

# **CRS Report for Congress**

## **Colombia: Issues For Congress**

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**Connie Veillette**  
Analyst in Latin American Affairs  
Foreign Affairs, Defense, and Trade Division



**Prepared for Members and  
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# Colombia: Issues For Congress

## Summary

Recent debate on U.S. policy toward Colombia has taken place in a context of concern for the volume of drugs readily available in the United States and elsewhere in the world, and security concerns that have 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), and has provided a total of \$3.7 billion from FY2000 through FY2004 in both State Department and Defense Department counternarcotics accounts. Since 2002, Congress has granted expanded authority to use counternarcotics funds for a unified campaign to fight both drug trafficking and terrorist organizations in Colombia. The three main guerrilla groups in Colombia participate in drug production and trafficking and have been designated foreign terrorist organizations by the State Department.

President Alvaro Uribe, elected in 2002, is seeking to address the 40-year conflict with the leftist guerrilla organizations, as well as the rightist paramilitary groups that have been active since the 1980s. President Uribe enjoys high levels of popular support, but still faces challenges resulting from the defeat of an October 2003 referendum that would have strengthened Uribe's control of the budget and implemented government reforms. He also faces opposition to a controversial proposal to grant some kind of amnesties to rightist paramilitaries that agree to demobilize. In the October 2003 municipal elections, a leftist party candidate and vocal opponent to Uribe's policies won the important office of mayor of Bogotá.

The Congress has expressed concern with respect to a number of Colombia-related issues including human rights, the aerial eradication of illicit drug crops, interdiction programs, the situation of U.S. hostages, and funding levels for Plan Colombia. Moreover, Congress has debated U.S. policy options in Colombia on the basis of the country's prominent role in drug production, and the effects that drug trafficking has with regard to terrorism, regional security and oil production. U.S. policy in Colombia remains controversial, but inroads have been made with regard to the eradication of illicit drug crops and improved security conditions. However, nongovernmental organizations argue that U.S. policy does not rigorously promote human rights, provide for sustainable economic alternatives for drug crop farmers, or provide protections for Colombian nationals in the United States who fear returning to their homes.

For more information on legislation affecting Colombia and the Andean Counterdrug Initiative, see CRS Report RL32021, *The Andean Regional Initiative (ARI): FY2003 Supplemental and FY2004 Assistance to Colombia and Neighbors* by K. Larry Storrs and Connie Veillette.

This report will be updated as events warrant.

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# Colombia: Issues For Congress

## Introduction

The centerpiece of U.S. policy toward Colombia<sup>1</sup> has been to curb narcotics production and trafficking, and to promote democracy and economic development, which it is believed will strengthen regional security. Colombia's spacious, rugged and sparsely populated territory provides ample isolated terrain for drug cultivation and processing, and contributes to the government's difficulties in exerting control throughout the nation. The country is known for a long tradition of democracy, but has had to contend with continuing violence from leftist guerrilla insurgencies dating to the 1960s and persistent drug trafficking activity. Recent governments also have had to deal with rightist paramilitaries (or "self-defense" forces) formed in the 1980s. The two main leftist guerrilla groups are the Revolutionary Armed Forces of Colombia (FARC) and the National Liberation Army (ELN), both of which regularly kidnap individuals for ransoms, and reap profit from their participation in the drug trade. Most of the rightist paramilitary groups are coordinated by the United Self-Defense Forces of Colombia (AUC) which has been accused of gross human rights abuses and collusion with the Colombian Armed Forces in their fight against the FARC and ELN. The AUC also participates in narcotics trafficking.

## Conditions in Colombia

Colombia is the source for 80% of the world's cocaine hydrochloride, and significant quantities of high quality heroin entering the United States. Because narcotics trafficking and the guerrilla insurgency have become intertwined problems, the United States has exercised expanded authority, granted by Congress since 2002, for increased flexibility to use U.S. counterdrug funds for a unified campaign to fight drug trafficking and terrorist organizations. The State Department has designated the FARC, ELN, and AUC as foreign terrorist organizations (FTOs).

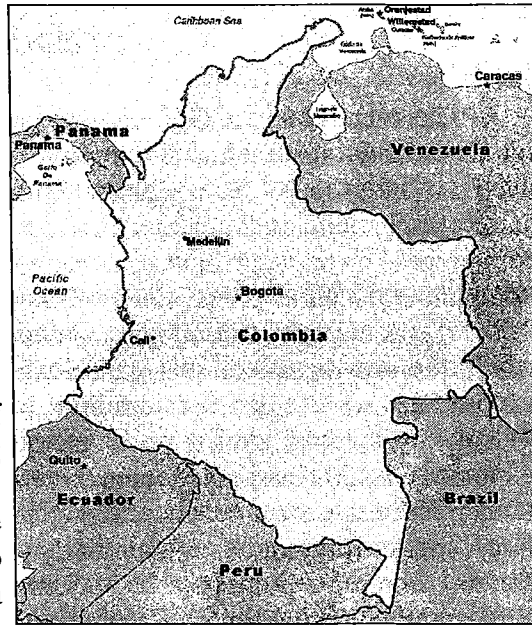
Plan Colombia was developed by former President Pastrana (1998-2002) to end the country's 40-year old armed conflict, eliminate drug trafficking, and promote economic and social development. In response to this strategy, the United States almost tripled its assistance to Colombia in 2000 when Congress approved Plan Colombia legislation (P.L. 106-246) providing \$1.3 billion for counternarcotics and related efforts in Colombia and neighboring countries. President Bush has continued support for the plan under the Andean Counterdrug Initiative (ACI). In 2001, the

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<sup>1</sup> For more information on legislation on Colombia, see CRS Report RL32021, *Andean Regional Initiative (ARI): FY2003 Supplemental and FY2004 Assistance to Colombia and Neighbors* by K. Larry Storrs and Connie Veillette.

Bush Administration requested funding for FY2002 for the “Andean Regional Initiative,” which encompassed the Andean Counterdrug Initiative as well as other assistance programs, such as development assistance, child survival and health, economic support funds, and Foreign Military Financing (FMF). For FY2004, the budget request returned to using the term “Andean Counterdrug Initiative,” with non-drug funding that previously was part of ARI requested from regular accounts.

Through the Andean Counterdrug Initiative and Foreign Military Financing, the United States supports the eradication of coca and opium poppy crops, the interdiction of narcotics trafficking, and the protection of infrastructure through training and material support for Colombia’s security forces. It also supports alternative crop development and infrastructure development to give coca and opium poppy farmers alternative sources of income, and institution building programs to strengthen democracy. Components of U.S. assistance include human rights training in response to congressional concerns with regard to a history of abuses by security forces. Congress has prohibited U.S. personnel from directly participating in combat missions and has capped the number of U.S. military and civilian contractor personnel that can be stationed in Colombia in support of Plan Colombia at 400 each.



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

## Illegally Armed Groups

The three main irregular armed groups active in Colombia, the FARC, ELN, and AUC, have been designated foreign terrorist organizations (FTO) by the Secretary of State, pursuant to section 219 of the Immigration and Nationality Act, as amended by the Antiterrorism and Effective Death Penalty Act of 1996 (P.L. 104-132). As such, it is unlawful to provide them with funds or other material support. Members of FTOs can be denied visas or otherwise excluded from entering the United States, and U.S. financial institutions must block the funds of FTOs and their agents. As of January 30, 2003, there were 36 terrorist groups worldwide with FTO designations.<sup>2</sup>

**The Revolutionary Armed Forces of Colombia (FARC).** The Marxist FARC was formed in 1964 as the military wing of the Colombian Communist Party. With membership estimated at around 17,000, it is the oldest, largest, and best-equipped and financed guerrilla organization in Latin America. It mainly operates in rural areas, but has shown its abilities to strike in urban areas, including the capital

<sup>2</sup> See CRS Report RL32223, *Foreign Terrorist Organizations* by Audrey Kurth Cronin, Specialist in Terrorism, Foreign Affairs, Defense and Trade Division.

of Bogotá. It conducts bombings, murders, mortar attacks, kidnappings, extortion, and hijackings against Colombian and U.S. targets. It is fully engaged in the drug trade, including cultivation, taxation of drug crops, and distribution, from which it reaps healthy profits. It is estimated that the FARC earns millions of dollars from the drug trade and ransoms, with more of a shortage in manpower than in funding.<sup>3</sup>

During the Pastrana Administration, the FARC entered into peace negotiations under which it was granted control of a Switzerland-size territorial refuge while the peace process was underway. With continued FARC military activity, including the kidnapping of a Colombian Senator, President Pastrana halted the negotiations and ordered the military to retake control of the designated territory. During the inauguration of President Uribe on August 7, 2002, the FARC launched a mortar attack on the Presidential Palace that killed 21 residents of a nearby neighborhood. The State Department maintains that Cuba provided some medical care and political consultation to the FARC and ELN. The State Department *Patterns of Global Terrorism 2002* report acknowledged that Colombia acquiesced to the presence of Colombian guerrillas in Cuba, and has publicly accepted Cuban mediation with the ELN in Cuba. The Cuban government maintains that it has been actively involved in hosting peace talks, and that its contributions to peace talks have been acknowledged by Colombia and the United Nations.<sup>4</sup>

In addition, three Irish nationals suspected of being Irish Republican Army members were arrested in Colombia in 2001 for providing explosives training to the FARC and traveling on false passports. Their trial concluded August 1, 2003, but a verdict has yet to be issued. There are no current peace negotiations being undertaken between the FARC and the Colombian government, although the FARC has said it is willing to negotiate the release of some 60 hostages it is holding in exchange for the release of about 500 guerrillas imprisoned by the government. The FARC continues to hold three U.S. citizens hostage after their plane crashed in FARC-controlled territory in February 2003. The three are civilian contract employees working in support of Plan Colombia.

**National Liberation Army (ELN).** The smaller ELN was formed in 1965, inspired by the ideas of Fidel Castro and Che Guevara. With a membership of 3,000 to 5,000, it is less active than the FARC, but has still been able to carry out a number of high profile kidnappings and bombings. Although they consider themselves as traditional rivals, the FARC and ELN announced in August 2003 that they would begin to coordinate their activities in their fight against the state. Such an association became evident on December 30, 2003, when combined FARC and ELN forces attacked three villages controlled by paramilitary forces. The ELN has also targeted the country's infrastructure, especially its oil and electricity sectors. Its operations are mainly located in the rural areas of the north, northeast, and southwest, and along the Venezuelan border. According to the State Department, the ELN earns funds

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<sup>3</sup> Jeremy McDermott, "Uribe Gains the Upper Hand in Colombia's Guerrilla War," *Jane's Intelligence Review*, December 2003.

<sup>4</sup> Cuban Ministry of Foreign Relations. "Declaration by the Ministry of Foreign Affairs: Cuba Has Nothing to Hide, and Nothing to Be Ashamed of," May 2, 2003.

from the taxation of illegal drug crops, although Colombian officials believe it is now engaged in all facets of the drug trade.<sup>5</sup>

In recent years, the ELN has shown more of a willingness to attempt peace negotiations with the government, although none are currently in progress. In December 2003, President Uribe revealed that he had met with an ELN leader to discuss possible peace initiatives, but a subsequent ELN statement ruled out any possibility of demobilization. However, the ELN has been releasing a number of hostages without ransom demands, leading to conjecture that it may be seeking to create goodwill. In September 2003, it kidnapped eight foreign tourists hiking in the Sierra Nevada mountains. One escaped, and the other seven were released in two phases in November and December of 2003. It also released four government contractors and a government employee in December, as well as four state oil workers.

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

Members of the AUC are commonly referred to as “paramilitaries.” The organization was formed in 1997 as an umbrella organization for a number of local and regional paramilitary groups operating in the country. Paramilitary groups trace their origins to the 1980s when wealthy ranchers and farmers organized armed groups to protect them from kidnappings and extortion plots by the FARC and ELN. The AUC believes its existence is necessary to fight these leftist groups, arguing that the government of Colombia has been unable to protect the interests they represent. The AUC has conducted massacres and assassinations of suspected insurgent supporters and has directly engaged the FARC and ELN in military battles. The Armed Forces of Colombia have long been accused of turning a blind eye to these activities. AUC leader, Carlos Castaño, claims that 70% of AUC funding comes from its participation in the drug trade. The State Department estimates that there are between 6,000 and 8,000 members of the AUC, although press reports use numbers ranging up to 12,000 or more. Its bases of operation are the departments of Antioquia, Cordoba, Sucre, and Bolivar. With President Uribe’s increasing military engagement of the FARC and ELN, the AUC has begun a demobilization process, stating that its efforts may no longer be necessary. There are other paramilitaries operating in the country that are not a part of the AUC. Their membership is estimated at 5,000.

## **The Uribe Administration**

Alvaro Uribe ran for the 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.<sup>6</sup> He promulgated a decree invoking emergency powers, allowing security forces to make arrests without warrants and imposing controls on movements in war-torn parts of the country. Under Colombia’s 1991 Constitution, states of emergency may be declared for 90

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<sup>5</sup> Testimony of Vice President Santos-Calderon before the U.S. Senate Caucus on International Narcotics, June 6, 2003.

<sup>6</sup> See CRS Report RS21242, *Colombia: The Uribe Administration and Congressional Concerns* by Nina M. Serafino.

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. (See section on human rights for more detail.)

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. This effort also entails the augmentation of Colombia's regular armed forces with "peasant soldiers" who receive less training than regular troops, and are based near their own hometowns. The Uribe Administration has inducted 10,000 peasant soldiers, each serving for two years, with plans to have a total force of 20,000. 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.<sup>7</sup>

**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. The first demobilization took place in November 2003 when 855 members of the Cacique Nutibara Block operating in Colombia's second largest city, Medellín, laid down their arms. A second group of 155 fighters from the Cauca region followed suit soon after. This initial demobilization has not been without problems. Critics complained that as many as 65 men from the Nutibara Block had police records for kidnapping, homicide, extortion, criminal conspiracy, theft and sexual assault, for which they have not been held accountable. Demobilized members complained about the

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<sup>7</sup> "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.



difficulties of reinsertion into civilian life and the problems of obtaining employment. On January 3, 1994, just two months after the demobilization, the Cacique Nutibara Block's leader, Guillermo Echavarría, was assassinated in the streets of Medellín. Despite these difficulties, two other groups, the Southern Liberators Block, operating in the Andean region of Narino, and the Heroes of Granada Block, operating in the province of Antioquia, announced that they would begin demobilizing in early 2004.

As part of demobilization, President Uribe has proposed controversial legislation that would grant 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 not publicly stated a position on the proposed legislation, although the State Department has denied a *New York Times* report that U.S. Embassy officials participated in writing the legislation.<sup>8</sup> 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 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. AUC leader Carlos Castaño has said that without amnesties, peace talks would "blow up in pieces."<sup>9</sup> 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. The UN High Commissioner for Human Rights also criticized the bill because it "opens the door to impunity."<sup>10</sup> Other critics argue that the paramilitaries are not respecting the accord and are continuing military activities.

The bill, which was submitted to the Colombian legislature on August 21, 2003, 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. Colombian authorities are said to be preparing an

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<sup>8</sup> U.S. Department of State Press Guidance, September 17, 2003; Juan Forero "Colombia Plans to Ease Penalties for Right-Wing Death Squads," *The New York Times*, September 15, 2003.

<sup>9</sup> "No Peace Without Amnesty, Colombian Warlord Warns," *Reuters*, September 4, 2003.

<sup>10</sup> "United Nations Slams Colombian Government Amnesty Bill," *Reuters*, August 28, 2003.

inventory of paramilitary-owned properties that would be seized or taxed to pay reparations.<sup>11</sup>

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. The imposition of alternative penalties, instead of suspended sentences, allows the proposed law to comply with a constitutional provision that prohibits sentences for crimes to be suspended. Compliance with the law would be administered by a Verification Commission created by the new law. Alternative penalties can range from serving parole or house arrest, to providing community service, or paying reparations.

To qualify for alternative penalties, those convicted would have some restrictions placed on their personal liberty. They would be considered to be under judicial supervision for a period of one to five years; would be prohibited from leaving the country without prior authorization; and prohibited from residing in the area in which crimes were committed for a period of 20 years. Their place of residence would be established by the court for a period of 10 years, and any change of residence would have to be approved by judicial authorities. Those convicted would be required to appear before judicial authorities when called to do so. They would be prohibited from holding or running for public office, from contacting their victims in any way for a period of 10 years, and from possessing firearms for 10 years. If during the period of judicial supervision, further crimes were committed, conditional liberty would be revoked.

**Referendum and Local Elections.** In August 2002, President Uribe called for a national referendum on questions of government reform and fiscal austerity, including measures to cut government spending and pension payments, to prohibit the re-election of corrupt officials. The referendum also included measures to restructure the Colombian Congress by reducing the number of representatives, restricting its budgetary powers, and allowing it to be dissolved by popular vote. The vote was held on October 25, 2003, to coincide with mayoral and gubernatorial elections slated for the following day. In order for the referendum to succeed, the law required 25% (6.3 million) of Colombian voters to participate. Not having received this minimum level of turn-out for all but one of the items (barring officials convicted on corruption charges from holding office), the referendum items failed, even though all received majority support of those voting, and polls consistently show President Uribe with popularity ratings of near 80%. The items relating to government spending were considered crucial to maintain the support of international financial institutions. President Uribe has since taken some of the same issues, including an increase in the value-added tax, a withholding tax on transfers and royalties, and a tax on assets, to the Colombian Congress for consideration.

In the weeks leading up to the October 26, 2003 municipal elections, the FARC threatened to kill all candidates and their families. In total, 25 candidates were killed

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<sup>11</sup> Scott Wilson, "Cease-Fire Becomes Land Grab; Colombian Group Takes Farmland, Homes at Gunpoint," *The Washington Post*, September 20, 2003.

and 160 withdrew their names from the balloting.<sup>12</sup> In the elections, Luis Eduardo Garzon, known as Lucho, from the Independent Democratic Pole (PID) was elected as the first mayor of Bogotá from a party of the left. The office of Bogotá mayor is considered the second most important elected office after the presidency and as a springboard for aspirants to the presidency. Garzon's ability to govern the city would aid a presidential bid in 2006. Garzon has opposed President Uribe's military plan to fight the insurgents and openly campaigned against the referendum. Despite Garzon's opposition to many of Uribe's policies, he has adopted a pragmatic approach in order to demonstrate the PID's ability to govern, and has identified his politics as center-left.<sup>13</sup> His election, as well as the election of leftist candidates as mayors of Cali and Medellín, and the governorship of Valle de Cauca, mark a change in the Colombian political spectrum where leftist candidates have often been labeled guerrilla sympathizers and threatened by rightist paramilitary groups. At the same time that opposition parties are beginning to position themselves for the next presidential elections in 2006, supporters of President Uribe are planning to collect the requisite 5% (or 1.2 million) of registered voters' signatures in order to submit legislation to Congress allowing for the re-election of presidents. Colombia's Constitution limits them to a single term of four years. A recent poll indicated that 66% of respondents would support a second Uribe term.<sup>14</sup>

## Issues for Congress

Recent debate on U.S. policy toward Colombia has taken place in a context of concern over the sheer volume of illegal drugs available in the United States and elsewhere in the world, 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 2006. 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

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<sup>12</sup> Jeremy McDermott, "Uribe Gains the Upper Hand in Colombia's Guerrilla War," *Jane's Intelligence Review*, December 2003.

<sup>13</sup> Maria Cristina Caballero, "A Lefty Takes Bogotá: Mayor Luis Eduardo Garzon will Complicate Uribe's Agenda," *Newsweek International*, January 26, 2004; Andrew Selsky, "Leftist's Win in Bogotá Mayor Race Seen As Dawn of a New Political Era in Colombia," *Associated Press*, October 27, 2003.

<sup>14</sup> Juan Pablo Toro, "Colombian President to Seek Constitutional Amendment With Eye on Second Term," *Associated Press*, February 2, 2004.

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.<sup>15</sup> In response to 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, Congress may also deliberate the effectiveness of the statutory caps on personnel.<sup>16</sup>

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.<sup>17</sup>

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

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<sup>15</sup> For more information on these issues, see CRS Report RL32021, *The Andean Regional Initiative (ARI): FY2003 Supplemental and FY2004 Assistance for Colombia and Neighbors*, by K. Larry Storrs and Connie Veillette.

<sup>16</sup> "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.

<sup>17</sup> Energy Information Administration, U.S. Department of Energy, "Colombia: Country Analysis Brief," May 2003.

regional and multilateral approach, in which drug consuming countries would fund land reform and rural development programs, as complementary to interdiction efforts.<sup>18</sup>

## Colombia and Global Drug Trends

Colombia's prominence in the production of cocaine and heroin is used as justification for the U.S. focus on anti-narcotics efforts in the Andean region. The United States considers cocaine, heroin, marijuana, and synthetic amphetamine-type stimulants (ATS) as the illegal drugs of most concern. Cocaine, heroin, and most ATS are imported from outside the United States. The principal international counternarcotics objective of the United States is to cut off this flow. It is estimated that cocaine is abused by 14 million people worldwide and heroin by 15 million people. The United States is the world's largest cocaine market, although recent reports note that the number of cocaine users has stabilized in recent years.<sup>19</sup> According to the United Nations, more countries reported increases in drug abuse than decreases for 2002. The White House Office of National Drug Control Policy reports that 15.9 million Americans age 12 and older had used illicit drugs in the previous month. Of this amount, there were nearly 2 million cocaine users. In 2000, Americans spent \$36 billion on cocaine and \$10 billion on heroin. The overall cost of drug abuse to society is estimated at \$160.7 billion.<sup>20</sup>

The world's supply of cocaine is produced by just three countries: Peru, Bolivia, and Colombia. Until the mid-1990s, Peru and Bolivia were the two major producers. Colombia eclipsed Bolivia in 1995 and Peru in 1997, the result of increased eradication programs in those two countries and the displacement of coca cultivation to Colombia. Cocaine production in Colombia increased fivefold between 1993 and 1999. Colombia now produces 80% of the world supply of cocaine hydrochloride; 90% of cocaine entering the United States originates in or passes through Colombia.<sup>21</sup> The U.S. State Department reported a decrease in production of 15% in 2002, while the United Nations reported a 30% decline, the difference attributed to different survey methodology. The Colombian National Police estimated that at the end of 2001, there were 403,487 acres of coca under cultivation with the potential to produce 730 metric tons of cocaine.<sup>22</sup> However, the DEA notes that cocaine prices in 2001 remained low and stable, not yet reflecting any significant reduction in supply.<sup>23</sup> For the period covering June 17 through August 5, 2002, the Office of

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<sup>18</sup> Ibid, Council on Foreign Relations Center for Preventive Action, January 2004.

<sup>19</sup> United Nations Office on Drugs and Crime (UNODC), *Global Illicit Drug Trends 2003*.

<sup>20</sup> U.S. Office of National Drug Control Policy (ONDCP), "Drug Policy Information Clearinghouse Fact Sheet, Drug Data Summary," March 2003.

<sup>21</sup> Ibid, UNODC.

<sup>22</sup> U.S. Department of State, *International Narcotics Control Strategy Report 2003* (INCSR), March 2003.

<sup>23</sup> U.S. Drug Enforcement Agency Briefs and Background, "Drug Trafficking in the United States," [[http://www.dea.gov/concern/drug\\_traffickingp.html](http://www.dea.gov/concern/drug_traffickingp.html)] accessed November 19, 2003.

National Drug Control Policy reports that prices for both cocaine and heroin remained stable, with prices falling in some of the 20 cities surveyed.<sup>24</sup>

Global production of the opium poppy, from which heroin is produced, has remained stable since 1998. Its principal source countries are Afghanistan (76%), Myanmar (18%), Laos (2%), and Colombia (1%.) Even though Colombia is not a major producer, it supplies a higher purity heroin, most of which is exported to the United States. The purity of heroin has risen in the last 20 years from 7% to 37% in 2000, largely attributed to the availability of high quality heroin from Colombia.<sup>25</sup> As was the case with cocaine, Colombia began outproducing Mexico in the cultivation of opium poppy in 1995, with total acreage covering anywhere from 12,913 acres to 18,162 acres. Reflecting increased eradication efforts, as of 2002, there were 9,459 acres of opium poppy under cultivation.<sup>26</sup>

## Coca Cultivation and Eradication

Upon taking office, President Uribe announced that aerial eradication,<sup>27</sup> 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 even though a reported 22,200 acres had been sprayed, 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. For 2003, the United Nations reported a decrease of 32% from January to July. According to the State Department, cultivation of opium poppy declined by 24% in 2002, with an additional 4,000 acres sprayed in the first five months of 2003. The State Department's annual International Narcotics Control Strategy Report is due to be issued in March 2004, and will include updated figures for 2003. 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

Aerial fumigation has been controversial both in Colombia and the United States. Critics charge that it has unknown environmental and health effects, and that it deprives farmers of their livelihood, particularly in light of a lack of coordination with alternative development programs. The alternative development program, in which farmers can get assistance to grow substitute crops after agreeing to the

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<sup>24</sup> U.S. Office of National Drug Control Policy (ONDCP), *Pulse Check: Trends in Drug Abuse*, November 2002.

<sup>25</sup> ONDCP, March 2003, Drug Data Summary.

<sup>26</sup> Ibid, INCSR.

<sup>27</sup> 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.

eradication of their illicit crops, has been plagued with delays. A U.S. General Accounting Office (GAO) report attributed the program's obstacles to inadequate security in coca-growing areas, where the Colombian government lacks control, and to the government's limited ability to carry out sustained interdiction operations. The State Department's annual International Narcotics Control Strategy Report for 2002 claims that since the inception of the alternative development program in December 2000, 20,128 families have benefitted and nearly 39,000 acres of licit crops have been planted in previous coca and poppy areas. The Colombian government reported that 38,000 families in 33 municipalities signed voluntary eradication pacts. As of early 2002, media reports noted that less than a third of those families have received any compensation and many were still growing coca.<sup>28</sup>

Proponents argue that both eradication and alternative development programs need time to work. In its response to the GAO report, the U.S. Agency for International Development argued that alternative development programs do not achieve drug crop reduction on their own, and that the Colombia program was designed to support the aerial eradication program and to build "the political support needed for aerial eradication efforts to take place."<sup>29</sup> At the start of his Administration, President Uribe announced that increased Colombian resources would be devoted to alternative development.

With regard to environmental and health consequences, the Secretary of State, as required by Congress, has reported that the herbicide, glyphosate, does not pose unreasonable health or safety risks to humans or the environment. In the certification, the U.S. Environmental Protection Agency confirmed that application rates of the aerial fumigation program in Colombia are within the parameters listed on U.S. glyphosate labels. (The most recent certification was issued on December 15, 2003.) However, press reports indicate that many Colombians believe the health consequences of aerial fumigation are grave, and many international non-governmental organizations criticize the certification for being analytically inadequate. Furthermore, Ecuador's Foreign Minister, Nina Pacari, has complained that the fumigation program is damaging Ecuadorean crops, rivers, soil and people's health.<sup>30</sup> On June 26, 2003, a Colombian court ruled that the Colombian government should immediately suspend its aerial fumigation program until the Environment Ministry charts an Environment Management Plan. Officials of the Uribe Administration have stated that fumigation will continue while it appeals the decision. Two previous appeals have been won by the government.

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<sup>28</sup> U.S. General Accounting Office, *Drug Control. Specific Performance Measures and Long-Term Costs for U.S. Programs in Colombia Have Not Been Developed*, June 16, 2003, GAO-03-783; Susannah A. Nesmith, "Anti-drug Crop Plan in Doubt, Study Says Cocaine Growers in Colombia Seen with Few Choices," *The Boston Globe*, April 4, 2002.

<sup>29</sup> Ibid. GAO.

<sup>30</sup> "Coca harvester killed by fumigation in Colombia," *EFE News Service*, July 5, 2003; "Foreign Minister Says Colombian Fumigation Affects Ecuador," *Associated Press Newswires*, July 16, 2003; Criticism of the State Department determination can be found at [<http://www.amazonalliance.org>].

## Colombia and Terrorism

The three main guerrilla groups in Colombia have been designated foreign terrorist organizations, and the threats that terrorism poses to Colombia and the Andean region are often cited as justification for U.S. involvement. The most widely accepted definition of terrorism is politically motivated violence perpetrated against noncombatant targets by subnational groups or clandestine agents.<sup>31</sup> The State Department's 2002 *Patterns of Global Terrorism* report notes a 44% decrease in the number of terrorist incidents worldwide from 2001 levels to 2002, a decline from 355 attacks to 199. Attacks against U.S. interests declined from 219 to 77, a 65% decrease attributed largely to a marked drop-off in oil pipeline bombings in Colombia. The report indicates that worldwide deaths from terrorist activity were down as well from 3,295 killed in 2001 to 725 in 2002 (30 were Americans). Compared to other regions of the world, and with the exception of Colombia, terrorism in Latin America is not as prominent as in other areas. Asia, Eurasia and the Middle East are the top three areas with regard to both the number of attacks and deaths by region.

However, the Western Hemisphere has a number of domestic terrorist groups that operate in Colombia and Peru, and the Triborder Area of Argentina, Brazil and Paraguay is known as a regional hub for Hizbollah and Hamas fundraising. The State Department reports that there is no confirmed or credible information of an established Al Qaeda presence in Latin America, although it notes that terrorist fundraising continues to be a concern. Some press reports have quoted unnamed foreign security analysts as claiming a link between Al Qaeda and the FARC, but these reports have not been confirmed by official sources.<sup>32</sup> The Organization of American States (OAS) formed an Inter-American Committee Against Terrorism (CICTE is the Spanish acronym) in 1998 as a coordinating body for member states on counterterrorism issues. Its focus has been on information sharing, training, and strengthening of financial and border controls. OAS members signed an Inter-American Convention Against Terrorism in June 2002 with the objectives of improving regional cooperation by committing member states to deny safe haven to suspected terrorists. The Convention has been submitted to the Senate for its advice and consent. The OAS also held a Special Conference on Security in Mexico City in October 2003 where a Declaration on Security in the Americas was adopted. The Declaration identified threats as "terrorism, transnational organized crime, the global drug problem, corruption, asset laundering, illicit trafficking in weapons and the connections among these activities."<sup>33</sup>

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<sup>31</sup> For more information on terrorism issues in general, see CRS Issue Brief IB10119, *Terrorism and National Security: Issues and Trends* by Raphael Perl, and CRS Report RS21049, *Latin America: Terrorism Issues* by Mark P. Sullivan.

<sup>32</sup> Jacques Thomet, "Al Quaida, Una Nueva Amenaza Para America Latina," *Agence France Presse*, October 29, 2003.

<sup>33</sup> Organization of American States. Declaration on Security in the Americas. October 28, 2003.



## U.S. Hostages

Concerns in the United States that greater U.S. involvement will result in a protracted commitment of indeterminate duration were fueled by incidents in 2003 in which U.S. citizens were killed or kidnapped. During the year, five U.S. civilian contractors were killed, and their aircraft lost. Three U.S. contractors are being held hostage. In the first incident, in February 2003, a Cessna 208 aircraft carrying both U.S. and Colombian personnel crashed in a FARC-controlled region. One American and a Colombian were murdered, and three are being held by the FARC. Another Cessna 208, with U.S. civilian contractors, crash landed in March 2003 during a subsequent search and rescue operation, killing three Americans. A fifth American contractor was killed on April 7, 2003 when his T-65 air tractor crashed during a spraying operation. While these flights were considered crashes, fumigation flights have been fired on, and since August 2003, two planes have been downed by hostile fire. On August 25, a spray plane piloted by a U.S. citizen was shot down, resulting in injuries to the pilot. An OV Bronco aircraft was downed on September 21, reportedly by hostile fire, killing its Costa Rican pilot.

## Human Rights

Debate in Congress has continued to focus on allegations of human rights abuses by the Colombian Armed Forces, the FARC and ELN, and paramilitary groups. The Colombian security forces have often, it is argued, turned a blind eye to paramilitary activities, considering these groups as augmenting their fight against the FARC and ELN, despite a record of human rights abuses. U.S. policy has supported the creation and assistance for a Human Rights Unit within the Attorney General's office, although some non-governmental groups have claimed that it is ineffective and has poor leadership.<sup>34</sup> Congress has annually required that the Secretary of State certify to Congress that the Colombian military and police forces are severing their links to the paramilitaries, investigating complaints of abuses, and prosecuting those who have had credible charges made against them. Congress has made funding contingent on these certifications. In the latest certification, issued on January 21, 2004, the Secretary of State asserted that the Colombian government and armed forces are meeting the statutory requirements with regard to human rights. While recognizing that more progress needs to be made, the certification noted the commitment of President Uribe to improve the country's human rights record. The certification was met with criticism from human rights organizations that claimed Colombia's record does not meet recognized standards of respect for human rights.<sup>35</sup> These groups were particularly displeased by comments made by President Uribe in 2003 that described some human rights organizations as defenders of leftist guerrilla groups.

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<sup>34</sup> Human Rights Watch, "A Wrong Turn: The Record of the Colombian Attorney General's Office," November 2002.

<sup>35</sup> The certification is available at the State Department's web site, [<http://usinfo.state.gov>]. Opposing views can be found at [<http://hrw.org>], "Colombia: Flawed Certification Squanders U.S. Leverage," Human Rights Watch, January 23, 2004.

As part of the Andean Counterdrug Initiative, the United States provides human rights training and vets units with regard to abuses before it authorizes support. In testimony before the Senate Foreign Relations Committee in October 2003, General James Hill, commander of the U.S. Southern Command (SouthCom) asserted that this training is successful. SouthCom assisted in developing a Colombian Judge Advocate General (JAG) school that provides courses on military justice, international law, and operational law. However, the Colombian Commission of Jurists argues that widespread and systematic torture is being committed by both the government and guerrilla forces.<sup>36</sup>

Human rights organizations have also been alarmed by the passage of anti-terrorism legislation which grants Colombia's security forces increased powers. The new law modifying the constitution passed the Colombian Congress in December 2003, and still needs to be approved by the Constitutional Court before it can be implemented. It allows security forces to detain suspects for up to 36 hours, to search homes, and to tap phones, without a legal warrant. The new law has been hailed by the Uribe Administration as necessary to fight terrorism in the country, while non-governmental organizations have expressed fear that it will promote human rights abuses and infringe on the civil rights of citizens.

## Colombia and Regional Security

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

**Cross-Border Incursions and Safe Havens.** The country most directly affected by cross-border military activity has been Venezuela. Press accounts in 2003 reported numerous incidents in which fighting between the FARC and paramilitaries occurred across the Colombia-Venezuela border. Late in 2003, Venezuelan officials accused paramilitary forces of killing seven of its National Guard soldiers.<sup>37</sup> Colombian paramilitaries have also been implicated in the creation

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<sup>36</sup> "Rights Groups Say Both Sides in Colombia Conflict Use Torture," Voice of America Press Releases and Documents, November 12, 2003.

<sup>37</sup> Scott Wilson, "Venezuela Becomes Embroiled in Colombian War," *The Washington Post*, April 10, 2003. "Colombian Paramilitaries Clash With Venezuelan Troops," *Agence France Presse*, December 27, 2003. "Chavez Blames Colombian Paramilitary for 4 Troops' (continued...)"

of the United Self-Defense Forces of Venezuela (AUV), a newly formed paramilitary organization.<sup>38</sup> Opponents of President Chavez regularly accuse him of harboring FARC guerrillas, but these accusations have not been substantiated.<sup>39</sup> Chavez has offered to mediate peace negotiations between the Colombian government and the leftist guerrillas. There are reports that the FARC has developed links to pro-Chavez Venezuelan guerrilla groups, such as the Popular Liberation Army and the Bolivarian Liberation Forces. It is also believed that paramilitary groups have crossed into Panama in pursuit of leftist guerrillas, leading the Panamanian government to reinforce police presence along the border. Brazil has also reinforced its borders in response to FARC incursions to recruit members of local indigenous communities.<sup>40</sup>

Colombia's illegally armed groups routinely use neighboring countries for safe havens, resupply, and training. 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.<sup>41</sup> A controversial press report claims that there is evidence that as many as ten FARC camps are located on the Venezuelan side of the border.<sup>42</sup> The FARC has issued communiques in support of President Chavez' 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.<sup>43</sup>

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

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<sup>37</sup> (...continued)

Deaths," *Dow Jones International News*, December 28, 2003.

<sup>38</sup> Mike Ceaser, "Neighbor's Fighting Spills Over Into Venezuela," *The Washington Times*, October 29, 2002.

<sup>39</sup> See CRS Report RS20978, *Venezuela: Political Conditions and U.S. Policy* by Mark P. Sullivan, Specialist in Latin American Affairs.

<sup>40</sup> Jeremy McDermott, "Cross Border Activities Embroil Venezuela in Colombian Conflict," *Jane's Intelligence Review*, August 2003; *Ibid*, *The Washington Times*; "Special Report - Latin America and U.S. War on Terror: Spillover From Colombia," *Latin American Newsletters*, May 2003.

<sup>41</sup> *Ibid*. *Latin American Newsletter*, May 2003; "Colombian FARC Guerrilla Base Discovered in Ecuador," *EFE News Service*, November 21, 2003.

<sup>42</sup> Linda Robinson "Terror Close to Home," *U.S. News & World Report*, October 6, 2003.

<sup>43</sup> *Ibid*, *Jane's Intelligence Review*, August 2003.

of President Gonzalo Sánchez de Lozada in October 2003 after 17 months in office. During the same period, cultivation in Peru was reduced by some 13,000 acres, representing a 15% decline. A troubling development in Peru is the resurgence of the Sendero Luminoso, or Shining Path, leftist guerrilla group. There are press reports that the FARC and Sendero have formed an alliance, and recent Sendero operations seem to be inspired by FARC tactics, including participation in the drug trade as a means to finance their operations.<sup>44</sup>

**Refugees.** The U.S. Committee on Refugees, a nongovernmental organization, estimates that by the end of 2002, there were approximately 2.5 million internally displaced Colombians. It reports that the number of Colombians seeking formal asylum in neighboring countries includes 9,000 in Ecuador, 7,600 in Costa Rica, and 1,000 each in Panama and Venezuela. However, the organization notes that those who seek asylum are a small percentage of those who seek refuge illegally. The total refugee population would total about 325,000 people, including 150,000 in the United States, 75,000 in Ecuador, 50,000 to 75,000 in Venezuela, 20,000 to 50,000 in Costa Rica, and 20,000 in Panama. The U.N. High Commissioner for Refugees in Ecuador reports that it is seeing about 1,000 Colombian refugees each month, a figure that the office expects to remain the same in 2004. The International Red Cross in Colombia reports that the number of people displaced by the fighting decreased by 80,000 from 2002 levels.<sup>45</sup>

### **Temporary Protected Status<sup>46</sup>**

Due to the continuing conflict in Colombia, some, including the Colombian government, have called for the United States to provide Temporary Protected Status (TPS) to Colombians. There are bills pending in Congress that would extend TPS to Colombian nationals. (H.R. 2853, S. 986) TPS may be granted to certain populations if their home country is affected by an ongoing armed conflict or environmental disaster that would pose serious danger to their personal safety if deported. The United States currently provides TPS to nationals from Burundi, El Salvador, Honduras, Liberia, Montserrat, Nicaragua, Sierra Leone, Somalia, and Sudan. The Attorney General, in consultation with the Secretary of State, has the authority to grant TPS for periods of six to eighteen months, with extensions possible if conditions in the designated country have not changed. In November 2003, the State Department recommended that Colombian citizens not be granted TPS because

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<sup>44</sup> "CIA Foresaw 'Balloon Effect' Five Years Ago," *Latin American Newsletter Weekly Report*, January 27, 2004; "U.S. Says Coca Area Up in Bolivia, Down in Peru," *Reuters*, November 17, 2003; Jeremy McDermott, "The Shining Path Glimmers Again," *Jane's Intelligence Review*, January 2004. "Alliance Between Colombian, Peruvian Guerrillas," *Spanish News Digest*, October 10, 2003.

<sup>45</sup> *World Refugee Survey 2003*, U.S. Committee on Refugees; Amy Taxin, "Ecuador Sees Steady Flow of Refugees in 2004," *Reuters*, November 18, 2003; Nicole Karsin, "U.N. Refugee Official Visits Colombian Communities That Suffer Blockades," *Associated Press*, January 24, 2004.

<sup>46</sup> For more information on Temporary Protected Status, see CRS Report RS20844, *Temporary Protected Status: Current Immigration Policy and Issues*, by Ruth Ellen Wassem, Specialist in Social Legislation.

of improved security conditions in Colombia. Supporters argue that the activities of the FARC, ELN, and AUC, and their control over sizeable portions of the country, create conditions in which the personal safety of returning Colombians is threatened. Opponents argue that conditions are improving and that granting TPS will only encourage more migration.

## **Air Bridge Denial Program**

The Air Bridge Denial Program is a joint interdiction effort between the United States and Peru and Colombia that seeks to identify possible drug flights and to interdict them by forcing them to land, and if necessary to shoot down the aircraft. On April 20, 2001, a private aircraft flying over Peru and carrying American missionaries was shot down, killing two, after the Peruvian military, working with U.S. support, identified it as a possible drug trafficking flight. As a result, the so-called "Air-Bridge Denial Program" was halted in both Peru and Colombia, until the Secretary of State determined, as required by Congress, that a renewed program would incorporate safety enhancements. This determination was made on August 18, 2003 with regard to Colombia only. Having reached an agreement with Colombian authorities on operational aspects that would provide greater safeguards against accidental shootdowns, the program resumed in August 2003. The new safeguards include the requirement that only the commander of the Colombian Air Force can order a plane shot down, and then only if it has ignored radio warnings and warning shots from pursuit planes. The Defense Ministry of Colombia reported that since the resumption of the program, it has seized 5 tons of cocaine.<sup>47</sup>

## **Oil Production**

Colombia is an important petroleum exporter, but political conflict brought on by the 40-year old leftist guerrilla insurgency, and by the more recently formed rightist paramilitaries, has led to production decreases. The export of oil is the country's largest single source of foreign revenue, accounting for more than a third of the value of exports in 1999 and 2000. In 2002, the oil sector accounted for 28% of total exports.<sup>48</sup> The armed conflict has impeded exploration for new reserves, and with disruptions to production caused by terrorist attacks, production has fallen. As of January 2003, Colombia had approximately 1.84 billion barrels of proven oil reserves. It exported 256,000 barrels per day to the United States in 2002, a decrease of 13.5% from 2001. There are many unexplored and potentially hydrocarbon-rich areas in Colombia, which shares many of the geological features of its oil-rich neighbor, Venezuela. The country produces a lighter and sweeter crude (considered higher quality) than other major Latin American countries. Exports of crude are destined for the U.S. Gulf Coast. Colombia is not a member of the Organization of

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<sup>47</sup> "Colombia Says U.S.-Backed Aerial Interdiction Program Has Netted 5 Tons of Cocaine Since It Resumed," *Associated Press*, January 9, 2004.

<sup>48</sup> Dan Molinski, "Oil Colombia's Top Foreign Income Draw But For How Long?" *Dow Jones Newswires*, November 25, 2003.

Petroleum Exporting Countries (OPEC) and so does not have to abide by OPEC-imposed production quotas.<sup>49</sup>

U.S. Occidental and BP are the most active foreign oil companies operating in Colombia. A major problem in exploration and transportation is the ongoing armed conflict with leftist guerrilla groups. Both the FARC and the ELN have targeted oil pipelines, electricity transmission infrastructure, and oil wells, as well as engaging in kidnappings of oil company employees. Aggressive exploration of new reserves has been hindered by the fighting and the lack of effective government control of all parts of the country's territory. Colombian officials have warned that the country could soon become a net importer of oil if no new significant fields are found.<sup>50</sup>

A repeated target for guerrilla groups has been the 490-mile Caño Limón Coveñas oil pipeline, which is operated by Occidental Petroleum and Ecopetrol, the state-owned oil company. When fully operational, it carries 106,000 barrels of crude oil daily. It was bombed 170 times in 2001, resulting in its shutdown for seven months at a cost of approximately \$500 million in revenues and royalties to Colombia. Attacks during 2001 spilled 400,000 barrels, about one and one-half times the amount discharged by the Exxon Valdez incident off the coast of Alaska in 1989. The Caño Limón oil fields account for about 20% of Colombia's oil production. Annual production in 2001 from Caño Limón was 19.5 million barrels. Proven reserves are estimated at 170 million, but the State Department reports that the field's oil potential is 300 million barrels. Approximately 55% of Caño Limón oil was exported to the United States in 2001.<sup>51</sup> Pipeline disruptions fell to 41 in 2002, perhaps reflecting the more aggressive security operations of the new government of President Uribe. In 2003, the United States allocated \$99 million in infrastructure protection assistance for the Caño Limón pipeline, and has proposed spending \$147 million in FY2004, leading critics to claim that the United States is protecting the assets of oil companies.

## Funding for Plan Colombia

Since FY2000, U.S. funding for Plan Colombia totals approximately \$3.7 billion, encompassing State Department and Defense Department programs. Most of U.S. assistance is provided through the Andean Counterdrug Initiative account of the State Department. In addition, support for aerial eradication programs is provided from the State Department's Air Wing account. The U.S. Agency for International Development (AID) provides support for alternative crop development and economic development programs, with some funding transferred from the ACI account. The Defense Department requests a lump sum for all counternarcotics programs worldwide under Sections 1004 and 1033, and under Section 124, of the National Defense Authorization Act. DOD can reallocate these funds throughout the

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<sup>49</sup> U.S. Energy Information Administration, U.S. Department of Energy, "Colombia: Country Analysis Brief," May 2003.

<sup>50</sup> Ibid.

<sup>51</sup> U.S. Department of State Report to Congress, *Colombia: Cano Limon Pipeline*, January 2003.

year in accordance with changing needs. While not considered a formal component of the Andean Counterdrug Initiative, the Defense Department has provided Colombia with additional funding for training and equipment for a number of years, as well as the deployment of personnel in support of Plan Colombia.

Below is an outline of funding levels approved by Congress as part of the Andean Counterdrug Initiative and related funding programs. See the table at the end of this memo for allocations by agency. Not included here, or in the accompanying chart, is International Military Education and Training (IMET) funds, because it is not considered a component of ACI.

- Under legislation providing U.S. support for Plan Colombia (P.L. 106-246), enacted in July of 2000, Colombia received \$832 million in State Department funds for assistance to the Colombian police and military, economic and alternative crop 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 funding also provided support for Andean regional anti-drug programs. For FY2001, the Defense Department provided another \$190.2 million in support for counternarcotics programs in Colombia.
- For FY2002, support for Plan Colombia included \$412.1 million in counternarcotics, with \$243.50 million in interdiction assistance, and \$137 million in economic and social programs. The Department of Defense allocated \$119.1 million.
- Under the Emergency FY2002 Supplemental (P.L. 107-115), 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 and Related Programs (NADR) 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, the Administration requested \$537 million in funding for Colombia, including \$439 million in ACI funding, and \$98 million in FMF funding to train and equip a Colombian army brigade to protect an oil pipeline in the country. Congress reduced this request in the FY2003 Consolidated Appropriations Act (P.L. 108-7) by \$5 million, providing \$93 million in FMF funds for the oil pipeline, as well as \$433 million in ACI funding. The Department of Defense provided support totaling \$131 million.

- In the FY2003 Emergency Wartime Supplemental (P.L. 108-11), the President requested additional funding for Colombia. Congress approved \$105.1 million, consisting of \$34 million of State Department funding for the Andean Counterdrug Initiative, \$34 million of DOD funds for Drug Interdiction and Counter-Drug Activities, and fully funded the Foreign Military Financing Program, out of which \$20 million could be transferred to the ACI account. The Administration advised Congress that it had designated another \$17.1 million in FMF funds for Colombia.
- For FY2004, the Administration requested a total of \$573 million for Colombia of which \$463 million is for the ACI, consisting of \$150 million for alternative development, humanitarian assistance and institution building, and \$313 million for narcotics interdiction and eradication programs. The overall request also included \$110 million in FMF funding. The House and Senate Foreign Operations Appropriations Bills were included in the FY2004 Consolidated Appropriations Act (P.L. 108-199). The act provides \$731 million for the region-wide Andean Counterdrug Initiative, the same as the President's request. The Department of Defense estimates that it will spend \$122 million on Colombia-related programs in FY2004.
- For FY2005, the Administration has requested a total of \$731 million for the ACI, of which \$150 million would be allocated to Colombia for alternative development and institution building programs, and \$313 million for interdiction programs. Funding of \$108 million in FMF is requested for infrastructure protection.



**Table 1. U.S. Assistance For Plan Colombia, FY2000-FY2004 By Agency**  
(in millions \$)

	State Department <sup>a</sup>				USAID			DOD <sup>b</sup>	Total
	ACI <sup>c</sup>	AirWing	FMF <sup>d</sup>	NADR	Alt. Dev.	Dem.	IDP		
FY2000	49.0	38.0			5.0	6.1		128.5	226.6
PL106-246 <sup>e</sup>	699.0				65.0	45.5	22.5	300.6	1132.6
FY2001	48.0	38.0						190.2	276.2
FY2002	272.0	38.2			49.9	28.0	24.0	119.1	531.2
FY2002 Supp.	4.0		6.0	25.0					35.0
FY2003	311.0	41.5	93.0		60.2	24.0	38.0	131.0	683.6
FY2003 Supp.	34.0		37.1					34.0	105.1
FY2004	340.8	45.0	110.0		60.2	24.0	38.0	122.0	737.0
Total	1757.8	200.7	246.1	25.0	240.3	127.6	122.5	1007.3	3727.3

Sources: Figures for the State Department and USAID are drawn from annual Budget Justifications for USAID and the Department of State International Narcotics and Law Enforcement Affairs for fiscal years 2002 through 2004. Figures for the division of funding in P.L. 106-246 are from the State Department's Washington File, "U.S. Support for Plan Colombia, FY2000 Emergency Supplemental Appropriations," July 5, 2000. Prepared by Connie Veillette, October 16, 2003 and updated February 5, 2004.

<sup>a</sup> For FY2000 and thereafter, Plan Colombia funds are all assigned to the State Department's International Narcotics Control and Law Enforcement (INCLE) or the Andean Counterdrug Initiative (ACI). The State Department transfers funds to other agencies carrying out programs in Colombia with these funds, of which USAID has received the largest portion. Other departments that have received some funds from ACI are Treasury, Justice, and Labor.

<sup>b</sup> Defense Depart. funding is from its Counter Narcotics account. These figures are from "Drug Control: Financial and Management Challenges Continue to Complicate Efforts to Reduce Illicit Drug Activities in Colombia," General Accounting Off., GAO-03-820T, June 3, 2003, and Depart. of State's Washington File, "U.S. Support for Plan Colombia, FY2000 Emergency Supplemental Appropriations," July 5, 2000. All figures were confirmed by the Depart. of Defense. FY2003 and FY2004 figures were provided by DOD. The figure for FY2000 includes an appropriation of \$300.6 million in legislation providing funds in support of Plan Colombia. (P.L. 106-246) These funds were used for drug interdiction and military support in the Andean region. The Defense Department reports that of the \$300.6 million, it allocated \$100.7 million for programs in Colombia.

<sup>c</sup> U.S. assistance to Colombia is appropriated to the State Depart., from which funds are transferred to USAID for alternative development (Alt. Dev.), democracy/institution building (Dem.), and internally displaced persons (IDP) programs. ACI figures in this column reflect mainly the counternarcotics component, but also reflect smaller sums for democracy/institution building, and internally displaced persons that State administers itself.

<sup>d</sup> FY2002 Supplemental and FY2003 funding include support for infrastructure protection, such as the Caño-Limón oil pipeline. Legislative language allowed \$6 million in the FY2002 Supplemental, \$93 million in the FY2003 regular appropriations, and \$20 million of the \$37.1 million in the FY2003 Supplemental to be transferred to ACI.

<sup>e</sup> P.L. 106-246, signed into law on July 13, 2000, included FY2000 emergency supplemental funding for U.S. support of Plan Colombia, as well as the FY2001 Military Construction and Foreign Operations Bills. Funding levels here are listed under FY2000, even though some of the funding was obligated in FY2001.

## List of Acronyms

ARI	Andean Regional Initiative
ACI	Andean Counterdrug Initiative
ATS	Amphetamine-type stimulants
AUC	United Self-Defense Forces of Colombia
AUV	United Self-Defense Forces of Venezuela
CICTE	Inter-American Committee Against Terrorism
DEA	U.S. Drug Enforcement Agency
ELN	National Liberation Army
FARC	Revolutionary Armed Forces of Colombia
FMF	Foreign Military Financing
FTO	Foreign Terrorist Organization
IMET	International Military Education and Training
INCLE	International Narcotics Control and Law Enforcement
NADR	Nonproliferation, Anti-Terrorism and Demining
OAS	Organization of American States
TPS	Temporary Protected Status