin America and U.S. War on Terror: Spillover From Colombia," *Latin American Newsletters*, May 2003; "Colombian FARC Guerrilla Base Discovered in Ecuador," *EFE News Service*, November 21, 2003.

¹⁶ See "Ecuador Wants Money to Strengthen Border; Guerrilla Infiltration Concern Grows After Military Action Against FARC," *Financial Times*, March 8, 2002, p. 10.

is having an adverse affect on Ecuadoran peasants in border areas, and he has claimed that the aerial fumigation in Colombia is harming the Ecuadoran environment and negatively affecting Ecuadorans' health.¹⁷

Funding and Request for Ecuador.

- As part of the FY2000 Plan Colombia funding Ecuador received \$20 million in U.S. assistance, of which \$12 million was to support drug interdiction efforts, and \$8 million was for alternative development assistance. Another \$61.3 million has been allocated for the construction of a Forward Operating Location in Manta, Ecuador for counternarcotics aerial surveillance.
- Under ACI allocations for FY2002, Ecuador received \$25 million in ACI funding, consisting of \$15 million in interdiction and law enforcement programs, and \$10 million in alternative development. Under the Emergency FY2002 Supplemental, Ecuador received \$3 million in FMF funding.
- Under the FY2003 ACI allocations, Ecuador received nearly \$30.9 million in ACI funding, consisting of \$15 million for interdiction and law enforcement programs, and \$15.9 million for alternative development. In addition, Ecuador received \$1 million in Foreign Military Financing.
- For FY2004, the Administration estimates spending \$35 million in ACI funding, consisting of \$20 million for interdiction and law enforcement, and \$15 million for alternative development. For Foreign Military Financing, the Administration estimates spending \$7 million.
- For FY2005, the Administration requested \$26 million in ACI funding, consisting of \$11 million for interdiction and law enforcement, and \$15 million for alternative development. The request also included \$2 million in Foreign Military Financing. Congress approved \$26 million for ACI and \$1 million for FMF.

Brazil

Brazil's isolated Amazon region, populated largely by indigenous groups, forms Colombia's southeastern border. Luiz Inacio Lula da Silva of the leftist Workers Party was inaugurated as President on January 1, 2003, after decisively winning the second round presidential election in October 2002, with support from a wide range of parties.

¹⁷ See "Ecuador's Gutierrez Says Colombian Conflict Moving Beyond Its Borders," *BBC Monitoring Americas Report*, June 30, 2003.

Brazil is not a significant drug-producing country, but it is a conduit for the transit of coca paste and cocaine from Colombia to Europe and the United States. With increasing drug use within the country, a major action in 2002 was the passage of an omnibus Brazilian federal counter-narcotics law. Brazilians have long been concerned about the sparsely populated territory in the huge Amazon region, and they have been fearful historically of foreign designs and intervention in this territory. In an effort to exercise control over this vast territory Brazil has constructed a \$1.4 billion sensor and radar project called the Amazon Vigilance System, or SIVAM from its acronym in Portuguese, and it has offered to share data from this system with neighbors and the United States. It has established a military base at Tabatinga, with 25,000 soldiers and policemen, with air force and navy support. In 2000, it launched COBRA, an inter-agency border security program to deal with spillover effects from Colombia. In 2003, Brazil expanded COBRA to its northern borders with Peru, Venezuela, and Bolivia. The program focuses on controlling land and air entry into Brazil and is headquartered at Tabatinga.

Press accounts suggest evidence of Colombian drug traffickers encouraging indigenous communities in Brazil to plant coca, Brazilian drug traffickers linked to Colombian traffickers, and FARC incursions along the border.¹⁸ In late June 2003, Brazil announced that it would increase the number of troops in states that share a border with Colombia. Brazil has not agreed to exempt U.S. citizens from the jurisdiction of the International Criminal Court, and in July 2003 it became subject to sanctions that could result in the loss of \$500,000 in IMET military education and training funds in FY2004.

Funding and Request for Brazil.

- Brazil received only a small amount of Plan Colombia assistance, but under ACI allocations for FY2002 Brazil received \$6 million in ACI funds, nearly all in law enforcement funding.
- Under the FY2003 ACI allocation, Brazil received \$6 million, nearly all in law enforcement funding.
- In FY2004, the Administration estimates spending \$10.2 million in ACI funding, nearly all in law enforcement funding.
- For FY2005, the Administration requested \$9 million in ACI funding, nearly all for law enforcement activities. Congress approved the \$9 million request.

¹⁸ Ibid., *Latin American Newsletters*, May 2003.

Venezuela¹⁹

Venezuela, Colombia's eastern neighbor, is a major transit route for cocaine and heroin destined for the United States and Europe. It shares a 1,370 mile border with Colombia of rugged and poorly controlled territory. There has been increasing concern about the guerrilla conflict in Colombia spreading to Venezuela. At times, Colombian guerrillas and paramilitaries have entered Venezuela territory causing frictions in Colombian-Venezuelan relations. Late in 2003, Venezuelan officials accused paramilitary forces of killing seven of its National Guard soldiers. Colombian paramilitaries have also been implicated in the creation of the United Self-Defense Forces of Venezuela (AUV), a newly formed paramilitary organization.²⁰ Opponents of President Hugo Chavez regularly accuse him of harboring FARC guerrillas, but these accusations have not been substantiated. A controversial press report claims that there are as many as ten FARC camps in Venezuela.²¹ The FARC has issued communiques in support of President Chavez's Bolivarian revolution, leading some analysts and Chavez opponents to believe that the Venezuelan government is turning a blind eye to the presence of guerrilla camps.²²

There is some coca cultivation in Venezuela and the government has conducted some eradication efforts. In 2001, some coca fields were located and eradicated, and processing labs were detected and destroyed. There were no eradication efforts in 2002, but both eradication and seizures took place in 2003. Despite various policy disagreements with the United States, Venezuela has cooperated with the United States in counternarcotics efforts. The country is presently led by President Hugo Chavez, a populist and leader of an unsuccessful military coup in the early 1990s, who was initially elected in 1998 on a campaign to rewrite the constitution, rid the country of corruption, and more adequately meet the needs of the people. Under President Chavez, Venezuela has undergone enormous political changes, with a new constitution and revamped political institutions.

Under the Chavez government, there has been friction at times in U.S.-Venezuelan relations, and Chavez has at times used anti-U.S. rhetoric. He denounced Plan Colombia as a U.S.-dominated military strategy, and denied the United States overflight rights over Venezuela territory for drug interdiction. Venezuelan officials have refused to exempt U.S. citizens from the jurisdiction of the International Criminal Court, and in July 2003, the country became subject to sanctions that led to the loss of \$700,000 in Military Education and Training funds in FY2004 and could lead to the loss of \$50,000 in FY2005. The Senate Foreign Operations Bill for FY2004 (S. 1426/S.Rept. 108-106) contained a provision that would have denied

¹⁹ See CRS Report RL32488, *Venezuela: Political Conditions and U.S. Policy*, by Mark P. Sullivan.

²⁰ Mike Caeser, "Neighbor's Fighting Spills Over Into Venezuela," *The Washington Times*, October 29, 2003.

²¹ Linda Robinson, "Terror Close to Home," *U.S. News & World Report*, October 6, 2003.

²² Jeremy McDermott, "Cross Border Activities Embroil Venezuela in Colombian Conflict," *Jane's Intelligence Review*, August 2003.

Venezuela assistance if the Secretary of State certifies that Venezuela is assisting, harboring, or providing sanctuary to Colombian terrorist organizations. In the conference report accompanying P.L. 108-199, this provision was changed to a reporting requirement on Venezuela's alleged support for these groups.

Funding and Request for Venezuela.

- While Venezuela received only a small amount of Plan Colombia assistance, under the final ACI allocations for FY2002, Venezuela received \$5 million, consisting of law enforcement and administration of justice programs.
- Under FY2003 ACI allocations, Venezuela received \$2.1 million in ACI funding, consisting of law enforcement and administration of justice programs.
- For FY2004, the Administration estimates spending \$5 million in ACI funding, consisting of law enforcement and administration of justice programs.
- For FY2005, the Administration requested \$3 million in ACI funding. Congress approved the \$3 million request.

Panama²³

Panama, a part of Colombia until 1903, is separated from Colombia along its southern border by the difficult and environmentally sensitive wetlands and rain forest of the "Darien Gap." Panama's history has been heavily influenced by its strategic location and the transit of commerce through the Panama Canal in the center of the country, where the major cities are located. Despite considerable effort in the period leading up to the U.S. withdrawal from the Canal, Panama and the United States were not able to complete negotiations to retain a formal U.S. military presence in Panama for counternarcotics surveillance purposes. This led the United States to develop the Forward Operating Locations (FOLs) in El Salvador, Aruba/Curacao and Ecuador as substitute locations for such activities. U.S.-Panama relations have been very friendly, however, and Panama did agree to exempt U.S. citizens from the jurisdiction of the International Criminal Court shortly before President Moscoso's late June 2003 official visit to Washington, D.C.

Panama is not a drug producing country, but it is a major transshipment point for cocaine, smuggled from South America, and it is a major site for money-laundering activity. In recent years, Panama has cooperated with the United States in bilateral counternarcotics efforts, seizing significant amounts of illicit drugs and enforcing recently passed anti-money laundering legislation. The two countries signed a maritime interdiction agreement in 2002. In January 2004, Panama extradited an alleged Colombian drug lord to the United States for prosecution on drug charges. The State Department reports that Panama seized increased amounts

²³ See CRS Report RL30981, *Panama-U.S. Relations*, by Mark P. Sullivan.

of drugs in 2003, including significant amounts of heroin.²⁴ Panama's border with Colombia has been the scene of cross-border incursions by Colombian guerrillas and paramilitary groups. There is some evidence that paramilitary groups are being founded in Panama, with support from Colombian groups, because of the perception that the Panamanian government has left some areas unprotected. Shipments of small arms for the Colombian guerrillas have been seized in Panamanian territory as well. In April 2003, Panama and Colombia signed a border security agreement to strengthen security and prevent incursions by Colombian guerrillas and paramilitary forces.

Funding and Request for Panama.

- While Panama received only a small amount of Plan Colombia assistance, under allocations for FY2002, Panama received \$5 million in ACI funding, consisting largely of border control and law enforcement funds.
- For FY2003, Panama received \$4.5 million in ACI funds, consisting largely of border control and law enforcement funds. In addition, Panama received \$1 million in Foreign Military Financing.
- For FY2004, the Administration estimates spending \$6.5 million in ACI funds, consisting largely of border control and law enforcement funds. In addition, the Administration estimates spending \$2 million in Foreign Military Financing.
- For FY2005, the Administration requested \$6 million in ACI funding, consisting largely of border control and law enforcement activities. The request also included \$1.5 million in Foreign Military Financing. Congress approved \$3 million for ACI and \$1 million for FMF.

Major Legislative Activity in the 108th Congress on Andean Counterdrug Initiative Issues

Legislative Activity in 2004

FY2005 Foreign Operations Appropriations. On July 15, 2004, the House passed H.R. 4818 (H.Rept. 108-599) that fully funds the ACI at \$731 million. However, the report stated the committee's expectation that ACI funding would begin to decrease in FY2006 in light of the six-year Plan Colombia coming to an end. The bill maintained many of the provisions from previous law. (See section on "Congressional Conditions on U.S. Assistance.") These provisions included authority for a unified campaign, conditioned on the Colombian military's respect for human rights. The bill also maintained the prohibition on combat operations by U.S.

²⁴ U.S. Department of State, *International Narcotics Strategy Report, 2003*.

military and civilian personnel, and reporting and certification requirements with regard to human rights. The bill also maintained the requirement for 30-day advance notification before resuming the Air Bridge Denial Program in Peru, and it maintained the requirement that helicopters procured with U.S. funds be returned if they are used for illegal activities. The report directed that \$5 million be provided to support programs benefitting internally displaced persons in Colombia and states the Committee's support for USAID alternative development programs in Colombia. With regard to Peru, the committee expressed concern that alternative development funding is inadequate, with too much of a focus on forced eradication. Similarly, the committee stated its concern that alternative development programs in coca-growing regions of Bolivia should have local participation and financial support from the Bolivian government. The report also encouraged the Secretary of State to negotiate with European allies for larger contributions to counternarcotic, alternative development, and judicial reform programs in the Andean region.

The Senate Appropriations Committee reported S. 2812 (S.Rept. 108-346) on September 15, 2004. On September 23, 2004, the Senate passed H.R. 4818, substituting the language of S. 2812. The bill provided \$731 million for the Andean Counterdrug Initiative; \$272 million directed for alternative development and institution building programs. Of the \$272 million, \$240 million was apportioned to USAID, including \$140 million for Colombia. The bill stated that "responsibility for policy decisions for the use of such funds, including what activities will be funded and the amount of funds that will be provided for each of these activities, shall be the responsibility of the Administrator of the United States Agency for International Development in consultation with the Assistance Secretary of State for International Narcotics and Law Enforcement Affairs." The bill directed that not less than \$6 million be available for judicial reform programs in Colombia, that not less than \$6 million be made available for programs to protect human rights, and that not less than \$2 million be made available for programs to protect biodiversity and indigenous reserves in Colombia. The bill provided authority to support a unified campaign against narcotics trafficking and terrorist activities, as provided in previous legislation. This authority shall end if the Secretary of State has credible evidence that the Colombian military is not conducting vigorous operations to restore government authority and respect for human rights in areas under the control of illegally armed groups.

The Senate also included a number of reporting requirements similar to previous years. The Secretary of State, in consultation with the Administrator of USAID, is required to submit a report not later than 45 days after enactment on the proposed uses of all funds on a country-by-country basis. The Secretary of State must also certify to Congress that the herbicide mixture used in aerial fumigation programs is being used in accordance with EPA requirements for comparable use in the United States and with Colombian law, and that the herbicide mixture does not pose unreasonable risks to humans or the environment. This certification must be provided in order to release 20% of the funds used for the procurement of chemicals. The remaining 80% may be spent without a certification.

The bill required that no funds may be made available for aerial fumigation unless the Secretary of State certifies that complaints of harm to health or licit crops caused by fumigation are evaluated and fair compensation is being paid for

meritorious claims. In addition, the bill required that these funds may not be spent unless programs are being implemented by USAID, the government of Colombia, or other organizations, in consultation with local communities, to provide alternative sources of income in areas where security permits for small-acreage growers of illicit crops. The Secretary of State is also required to certify that the aerial fumigation in Colombia's national parks or reserves is in accordance with Colombian laws and that there are no effective alternatives to reduce illicit cultivation in these areas.

The bill continued a prohibition on any U.S. military or civilian contract personnel from participating in any combat operations. Similarly, if any helicopters procured with funds provided in the bill are used to aid or abet the operations of any self-defense group, the helicopters must be returned to the United States. With regard to the AUC demobilization process in Colombia, the bill provided that funds may be made available to support the process only if the Secretary of State certifies that 1) the Colombian legal framework governing the process provides for prosecution and punishment in proportion to the crimes committed, of those responsible for gross violations of human rights and drug trafficking; 2) the Colombian government is taking actions to ensure the dismantling of the underlying structures of such groups; 3) the Colombian government is taking actions to enable the return of civilians forcibly displaced by such groups, and 4) the United States may continue to extradite Colombian citizens in accordance with existing extradition treaties.

The bill maintained current law with regard to the Secretary of State certifying that the Colombian government is taking actions to respect human rights and to prosecute violations. It also continued the general prohibition on U.S. assistance to any units of security forces that are credibly alleged to have committed gross violations of human rights. Further, it prohibited the issuance of visas to any alien suspected of providing support to any of Colombia's illegally armed groups.

Assistance to the Bolivian military and police forces was conditioned on their respect for human rights and cooperation with civilian judicial authorities, and the Bolivian government's efforts to prosecute and punish those responsible for violations of human rights.

Foreign Operations Conference Report. H.R. 4818, the FY2005 Foreign Operations Act, became the base bill for the Consolidated Appropriations Act, FY2005, that was passed by both the House and Senate on November 20, 2004 (H.Rept. 108-792). The conference agreement provides \$731 million for the Andean Counterdrug Initiative and specifies that \$264.6 million of this amount is for alternative development and institution-building programs. It further directs that of the amounts for alternative development and institution-building programs, USAID is to receive \$237 million, including \$125.7 million for programs in Colombia. The agreement includes a 0.83% rescission for FY2005 appropriations.

The conference report maintains current law with regard to support for a unified campaign, the use of U.S. funded helicopters, and prohibiting U.S. personnel from combat. It continues to condition funding on a certification on human rights from the Secretary of State, and funding for aerial fumigation on a certification from the Secretary of State. As in FY2004, it requires that funds for aerial fumigation cannot

be spent unless programs are being implemented to provide alternative sources of income for growers. It maintains the Leahy amendment on security forces and prohibits visas to anyone suspected of aiding Colombia's illegally armed groups. It also requires a 30-day notification before resuming an Air Bridge Denial program in Peru. The Secretary of State is required to submit a report on the proposed use of funds on a country-by-country basis. It allows assistance to the Bolivian military and police only if they are respecting human rights and cooperating with investigations and prosecutions of alleged violations of human rights. It also earmarks not less than \$6 million for judicial reform programs in Colombia, not less than \$6 million for programs to protect human rights, and not less than \$2 million for programs to protect biodiversity and indigenous reserves in Colombia.

With regard to the demobilization process in Colombia, the conference report removes a Senate provision on assistance to support the demobilization of illegal armed groups. The conference agreement requires congressional consultation and notification prior to USAID obligating any funds for peace initiatives in Colombia. The agreement also expresses concern that the demobilization process is not ensuring the dismantling of foreign terrorist organizations (FTOs) or deterring members from resuming illegal activities and that the government of Colombia is not prosecuting those involved in drug trafficking and human rights violations. It recommends that the State Department not request FY2006 funds for demobilization unless the Department of Justice determines the activities are consistent with U.S. anti-terrorism laws, and that

- 1) the FTO is respecting a ceasefire and cessation of illegal activities;
- 2) the Colombian government has not adopted any law or policy inconsistent with its obligations under the U.S.-Colombian extradition treaty and has committed to the U.S. that it will continue to extradite Colombians, including members of illegally armed groups;
- 3) the Colombian legal framework governing demobilization provides for prosecution and punishment in proportion to the crimes committed of those responsible for gross violations of human rights, violations of international humanitarian law, and drug trafficking, for reparations to victims, and for monitoring of demobilized individuals;
- 4) the Colombian government is implementing a policy of dismantling such groups, including seizure of financial and property assets; and
- 5) the Colombian government is taking actions to enable the return of stolen assets, including real property, to their original owners.

It also requests that before any U.S. funds are provided to the OAS Mission in Colombia for demobilization purposes, the Secretary of State report to the Committees on Appropriations that the OAS Mission is strictly adhering to its verification role, FTOs are concentrated in demobilization zones, the legal framework governing demobilization conforms with (3) above, and the Inter-American Commission for Human Rights is providing advice to the OAS Mission.

FY2005 National Defense Authorization. Both the House and Senate passed defense authorization acts with provisions relating to the Andean region (H.R. 4200/S. 2400). Both acts provided continuing authority for a unified campaign against drug trafficking and related terrorist activities, as well as maintaining a prohibition on U.S. personnel engaging in combat operations. The Senate act approved the Administration's request to raise the cap on U.S. military personnel allowed to be stationed in Colombia in support of Plan Colombia from 400 to 800 and the cap on U.S. civilian personnel from 400 to 600. The House version raised the cap on U.S. military personnel to 500. The Senate act included a provision requiring a report from the Secretary of State within 60 days of enactment (in consultation with the Secretary of Defense and the Director of Central Intelligence) on any relationships between foreign governments or organizations with organizations in Colombia that have been designated foreign terrorist organizations by the United States. Currently, this would apply to the Revolutionary Armed Forces of Colombia (FARC), the National Liberation Army (ELN), and the United Self-Defense Forces of Colombia (AUC). The report must describe what direct or indirect assistance these groups are receiving and the U.S. policies designed to address such relationships. Finally, the report (S.Rept. 108-260) recognized the progress made by the Uribe Administration and the Colombian Armed Forces in combating narco-terrorist groups.

The conference report (H.Rept. 108-767) maintained language authorizing a unified campaign against drug trafficking and terrorism for FY2005 and FY2006. It raised the cap on military personnel allowed to be deployed in support of Plan Colombia from 400 to 800, and the civilian cap from 400 to 600. It maintained a prohibition on U.S. personnel participating in combat operations. It also kept the Senate provision calling for a report on the relationship between foreign governments or foreign organizations and the Colombian organizations that have been designated foreign terrorist organizations by the State Department.

FY2005 Foreign Affairs Authorization.²⁵ On February 27, 2004, Senator Richard Lugar, Chairman of the Senate Foreign Relations Committee, introduced S.2144, the FY2005 Foreign Affairs Authorization Act. The bill authorized appropriations for the Department of State, the Peace Corps, and foreign assistance programs. The bill was reported out of committee on March 4, 2004; no further action was taken before the end of the 108th Congress. With regard to the Andean Counterdrug Initiative, the bill authorized \$731 million in FY2005, the same as the President's request. It maintained current law allowing funds to be used to support a unified campaign against narcotics trafficking and terrorist activities. It also maintained the current cap on U.S. military and U.S. contractor personnel at 400 each, and prohibits their participation in combat operations. It also maintained conditions on U.S. assistance pending certification from the Secretary of State with regard to Colombia's human rights practices. These provisions were also contained in S. 925, the FY2004 Foreign Relations Authorization Act, and S. 1161, the FY2004 Foreign Assistance Authorization Act, neither of which were enacted.

²⁵ For more information, see CRS Report RL31986, *Foreign Relations Authorization, FY2004 and FY2005: State Department, The Millennium Challenge Account, and Foreign Assistance*, by Susan Epstein, Specialist in Foreign Policy and Trade.

H.Res. 535. Introduced on February 25, 2004 by Representative Jerry Weller, H.Res. 535 expresses concern and support for local elected officials under threat of assassination, kidnapping, forcible displacement, and coercion by terrorist organizations operating in Colombia. The bill was referred to the House International Relations Committee.

Pending Legislation from 2003

FY2004 Office of National Drug Control Policy Reauthorization. The House passed H.R. 2086, to reauthorize the Office of National Drug Control Policy, on September 30, 2003 (H.Rept. 108-167, Part 1 and 2). The act would require a South American Heroin Strategy Report to be submitted to Congress within 90 days of enactment on a strategy to fight the increased threat of heroin from the Andean region. S. 1860 was introduced in the Senate on November 14, 2003 and referred to the Senate Committee on the Judiciary. The bill included a provision on a Latin American Heroin Strategy Report similar to the House bill.

FY2004 and FY2005 Foreign Relations Authorization. The House approved H.R. 1950, the Foreign Relations Authorization Act for FY2004 on July 16, 2003. The act included language requiring the Secretary of State to certify Colombia's compliance with accepted human rights practices. It also would require a report of the impact of U.S. assistance in support of Plan Colombia on Colombia's neighbors. Language is also included which would extend U.S. counterdrug assistance for interdiction to arms trafficking. It would also require the Secretary of State to ensure, not later than 180 days after enactment, that pilots of the opium poppy aerial eradication program be Colombian nationals, with preference given to members of the Colombian National Police.

The Senate Foreign Relations Committee reported out S. 925 (S.Rept. 108-39), on April 24, 2003 with one provision related to Colombia and the Andean region. Section 801 would repeal the requirement in the Emergency Supplemental Appropriation Act for FY2000 (P.L. 106-246) that the State Department report semi-annually on the extradition of narcotics traffickers from Andean countries. During floor consideration in July 2003, two amendments relating to Colombia were approved by voice vote. Amendment 1194 added Section 2522 commending the leadership and people of Colombia for progress made against drug traffickers and terrorists. Amendment 1162 added Section 815 changing the frequency of reports on U.S. personnel deployed in Colombia from bimonthly to quarterly. The Senate Foreign Relations Committee also reported out S. 1161, the FY2004 Foreign Assistance Authorization Act (S.Rept. 108-56) on June 10, 2003. The bill would authorize the ACI at \$700 million (rather than the \$731 million requested by the Administration.) It maintains language supporting a unified campaign against drug trafficking and terrorist organizations, and personnel caps on U.S. military and civilian contractors at 400 each. It would prohibit any U.S. personnel from participating in combat operations. It would also maintain reporting requirements on human rights practices in Colombia.

Temporary Protected Status. Several bills were introduced to designate Colombian and Peruvian citizens under section 244 of the Immigration and Nationality Act as eligible for temporary protected status (TPS). H.R. 2843,

introduced on July 24, 2003, would grant TPS to both Colombians and Peruvians. H.R. 2853, introduced the same day, would grant TPS to just Colombians. Both bills were referred to the House Judiciary Committee. In the Senate, S. 986 would designate Colombians as eligible for TPS. The bill was referred to the Senate Judiciary Committee.²⁶

Enacted Legislation from 2003

FY2004 Foreign Operations Appropriations. The House and Senate Foreign Operations Appropriations bills were included in the FY2004 Consolidated Appropriations Act (H.R. 2673). The measure passed the House on December 8, 2003 and the Senate on January 22, 2004 (P.L. 108-199 Division D). The conference report (H.Rept. 108-401) provides \$731 million for the Andean Counterdrug Initiative, the same as the President's request. It also provides a total of \$4.294 billion in Foreign Military Financing, of which the Administration estimates spending \$124.1 million in the Andean region. The enacted legislation maintains current law with regard to support for a unified campaign against drug trafficking and terrorist organizations. It keeps the caps on U.S. military and civilian contractor personnel at 400 each, and prohibits them from participating in combat operations. It also maintains language barring the use of ACI-procured helicopters if they are used to aid or abet the operations of any illegal self-defense group. It continues to require a report on the use of ACI funds on a country-by-country basis. It requires a certification on human rights practices in Colombia in order to release 25% of ACI funding. It allows for the immediate release of 80% of funds for aerial fumigation. To release the remaining 20% requires certification from the Secretary of State, in consultation with the Administrator of the Environmental Protection Agency, on the health and environmental effects of the herbicide mixture used in spraying operations. The law also designates that \$25 million be made available for justice and law programs in Colombia, and that an additional \$13 million be made available for organizations and programs that protect human rights. It allows fumigation operations in Colombia's National Park Service if the Secretary of State determines that it is in accordance with Colombian laws and that there are no effective alternatives.

FY2004 Department of Defense Authorization. The House and Senate passed the FY2004 Defense Authorization Act in November 2003 (H.R. 1588/S. 1050). It was signed into law on November 24, 2003 (P.L. 108-136). With regard to counternarcotics, Section 1021 provides authority for the Department of Defense to provide support for counterdrug activities by extending authority in Section 1033 of the National Defense Authorization Act for FY1998 (P.L. 105-84) for counterdrug support to Colombia and Peru. Section 1022 authorizes the Department of Defense joint task forces to provide for counterterrorism activities to law enforcement agencies, as it does for counterdrug activities. Section 1023 extends for an additional two years expanded authority to use Defense Department counterdrug funds to support a unified campaign against narcotics cultivation and trafficking, and against associated terrorist organizations in Colombia.

²⁶ For more information, see CRS Report RS20844, *Temporary Protected Status: Current Immigration Policy and Issues*, by Ruth Ellen Wasem and Karma Ester.

FY2004 Intelligence Authorization Act. The House and Senate passed the FY2004 Intelligence Authorization Act in November 2003 (H.R. 2417/S. 1025). It was signed into law on December 13, 2003 (P.L. 108-177). Section 502 authorizes the use of intelligence funds for a unified campaign against drug trafficking and terrorism in Colombia. It also maintains the prohibition on U.S. military or civilian contractors from participating in combat operations in Colombia.

Appendix A. Map

Figure 1. Andean Counterdrug Initiative Countries



Source: Map Resources. Adapted by CRS. (09/02 M.Chin)

Appendix B. FY2003 Allocations

Table 1. FY2003 Andean Counterdrug Initiative and Related Programs; Allocations by Purpose and Functional Account
(\$ millions)

Country	Total FY2003 Actual	ACI FY2003 Actual By Purpose		FY2003 Actual By Account				
		Alt. Dev./ Inst. Bldg.	Drug Inter-diction	ACI ^a	DA	CSH	ESF	FMF
Colombia	636.3	149.2	377.0	580.2 ^b	0	0	0	110.1
Bolivia	133.4	41.7	49.0	90.7	12.1	18.6	10.0	2.0
Brazil	24.3	0	6.0	6.0	8.0	10.3	0	0
Ecuador	53.5	15.9	15.0	30.9	7.1	0	14.5	1.0
Panama	14.0	0	4.5	4.5	5.5	0	3.0	1.0
Peru	173.4	68.6	59.5	128.1	16.4	19.9	8.0	1.0
Venezuela	2.6	0	2.1	2.1	0	0	.5	0
Totals	1,037.5	275.4	513.1	842.5	49.1	48.8	36.0	115.1

Source: *Congressional Budget Justifications, Foreign Operations Fiscal Year 2004, Fiscal Year 2005*, U.S. Department of State. Prepared by CRS, March 29, 2004.

- a. ACI is managed by the State Department's Bureau on International Narcotics Control and Law Enforcement.
- b. Includes supplemental funding of \$54 million: \$34 million for ACI and \$20 million from FMF, which could be transferred to ACI. In addition, the Administration used \$17.1 million in FMF for programs in Colombia.

Appendix C. FY2004 Estimates

**Table 2. FY2004 Andean Counterdrug Initiative
and Related Programs;
Estimates by Purpose and Functional Account**
(\$ millions)

Country	Total FY2004 Estimate	ACI FY2004 Estimate By Purpose		FY2004 Actual By Account				
		Alt. Dev./ Inst. Bldg.	Drug Inter- diction	ACI ^a	DA	CSH	ESF	FMF
Colombia	572.4	150.0	313.0	463.0	0	0	0	109.4
Bolivia	130.0	42.0	49.0	91.0	11.4	14.4	8.0	4.0
Brazil	28.0	0	10.2	10.2	8.2	12.0	0	0
Ecuador	61.7	15.0	20.0	35.0	7.1	.3	12.9	7.0
Panama	16.8	0	6.5	6.5	5.8	0	3.0	2.0
Peru	158.9	50.0	66.0	116.0	15.3	16.7	8.0	1.7
Venezuela	5.5	0	5.0	5.0	0	0	.5	0
Totals	972.7	257.0	469.7	726.7	47.8	43.4	32.4	124.1

Source: *Congressional Budget Justification, Foreign Operations Fiscal Year 2005*, U.S. Department of State. Prepared by CRS, March 29, 2004.

- a. ACI is managed by the State Department's Bureau on International Narcotics Control and Law Enforcement.

Appendix D. FY2005 Request

**Table 3. FY2005 Andean Counterdrug Initiative
and Related Programs;
Request by Purpose and Functional Account**
(\$ millions)

Country	Total FY2005 Request	ACI FY2005 Request By Purpose		FY2005 Request By Account				
		Alt. Dev./ Inst. Bldg.	Drug Inter- diction	ACI ^a	DA	CSH	ESF	FMF
Colombia	571.0	150.0	313.0	463.0	0	0	0	108.0
Bolivia	132.6	42.0	49.0	91.0	14.5	16.1	8.0	3.0
Brazil	23.6	0	9.0	9.0	7.0	7.6	0	0
Ecuador	48.4	15.0	11.0	26.0	7.0	.4	13.0	2.0
Panama	15.9	0	6.0	6.0	5.4	0	3.0	1.5
Peru	144.5	50.0	62.0	112.0	10.5	13.0	8.0	1.0
Venezuela	3.5	0	3.0	3.0	0	0	.5	0
Totals	939.5	257.0	453.0	710.0 ^b	44.4	37.1	32.5	115.5

Source: Congressional Budget Justification, Foreign Operations, Fiscal Year 2005, U.S. Department of State. Prepared by CRS, March 29, 2004.

- a. ACI is managed by the State Department's Bureau on International Narcotics Control and Law Enforcement.
- b. Total for ACI does not include \$21 million for the Air Bridge Denial Program.

Appendix E. FY2005 Appropriations

**Table 4. FY2005 Andean Counterdrug Initiative
and Related Programs: Appropriations**
(\$ millions)

Country	Total FY2005 Appropriation	ACI FY2005 Approp. By Purpose		FY2005 Appropriation By Account		
		Alt. Dev./ Inst. Bldg.	Drug Inter- diction	ACI ^a	ESF	FMF
Colombia	566.5	153.3	313.2	466.5		100.0
Bolivia	101.0	42.0	49.0	91.0	8.0	2.0
Brazil	9.0		9.0	9.0		
Ecuador	40.0	15.0	11.0	26.0	13.0	1.0
Panama	10.0		6.0	6.0	3.0	1.0
Peru	125.3	54.3	62.0	116.3	8.0	1.0
Venezuela	3.5	0	3.0	3.0	.5	0
Nicaragua ^a	5.0		1.0	1.0	3.5	0.5
Honduras	2.0		1.0	1.0		1.0
Totals	862.3	264.6	455.2	719.8 ^b	36.0	106.5

a. H.R. 4818 provided \$1 million each for Nicaragua and Honduras, two Central American countries that have not received ACI funding in previous year.

b. Total for ACI does not include \$11.2 million for the Air Bridge Denial Program.

Appendix F. FY2000 - FY2005 Funding

Table 5. FY2000 to FY2005 ACI and DOD Funding
(\$ millions)

Year	ACI - Region	DOD	ACI - Colombia	FMF - Colombia
FY2000	1,174.8	429.1 ^a	832.0	0
FY2001	154.8	190.2	48.0	0
FY2002	645.0	119.1	373.9	6.0
FY2003	788.0	165.0	580.2	110.1
FY2004	726.7	122.0	463.0	109.4
FY2005	731.0	200.0 ^b	466.5	100.0
Total	4,220.3	1,225.4	2,763.6	325.5

Source: *Congressional Budget Justifications, Foreign Operations FY2003, FY2004, FY2005*, U.S. Department of State. Prepared by CRS, March 29, 2004.

- a. Includes \$300.60 provided in P.L. 106-246 Plan Colombia legislation for counterdrug activities in the Andean region. Figures for FY2001-FY2004 are for Colombia alone. Amount for FY2003 includes supplemental funding of \$34 million.
- b. DOD estimate.