



WikiLeaks Document Release

<http://wikileaks.org/wiki/CRS-RL33253>

February 2, 2009

Congressional Research Service

Report RL33253

*Andean Counterdrug Initiative (ACI) and Related Funding
Programs: FY2006 Assistance*

Connie Veillette, Foreign Affairs, Defense, and Trade Division

January 27, 2006

Abstract. For FY2006, Congress approved the Administration's request for \$734.5 million for ACI in the Foreign Operations Appropriations Act (H.R. 3057/P.L. 109-102). As part of the requested amount for ACI, the Administration had requested \$21 million for the Air Bridge Denial Program; Congress provided \$14 million. The request also included \$40 million for a Critical Flight Safety Program that is described as the first installment of a multi-year program to upgrade and refurbish aircraft used for eradication and interdiction missions. Congress provided \$30 million. In the House, the Foreign Relations Authorization Act (H.R. 2601) was passed with provisions relating to the demobilization process, tax code enforcement in Colombia, and the transfer of aircraft to the Colombian Navy. The Senate did not finish consideration of its version (S. 600). It would authorize funding for the Andean Counterdrug Initiative and includes a number of conditions on assistance consistent with current law. The FY2006 National Defense Authorization Act (H.R. 1815, P.L. 109-163) authorized funds for Defense Department interdiction activities.



WikiLeaks

CRS Report for Congress

Received through the CRS Web

Andean Counterdrug Initiative (ACI) and Related Funding Programs: FY2006 Assistance

January 27, 2006

Connie Veillette
Analyst in Foreign Affairs
Foreign Affairs, Defense and Trade Division

<http://wikileaks.org/wiki/CRS-RL33253>

Andean Counterdrug Initiative (ACI) and Related Funding Programs: FY2006 Assistance

Summary

In 2005, Congress considered a number of issues relating to the Andean region and drug trafficking, including continued funding for the Andean Counterdrug Initiative (ACI) and conditions on U.S. assistance. In addition to ACI, Andean countries benefit from Foreign Military Financing (FMF), International Military Education and Training (IMET) funds, and other types of economic aid. 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. Ninety percent of the cocaine in the United States originates in, or passes through, Colombia.

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. 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. The United States also provides funding for Development Assistance (DA), Child Survival and Health (CSH), and Economic Support Funds (ESF) to some countries in the region. 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 2004, Congress also increased the level of U.S. military and civilian contractor personnel allowed to be deployed in Colombia, in response to an Administration request.

For FY2006, Congress approved the Administration's request for \$734.5 million for ACI in the Foreign Operations Appropriations Act (H.R. 3057/P.L. 109-102). As part of the requested amount for ACI, the Administration had requested \$21 million for the Air Bridge Denial Program; Congress provided \$14 million. The request also included \$40 million for a Critical Flight Safety Program that is described as the first installment of a multi-year program to upgrade and refurbish aircraft used for eradication and interdiction missions. Congress provided \$30 million.

In the House, the Foreign Relations Authorization Act (H.R. 2601) was passed with provisions relating to the demobilization process, tax code enforcement in Colombia, and the transfer of aircraft to the Colombian Navy. The Senate did not finish consideration of its version (S. 600). It would authorize funding for the Andean Counterdrug Initiative and includes a number of conditions on assistance consistent with current law. The FY2006 National Defense Authorization Act (H.R. 1815, P.L. 109-163) authorized funds for Defense Department interdiction activities.

This report will not be updated. For further information, see CRS Report RL32774, *Plan Colombia: A Progress Report*; CRS Report RL32250, *Colombia: Issues for Congress*; and CRS Report RL32337, *Andean Counterdrug Initiative (ACI) and Related Funding Programs: FY2005 Assistance*.

Contents

Andean Counterdrug Initiative	2
FY2006 Funding Levels	3
Related Funding Programs	4
Foreign Military Financing (FMF)	4
International Military Education and Training (IMET)	4
Defense Department Counternarcotics Account	5
U.S. Counternarcotics Assistance By Country	5
Colombia	5
Peru	7
Bolivia	8
Ecuador	10
Brazil	11
Venezuela	12
Panama	14
Congressional Conditions on ACI Assistance	15
Expanded Authority	15
Personnel Caps	15
Helicopters	15
Reports	16
Colombian Human Rights	16
Funding Earmarks	17
Aerial Fumigation	18
Prohibition on Participation in Combat Operations	18
Bolivian Human Rights	18
Demobilization of Illegally Armed Groups in Colombia	18
Maritime Refueling Vessel	19
Major Legislative Activity in the 109 th CongressFirst Session	19
FY2006 Foreign Operations Appropriations Act	19
House Provisions	19
Senate Provisions	20
Foreign Operations Conference Report	22
Foreign Relations Authorization Act, FY2006 and FY2007	23
National Defense Authorization Act, FY2006	23
Appendix B. Map	24

List of Figures

Figure 1. Andean Counterdrug Initiative Countries	24
---	----

List of Tables

Table 1. Andean Counterdrug Initiative FY2006 Foreign Operations Conference Report	3
Table 2. U.S. Counternarcotics Assistance to Colombia, FY2000-FY2006	6
Table 3. U.S. Counternarcotics Assistance to Peru, FY2000-FY2006	8
Table 4. U.S. Counternarcotics Assistance to Bolivia, FY2000-FY2006	9
Table 5. U.S. Counternarcotics Assistance to Ecuador, FY2000-FY2006	11
Table 6. U.S. Counternarcotics Assistance to Brazil, FY2000-FY2006	12
Table 7. U.S. Counternarcotics Assistance to Venezuela, FY2000-FY2006 ...	13
Table 8. U.S. Counternarcotics Assistance to Panama, FY2000-FY2006	14

Andean Counterdrug Initiative (ACI) and Related Funding Programs: FY2006 Assistance

In 2005, Congress considered a number of issues relating to the Andean Counterdrug Initiative, the U.S. assistance program to help Colombia and its neighbors 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 future of the program. The region has been viewed as particularly important 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 leftist guerrilla insurgency and rightist paramilitary groups, which are 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) and International Military Education and Training (IMET). The Department of Defense supports drug interdiction operations from its own counternarcotics account. In addition, the United States provides economic development aid in the form of Development Assistance (DA), Child Survival and Health (CSH), and Economic Support Funds (ESF).² These programs are not considered part of the Andean Counterdrug Initiative, although they support many programs which are tangentially related, such as poverty reduction and infrastructure improvements.

¹ For earlier action, see CRS Report RL32337, *Andean Counterdrug Initiative (ACI) and Related Funding Programs: FY2005 Assistance*, by Connie Veillette, and CRS Report RL32021, *Andean Regional Initiative (ARI): FY2003 Supplemental and FY2004 Assistance for Colombia and Neighbors*, by K. Larry Storrs and Connie Veillette.

² For more information on economic development programs in Latin America, see CRS Report RL32487, *U.S. Foreign Assistance to Latin America and the Caribbean*, coordinated by Connie Veillette.

Andean Counterdrug Initiative

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.³ The region is important to the U.S. drug policy 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. U.S. objectives for the ACI program are to eliminate the cultivation and production of cocaine and opium, build law enforcement infrastructure, arrest and prosecute traffickers, and seize their assets.

The region 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. 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.

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. Funding for ACI from FY2000 through FY2005 totaled nearly \$4.3 billion. ACI is managed by the State Department's Bureau of International Narcotics Control and Law Enforcement Affairs (INCLE). Some ACI funds are transferred to the U.S. Agency for International Development (USAID) for alternative development programs.

ACI 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.

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,

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.

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.

FY2006 Funding Levels

The Administration requested a total of \$734.5 million for FY2006 for the Andean Counterdrug Initiative, an increase from the FY2005 estimate of \$725.2 million. Included as part of the request was \$21 million for the Air Bridge Denial Program, that would continue contractor logistical support and training for operations in Colombia. The request also included a new component, \$40 million for a Critical Flight Safety Program that was described as the first installment of a multi-year program to upgrade and refurbish of State Department aircraft used for eradication and interdiction missions.

In the FY2006 Foreign Operations Appropriations Act (H.R. 3057, P.L. 109-102), Congress approved the Administration's request of \$734.5 million for ACI but changed how those funds are allocated. Congress provided \$14 million for the Air Bridge Denial program instead of the requested \$21 million. For the new Critical Flight Safety program, Congress provided \$30 million instead of the requested \$40 million. Congress also recommended different funding levels for Colombia and Peru, as noted below.

**Table 1. Andean Counterdrug Initiative
FY2006 Foreign Operations Conference Report
(P.L. 109-102/H.Rept. 109-265)
(in millions \$)**

Country	Interdiction	Alt. Dev.	Total
Colombia	310.85	158.63*	469.48
Peru	59.00	49.00	108.0
Bolivia	43.00	37.00	80.0
Brazil	6.00	—	6.0
Ecuador	8.46	11.54	20.0
Panama	4.50	—	4.50
Venezuela	2.25	—	2.25
Air Bridge Denial			14.0
Critical Flight Safety			30.0
Total			734.23

* The conference report directed \$131.2 million for alternative development and \$27.4 million for Rule of Law programs.

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 (FMF)

Foreign Military Financing (FMF) 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. FMF is provided to Colombia and the Andean region to support 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. The FY2005 estimate for the Andean region was \$103 million, with \$99 million for Colombia.

The FY2006 request was for \$94 million for the region, with Colombia proposed to receive \$90 million, mainly to provide operational support and specialized equipment to the Colombian military, with a focus on the Colombian Army's specialized and mobile units, and units assigned to protect the Caño Limón oil pipeline. Bolivia was proposed to receive \$1.8 million, Ecuador \$750,000, Panama \$1.1 million, and Peru \$300,000 to strengthen their capabilities to interdict drug production and trafficking. In the FY2006 Foreign Operations Appropriations Act (H.R. 3057, P.L. 109-102), Congress earmarked funds for some countries, but none in Latin America. The Administration has \$242 million to fund remaining unearmarked countries, for which they requested \$318 million. It is likely that amounts requested for some Andean recipients could be trimmed to accommodate the decrease in available funds.

International Military Education and Training (IMET)

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 was estimated at \$3.7 million in FY2005 out of a total of \$14 million for all of Latin America. The request for FY2006 for the Andean countries was \$3.5 million out of a hemisphere-wide total of \$13.7 million. The request for Colombia was \$1.7 million and would focus on civil-military issues for junior and mid-grade military officers. For FY2006,

Congress provided the Administration's worldwide request of \$86.74 million, so it is likely that Andean countries will receive the requested amounts.

Defense Department 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 estimate for FY2005 DOD counternarcotics funding for Latin America is \$366.9 million, of which up to \$200 million is planned for Colombia.

DOD requested a total of \$896 million globally for counternarcotics programs, of which it estimated spending \$368 million in Latin America in FY2006. Of this amount, \$122 million would be in direct support of 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. The FY2006 Defense Appropriations Act (H.R. 2863, P.L. 109-148) provided \$917.65 million for drug interdiction programs worldwide.

U.S. Counternarcotics Assistance By Country

Colombia⁴

Colombia receives the single largest portion of ACI funds. For FY2006, the Administration requested \$463 million, of which \$311 million was for interdiction and eradication efforts, \$125 million for alternative development and institution building programs, and \$27 million for rule of law programs. Interdiction funds would support the Colombian military's aviation program and drug units with training, logistics support, operating expenses, equipment, and to upgrade forward operating locations. Assistance would also be used to support Colombian National Police aviation, eradication and interdiction programs with equipment, logistical support, training, new base construction, communications and information links. Alternative development programs would support the introduction of new licit crops, the development of agribusiness and forestry activities, and the development of local and international markets for new products. Rule of law assistance would help promote democracy through judicial reform, support for vulnerable groups, and training and technical assistance for advisors in rule of law areas. ACI funds would also be used to assist the Bureau of Alcohol, Tobacco and Firearms provide training and support to bomb squads in an effort to stem terrorist bombings in Colombia.

⁴ For more information on Colombia, see CRS Report RL32250, *Colombia: Issues for Congress*, by Connie Veillette, and CRS Report RL32774, *Plan Colombia: A Progress Report*, by Connie Veillette.

In the FY2006 Foreign Operations Appropriations Act, Congress provided a total of \$469.5 million for Colombia, divided among \$310.9 million for interdiction, \$131.2 million for alternative development, and \$27.4 million for rule of law programs. The amount for alternative development represents a \$6.5 million increase from FY2005 levels. Colombia also receives small amounts of Non-proliferation, Anti-terrorism, Demining and Related Programs (NADR).

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 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 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.

Table 2. U.S. Counternarcotics Assistance to Colombia, FY2000-FY2006
(in millions \$)

	ACI		FMF	IMET	NADR	DOD	Total
	Interdict.	Alt. Dev.					
FY2000	686.4	208.0	—	0.9	—	229.2	1,124.5
FY2001	48.0	—	—	1.0	—	190.2	239.2
FY2002	243.5	136.4	—	1.2	25.0	119.1	525.2
FY2003	412.0	168.2	17.1	1.2	3.3	165.0	766.8
FY2004	324.6	159.3	98.5	1.7	.2	122.0	706.3
FY2005	310.7	152.1	99.2	1.7	4.1	200.0	767.8
FY2006	310.9	158.6	90.0	1.7	4.1	122.0	687.3
Total	2,336.1	982.6	304.8	9.4	36.7	1147.5	4,817.1

Sources: Figures are drawn from the annual State Department and USAID Budget Justifications from the Department of State and the USAID Budget Justifications for fiscal years 2002 through 2006, the FY2006 Foreign Operations Appropriations Act (P.L. 109-102) and Conference Report (H.Rept. 109-265), and congressional testimony.

Peru

Peru is the second largest recipient of ACI funding with \$97 million requested for FY2006. This represented a reduction from \$115.4 million in FY2005. ACI funding would be split between \$54 million for interdiction and \$43 million for alternative development and institution building. Interdiction funds would focus on improving Peruvian airlift operations, using U.S.-owned assets, determining the extent of coca cultivation in the country, demand reduction and money laundering programs. Alternative development funds would rehabilitate roads, bridges, schools and health care access, land reform, and agri-business.

For FY2006, Congress directed that Peru receive \$108 million, of which \$59 million would be for interdiction and \$49 million for alternative development. Unlike previous years, Congress did not include a provision requiring notification prior to restarting the Air Bridge Denial program in Peru.

Peru shares its northern border with Colombia, and is the second largest cocaine producer in the world. It exports high purity cocaine and cocaine base to markets in South America, Mexico, Europe, and the United States. Nevertheless, Peru 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 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. For 2004, the ONDCP reported a slight decrease, while the United Nations reported a 14% increase.⁵

Counternarcotics policy in Peru has faced growing resistance from indigenous communities that view coca leaf cultivation as a cultural right and source of income. A 2004 Peruvian study found that approximately two million people use coca leaf either habitually or occasionally, and another two million use it for tea, or for traditional or ceremonial purposes. Some regions have attempted to de-criminalize coca growing, a move which the President Toledo government has resisted. With Toledo's low popularity and growing discontent in coca growing regions, some observers believe the government is unwilling to take on the increasingly assertive coca growers.⁶

⁵ For more information on the reliability of survey methods, see CRS Report RL33163, *Drug Crop Eradication and Alternative Development in the Andes*, by Connie Veillette and Carolina Navarrete-Frías.

⁶ "Police Clashes and Vacillation Threaten the 'War on Drugs' in the Andes, *Latinnews Security and Strategic Review*, July 2005.

**Table 3. U.S. Counternarcotics Assistance to Peru,
FY2000-FY2006**
(in millions \$)

	ACI		FMF	IMET	Total
	Interdict.	Alt. Dev.			
FY2000	55.0	25.0	—	0.5	80.5
FY2001	21.0	27.0	—	0.5	48.5
FY2002	75.0	67.5	—	0.5	143.0
FY2003	59.5	68.6	1.0	0.6	129.7
FY2004	66.3	49.7	—	—	116.0
FY2005	61.5	53.9	1.0	0.3	116.7
FY2006	59.0	49.0	0.3	0.1	108.4
Total	392.3	334.7	2.3	2.5	731.8

Sources: Figures are drawn from the annual State Department and USAID Budget Justifications for fiscal years 2002 through 2006, the FY2006 Foreign Operations Appropriations Act (P.L. 109-102), and Conference Report (H.Rept. 109-265).

Bolivia⁷

For FY2006, the Administration proposed spending \$80 million in Bolivia, a reduction from \$90 million in FY2005. The requested amount would be divided between \$43 million for interdiction and \$37 million for alternative development and institution building. Interdiction funds would continue eradication programs in the Chapare and Yungas regions, provide training for police, maintain support for Bolivian security forces riverine and ground operations, and aviation programs. Alternative development would continue support for the production of licit crops, and establish integrated justice centers in conflictive regions. For FY2006, Congress approved the Administration's request.

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. At one time the world's foremost producer of coca leaf, Bolivia made great strides in reducing coca cultivation under the Banzer-Quiroga administration (1997-2002).⁸ However, forcible eradication of coca has become a source of social discontent, exacerbating tensions over class and ethnicity

⁷ For more information, see CRS Report RL32580 *Bolivia: Political and Economic Developments and Implications for U.S. Policy*, by Connie Veillette and Clare Ribando.

⁸ 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.

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 2003.⁹ Nevertheless, Bolivia's coca cultivation is still about half of its 1995 levels.

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. There has been growing public opposition to Bolivia's counternarcotics policy that has served to fuel to popular discontent that has contributed to political instability. Some critics believe that U.S. policy supporting forced drug crop eradication is contributing to popular support for left-of-center opposition political figures. Coca growers (*cocaleros*) have organized themselves in legally recognized labor unions, and have formed a political party, Movement Toward Socialism (MAS). The MAS presidential candidate, Evo Morales, who came in a close second in 2002 presidential elections, won the presidency in December 2005. Considering Morales' comments critical of U.S. counternarcotics policy in the region, the future of U.S.-Bolivian relations is unclear.

**Table 4. U.S. Counternarcotics Assistance to Bolivia,
FY2000-FY2006**
(in millions \$)

	ACI		FMF	IMET	Total
	Interdict.	Alt. Dev.			
FY2000	57.0	101.0	—	0.5	158.5
FY2001	32.0	20.0	—	0.7	52.7
FY2002	48.0	39.6	2.0	0.7	90.3
FY2003	49.0	41.7	2.0	0.8	93.5
FY2004	49.2	41.8	4.0	0.6	95.6
FY2005	48.6	41.7	2.0	0.8	93.1
FY2006	43.0	37.0	1.8	0.8	82.6
Total	326.8	322.8	11.8	4.9	666.3

Sources: Figures are drawn from the annual State Department and USAID Budget Justifications for fiscal years 2002 through 2006, the FY2006 Foreign Operations Appropriations Act (P.L. 109-102), and Conference Report (H.Rept. 109-265).

⁹ U.S. Department of State, *International Narcotics Control Strategy Report*, 2002 and 2003. The ONDCP reported that coca cultivation increased slightly during 2004. Office of National Drug Control Policy, "2004 Coca and Opium Poppy Estimates for Colombia and the Andes," March 25, 2005.

Ecuador¹⁰

Ecuador is the next largest recipient of ACI funds, with \$20 million appropriated for FY2006. This represented a reduction from nearly \$26 million in FY2005. Funds would be divided between \$8.5 million for interdiction and \$11.5 million for alternative development and institution building. The objective of assistance to Ecuador is to stop or prevent any spillover of drug trafficking and guerrilla activities from Colombia, and to stop the transit of drugs destined for the United States.

On Colombia's southern border, Ecuador is the most exposed of Colombia's neighbors, being 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. Nonetheless, the State Department reports that weak public institutions, the uneven implementation of new criminal proceedings, and widespread corruption limit the country's ability to counter drug trafficking. In 2004, the Ecuadoran government published a new national drug strategy and implementation plan, with a focus on strengthening institutions and drug trafficking laws, and providing more resources for its drug agency, the National Drug Council. 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.

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.¹¹ 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. Ecuadoran officials have complained that the armed conflict and drug trafficking in Colombia is having an adverse affect on Ecuadoran peasants in border areas, and that the aerial fumigation in Colombia is harming the Ecuadoran environment and negatively affecting Ecuadorans' health.¹²

¹⁰ For more information, see CRS Report RS21687 *Ecuador: Political and Economic Situation and U.S. Relations*, by Clare Ribando.

¹¹ "Anti-Colombian Sentiment on the Rise in Ecuador," *BBC Monitoring Americas*, October 10, 2005; "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.

¹² "Ecuador: Fumigation Compensation Demanded," *Latinnews Daily*, July 19, 2005; "Ecuador Concerned by Colombia's Herbicide Use," *Latinnews Daily*, September 19, 2005; and "Ecuador's Gutierrez Says Colombian Conflict Moving Beyond Its Borders," *BBC Monitoring Americas Report*, June 30, 2003.

**Table 5. U.S. Counternarcotics Assistance to Ecuador,
FY2000-FY2006**
(in millions \$)

	ACI		FMF	IMET	Total
	Interdict.	Alt. Dev.			
FY2000	13.2	8.0	—	0.5	21.7
FY2001	2.2	—	—	0.6	2.8
FY2002	15.0	10.0	—	0.6	25.6
FY2003	15.0	15.9	1.0	0.6	32.5
FY2004	20.0	15.0	—	—	35.0
FY2005	10.9	14.9	1.0	0.3	27.1
FY2006	8.5	11.5	0.8	0.1	20.9
Total	84.8	75.3	2.8	2.7	165.6

Sources: Figures are drawn from the annual State Department and USAID Budget Justifications for fiscal years 2002 through 2006, the FY2006 Foreign Operations Appropriations Act (P.L. 109-102), and Conference Report (H.Rept. 109-265).

Brazil

FY2006 ACI funds appropriated for Brazil total \$6 million mainly for interdiction and law enforcement activities. The goal is to prevent any spillover effect from Colombia. Congress approved the Administration's request. Brazil's isolated Amazon region, populated largely by indigenous groups, forms Colombia's southeastern border. 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. It is also becoming a final destination, with marked increases in crack cocaine and heroin abuse.

Brazil passed an omnibus federal counternarcotics law in 2002, and adopted a new national strategy to deal with money laundering in 2004. Also in 2004, Brazil began implementing a 1998 shoot-down law, in which the Air Force has the authority to use lethal force against civilian aircraft reasonably suspected to be engaged in drug trafficking. Brazilians have long been concerned about the sparsely populated territory in the huge Amazon region, and they have been fearful historically of foreign 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 (SIVAM from its acronym in Portuguese), offering 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-like

to its northern borders with Peru, Venezuela, and Bolivia. The programs focus on controlling land and air entry into Brazil and is headquartered at Tabatinga.

**Table 6. U.S. Counternarcotics Assistance to Brazil,
FY2000-FY2006**
(in millions \$)

	ACI		IMET	Total
	Interdict.	Alt. Dev.		
FY2000	5.0	—	0.2	5.2
FY2001	2.0	—	0.3	2.3
FY2002	6.0	—	0.4	6.4
FY2003	6.0	—	0.5	6.5
FY2004	10.2	—	—	10.2
FY2005	8.9	—	—	8.9
FY2006	6.0	—	0.5	6.5
Total	44.1	—	1.9	46.0

Sources: Figures are drawn from the annual State Department and USAID Budget Justifications for fiscal years 2002 through 2006, the FY2006 Foreign Operations Appropriations Act (P.L. 109-102), and Conference Report (H.Rept. 109-265). Brazil did not received FMF during this time period.

Venezuela¹³

The Administration proposed spending \$3 million in FY2006 counternarcotics assistance to Venezuela largely for interdiction and law enforcement purposes. Congress appropriated \$2.3 million. Because of Venezuela's extensive 1,370-mile border with Colombia, it is a major transit route for cocaine and heroin destined for the United States.

According to the Department of State's March 2005 *International Narcotics Control Strategy Report* (INCSR), cocaine seizures by the Venezuelan government amounted to 17.8 metric tons (mt) in 2002, 19.5 mt in 2003, and 19.1 mt during the first six months of 2004. Despite some friction in U.S.-Venezuelan relations that increased in 2005, cooperation between the two countries at the law enforcement agency level led to significant cocaine seizures in 2004. The INCSR report asserted that Venezuela carried out some 400 cocaine and heroin seizures in the first half of 2004 and that several important cocaine and heroin trafficking organizations were effectively attacked in 2004, including several important extraditions. Nevertheless,

¹³ For more information on Venezuela, see CRS Report, RL32488 *Venezuela: Political Conditions and U.S. Policy*, by Mark Sullivan.

the Department of State maintained in the report that Venezuela needs to make substantial efforts in five areas: passing an Organized Crime Law; making effective efforts to combat corruption; cracking down on document fraud; enforcing court-ordered wiretaps; and conducting opium poppy and coca eradication operations at least annually.

On September 15, 2005, President Bush designated Venezuela, pursuant to international drug control certification procedures set forth in the Foreign Relations Authorization Act, FY2003 (P.L. 107-228), as one of two countries that has failed demonstrably to adhere to its obligations under international narcotics agreements. At the same time, the President waived economic sanctions that would have curtailed U.S. assistance for democracy programs in Venezuela, and ACI funding will not be affected. The justification noted that despite Venezuela's increase in drug seizures over the past four years, Venezuela has not addressed the increasing use of Venezuelan territory to transport drugs to the United States. According to the State Department, the overall picture is one of decreasing Venezuelan focus on counternarcotics initiatives and reduced cooperation with the United States.

**Table 7. U.S. Counternarcotics Assistance to Venezuela,
FY2000-FY2006**
(in millions \$)

	ACI		IMET	Total
	Interdict.	Alt. Dev.		
FY2000	4.2	—	0.4	4.6
FY2001	1.2	—	0.4	1.6
FY2002	5.0	—	0.5	5.5
FY2003	2.1	—	0.7	2.8
FY2004	5.0	—	—	5.0
FY2005	3.0	—	—	3.0
FY2006	2.3	—	0.5	2.8
Total	22.8	—	2.5	25.3

Sources: Figures are drawn from the annual State Department and USAID Budget Justifications for fiscal years 2002 through 2006, the FY2006 Foreign Operations Appropriations Act (P.L. 109-102), and Conference Report (H.Rept. 109-265). Venezuela did not receive FMF during this period.

Panama¹⁴

For FY2006, the Administration proposed, and Congress approved, \$4.5 million for counternarcotics programs to assist Panama. Because of its geographic location bordering Colombia at the crossroads of North and South America, its largely unguarded coastline, and its well-developed transportation, banking, trade and financial sectors, Panama is a major transit route for illicit drugs and an attractive site for money laundering. The country is on the President's list of major drug transit countries and has been on the State Department's list of "countries of primary concern" for money laundering for the past three years. Drug traffickers use fishing vessels, cargo ships, small aircraft, and go-fast boats to move illicit drugs — primarily cocaine, but also heroin and Ecstasy — through Panama.

According to the Department of State, security in Panama's Darien region bordering Colombia has improved in recent years, although the smuggling of weapons and drugs across the border continues. Drugs and arms trade associated with Colombian terrorist groups also reportedly occurs in other parts of Panamanian territory and in the country's coastal waters, according to the U.S. DEA.¹⁵ According to the Department of State's International Narcotics Control Strategy Report, Panama's cooperation with the United States on counternarcotics efforts is excellent, although the country's difficult fiscal situation has impeded Panama's law enforcement ability. For this reason, the Department of State maintains that U.S. assistance is critical in ensuring effective Panamanian law enforcement.

Table 8. U.S. Counternarcotics Assistance to Panama, FY2000-FY2006
(in millions \$)

	ACI		FMF	IMET	Total
	Interdict.	Alt. Dev.			
FY2000	5.0	—	—	0.1	5.1
FY2001	1.0	—	—	0.2	1.2
FY2002	5.0	—	—	0.2	5.2
FY2003	4.5	—	1.0	0.2	5.7
FY2004	6.5	—	2.0	0.6	9.1
FY2005	6.0	—	1.0	0.6	7.6
FY2006	4.5	—	1.1	0.6	6.2
Total	32.5	—	5.1	2.5	40.1

Sources: Figures are drawn from the annual State Department and USAID Budget Justifications for fiscal years 2002 through 2006, the FY2006 Foreign Operations Appropriations Act (P.L. 109-102), and Conference Report (H.Rept. 109-265).

¹⁴ For more information on Panama, see CRS Report RL30981 *Panama: Political and Economic Conditions and U.S. Relations*, by Mark Sullivan.

¹⁵ U.S. Drug Enforcement Administration, "Panama: Country Brief," May 2005, p. 12.

Congressional Conditions on ACI 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 FY2006 Foreign Operations Appropriations Act (H.R. 3057, P.L. 109-102), which included a number of longstanding provisions relating to the Andean Counterdrug Initiative. The FY2005 National Defense Authorization Act (H.R. 4200, P.L. 108-375) also included provisions relating to Colombia. The FY2006 National Defense Authorization Act (H.R. 1815, P.L. 109-163) authorized funding for Department of Defense drug interdiction activities.

Expanded Authority

Both the FY2006 Foreign Operations Appropriations Act and the FY2005 the National Defense Authorization, 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. Appropriations 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 changed existing law with regard to the cap on the number of U.S. military and 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. As of September 30, 2005, there were 359 U.S. military, and 365 U.S. contractors in Colombia in support of Plan Colombia. During the previous three months, military personnel levels varied between 234 and 460, while civilian personnel levels varied from 345 to 392.¹⁶ These numbers change as programs begin, expand, or finish. The personnel caps also do not apply to foreign national contract employees, or to personnel stationed at the U.S. embassy.

Helicopters

The FY2006 Foreign Operations Appropriations Act maintains current law 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.

¹⁶ Information provided by the Department of State.

Reports

The FY2006 Foreign Operations Appropriations Act 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. The FY2005 National Defense Authorization Act requires 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 with organizations in Colombia that have been designated foreign terrorist organizations by the United States. The report is to describe what direct or indirect assistance these groups are receiving and the U.S. policies designed to address such relationships.

Colombian Human Rights

The FY2006 Foreign Operations Appropriations Act 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:

- 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;
- 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, and promptly punishing those found guilty;
- the Colombian Armed Forces have made substantial progress in cooperating with civilian prosecutors and judicial authorities in such cases;
- the Colombian Armed Forces have made substantial progress in severing links to paramilitary organizations;
- the Colombian government is dismantling paramilitary leadership and financial networks by arresting commanders and financial backers; and
- the Colombian government is taking effective steps to ensure that land and property rights of indigenous communities are not being violated by the Colombian Armed Forces.

The last installment can be made after July 31, 2006, 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. The law 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.

The law 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. The provision may be waived by the Secretary of State determines and certifies, on a case-by-case basis, that the issuance of a visa is necessary to support the peace process in Colombia, or for urgent humanitarian purposes.

In addition to these provisions that are specific to Colombia, the law 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.

Funding Earmarks

The FY2006 Foreign Operations Appropriations Act designated that not less than \$228.8 million of ACI funds be allocated to USAID for alternative development and institution building. Of this amount, USAID is directed to use \$131.2 million for programs in Colombia. Bill language directs that ACI funds apportioned to USAID shall be allocated by the Administrator of the U.S. Agency for International Development in consultation with the Assistant Secretary of State for International Narcotics and Law Enforcement Affairs.

The act also required that not less than \$6 million be made available for judicial reform programs in Colombia and not less than \$8 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. Conference report language (H.Rept. 109-265) directs that \$500,000 of funds available for the Colombian Armed Forces be made available for incidental costs associated with treating in the United States, soldiers injured by land mines. Report language also recommends additional assistance through the Leahy War Victims Fund be made available to help Colombian civilians who are disabled by land mines.

Aerial Fumigation

The FY2006 Foreign Operations Appropriations Act 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, including endemic species. 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 Participation in Combat Operations

The FY2006 Foreign Operations Appropriations Act and the FY2005 National Defense Authorization 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.

Bolivian Human Rights

The FY2006 Foreign Operations Appropriations Act requires the Secretary of State to certify that the Bolivian military is respecting human rights, and that civilian judicial authorities are investigating and prosecuting, with the military's cooperation, military personnel who have been implicated in gross violations of human rights. Such a certification must be issued before any ACI funds may be made available to the Bolivian military.

Demobilization of Illegally Armed Groups in Colombia

The FY2006 Foreign Operations Appropriations Act makes \$20 million available in FY2006 to assist in the demobilization and disarmament of former members of foreign terrorist organizations (FTOs), if the Secretary of State certifies that:

- assistance will be provided only for individuals who have verifiably renounced and terminated any affiliation or involvement with FTOs, and are meeting all the requirements of the Colombia Demobilization program;
- the Colombian government is fully cooperating with the United States in extraditing FTO leaders and members who have been indicted in the United States for murder, kidnaping, narcotics trafficking, and other violations of U.S. law;

- the Colombian government is implementing a concrete and workable framework for dismantling the organizational structures of FTOs; and
- funds will not be used to make cash payments to individuals, and funds will only be available for any of the following activities: verification, reintegration (including training and education), vetting, recovery of assets for reparations for victims, and investigations and prosecutions.

Maritime Refueling Vessel

The FY2006 Foreign Operations Appropriations Act report language urges the Administration to include in its FY2007 budget a funding request for a maritime refueling support vessel that is capable of refueling U.S. and allied vessels engaged in drug interdiction in the eastern Pacific transit zone.

Major Legislative Activity in the 109th Congress First Session

FY2006 Foreign Operations Appropriations Act

On June 28, 2005, the House passed H.R. 3057 (H.Rept. 109-152) fully funding the ACI at \$734.5 million. The Senate passed H.R. 3057 on July 20, 2005 (S.Rept. 109-96) fully funding the ACI at \$734.5 million. Both House and Senate versions included conditions on assistance, similar to current law, regarding human rights, expanded authority for a unified campaign, a prohibition on combat, and the use of U.S.-provided helicopters.

House Provisions. Some House provisions differed from the Senate. The House made ACI funds available until September 30, 2008, rather than 2007 as provided by the Senate. The House version did not include several earmarks that appeared in the Senate bill, including \$2 million to protect biodiversity in Colombia's national parks and indigenous reserves, and \$8 million for organizations and programs to protect human rights in Colombia.

The House did not maintain language from previous years conditioning the funding for aerial spraying in Colombia on a certification from the Secretary of State on the health and environmental effects of the herbicide used there. The House also did not maintain FY2005 language requiring that the Administrator of USAID, in consultation with the Assistant Secretary of State for International Narcotics and Law Enforcement Affairs, have responsibility for the use of ACI funds that are directly apportioned to USAID.

House report language stated the expectation that the Appropriations Committee would be consulted on a follow-up program to Plan Colombia, that will expire at the end of 2005. The Secretary of State, in consultation with the Secretary of Defense and the Administrator of USAID, is directed to report to the Committee no later than 60 days after enactment on “the future, multi-year strategy of the United States assistance program to Colombia.” The report is to include all aspects of current and future assistance, and an explanation of how the Colombian government will assume responsibility for maintaining more of Plan Colombia’s assets. Report language also expressed the Committee’s concern with the Colombian government’s ability to assume the operational and maintenance functions of Plan Colombia, and required a report from the Secretary of State on what actions both Defense and State are taking to transfer responsibilities to Colombian nationals that are currently being carried out by U.S. contractors.

Report language also noted concern with the increased cost of oil and fuel contributing to higher U.S. operating costs in Colombia, and expressed the expectation that Colombia oil revenues be used to offset some of the increased costs. It directed the Secretary of State to report on the levels of revenue the Colombian government is devoting to offsetting increased fuel prices borne by the United States in its support for Plan Colombia.

The House directed that \$5 million in ACI funds be transferred to the State Department’s Bureau for Population, Refugees, and Migration for programs benefitting internally displaced persons in Colombia. The Report also expressed support for alternative development programs in Colombia, and that alternative development, with the presence of an official state presence in the form of law enforcement and security, are fundamental to long term peace and security. The Committee directed USAID to report back to the Committee with detailed steps the Colombian government is taking to develop a comprehensive rural development strategy.

With regard to Peru, the House report expressed alarm at the Administration’s proposed cut to ACI programs in that country. The Committee directed that Peru receive no less than \$114 million, of which \$61 million would be for eradication and interdiction, and \$53 million for alternative development and institution building. The additional funding is to come from reductions in the Air Bridge Denial program and the newly proposed Critical Flight Safety program. The Senate approved the Administration’s request for Peru. The House report expressed support for a pilot project using voluntary eradication combined with community development projects to promote cooperation with counternarcotics objectives. The Committee urged USAID to work with The Field Museum of Chicago on the Cordillera Azul National Park on a project for alternative community development and conservation education.

Senate Provisions. For its part, the Senate included language not found in the House version. The Senate limited the amount of funds available to the Colombian Armed Forces and National Police at \$287.45 million, and for alternative development and institution building in Colombia to \$149.76 million. The bill also included language conditioning the release of assistance to Bolivia on the Secretary of State certifying that the Bolivian military is respecting human rights and cooperating with human rights investigations and prosecutions.

With regard to the demobilization of illegally armed groups in Colombia, the House did not provide funding for the demobilization process and required that the Committee be consulted prior to any funds being obligated for this purpose. The Senate included bill language making any funds for the demobilization process subject to prior consultation and notification to the Committees on Appropriations. Section 6110 of the bill prohibits funds for demobilization unless they are for limited activities that are determined by the Justice Department to be consistent with U.S. anti-terrorism laws. Additionally, the Secretary of State must certify that Colombian law is consistent with obligations under the U.S.-Colombia extradition treaty and that Colombia is continuing to extradite Colombian citizens in accordance with the treaty. The certification must also find that Colombian law provides for the effective investigation, prosecution and punishment of members of foreign terrorist organizations (FTO) charged with gross violations of humanitarian law and drug trafficking, and that sentence reductions for those members are contingent on a full and truthful confession of criminal activity, including knowledge of the FTO's structure, financing sources, and illegal assets, and the turnover of those assets. Additionally, the law must condition sentence reductions for FTO commanders on a cessation of illegal activities of the troops under his command and the turnover of all the group's illegal assets. The law must further provide that demobilized fighters will lose all sentence reductions if they are subsequently found to have withheld assets, lied to authorities about their criminal activities, rejoined an FTO, or engaged in new illegal activities.

Bill language also required that an inter-agency working group composed of representatives from the DEA, Department of Justice, Department of State, Department of Defense has consulted with local and national Colombian law enforcement and military authorities, representatives from the U.N. High Commissioner's Office for Human Rights in Colombia, and representatives of Colombian civil society, and has issued a report to the Committees on Appropriation. The Senate called for the report to include whether: the FTO is violating any cease-fire and commitments to stop illegal activities, including drug trafficking, extortion, and violations of international humanitarian law; the FTO's criminal and financial structure is being destroyed and is not regrouping to continue illegal activities; the Colombian government is conducting effective investigations and prosecutions of FTO commanders, and when appropriate, extraditing them to the United States; the Colombian government is aggressively trying to locate and confiscate illegal assets of FTOs; and the Colombian government is enforcing FTO cease fires by barring individuals who are credibly accused of crimes in breach of any cease fire from receiving benefits under the demobilization process.

The Senate also included conditions similar to previous years on the aerial fumigation program, making the release of 20% of the funds contingent on a certification from the Secretary of State on the health and environmental safety of the herbicide. Differing from current law, report language directed the Secretary of State, in consultation with the EPA, and Colombian authorities, to report no later than 180 days after enactment, on the results of an analysis of the proximity of small bodies of water to coca and poppy fields; and of tests to determine the toxicity of the herbicide spray mixture to Colombian amphibians; and to assess the potential impacts of the spray program on threatened species, including those found in Colombia's national parks.

The Senate maintained a provision from previous years requiring the Secretary of State to certify that human rights conditions have been met prior to the obligation of 25% of assistance for the Colombian military, and added a provision directing the Secretary of State to consult with the Office of the U.N. High Commissioner for Human Rights in Colombia and congressional committees prior to making a certification.

In other report language, the Committee approved \$21 million provided for the Air Bridge Denial program, and recommended that the program be consolidated under a single aviation operation and maintenance account. Report language noted that no funding was being provided for the proposed Critical Flight Safety program, and stated that a lack of oversight of contract costs and execution related to the acquisition, lease, and operation and maintenance of aircraft has resulted in annual price and program growth of more than 10% from 2001 to 2006.

Report language recommended \$90 million for Colombia in FMF funding. The Committee also expressed concern that the aerial eradication program is falling short of predictions and that coca cultivation is shifting to new areas. The Committee stated its awareness of poverty and discrimination faced by Afro-Colombians, and recommended assistance, especially for those internally displaced in the Choco region, through the Afro-Latino Development Alliance. The report recommended that \$5 million in ACI funds be made available for technology related to the monitoring of web-based communications to combat extortion, kidnaping, narcotics trafficking, and terrorism in Colombia.

Foreign Operations Conference Report. The House passed the conference report (H.Rept. 109-265) on November 4, 2005, and the Senate followed suit on November 10. The President signed it into law on November 14, 2005 (P.L. 109-102). The agreement fully funds the ACI at \$734.5, but provides a different mix on how that money should be spent than did either the House or Senate bills. (See section on Congressional Conditions on Assistance for provisions provided in the final bill.)

The conference report makes ACI funds available until September 30, 2008 as proposed by the House. It adopted alternative language with regard to demobilization than that provided in the Senate bill, and appropriated \$20 million to assist Colombia carry out the demobilization process. (See page 10 of this report for conditions on demobilization assistance.) The conference report removed the Senate provision requiring the Secretary of State to consult with the U.N. High Commissioner for Human Rights in Colombia before making a certification that Colombia is meeting human rights conditions. Instead, the conference report states the expectation that the Secretary will consider the opinion of the High Commissioner and the Committees on Appropriations prior to making the certification. It also increased funding for alternative development and rule of law programs in Colombia from \$149.76 million, as provided by the Senate, to \$158.6 million.

Foreign Relations Authorization Act, FY2006 and FY2007

The House International Relations Committee reported H.R. 2601, the Foreign Relations Authorization Act, with a provision making U.S. assistance to Colombia contingent on a certification from the Secretary of State that Colombia has a workable framework in place for the demobilization and dismantling of former combatants, and that Colombia is cooperating with the United States on extradition requests. The bill also calls for a report from the Secretary of State that details tax code enforcement in Colombia. In floor action, the House approved a Burton amendment to authorize the transfer of two tactical, unpressurized marine patrol aircraft for use by the Colombian Navy for interdiction purposes.

The Senate has had under consideration its version of the foreign relations authorization bill, S. 600. The bill authorizes funding for ACI and includes a number of conditions on assistance consistent with current law. The bill would authorize a unified campaign against narcotics trafficking and terrorist activities; maintains the existing cap on military and civilian personnel allowed to be stationed in Colombia; prohibits U.S. military and civilian personnel from participating in combat operations; and maintains reporting requirements relating to human rights and the conduct of U.S. operations.

National Defense Authorization Act, FY2006

The FY2006 National Defense Authorization Act (H.R. 1815) was passed by the House and Senate on December 19, 2005 and signed by the President on January 6, 2006 (P.L. 109-163). It authorized \$901.7 million for DOD-wide global drug interdiction activities. Unlike the FY2005 authorization, it did not include provisions relating to Colombia or the Andean Counterdrug Initiative.

Appendix B. Map

Figure 1. Andean Counterdrug Initiative Countries



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