

# CRS Report for Congress

## Colombia: Issues for Congress

Updated December 13, 2006

Colleen W. Cook  
Analyst in Latin American Affairs  
Foreign Affairs, Defense, and Trade Division



Prepared for Members and  
Committees of Congress

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## Summary

Recent debate on U.S. policy toward Colombia has taken place in a context of concern for the volume of drugs readily available in the United States and elsewhere in the world, and security issues in the Andean region. 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. In support of the plan, Congress passed legislation providing \$1.3 billion in assistance for FY2000 (P.L. 106-246) and has provided more than \$5 billion to support Plan Colombia from FY2000 through FY2006 in both State Department and Defense Department counternarcotics accounts. Since 2002, Congress has granted the State Department expanded authority to use counternarcotics funds for a unified campaign to fight both drug trafficking and terrorist organizations in Colombia. In 2004, Congress raised the statutory cap on U.S. personnel allowed to be deployed to Colombia in support of Plan Colombia. The three main illegally armed groups in Colombia participate in drug production and trafficking and have been designated foreign terrorist organizations by the State Department.

President Alvaro Uribe, re-elected in May 2006, is seeking to address the 40-year plus conflict with the country's 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, though his second term has been marred by scandal. Parties loyal to President Alvaro Uribe dominated the March 2006 congressional elections.

U.S. policy in Colombia remains controversial. Proponents of current U.S. policy point to inroads that have been made with regard to the eradication of illicit drug crops and improved security conditions. However, nongovernmental organizations argue that U.S. policy does not rigorously promote human rights, provide for sustainable economic alternatives for drug crop farmers, and has not reduced the amount of drugs available in the United States. Congress has expressed concern about a number of Colombia-related policy issues including the aerial eradication of illicit drug crops, interdiction programs, the situation of U.S. hostages, funding levels for Plan Colombia, and human rights. 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 of drug trafficking on terrorism, regional security, and oil production. Congress has also been monitoring negotiations for an Andean-U.S. Free Trade Agreement. It is likely that Congress will continue to monitor these issues in the 110<sup>th</sup> Congress.

For background on legislation affecting Colombia and the Andean Counterdrug Initiative, see the following reports by Connie Veillette: CRS Report RL32337, *The Andean Counterdrug Initiative (ACI) and Related Funding Programs: FY2007 Assistance*; and CRS Report RL32774, *Plan Colombia: A Progress Report*. See also CRS Report RL33163, *Drug Crop Eradication and Alternative Development in the Andes*, by Connie Veillette and Carolina Navarette-Frias. This report will be updated as events warrant.

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# Colombia: Issues for Congress

## Introduction<sup>1</sup>

The focus of U.S. policy toward Colombia has been to curb narcotics production and trafficking. The United States also seeks to promote democracy and economic development in order to 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 from 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. Some 30,000 paramilitary members have demobilized since 2003. The Uribe administration's application of the 2005 Justice and Peace Law to the demobilization process has been highly controversial. In mid-2006 there were concerns that the paramilitaries were regrouping. Plan Colombia, a multi-year effort to address Colombia's key challenges, has been the centerpiece of U.S. policy toward Colombia since 2000. Other issues of ongoing interest to Congress include human rights and economic issues.

## Conditions in Colombia

### Political Conditions

Colombia is a democratic nation with a bicameral legislature. In spite of its democratic tradition, Colombia has suffered from internal conflict for over 40 years. This conflict and drug violence present unique challenges to Colombia's institutions and threaten the human rights of Colombian citizens. The Liberal and Conservative parties, which dominated Colombian politics since the 19<sup>th</sup> century, have been weakened by their perceived inability to resolve the roots of violence in Colombia.

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<sup>1</sup> This report was originally written by Connie Veillette.

In 2002, Colombians elected an independent, Alvaro Uribe, president, largely because of his aggressive plan to reduce violence in Colombia. High public approval ratings, likely due to reductions in violence, prompted Colombia to amend its constitution in 2005 to permit the consecutive re-election of presidents.

**The Uribe Administration.** On August 7, 2006, Alvaro Uribe was sworn into his second term as president. Although some policies of his first administration were controversial, he remains popular due to improved security conditions in the country. President Uribe won 62% of votes in the May 28, 2006 election, easily defeating Senator Carlos Gaviria of the leftist Alternative Democratic Pole party (22%) and Liberal Party candidate Horacio Serpa (12%) in one round of voting. Observers from the Organization of American States (OAS) determined that the vote was free and fair. President Uribe dominated the campaign, with polls consistently showing 60% of voters intended to vote for him. As in 2002, security was the main concern of the Colombian electorate. Neither of Uribe's main opponents articulated a detailed plan to combat Colombia's armed groups. Senator Gaviria proposed that the Colombian state extend its presence into rural areas through education and health programs. Horacio Serpa indicated that he would continue many of Uribe's programs while increasing social spending and improving human rights conditions. During the campaign President Uribe was criticized for disrespecting the electoral process by refusing to debate his opponents. He was also charged with being closed off to the media and did not give a press interview until five days before the vote.<sup>2</sup>

An April 2006 scandal involving Colombia's intelligence agency (Departamento Administrativo de Seguridad, DAS) did not derail Uribe's re-election bid. In April, the Colombian press reported allegations of paramilitary ties to the DAS. The reports asserted that Jorge Noguera, head of the DAS until October 2004, had collaborated with the paramilitaries to target human rights workers and labor activists, some of whom were killed by the paramilitaries. Charges were also made that Noguera collaborated with paramilitaries to commit electoral fraud in the northern department of Magdalena to ensure Uribe a first round victory in the 2002 elections and that he plotted with paramilitaries to kill Venezuelan President Hugo Chávez. Noguera, serving as Colombian Consul in Milan when the allegations became public, resigned from the government after a public prosecutor launched an investigation into the charges in May 2006.<sup>3</sup> President Uribe criticized the Colombian press for reporting these allegations, maintaining that the reports were lies and a threat to democracy. Human Rights Watch asserted that President Uribe's "aggressive response raises suspicion about whether he actually wants the truth known, and has a chilling effect on the exercise of freedom of expression."<sup>4</sup>

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<sup>2</sup> "Colombia: Uribe Finally Talks to the Press," *LatinNews Daily*, May 24, 2006; Organization of American States, "OAS Observation Mission: Colombian Elections Transparent, Normal," May 28, 2006; and, Adam Isaacson, "Uribe's Opponents Security Problem," *Center for International Policy*, April 18, 2006.

<sup>3</sup> "Colombia: Uribe Denies Paramilitary Charges," *LatinNews Daily*, April 12, 2006; Human Rights Watch, "Colombia: Uribe Must End Attacks on Media," April 17, 2006; and, "Colombia: Noguera Quits," *LatinNews Daily*, May 9, 2006.

<sup>4</sup> Human Rights Watch, "Colombia: Uribe Must End Attacks on Media," April 17, 2006.

The effects of Colombia's long-running internal conflict were evident throughout both the presidential and congressional campaigns. Security was tight in the days before the election, as elections are regularly marked by FARC violence. The FARC killed 10 people in Bogotá and its surrounding areas in April 2006. In mid-May 2006, the FARC announced a cease fire, but continued to attack Colombian security forces. The FARC were also charged with the April 27 murder of Liliana Gaviria, sister of former Colombian President and OAS Secretary General César Gaviria.

Threats provoked Liberal Party candidate Horacio Serpa to send his children abroad and minor-party candidate Alvaro Leyva to withdraw from the election. In January 2006, President Uribe charged that Liberal Party Senator Rafael Pardo sought an alliance with the FARC to block Uribe's re-election. He later withdrew the charges. Pro-Uribe political parties expelled three congressional candidates for alleged ties to the paramilitaries. In 2005, paramilitary leader Salvatore Mancuso claimed paramilitaries controlled 35% of Colombia's congress.<sup>5</sup>

Pro-Uribe parties won a majority of both houses of congress in elections held in March 2006, giving President Uribe a strong mandate as he started his second term. The domination of pro-Uribe parties, most of them new, appears to have further weakened the traditionally dominant Liberal and Conservative parties which dominated Colombian politics since the 19<sup>th</sup> century.

For his second term, President Uribe has pledged to continue implementing his security strategy, which has included a controversial plan to demobilize paramilitary groups (discussed below) and holding peace talks with the leftist National Liberation Army (ELN), the smaller of Colombia's two guerrilla groups. In a change from his first term, Uribe indicated a willingness to discuss a prisoner exchange with the FARC; however, he called off plans to pursue such an exchange following the October 20, 2006, car bomb at a military university in Bogotá blamed on the FARC. President Uribe also introduced land reform legislation to combat rural poverty. Since the election, there have been a number of scandals involving the Colombian Congress and army. In June, Colombia's attorney general ordered the arrest of seven soldiers, including a battalion commander, for the May 22 assault on an elite counternarcotics unit that killed all ten members of the unit as they were conducting a raid in broad daylight. Initially portrayed as a friendly fire incident, the seven soldiers are under investigation for murdering the counternarcotics officers to protect a drug trafficker. In October, the Attorney General charged six army officers for faking terrorist attacks shortly before Uribe's inauguration that were blamed on the FARC, including a car bomb which killed one civilian and injured 20 soldiers. General Montoya, head of the Colombian army, announced in September that soldiers were responsible for the incidents.

A scandal involving alleged paramilitary ties to politicians, including current members of the Colombian Congress, erupted in November 2006. As noted above,

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<sup>5</sup> "Colombia: Leyva Pulls out of Presidential Race," *LatinNews Daily*, May 15, 2006; and "Colombia: Scandals Over Links with Paramilitaries and Guerrillas," *Latin American Weekly Report*, January 24, 2006.

paramilitary leaders claimed to control 35% of the congress in 2005. On November 9, 2006, the Colombian Supreme Court ordered the arrest of three congressmen for their alleged role in establishing paramilitary groups in the Caribbean state of Sucre. The three have since turned themselves in to authorities. The investigation has since expanded to 11 politicians, including 9 members of congress. Nearly all of the accused belong to parties loyal to President Uribe, and one of the accused, Senator Alvaro Araujo, is the brother of Foreign Minister Maria Consuelo Araujo, leading some observers to call for her resignation and wonder how close the scandal will get to President Uribe. Separately, a senator recently charged that in 2001 paramilitaries met with 40 Colombian politicians who signed a pact pledging to support the paramilitaries. Other members of congress have confirmed that the meeting took place.

The scandal has increased tensions between the government and paramilitaries. Two demobilized paramilitaries were murdered in November, leading President Uribe to warn paramilitary leaders that if they ordered the killings, they will lose benefits under the Justice and Peace Law that governs the demobilization process, including protection from extradition to the United States. The government transferred 59 demobilized paramilitaries from confinement in a former resort to a regular prison, reportedly due to rumors that they were planning a break out, though others maintain that President Uribe ordered the transfer in response to the growing scandal over paramilitary ties to politicians loyal to him. Paramilitaries have threatened to withdraw from the demobilization process. However, the Colombian government asserts that it is too late for them to withdraw as they have demobilized and the process has entered the judicial phase.<sup>6</sup>

First elected in 2002 as an independent on a platform focused on defeating the guerrilla insurgents, addressing the paramilitary problem, and ending narcotics trafficking, Uribe took some controversial steps in his first term.<sup>7</sup> One of the more controversial measures is the framework for paramilitary demobilization under the Justice and Peace Law, discussed below. He also promulgated a decree invoking emergency powers, allowing security forces to make arrests without warrants and imposing controls on movements in war-torn parts of the country. Under Colombia's 1991 constitution, states of emergency may be declared for 90 days, and then can be renewed for two additional 90-day periods. The country's constitutional court has, on several occasions, ruled unconstitutional components of the state of emergency that give security forces increased powers. In response, the Uribe Administration introduced legislation in April 2003, which the Congress passed late in the year, that would change the constitution in order to give security forces permanent powers to

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<sup>6</sup> Hugh Bronstein, "Colombia's Uribe, Facing Crisis, Threatens 'Paras,'" *Reuters*, November 30, 2006; "Paramilitary Scandals Damage Uribe," *Latin American Andean Group Report*, December 5, 2006; "Colombia: Friendly Fire Turns from Tragedy to Scandal," *Latin American Regional Report - Andean Group*, June 2006; "Colombia: Investigation Launched into Army Scandal," *LatinNews Daily*, October 13, 2006; "Colombia Politician Probe Widens," *BBC News*, November 11, 2006; and, "Colombia: Para Congressmen on the Run," *LatinNews Daily*, November 13, 2006.

<sup>7</sup> See CRS Report RS21242, *Colombia: The Uribe Administration and Congressional Concerns*, by Nina M. Serafino.

tap phones and search homes without warrants in all parts of the country. In September 2004, Colombia's Constitutional Court struck down the law.

President Uribe has taken a hard-line approach to negotiations with armed groups, 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. 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 first term in 2006.

There are indications that this hard-line approach has produced measurable results. Some 30,000 paramilitaries have demobilized. Police are now present in 95% of Colombia's 1,098 municipalities, including areas from which they had been previously ousted by guerrilla groups. Homicides fell from a high of nearly 30,000 in 2002 to 18,000 in 2005, including deaths from the armed conflict. The number of kidnappings also fell significantly, from nearly 3,700 reported cases in 2000 to some 800 reported cases in 2005. On the economic front, gross domestic product (GDP) increased 5.1% in 2005. In the same year, private investment increased 23% and foreign direct investment grew 227% due to acquisition of local companies and investment in the hydrocarbon, transport, and communications sectors. The United States and Colombia concluded negotiations on a free trade agreement in February 2006. The current regime of trade preferences is due to expire at the end of 2006.<sup>8</sup>

**The Justice and Peace Law and Demobilization.** Upon taking office in 2002, President Uribe pursued a two-pronged approach to Colombia's armed conflict, engaging paramilitaries in negotiations while seeking to defeat leftist-guerrillas militarily. Negotiations with the paramilitaries resulted in the July 15, 2003, agreement with the United Self-Defense Forces of Colombia (Autodefensas Unidas de Colombia, AUC) to demobilize its members by the end of 2005. Colombia's High Commissioner for Peace estimates that over 31,000 paramilitaries had demobilized as of August 2006. An estimated 2,000 paramilitaries remain outside of the disarmament process. Recently, there has been concern that paramilitaries are reorganizing outside the umbrella of the AUC to continue armed and criminal activity. There are reports that reorganized paramilitaries are present in 8 Colombian departments. Further concern has focused on the ability of the government to re-incorporate ex-fighters into law-abiding civilian life and to provide some type of restitution to their victims.<sup>9</sup>

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<sup>8</sup> "Colombia: Country Profile 2006," *Economist Intelligence Unit*, August 2006; and, "Colombia: Country Report," *Economist Intelligence Unit*, July 2006. For more information on the U.S.-Colombia Trade Promotion Agreement see CRS Report RS22419, *U.S.-Colombia Trade Promotion Agreement* by M. Angeles Villarreal.

<sup>9</sup> "Colombia: Security," *Jane's Sentinel Security Assessment*, August 24, 2006; Oficina Alto  
(continued...)



As part of demobilization, President Uribe proposed the controversial Justice and Peace Law granting conditional amnesties to illegal combatants, which would mean that the law could also apply to FARC and ELN fighters if they decide to enter into negotiations with the government. Colombia's congress approved the legislation in 2005. The Justice and Peace Law calls on demobilized fighters to provide a voluntary account of their crime and to forfeit illegally acquired assets in exchange for an alternative penalty of up to eight years' imprisonment. If the accused is subsequently found to have intentionally failed to admit to a crime, the alternative penalty can be revoked and the full sentence imposed. Critics contend that the penalties are too lenient and amount to impunity. The Uribe Administration argues that without the inducement of the new law, paramilitary leaders and fighters will be unwilling to demobilize and a spiral of violence will continue in Colombia. At the start of peace negotiations, AUC leader Carlos Castaño had said that without reduced sentences, peace talks would "blow up in pieces."<sup>10</sup>

In July 2006, Colombia's Constitutional Court upheld the constitutionality of the law. In the same ruling, however, the Constitutional Court limited the scope under which demobilizing paramilitaries can benefit from the reduced sentences. Paramilitaries who commit crimes or fail to fully comply with the law will have to serve full sentences. The ruling also stipulates that paramilitaries must confess all crimes and make reparations to victims using both their legally and illegally obtained assets. Paramilitary leaders reacted by stating that they would not comply with the law. In response, President Uribe ordered paramilitary leaders to turn themselves in. By October 2006 all but 11 paramilitary leaders had complied with this order.<sup>11</sup> President Uribe also issued a draft decree on the application of the Justice and Peace Law that human rights groups maintain attempts to restore some provisions of the Justice and Peace Law already determined to be unconstitutional by Colombia's Constitutional Court, including credit at sentencing for time served in collection zones during the disarmament process.

The Justice and Peace Law has been controversial both in Colombia and the United States. Critics contend that the penalties under the law are too lenient and that paramilitaries demobilizing under the law are unlikely to be extradited to the United States to face drug trafficking charges. Supporters believe it is an effective means to end paramilitary activities. The Bush Administration has expressed support for the law, with U.S. Ambassador to Colombia William Wood stating that its

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<sup>9</sup> (...continued)

Comisionado de la Paz, "Desmovilizaciones colectivas de las autodefensas," July 28, 2006; Washington Office on Latin America, "Post-Election Colombia: Careful Monitoring of the Paramilitary Demobilization Process Should be Top Priority of Congress," May 30, 2006; and, International Crisis Group, "Colombia: Towards Peace and Justice?," March 14, 2006.

<sup>10</sup> "No Peace Without Amnesty, Colombian Warlord Warns," *Reuters*, September 4, 2003.

<sup>11</sup> "Country Report - Colombia," *Economist Intelligence Unit*, October 2006; Human Rights Watch, "Colombia: Court's Demobilization Ruling Thwarts Future Abuses," July 19, 2006; "Gobierno colombiano abrirá debate público sobre decretos reglamentarios de ley de Justicia y Paz," *El Tiempo*, August 29, 2006; "Jesús Roldán, alias 'Monoleche,' está dispuesto a revelar el paradero del cadáver de Carlos Castaño," *El Tiempo*, August 29, 2006.

success may depend on its implementation. Implementation of the Justice and Peace Law is also of concern to the law's critics who are concerned that the paramilitaries will not be held accountable for their illegal activities and, that by under reporting illegally obtained assets, fail to provide adequate reparation to their victims. Critics allege that paramilitaries facing drug trafficking charges in the United States will avoid extradition by confessing to the drug charges as part of their confession under the Justice and Peace Law, thus triggering Colombia's prohibition of extraditions that amount to double jeopardy. Critics also note that the Colombian president already has the discretion to suspend an extradition authorized by the Colombian Supreme Court. President Uribe has already suspended the extradition of paramilitary leaders Don Berna and Salvatore Mancuso, wanted on drug trafficking charges in the United States, because of their participation in the peace process. Other areas of concern for critics of the law include land holdings belonging to Colombia's internally displaced population. Critics also believe the new law will not effectively dismantle the paramilitary network or prevent demobilized fighters from returning to illegal activities.<sup>12</sup>

## Internal Conflict

**Roots of the Conflict.** Colombia has a long tradition of civilian, democratic rule, yet has been plagued by violence throughout its history. This violence has its roots in a lack of state control over much of Colombian territory, and a long history of poverty and inequality. Conflicts between the Conservative and Liberal parties led to two bloody civil wars — The War of a Thousand Days (1899-1903) and The Violence (1946 to 1957) — that killed hundreds of thousands of Colombians. While a power sharing agreement between the Liberal and Conservative parties ended the civil war in 1957, it did not address the root causes of the violence. Numerous leftist guerrilla groups inspired by the Cuban Revolution formed in the 1960s as a response to state neglect and poverty. Right-wing paramilitaries were formed in the 1980s to defend landowners, many of them drug traffickers, against guerrillas. The shift of cocaine production from Peru and Bolivia to Colombia in the 1980s increased drug violence, and provided a new source of revenue for both guerrillas and paramilitaries. Major armed groups today are the Revolutionary Armed Forces of Colombia (FARC), the National Liberation Army (ELN), and the United Self-Defense Forces of Colombia (AUC).

**Illegally Armed Groups.** The three main illegally armed groups active in Colombia — the FARC, ELN, and AUC — have been designated foreign terrorist organizations (FTO) by the Secretary of State, pursuant to section 219 of the Immigration and Nationality Act, as amended by the Antiterrorism and Effective Death Penalty Act of 1996 (P.L. 104-132). Additionally, the FARC and AUC have

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<sup>12</sup> Latin America Working Group Education Fund, "Longing for Home," September 2006; Human Rights Watch, "Colombia: Letting Paramilitaries Off the Hook," January 2005; Amnesty International, "Amnesty Head Meets President Uribe and Calls on Him Not to Ratify Impunity Law; July 14, 2005; Inter-American Human Rights Commission, "AICHR Issues Statement Regarding the Adoption of the 'Law of Justice and Peace' in Colombia," July 16, 2005; and *Smoke and Mirrors: Colombia's Demobilization of Paramilitary Groups*, Human Rights Watch, August 2005.

been designated Significant Foreign Narcotics Traffickers under the Foreign Narcotics Kingpin Designation Act (P.L. 106-120). As such, it is unlawful to provide them with funds or other material support. Members of these organizations can be denied visas or otherwise prohibited from entering the United States, and U.S. financial institutions must block their funds and that of their agents.

**The Revolutionary Armed Forces of Colombia (FARC).** The Marxist FARC was formed in 1964 as the military wing of the Colombian Communist Party. With membership estimated between 12,000 and 18,000,<sup>13</sup> it is the oldest, largest, and best-equipped and financed guerrilla organization in Latin America. It mainly operates in rural areas, but has shown its ability to strike in urban areas, including the capital of Bogotá. It conducts bombings, murders, mortar attacks, kidnappings, extortion, and hijackings mainly against Colombian targets. It is fully engaged in the drug trade, including cultivation, taxation of drug crops, and distribution, from which it reaps healthy profits.

It is estimated that the FARC earns millions of dollars from the drug trade, extortion, and ransoms. A Colombian Joint Intelligence Committee report obtained by *Jane's Intelligence Review* estimated that in 2003 the FARC had a total revenue of U.S. \$1.36 billion. Of that amount, 46%, or \$630 million, is from the drug trade. Other sources, however, put FARC drug earnings at between \$200 million and \$400 million. The Colombian intelligence report mentioned above also estimates that the FARC earned \$560 million from extortion and some \$92 million from kidnaping for ransom.<sup>14</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 kidnaping of a Colombian Senator, President Pastrana halted the negotiations and ordered the military to retake control of the designated territory. During the inauguration of President Uribe on August 7, 2002, the FARC launched a mortar attack on the Presidential Palace that killed 21 residents of a nearby neighborhood. No peace negotiations are currently being undertaken between the FARC and the Colombian government. At various times, as recently as October 2006, FARC has said it is willing to negotiate the release of some 60 hostages it is holding in exchange for the release of about 500 guerrillas imprisoned by the government. These announcements are often followed by denials by the FARC. The Uribe administration

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<sup>13</sup> The State Department's *Country Reports on Terrorism 2005* report estimates FARC membership at approximately 12,000 armed combatants but notes that it has several thousand more supporters, largely in rural areas. The April 2005 indictment of 50 FARC leaders by the United States and various press reports put FARC membership between 12,000 and 18,000.

<sup>14</sup> "Backgrounder: FARC, ELN, AUC," *Council on Foreign Relations*, November 2005; Jeremy McDermott, "Colombian Report Shows FARC is World's Richest Insurgent Group," *Jane's Intelligence Review*, September 1, 2005; and, Steven L. Taylor, "When Wars Collide: The War on Drugs and the Global War on Terror," *Strategic Insights*, June 2005. It is difficult to ascertain the exact amounts and sources of funding because of the nature of illegal activities.

ended hopes of a prisoner exchange following the explosion of a car bomb at a Colombian military university on October 20, 2006. The FARC denies responsibility for the bombing. The FARC continues to hold three U.S. citizens hostage after their plane crashed in FARC-controlled territory in February 2003. The three are civilian contract employees working in support of Plan Colombia. The 2006 trial in Washington, DC of FARC leader Ricardo Palmera for plotting the kidnapping of the three U.S. contractors ended in a mistrial in November 2006 after the jury was unable to reach a verdict.<sup>15</sup>

The State Department's *Country Reports on Terrorism 2005* observed that Cuba provides the FARC and ELN with some medical care, safe haven, and political consultation. In addition, three Irish nationals suspected of being Irish Republican Army members were arrested in Colombia in 2001 for providing explosives training to the FARC and traveling on false passports. The three were convicted on appeal and sentenced to 17 years' imprisonment in December 2004. They were freed on bail at the time of their sentencing and fled to Ireland. Irish authorities arrested and subsequently released the three in August 2005. Colombia is seeking their extradition, but there is no extradition treaty between Colombia and Ireland. Ireland is investigating if it can charge one of the men with traveling on a false passport.<sup>16</sup>

**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 about 3,000, it is less active than the FARC, but has still been able to carry out a number of high profile kidnaps and bombings. In addition to the rural civilian population, the ELN has also targeted the country's infrastructure, especially its oil and electricity sectors. Its operations are mainly located in the rural areas of the north, northeast, and southwest, and along the Venezuelan border. The ELN earns funds from the taxation of illegal crops, extortion, and kidnaping for ransom.<sup>17</sup>

In recent years, the ELN has shown more of a willingness to attempt peace negotiations with the government. In December 2003, President Uribe revealed that he had met with an ELN leader to discuss possible peace initiatives, but a subsequent ELN statement ruled out any possibility of demobilization. However, in 2004, the ELN and the Colombian government accepted an offer from Mexican President Vicente Fox to facilitate peace negotiations. In June 2004, Mexico named Andres Valencia, a former Mexican ambassador to Israel, as its facilitator. Meetings with

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<sup>15</sup> Kate Joynes, "U.S. Trial of Colombian Rebel Inconclusive," *Global Insight*, November 22, 2006; "Colombia: Uribe Declares Assault on FARC," *Latinnews Daily*, October 23, 2006; "Colombia: Uribe II Starts with Land Reform and Privatisation," *Latinnews Daily*, August 15, 2006; Kim Housego, "Colombia Hopes to Form International Commission to Facilitate Prisoner Swap," *Associated Press*, November 21, 2005; and "Colombia: FARC Rejects Prisoner Exchange," *Latinnews Daily*, January 3, 2006.

<sup>16</sup> Department of State, *Country Reports on Terrorism 2005*; "Fuerzas Armadas Revolucionarias de Colombia (FARC)," *Jane's World Insurgency and Terrorism*, December 16, 2005; and "Interpol Adds Three Irishmen to List of Most-Wanted Fugitives," *Jane's Terrorism Watch Report-Daily Update*, January 13, 2005.

<sup>17</sup> Department of State, *Country Reports on Terrorism 2005*; and "Ejercito de Liberación Nacional (ELN)," *Jane's World Insurgency and Terrorism*, September 16, 2005.

Valencia and the ELN occurred, but the rebel group rejected Uribe's offer of a cease-fire.<sup>18</sup> In April 2005, the ELN rejected further Mexican facilitation after Mexico voted to condemn Cuba at the U.N. Human Rights Commission. The Colombian government and the ELN have held four rounds of exploratory talks in Havana, Cuba since December 2005. On October 26, 2006, the Colombian government and ELN announced plans to launch a formal peace process.<sup>19</sup>

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

The AUC, or paramilitaries as its members are commonly called, was formed in 1997 as an umbrella organization for a number of local and regional paramilitary groups operating in the country. Not all paramilitary groups joined the AUC umbrella. Paramilitary groups trace their origins to the 1980s when wealthy ranchers and farmers, including drug traffickers, organized armed groups to protect them from kidnappings and extortion plots by the FARC and ELN. The AUC has conducted massacres and assassinations of suspected insurgent supporters and has directly engaged the FARC and ELN in military battles. The Armed Forces of Colombia have long been accused of turning a blind eye to these activities. The AUC, like the FARC, earns most of its funding from drug trafficking. The State Department estimates that 70% of AUC funding comes from its participation in the drug trade. *Jane's World Insurgency and Terrorism* estimates that paramilitaries handle 40% of Colombian cocaine exports.<sup>20</sup>

On July 15, 2003, the AUC reached an agreement with the Colombian government to demobilize its troops by the end of 2005. At that time, the State Department estimated that there were between 8,000 and 11,000 members of the AUC, although press reports used numbers ranging up to 20,000. The demobilization process begun in 2004 officially ended in April 2006, though there are still AUC units in operation. As of April 18, 2006, over 30,000 AUC members demobilized and turned in over 17,000 weapons. AUC leaders remained at large, however, until August 2006 when President Uribe ordered them to surrender to the government to benefit from the provisions of the Peace and Justice Law, discussed previously. As of October 2006, all but 11 AUC leaders had turned themselves in to Colombian authorities. Vicente Castaño, brother of AUC founder Carlos Castaño, remains at large. Vicente Castaño is under investigation by Colombian authorities for ordering the 2004 murder of his brother who reportedly planned to turn paramilitary leaders over for extradition to the United States as part of peace negotiations.<sup>21</sup>

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<sup>18</sup> Kate Joynes, “ELN Rebels Rebut Colombian Government’s Peace Pledge,” *WMRC Daily Analysis*, July 12, 2004.

<sup>19</sup> “Colombia, Rebels Start Peace Process,” *Associated Press*, October 26, 2006; “Colombian government, Rebel Group Meet in Havana to Fashion Peace Agenda,” *Associated Press*, April 25, 2006; “Colombia: ELN Given Political Status at Talks,” *Latin American Weekly Report*, February 28, 2006; “ELN Accepts Talks Offer,” *Latinnews Daily*, November 21, 2005, and “Uribe Makes Progress with ELN as FARC Intensifies Its Offensive,” *Latinnews Weekly Report*, January 3, 2006.

<sup>20</sup> U.S. Department of State, *Country Reports on Terrorism 2005*, and, “Autodefensas Unidas de Colombia,” *Jane's World Insurgency and Terrorism*, August 10, 2006.

<sup>21</sup> “Country Report - Colombia,” *Economist Intelligence Unit*, October 2006; “Fiscalía (continued...) ”

There are reports that the AUC continues to take part in drug trafficking, in spite of the demobilization process. *Jane's World Insurgency and Terrorism* reports that since demobilization the AUC's purpose has shifted from combating the FARC and ELN to protecting drug trafficking networks and preventing the extradition of leaders wanted on drug trafficking charges in the United States. The State Department's *Country Reports on Terrorism 2005* also claims that demobilized paramilitaries remain involved in the drug trade and seek to influence local politics.

The significant difference between earlier estimates of AUC size and the number of demobilized paramilitaries has resulted in criticism that the demobilization program is being abused by ordinary drug traffickers seeking to avoid extradition to the United States. The United States has requested the extradition of 24 AUC leaders on drug trafficking charges. One AUC leader, Hernán Giraldo Serna, is charged with ordering the murder of two DEA agents. Leaders sought for extradition include Diego "Don Berna" Murillo Bejarano, Salvatore Mancuso, and Vicente Castaño. The Colombian government suspended the extradition of both Don Berna and Salvatore Mancuso, citing their role in the demobilization process. Salvatore Mancuso was among the paramilitary leaders who handed themselves over to police for processing under the Justice and Peace Law in August 2006.<sup>22</sup>

**Armed Conflict.** In mid-2003, the Colombian military's *Plan Patriota*, a campaign to recapture FARC-held territory, began operations in what was largely seen as a successful effort to secure the capital and environs of Bogotá. In 2004, military operations, conducted by up to 17,000 troops, turned to regaining FARC territory in the southern and eastern regions of the country. The FARC initially responded with a tactical withdrawal of forces, but launched a new counter-offensive in February 2005. The conflict with the FARC has, however, largely remained in the countryside and the FARC was unable to disrupt President Uribe's August 7, 2006, inauguration. The FARC is estimated to control 30% of Colombian territory.<sup>23</sup>

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<sup>21</sup> (...continued)

indagará a José Vicente Castaño por la muerte de su hermano Carlos," *El Tiempo*, August 24, 2006; "No aparecen cuatro extraditables 'paras,'" *El Tiempo*, August 18, 2006; and, "Autodefensas Unidas de Colombia," *Jane's World Insurgency and Terrorism*, August 10, 2006.

<sup>22</sup> Presidencia de la República de Colombia, "Lista Justicia y Paz: 2.695 Postulados Remitida a Consideración de la Fiscalía General de la Nación Agosto 15/2006 Solicitados en Extradición: Total 15," August 29, 2006, accessed at [[http://www.presidencia.gov.co/prensa\\_new/proyectos/justicia\\_y\\_paz.htm](http://www.presidencia.gov.co/prensa_new/proyectos/justicia_y_paz.htm)] on August 30, 2006; "Presidencia de la República de Colombia, "Listado de Privados de Libertad de las AUC Remitidos a la Oficina del Alto Comisionado por los miembros representantes de los grupos armados al margen de la ley desmovilizados colectivamente solicitados en extradición: 8," August 29, 2006, at [[http://www.presidencia.gov.co/prensa\\_new/proyectos/justicia\\_y\\_paz.htm](http://www.presidencia.gov.co/prensa_new/proyectos/justicia_y_paz.htm)] on August 30, 2006; Human Rights Watch, "Colombia: Human Rights Overview," January 2006; Adam Isacson, "Peace — or 'Paramilitarization'?" *Center for International Policy*, July 2005;

<sup>23</sup> "Colombia: Executive Summary," *Jane's Sentinel Security Assessment*, August 24, 2006.

The Colombian military claims that *Plan Patriota* has reduced FARC ranks from 18,000 to 12,000 in the past year.<sup>24</sup> Other sources continue to estimate that FARC forces number 16,000-17,000. Information provided by the Office of the Colombian President reports that the campaign was able to take back control of 11 FARC-run villages, destroy more than 400 FARC camps, capture 1,534 explosive devices and 323 gas-cylinder bombs, kill 2,518 combatants, and capture large amounts of ammunition and weapons. With regard to FARC drug trafficking activities, as of September 2004, it was reported that the Colombian military located and destroyed more than 47 tons of solid chemical supplies, 18,000 gallons of liquid precursors, half a ton of cocaine base, and \$34,000 in cash.

With regard to *Plan Patriota*, critics believe that because the territory is so rugged and inaccessible, complete defeat of the FARC may be impossible. They further point to the campaign's negative effects on the civilian population by measuring the number of internally displaced persons (IDP). Colombia has the second largest displaced population in the world, though, there is discrepancy over the current rate of displacement. The Colombian government reports that the rate of displacement dropped 37% from 2003, when Plan Patriota began, to 2004. Meanwhile, during the same period Colombian human rights groups reported a 39% increase in displacement to 289,000, many of whom have not registered with the Colombian government.<sup>25</sup> The Colombian government registered 162,400 IDPs in 2005, a decline of only 200 from 2004. The U.S. Committee for Refugees reported that up to 250,000 Colombians were displaced in 2005, down from 288,000 in 2004. The USCR notes that many IDPs do not register with the Colombian government out of fear, and procedural barriers.<sup>26</sup> The Department of Defense reports that the U.S. Southern Command (Southcom) is supporting the development of a civil affairs capability of the Colombian military to mitigate the negative impact of military operations and to integrate humanitarian assistance into military planning.

Landmines appear to be an increasing problem in Colombia. The International Committee to Ban Landmines reports that Colombia had the highest number of landmine casualties in the world in 2005, with 1,100 casualties including 288 deaths. Landmine casualties increased nearly 25% since 2004 when there were 882 casualties.<sup>27</sup>

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<sup>24</sup> Juan Pablo Toro, "Colombian General Says Rebels on the Run," *Associated Press*, February 3, 2005, Steven Dudley, "Rebels Kill 15 in Raid on Navy Base," *The Miami Herald*, February 2, 2005, Juan Forero, "Image Offensive: Rebels Undercut Colombian President," *New York Times*, February 12, 2005, "Rebels Kill 17 Colombian Troops With Mines, Guns," *Reuters*, April 7, 2005.

<sup>25</sup> Cesar Garcia, "Colombian Rights Group: Offensive Against Rebels Forcing Thousands of Peasants to Flee Their Homes," *Associated Press*, February 1, 2005.

<sup>26</sup> U.S. Committee for Refugees, *World Refugee Survey 2005*, March 2005; U.S. Committee for Refugees, *World Refugee Survey 2006*, March 2006; and, Presidencia de la República de Colombia, Agencia Presidencial para la Acción Social y Cooperación Internacional, "Gerencia de Sistemas de Información de Población Desplazada," August 2, 2006.

<sup>27</sup> International Committee to Ban Landmines, *Landmine Monitor 2006*.

**Terrorism.** The three main illegally armed groups in Colombia have been designated foreign terrorist organizations, and the threats that terrorism poses to Colombia and the Andean region are often cited as justification for U.S. involvement. The most widely accepted definition of terrorism is politically motivated violence perpetrated against noncombatant targets by subnational groups or clandestine agents.<sup>28</sup> With the exception of Colombia, terrorism in Latin America is not as prominent as in other areas of the world.

However, the Western Hemisphere has a number of domestic terrorist groups that operate in Colombia and Peru, and the Triborder Area of Argentina, Brazil and Paraguay is thought to be a regional hub for Hizbollah and Hamas fundraising. The State Department reports that there is no confirmed or credible information of an established Al Qaeda presence in Latin America, although it notes that terrorist fundraising continues to be a concern. Some press reports have quoted unnamed foreign security analysts as claiming a link between Al Qaeda and the FARC, but these reports have not been confirmed by official sources.<sup>29</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 United States ratified the Convention in November 2005. At the February 2005 CICTE session OAS members re-affirmed their commitment to increased cooperation to combat terrorism and to expand their work by addressing aviation, seaport, and cyber security.<sup>30</sup>

## Colombia and Global Drug Trends

Colombia's prominence in the production of cocaine and heroin is cited as justification for the U.S. focus on anti-narcotics efforts in the Andean region. According to various sources, Colombia is the source of 70% of the world's cocaine.<sup>31</sup> It is also the source of over 90% of cocaine and a significant quantity of high quality heroin entering the United States.<sup>32</sup> Its heroin production is a small fraction of global supply but accounts for 50% of the heroin entering the United States. The principal international counternarcotics objective of the United States is

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<sup>28</sup> For more information on terrorism issues in general, see CRS Report, *Terrorism and National Security: Issues and Trends*, by Raphael Perl; and CRS Report RS21049, *Latin America: Terrorism Issues*, by Mark P. Sullivan.

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

<sup>30</sup> For more information see, CRS Report RS21049, *Latin America: Terrorism Issues*, by Mark P. Sullivan.

<sup>31</sup> United Nations Office on Drugs and Crime (UNODC), *World Drug Report 2006*.

<sup>32</sup> U.S. Department of State Bureau of International Narcotics Control and Law Enforcement Affairs, *International Narcotics Control Strategy Report (INCSR) 2006*.



to curb this flow. It is estimated that cocaine is abused by 13 million people worldwide and heroin by 11 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>33</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.

After a long period of stable prices, purity, and availability of illegal drugs in the United States, recent evidence indicates that prices for both cocaine and heroin increased during 2005. Proponents of U.S. drug policy contend that the increase is an effect of the success of Plan Colombia. The supply of drugs is often judged by changes in price, with higher prices signifying decreased supply. In November 2005, the U.S. Office of National Drug Control Policy (ONDCP) announced that for the period from February to September 2005, prices for cocaine had increased 19% while purity had decreased 15%. This follows a long trend line, beginning in the early 1980s, of falling cocaine prices. Earlier in the year, ONDCP reported that the availability of South American heroin had also been reduced, with heroin prices increasing 30%, and purity decreasing 22%.<sup>34</sup> Heroin purity had been steadily increasing since the 1980s.

Global production of the opium poppy, from which heroin is produced, fell 22% in 2005. Its principal source countries are Afghanistan (68%) and Burma (Myanmar) (22%). Most heroin consumed in the United States, however, comes from Mexico (2% of global opium poppy production) and Colombia (1.3% of global opium poppy production). Although 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. However, the Office of National Drug Control Policy reported in February 2006 that the retail purity of Colombian heroin seized in the United States decreased by 22% from 2003 to 2004.<sup>35</sup>

Some observers have expressed caution in interpreting the ONDCP figures on price, purity, and availability. They maintain that short-term fluctuations are not

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<sup>33</sup> United Nations Office on Drugs and Crime (UNODC), *World Drug Report 2006*.

<sup>34</sup> Lauren Monsen, "Colombia's Efforts Help Reduce Supply of Narcotics in U.S.," *Washington File*, November 17, 2005; Office of National Drug Control Policy, *Pulse Check*, January 2004; and U.S. Department of Justice, National Drug Intelligence Center, *National Drug Threat Assessment 2004*, April 2004.

<sup>35</sup> United Nations Office on Drugs and Crime (UNODC), *World Drug Report 2006*; ONDCP, "The President's National Drug Control Strategy," February 2006; ONDCP, March 2003, Drug Data Summary, and ONDCP testimony, House International Relations Committee, May 11, 2005.

uncommon and may not be sustainable.<sup>36</sup> They also question the conclusion that an increase in the street price of cocaine in 2004 represents a significant victory in the war on drugs as the street price for cocaine in 2003 was the lowest since 1981.<sup>37</sup> There are several reasons why prices and supply had remained stable for such a long period. Some argue that interdiction efforts take time to show their impact on price and availability.<sup>38</sup> In addition, some argue that an increase in the street price of cocaine and heroin is unlikely to appear in the near term because of the large profit margin. Even if the availability of coca leaf and opium poppies is decreasing, and consequently the price for the raw materials is increasing, they constitute a very small fraction of the U.S. retail price. Traffickers are easily able to absorb this increased cost.<sup>39</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. The Office of National Drug Control Policy (ONDCP) changed its area of survey in 2005, leading to a finding that Colombian coca cultivation increased 26% from 2004. However, when using the same survey area as used in 2004, the ONDCP found an 8% decline in land under coca cultivation. The State Department also reported an 8% increase in coca cultivation in Bolivia and an increase of over 10% in Peru during 2005. Political pressures in Bolivia led to a steep decline in coca eradication during 2005, including a government decision to suspend eradication of nearly 8,000 acres pending the outcome of a study to determine the legal demand for coca in Bolivia. The U.N. Office on Drugs and Crime (UNODC) reported declines in coca cultivation in both Bolivia (8%) and Peru (4%), while increasing 8% in Colombia.<sup>40</sup>

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<sup>36</sup> Juan Forero, "Cocaine Prices Rise and Quality Declines, White House Says," *The New York Times*, November 18, 2005.

<sup>37</sup> Washington Office on Latin America, "In Dubious Battle: Fumigation and the U.S. War on Drugs in Colombia," June 2006.

<sup>38</sup> John P. Walters, ONDCP, testimony before the House Government Reform Committee, "A Status Report on Plan Colombia Successes and Remaining Challenges," June 17, 2004.

<sup>39</sup> According to a 1994 study, coca leaf constitutes 2% of the retail price of cocaine. James Painter, *Bolivia and Coca: A Study in Dependency*, Boulder: Lynne Rienner Publishers, 1994. See also Kathryn Ledebur, "Bolivia: Clear Consequences" in *Drugs and Democracy in Latin America: The Impact of U.S. Policy*, edited by Coletta A. Youngers and Eileen Rosin, Lynne Rienner Publishers, 2005; and *Ibid.*, Walsh.

<sup>40</sup> "CIA Foresaw 'Balloon Effect' Five Years Ago," *Latin American Newsletter Weekly Report*, January 27, 2004; United Nations Office on Drugs and Crime (UNODC), *World Drug Report 2006*; Department of State Bureau of International Narcotics and Law Enforcement Affairs, *International Narcotics Control and Strategy Report 2006 (INCSR 2006)*; and Office of National Drug Control Policy (ONDCP), *2005 Coca Estimates for Colombia*, April 14, 2006.

## 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.** Colombia's relations with its neighbors have been strained by the spillover from Colombia's civil war, including cross-border military activity. Colombia has asked both Venezuela and Ecuador for assistance in patrolling border areas where the FARC is strong. Press accounts in 2005 and 2006 reported numerous FARC attacks in Colombia along its border with Venezuela. Tensions resulting from the spillover of Colombia's armed conflict complicate its political and economic relations with Venezuela. Colombia's second most important trading partner. The State Department's *2005 Country Reports on Terrorism* report states that Venezuelan President Hugo Chávez's "ideological sympathy for the Revolutionary Armed Forces of Colombia (FARC) and National Liberation Army (ELN) limited Venezuelan cooperation with Colombia in combating terrorism." The FARC and ELN use Venezuelan territory as safehavens, and to transship arms and drugs, secure logistical supplies, and commit kidnappings and extortion. Splinter groups of the FARC and AUC also operate in Venezuela where they participate in drug trafficking. Late in 2003, Venezuelan officials accused paramilitary forces of killing seven of its National Guard soldiers.<sup>41</sup> Tensions between Colombia and Venezuela heightened in December 2004 when Colombia admitted to paying a reward for the capture of a high-ranking FARC official in Caracas, Venezuela. According to press reports, the FARC official was then turned over to Colombian authorities in Colombian territory. Venezuelan President Chávez condemned the action, and for a brief time withdrew his ambassador in Bogotá and suspended trade relations in January 2005.<sup>42</sup>

Opponents of President Chávez regularly accuse him of harboring FARC guerrillas. While the FARC uses Venezuelan territory as a safe haven, the State Department notes, "it is unclear to what extent the Venezuelan Government provided

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<sup>41</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' Deaths," *Dow Jones International News*, December 28, 2003.

<sup>42</sup> "Colombia Defends Rebel's Seizure After Venezuela Cuts Ties," *Bloomberg*, January 16, 2005.

material support to Colombian terrorists and at what level.”<sup>43</sup> There are reports that the FARC has developed links to pro-Chávez Venezuelan guerrilla groups, such as the Popular Liberation Army and the Bolivarian Liberation Forces. Press reports in 2006 alleged that kidnapped Venezuelan farmers were taken to FARC camps in Venezuela, though it is not clear how many FARC camps may be present in Venezuela.<sup>44</sup> The FARC has issued communiques in support of President Chávez’s Bolivarian revolution, including a February 2006 offer to defend the Chávez government in the event of a U.S. invasion. Statements such as this and the FARC’s continued presence in Venezuela have led Colombian leaders to charge that Chávez is harboring the FARC. President Chávez dismisses these allegations as propaganda.<sup>45</sup>

Tensions with Ecuador have also increased, with accusations of incursions by Colombian troops chasing FARC units across the border. In February 2006, Ecuador briefly recalled its ambassador to Bogotá in response to a Colombian incursion. Colombian President Uribe maintains that the FARC is using Ecuador as a base to launch attacks on Colombian troops.<sup>46</sup> An Ecuadoran military intelligence report leaked to the press in May 2006 reported the destruction of six FARC camps in the northern province of Sucumbios with a combined capacity of 1,000. The report noted that the camps were used for “resupply, as bases to rest, and to plan their various attacks against Colombia’s military forces.”<sup>47</sup> Ecuador also is affected by a flow of Colombian migrants displaced by the fighting in the south of Colombia, according to a Colombian human rights monitoring organization.<sup>48</sup> The FARC also carries out cross-border operations from Panama and Brazil. A Brazilian newspaper reported that the FARC has camps along the Brazilian border with Paraguay where it trains foreign criminal organizations. In July 2004, Brazil reinforced one of its military units along the Colombian border in response that the FARC planned to raid the base for supplies.<sup>49</sup>

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<sup>43</sup> Department of State, Office of the Coordinator for Counterterrorism, *Country Reports on Terrorism 2005*.

<sup>44</sup> Chris Kraul, “Venezuela Cattlemen Living in Fear,” *Los Angeles Times*, July 25, 2006.

<sup>45</sup> “Colombian Rebels to Support Venezuela in Event of U.S. Invasion,” *BBC Monitoring*, February 28, 2006; “Venezuela Jabs at Colombian Paramilitary Demobbing,” *Reuters*, March 2, 2006.

<sup>46</sup> “Colombia: Uribe Insists Guerrillas Attack from Ecuador,” *LatinNews Daily*, February 9, 2006; “Colombia Pide a Vecinos Más Vigilancia en Frontera ante Ataques de las FARC,” *Agence France Presse*, June 27, 2005; and, Kate Joynes, “Bilateral Ties Under Scrutiny in Colombia’s New Ministerial Meetings,” *Global Insight*, August 15, 2006.

<sup>47</sup> “Ecuador: Seeking Help from Chávez, Moving Against FARC,” *Latin American Weekly Report*, May 30, 2006.

<sup>48</sup> “Ecuador: Tension Over Colombian Incursion,” *Latinnews Daily*, November 14, 2005.

<sup>49</sup> “Fuerzas Armadas Revolucionarias de Colombia (FARC),” *Jane’s World Insurgency and Terrorism*, December 16, 2005.

## Issues for Congress

Recent debate on U.S. policy toward Colombia has taken place in a context of concern over the sheer volume of illegal drugs available in the United States and elsewhere in the world. The United States approved increased assistance to Colombia as part of a six-year plan called Plan Colombia in June 2000, totaling \$4.5 billion from FY2000 to FY2005. The United States now considers assistance to Colombia on an annual basis through the Andean Counterdrug Initiative (ACI). The U.S. policy debate is 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.

In addition to the basic debate over what role the United States should play in Colombia's struggle against drug trafficking and illegally armed groups, Congress has repeatedly expressed concern with a number of related issues. These include continuing allegations of human rights abuses; the health and environmental consequences of aerial eradication for drug control; the progress of alternative development to replace drug crops with non-drug crops; judicial reform and rule of law programs; and the level of risk to U.S. personnel in Colombia and the continued captivity of several American hostages held by the FARC.<sup>50</sup>

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

Opponents of U.S. policy respond that the counterdrug program uses a repressive military approach to curbing drug production which could provoke a negative popular reaction in rural areas. They argue for halting aerial fumigation of drug crops and aid to the Colombian military, believing that coca farmers cannot be expected to abandon coca farming voluntarily until adequate economic alternatives are in place. They fear that forcing such farmers to give up coca growing will only drive many to the ranks of the armed groups, or to become displaced persons dependent on the state. Further, they argue that any decreases in coca cultivation in Colombia will be offset by increases in neighboring countries. Instead, many urge that counternarcotics policy should stress interdiction rather than eradication so that

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<sup>50</sup> For more information, see CRS Report RL32337, *Andean Counterdrug Initiative (ACI) and Related Funding Programs: FY2005 Assistance*, by Connie Veillette; and CRS Report RL33163, *Drug Crop Eradication and Alternative Development in the Andes*, by Connie Veillette and Carolina Navarette-Frias.

the direct costs to peasant producers would be less. Some critics of U.S. policy would support a policy that focuses largely on economic and social aid to combat what they consider to be the conflict's root causes, curbs the still rampant human rights abuses by paramilitary groups, provides vigorous support for a negotiated end to the fighting, and emphasizes illicit drug demand reduction in the United States. Still others urge a regional and multilateral approach, in which drug consuming countries would fund land reform and rural development programs, as complementary to interdiction efforts.<sup>51</sup>

In response to an Administration request, Congress reconsidered the statutory caps on U.S. personnel allowed to be deployed to Colombia in support of Plan Colombia. The FY2005 National Defense Authorization Act (H.R. 4200; P.L. 108-375) raised the military cap from 400 to 800 and the civilian cap from 400 to 600. The cap does not apply to personnel conducting search and rescue operations, or to U.S. personnel assigned as part of their regular duties to the U.S. embassy. As of June 30, 2006, there were 192 U.S. military and 402 U.S. contractors in Colombia in support of Plan Colombia. During the previous three months, military personnel levels varied from 190 to 341, while civilian personnel levels varied between 370 and 454.<sup>52</sup>

## **Plan Colombia and the Andean Counterdrug Initiative (ACI)**

Plan Colombia was developed by former President Pastrana (1998-2002) as a six-year plan to end the country's 40-year old armed conflict, eliminate drug trafficking, and promote economic and social development. The initial plan was a \$7.5 billion three-year plan, with Colombia providing \$4 billion of the funding and requesting \$3.5 billion from the international community. The U.S. Congress approved legislation in support of Plan Colombia in 2000, as part of the Military Construction Appropriations Act of 2001 (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), which also provides assistance to Bolivia, Brazil, Ecuador, Panama, Peru, and Venezuela. 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.<sup>53</sup>

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<sup>51</sup> Julia E. Sweig, *Andes 2020: A New Strategy for the Challenges of Colombia and the Region*, Council on Foreign Relations Center for Preventive Action, January 2004.

<sup>52</sup> Information provided by the Department of State. Numbers vary because of program cycled. During 2005, the overall number of U.S. military personnel in support of Plan Colombia was between 149 and 501, while in 2004 it ranged from 126 to 388. During 2005, the number of U.S. civilian contractors was between 230 and 410, compared to 271 to 396 in 2004.

<sup>53</sup> The State Department and the Department of Defense explain expanded authority as providing them with flexibility in situations where there is no clear line between drug and terrorist activity.

Through the Andean Counterdrug Initiative and Foreign Military Financing accounts, 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. U.S. assistance 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. U.S. assistance includes human rights training programs for security personnel in response to Congressional concerns about human rights abuses committed by Colombian security forces. Congress has prohibited U.S. personnel from directly participating in combat missions and has capped the number of U.S. military and civilian contractor personnel that can be stationed in Colombia in support of Plan Colombia at 800 and 600 respectively.

The United States also supports the interdiction of drug shipments through the 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. The program was suspended in 2001 after a flight carrying American missionaries was shot down over Peru. Following the establishment of new safeguards against accidental shootdowns, the program was renewed in Colombia in 2003. The State Department credited the Air Bridge Denial program with the destruction of two aircraft, the capture of five aircraft in Colombia and three in Central America, and the seizure of about four metric tons of cocaine in 2005. This is in addition to the destruction of several aircraft and the seizure of more than three metric tons of cocaine during 2004.<sup>54</sup>

**Aerial Eradication and Alternative Development.**<sup>55</sup> Upon taking office, President Uribe announced that aerial eradication, along with alternative crop development, would form a significant basis of the government's efforts. The Plan Colombia eradication spraying program began in December 2000 with operations by the U.S. funded counternarcotics brigade in Putumayo. It should be noted, however, that spraying does not prevent, although it may discourage, the replanting of illicit crops. The United Nations reported a 50% decline in opium poppy cultivation in Colombia in 2005 to 4,940 acres; or, 69% fewer acres than in 2000. However, the United Nations also reported an 8% increase in acreage devoted to coca cultivation; the first such increase since 2000. At 212,510 acres, the area of cultivation remains 47% less than in 2000 when 403,350 acres were under cultivation. The Office of National Drug Control Policy (ONDCP) enlarged its area of survey in 2005, which showed 355,680 acres under cultivation. This figure represents a 26% increase over ONDCP data for 2004; however, when the survey area was limited to the same area as in 2004, the ONDCP found an 8% reduction in coca cultivation. Although the new survey area showed an increase in coca cultivation, ONDCP argues that this new data can be used to better target future eradication efforts the previous year because

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<sup>54</sup> U.S. Department of State, Bureau for International Narcotics and Law Enforcement Affairs, *International Narcotics Control and Strategy Report 2006*.

<sup>55</sup> Also see CRS Report RL33163, *Drug Crop Eradication and Alternative Development in the Andes*, by Connie Veillette and Carolina Navarette-Frias.

newly-planted crops are less productive. In 2005, the State Department reports that 343,000 acres of coca and 4,000 acres of opium poppy were sprayed.<sup>56</sup>

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

The U.S. Agency for International Development funds alternative development programs to assist illicit crop farmers in the switch from illicit to licit crops, and provides assistance with infrastructure and marketing. The State Department's annual International Narcotics Control Strategy Report for 2005 claimed that more than 60,000 acres of licit crops have been planted in previous coca and poppy areas during 2005. In addition, the United States assisted with the establishment of 874 social and productive infrastructure projects that benefitted 50,000 families in 17 departments.

The success of alternative development in Colombia has been limited both by security concerns and the limited scope of the program. Security concerns are blamed for the planned withdrawal of USAID assistance to five departments where coca production is increasing, according to a USAID memo leaked to the press in October 2006. The United Nations Office on Drugs and Crime (UNODC) reported in June 2006 that alternative development programs have been successful, but only reach 9% of Colombian coca growers and called for a tenfold increase in international donor support for alternative development programs. Proponents of U.S. policy argue that both eradication and alternative development programs need time to work. USAID has 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>57</sup>

**U.S. Hostages.** Concerns in the United States that greater U.S. involvement will result in a protracted commitment of indeterminate duration were fueled by incidents in 2003 in which U.S. citizens were killed or kidnapped. During that year,

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<sup>56</sup> Department of State, *INCSR 2006*; ONDCP, *2005 Coca Estimates for Colombia*, April 14, 2006; UNODC *World Drug Report 2006*. Differences in estimates could be due to different survey methodology used or to replanting.

<sup>57</sup> *Ibid*, Joshua Goodman, "U.S. Pulling Economic Aid from Colombia's Coca Infested South," *Associated Press*, October 12, 2006; United Nations Office on Drugs and Crime (UNODC), "Coca Cultivation in Andes Stabilizes in 2005," June 20, 2006; and, UNODC, *Coca Cultivation in the Andean Region*, June 2006 .



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. The three hostages are the longest held U.S. hostages in the world. They are included on the list of hostages that the FARC is willing to exchange for the release of guerrillas currently serving time in prison. U.S. Ambassador Wood has said that although the United States refuses to negotiate with terrorists as a matter of policy, it has been assured by the Colombian government that any potential exchange of prisoners for hostages would include the three Americans. Colombian government overtures to the FARC with regard to a hostage/prisoner exchange have been rejected by the FARC because the offer ruled out the creation of a demilitarized zone in southern Colombia.<sup>58</sup>

**Funding for Plan Colombia.** From FY2000 through FY2006, U.S. funding for Plan Colombia totals just over \$5 billion in State Department and Defense Department programs. Most U.S. assistance is provided through the Andean Counterdrug Initiative account of the State Department. In addition, support for aerial eradication programs is provided from the State Department's Air Wing account. The U.S. Agency for International Development (USAID) provides support for alternative crop development and economic development programs, with some funding transferred from the ACI account. The Defense Department requests a lump sum for all counternarcotics programs worldwide under Sections 1004 and 1033, and under Section 124, of the National Defense Authorization Act. DOD can reallocate these funds throughout the year in accordance with changing needs. While not considered a formal component of the Andean Counterdrug Initiative, the Defense Department has provided Colombia with additional funding for training and equipment for a number of years, as well as the deployment of personnel in support of Plan Colombia.

Below is an outline of funding levels approved by Congress as part of the Andean Counterdrug Initiative and related funding programs since 2005. See the table in the Appendix for allocations since 2000 broken down by agency.

- For FY2005, the Administration allocated \$462.8 million in ACI funding, consisting of \$152.1 million for alternative development and \$310.7 million for narcotics interdiction and eradication. Another \$99.2 million was allocated for FMF.
- For FY2006, the Administration requested \$463 million in ACI funding, consisting of \$152.1 million for alternative development and \$310.9 million for narcotics interdiction and eradication

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<sup>58</sup> Remarks of Amb. William Wood, Woodrow Wilson Center for International Scholars, June 14, 2005; "Government Rejects 'Arrogant' FARC Response," *Latinnews Daily*, August 4, 2005; Kim Housego, "Colombia Hopes to Form International Commission to Facilitate Prisoner Swap," *Associated Press*, November 21, 2005; and "Mininterior reitera voluntad para intercambio humanitario y acusa a las FARC de 'no poner la cara,'" *El Tiempo*, September 4, 2006.

programs. The FMF request was \$90 million. In the FY2006 Foreign Operations Appropriations Act (P.L. 109-102), Congress approved a total of \$469.5 million in ACI funding, of which \$158.6 million was for alternative development and \$310.9 million was for interdiction and eradication.

- For FY2007, the Administration requested \$465 million in ACI funding, consisting of \$313 million for narcotics interdiction and eradication programs; and \$125 million for alternative development and institution building. The FMF request was again for \$90 million. On June 9, 2006, the House passed H.R. 5522, the FY2007 Foreign Operations Assistance Act, which provides \$545.2 million for Colombia, an increase of over \$80 million from FY2006. Significantly, the House measure moves some ACI assistance to traditional accounts, for example the \$135 million in alternative development assistance would be funded from ESF, not ACI. The Senate did not approve a foreign operations measure before the end of the session, and foreign operations programs are currently operating under the terms of a continuing appropriations resolution (H.R. 5631/P.L. 109-289, as amended), which provides funding at the FY2006 level or the House-passed FY2007 level, whichever is less. The continuing appropriations resolution expires on February 15, 2007.

## Paramilitary Demobilization

The 110<sup>th</sup> Congress will likely want to monitor the developing scandal involving paramilitary ties to Colombian politicians. Some Members of Congress have expressed concern about both the AUC demobilization process and the overall demobilization framework under the Justice and Peace Law approved by the Colombian Congress in 2005. The FY2005 Foreign Operations Appropriations Act, included as Division D in the FY2005 Consolidated Appropriations Act (P.L. 108-447), expressed concern that the demobilization process was not ensuring the dismantling of foreign terrorist organizations, was not deterring members from resuming illegal activities, and that the government of Colombia was not prosecuting those involved in drug trafficking and human rights violations. It recommended that the State Department not request FY2006 funds for demobilization unless the Department of Justice determined the activities to be consistent with U.S. anti-terrorism laws. It also made a future request for demobilization support contingent on a number of conditions, such as adherence to a cease fire and cessation of illegal activities, the continued adherence to the U.S.-Colombia extradition treaty, and the presence of a legal framework that prosecutes and punishes combatants in proportion to the crimes committed.<sup>59</sup>

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<sup>59</sup> For details of the provisions, see CRS Report RL32337, *Andean Counterdrug Initiative (ACI) and Related Funding Programs: FY2005 Assistance*, by Connie Veillette.

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

- 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, including disclosure of past crimes; the location of kidnap victims and bodies of the disappeared; and, knowledge of FTO structure, financing, and assets.
- that the Colombian government is fully cooperating with the United States in extraditing FTO leaders and members who have been indicted in the United States for murder, kidnaping, narcotics trafficking, and other violations of U.S. law;
- that the Colombian government is implementing a concrete and workable framework for dismantling the organizational structures of FTOs; and
- that funds will not be used to make cash payments to individuals, and funds will only be available for any of the following activities: verification, reintegration (including training and education), vetting, recovery of assets for reparations for victims, and investigations and prosecutions.

The FY2007 Foreign Affairs Authorization Act (H.R. 5522) would also provide \$20 million for the demobilization and reintegration of FTO members under the above conditions.<sup>60</sup> Foreign Operations programs are currently operating under the terms of a continuing appropriations resolution (H.R. 5631/P.L. 109-289, as amended) that provides funding at the FY2006 level or the House-passed FY2007 level, whichever is less. The continuing appropriations resolution expires on February 15, 2007.

## Human Rights

Debate in Congress has continued to focus on allegations of human rights abuses by the FARC and ELN, paramilitary groups, and the Colombian Armed Forces. The Colombian security forces, it is argued, have often turned a blind eye to paramilitary activities, considering these groups as augmenting their fight against the FARC and ELN. U.S. policy has supported the creation and assistance for a Human Rights Unit within the Attorney General's office, although some non-governmental groups have claimed it to be ineffective.<sup>61</sup>

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<sup>60</sup> For details of the provisions, see CRS Report RL33370, *Andean Counterdrug Initiative (ACI) and Related Funding Programs: FY2007 Assistance*, by Connie Veillette.

<sup>61</sup> Human Rights Watch, "A Wrong Turn: The Record of the Colombian Attorney General's Office," November 2002.

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 May 30, 2006, the Secretary of State asserted that the Colombian government and armed forces are meeting the statutory requirements with regard to human rights. This certification made available the final 12.5% of FY2005 funds appropriated by Congress. 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 noted progress in severing ties between the military and paramilitaries; reporting names of Colombian soldiers suspended for suspected human rights violations to the United States; and investigation of military personnel credibly charged with human rights violations. 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>62</sup>

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, then 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>63</sup> Congress has regularly included the so-called Leahy amendment in foreign operations appropriations legislation that denies funds to any security force unit for which the Secretary of State has credible evidence of gross human rights violations. The Secretary may continue funding if he determines and reports to Congress that the foreign government is taking effective measures to bring the responsible members of these security forces to justice. In January 2003, the United States cut off support to the Colombian 1<sup>st</sup> Air Combat Command for the lack of progress in investigating and prosecuting members who allegedly bombed civilians in a December 1998 incident. The United States also cut off support of the Colombian Army's 17<sup>th</sup> Brigade in 2005 and 2006 due to pending investigations of human rights violations in the peace community of San José de Apartado. Despite this action, human rights organizations claim that the U.S. government often turns a blind eye to questionable activities of Colombian security forces.

Relations between the Uribe Administration and human rights organizations have often been tense with human rights organizations because of the groups doubts

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<sup>62</sup> The certification is available at the State Department's website, [<http://usinfo.state.gov>]. Opposing views can be found at [<http://hrw.org>], José Miguel Vivanco and Maria McFarland, "Colombia: Rosy Picture Belies Stark Problems," *Miami Herald*, June 14, 2006, and "CIP Backgrounder: Colombian Human Rights Certification," Center for International Policy, August 3, 2005.

<sup>63</sup> "Rights Groups Say Both Sides in Colombia Conflict Use Torture," Voice of America Press Releases and Documents, November 12, 2003.

about President Uribe's commitment to human rights. There was some speculation that President Uribe would not renew the United Nations High Commissioner for Human Rights (UNHCHR) mandate, because it has been critical of his administration. However, in September 2006, the Uribe administration extended the UNHCHR's mandate for another year. The UNHCHR has been critical of the paramilitary demobilization process and has criticized the government, along with paramilitaries and leftist guerrillas, for human rights violations in its annual report. The May 2006 report charges that the demobilization framework allows continued impunity of paramilitaries and does not provide a framework under which the Colombian state acknowledges responsibility for the times it either cooperated with paramilitaries in the commission of human rights violations or failed to stop them. The report noted that, while the rate of paramilitary rights violations has fallen since the December 2002 cease fire, rights violations perpetrated by paramilitaries continued in 2005. The UNHCHR also reported that the FARC continue to massacre, kill, and displace civilians during 2005. Groups at risk for human rights violations include journalists, union leaders, and human rights workers. According to the UNHCHR, threats against journalists doubled in 2005 and two journalists were killed.<sup>64</sup>

#### **Internal Displacement and Refugee Flows to the United States.**

Colombia has the second largest population of internally displaced persons (IDPs) in the world, behind Sudan. There are 3 million IDPs in Colombia, with an estimated 160,000 to 250,000 newly displaced in 2005. There are also nearly 258,000 Colombian refugees and asylum seekers outside of Colombia.<sup>65</sup> The United States began resettling Colombian refugees in 2002. Admissions peaked at 577 in FY2004, but declined to 323 in FY2005 due to provisions of the REAL ID Act which bar the admission of persons who have provided material support to terrorist groups.<sup>66</sup> In 2005, the United Nations High Commissioner for Refugees (UNHCR) stopped referring Colombians for resettlement to the United States because of this issue. U.S. Citizenship and Immigration Services reports that 115 Colombian refugees were admitted to the United States in FY2006. H.R. 5918, introduced in the House on July 27, 2006, would amend the Immigration and Nationality Act so that persons who have provided material support to a terrorist organization under duress or coercion can be admitted to the United States.

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<sup>64</sup> United Nations Economic and Social Council, "Report of the United Nations High Commissioner for Human Rights on the Situation of Human Rights in Colombia," May 16, 2006.

<sup>65</sup> U.S. Committee for Refugees, *World Refugee Survey 2006*; and, Agencia Presidencial para la Acción Social y la Cooperación Internacional, "Gerencia de Sistemas de Información de Población Desplazada," July 31, 2006.

<sup>66</sup> Department of State Bureau of Population, Refugees, and Migration, "Refugee Admissions Program for Latin America and the Caribbean," May 9, 2006.

## Economic Issues

**U.S.-Colombia Trade Promotion Agreement.**<sup>67</sup> The Administration announced in 2003 its intentions to begin negotiating an Andean region free trade agreement (FTA) with Colombia, Peru, Ecuador, and Bolivia. In its announcement, the Administration asserted that an FTA would reduce and eliminate foreign barriers to trade and investment, support democracy, and fight drug activity. After regional talks broke down, the United States pursued bilateral trade agreements with Colombia and Peru. The United States and Colombia signed the U.S.-Colombia Trade Promotion Agreement on November 22, 2006; the agreement must now be ratified by both nations' congresses. Colombia, Bolivia, Ecuador, and Peru currently benefit from the Andean Trade Preference Act (ATPA). This trade pact, which was set to expire on December 31, 2006, was extended to June 30, 2007. The ATPA authorizes the President to grant duty-free treatment to certain products, with more than half of all U.S. imports in 2004 from the Andean countries entering under these preferences. ATPA benefits may be extended to December 31, 2007, if the country's legislature has approved legislation implementing a trade agreement with the United States and the President determines that the country's legislature has approved the trade agreement.

**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 26% of export revenues, on average from 2001 to 2005. This represents a decline from a peak of 36% in 2000.<sup>68</sup> The armed conflict has impeded exploration for new reserves, and with disruptions to production caused by terrorist attacks, production has fallen. The FARC and ELN have claimed responsibility for attacking oil infrastructure. Colombia had the fifth-largest oil reserves in South America, with 1.5 billion barrels of proven crude oil reserves in 2005, down 13% from 2004. It produced 526,000 barrels per day (bbl/d) in 2005, a less than 1% decrease from the 530,000 bbl/d produced in 2004. The country's oil production has declined from a high of 830,000 bbl/d in 1999. Colombia exports half of its production, with most destined for the United States.<sup>69</sup> 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 the Petroleum Exporting Countries (OPEC) and so does not have to abide by OPEC-imposed production quotas.

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<sup>67</sup> See also CRS Report RS22419, *U.S.-Colombia Trade Promotion Agreement*, and CRS Report RS22548, *ATPA Renewal: Background and Issues*, both by M. Angeles Villarreal.

<sup>68</sup> "Colombia: Country Profile 2006," *Economist Intelligence Unit*.

<sup>69</sup> Energy Information Administration, U.S. Department of Energy, "Colombia: Country Analysis Brief," June 2006.

U.S. Occidental and BP-Amoco are the most active foreign oil companies operating in Colombia. A major problem in exploration and transportation has been the ongoing armed conflict with leftist guerrilla groups. Both the FARC and the ELN have targeted oil pipelines, electricity transmission infrastructure, and oil wells, as well as engaging in kidnappings of oil company employees. Aggressive exploration of new reserves has been hindered by the fighting and the lack of effective government control of all parts of the country's territory. However, a study requested by the Colombian National Hydrocarbons Agency (ANH) rated Colombia as the most attractive country in Latin America for investments in the hydrocarbons sector. ANH is a Colombian government regulatory agency that oversees oil exploration.<sup>70</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. 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>71</sup> In 2003, the United States allocated \$99 million in infrastructure protection assistance for a 110-mile portion of the Caño Limón pipeline in Arauca, and about \$147 million in FY2004, leading critics to claim that the United States is protecting the assets of oil companies. Pipeline attacks fell to 17 in 2004 from a high of 170 in 2001, perhaps reflecting results of U.S. assistance and the aggressive security operations of President Uribe. A September 2005 GAO report, however, found that guerrilla attacks on the pipeline had increased in Norte de Santander, which was not covered by the U.S. program to secure the pipeline. The GAO also found that guerrillas changed tactics by increasing attacks on the electrical grid that powers the oil field.<sup>72</sup>

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<sup>70</sup> "Colombia Most Attractive Country in Latin America for Investments in Hydrocarbons," *Latin America News Digest*, November 23, 2005.

<sup>71</sup> U.S. Department of State Report to Congress, *Colombia: Cano Limon Pipeline*, January 2003.

<sup>72</sup> GAO, *Security Assistance: Efforts to Secure Colombia's Caño-Limón-Coveñas Oil Pipeline Have Reduced Attacks, but Challenges Remain*, September 2005.

**Table 1. List of Acronyms**

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

**Table 2. U.S. Assistance For Plan Colombia, FY2000-FY2006**  
(in millions \$)

	ACI	FMF	NADR	AirWing	DOD	Total
FY2000	60.1	—	—	38.0	128.5	<b>226.6</b>
P.L.106-246	832.0	—	—	—	100.7	<b>932.7</b>
FY2001	48.0	—	—	38.0	190.2	<b>276.2</b>
FY2002	379.9 <sup>a</sup>	—	25.0	38.2	119.1	<b>562.2</b>
FY2003	580.2 <sup>b</sup>	17.1	3.3	41.5	165.0	<b>807.1</b>
FY2004	473.9	98.5	.2	45.0	122.0	<b>739.6</b>
FY2005	462.8	99.2	4.1	45.0	200.0	<b>811.1</b>
FY2006	464.8	89.1	—	45.0	112.0	<b>710.9</b>
FY2007 (request)	465.0	90.0	3.84	na	na	<b>558.8</b>
<b>Total</b>	<b>3,766.7</b>	<b>393.9</b>	<b>36.44</b>	<b>290.7</b>	<b>1,137.5</b>	<b>5,630.8</b>

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

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

- a. Includes \$6 million appropriated to FMF but transferred to the ACI account.
- b. Includes \$93 million in FMF regular appropriations and \$20 million in FMF supplemental funds that were transferred to the ACI account.



**Figure 1. Map of Colombia**



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